

City of Monett, Missouri

Basic Financial Statements With Independent Auditor's Report

For the Year Ended
March 31, 2021

CITY OF MONETT, MISSOURI

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INDEPENDENT AUDITOR’S REPORT

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To the Honorable Mayor and
Commissioners
City of Monett, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monett, Missouri (the City) as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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 the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, each major fund, and the aggregate remaining fund information of the City as of March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of employer contributions 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 information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021, on our consideration of the City's internal control over financial reporting and 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* in considering the City's internal control over financial reporting and compliance.

Cochran Head Vick + Co., P.C.

Kansas City, Missouri
October 12, 2021

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2021

The Management's Discussion and Analysis of the City of Monett, Missouri's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended March 31, 2021. Please read it in conjunction with the City's financial statements, which begin on page 10.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of March 31, 2021, by \$66,963,236 (net position). Of this amount \$13,122,087 is unrestricted and may be used to meet future obligations of the City.

- The City's total net position increased by \$4,961,960 during the fiscal year as a result of current year activities. The City's governmental activities increased by \$5,491,979 and the City's business activities decreased by \$530,019 for the year.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in it. The City's net position - the difference between assets and deferred outflow less liabilities and deferred inflows - is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental Activities - Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.

Business-Type Activities -The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility services are provided here.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. However, the City Council establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2021

Governmental Funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

Proprietary Funds – When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that governmental activities are reported in the Statement of Net Position and the Statement of Activities.

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Our analysis below focuses on net position (Figure 1) and changes in net position (Figure 2) of the governmental and business-type activities.

Figure 1 – Statement of Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 8,445,220	\$ 9,190,585	\$ 17,469,925	\$ 18,369,774	\$ 25,915,145	\$ 27,560,359
Capital assets	32,692,798	27,398,547	29,194,779	29,951,017	61,887,577	57,349,564
Total assets	<u>41,138,018</u>	<u>36,589,132</u>	<u>46,664,704</u>	<u>48,320,791</u>	<u>87,802,722</u>	<u>84,909,923</u>
Deferred outflow s - pension	1,394,914	527,013	515,826	198,101	1,910,740	725,114
Total deferred outflow s of resources	<u>1,394,914</u>	<u>527,013</u>	<u>515,826</u>	<u>198,101</u>	<u>1,910,740</u>	<u>725,114</u>
Long-term debt	5,180,939	5,323,879	13,614,952	14,915,866	18,795,891	20,239,745
Other liabilities	1,138,544	285,096	2,511,223	1,672,420	3,649,767	1,957,516
Total liabilities	<u>6,319,483</u>	<u>5,608,975</u>	<u>16,126,175</u>	<u>16,588,286</u>	<u>22,445,658</u>	<u>22,197,261</u>
Deferred inflow - pension	250,964	1,036,664	53,604	399,836	304,568	1,436,500
Total deferred inflow s of resources	<u>250,964</u>	<u>1,036,664</u>	<u>53,604</u>	<u>399,836</u>	<u>304,568</u>	<u>1,436,500</u>
Net position:						
Net investment in capital assets	28,234,971	22,635,126	15,892,072	15,225,549	44,127,043	37,860,675
Restricted	5,196,963	5,476,563	4,517,143	4,446,910	9,714,106	9,923,473
Unrestricted	2,530,551	2,358,817	10,591,536	11,858,311	13,122,087	14,217,128
Total net position	<u>\$ 35,962,485</u>	<u>\$ 30,470,506</u>	<u>\$ 31,000,751</u>	<u>\$ 31,530,770</u>	<u>\$ 66,963,236</u>	<u>\$ 62,001,276</u>

Total net position of the City increased by \$4,961,960 for the year due to current year activity. Total liabilities for the City increased \$248,397. Restricted net position of the City totaled \$9,741,106 as of March 31, 2021. This amount represents funds that are restricted for capital projects, debt service, parks and recreation, and pension benefits.

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2021

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,787,056	\$ 1,633,249	\$ 27,403,724	\$ 28,418,962	\$ 29,190,780	\$ 30,052,211
Operating grants and contributions	625,731	249,949	2,139	-	627,870	249,949
Capital grants and contributions	3,795,916	861,285	103,055	171,196	3,898,971	1,032,481
General revenues:						
Sales taxes	4,939,360	4,539,251	-	-	4,939,360	4,539,251
Motor vehicle and gas taxes	347,724	364,875	-	-	347,724	364,875
Franchise taxes	303,532	322,252	-	-	303,532	322,252
Other taxes	51,130	58,307	-	-	51,130	58,307
Intergovernmental activity taxes	305,880	259,199	-	-	305,880	259,199
Interest	69,793	189,651	33,280	95,748	103,073	285,399
Gain on disposal of capital assets	23,444	8,714	-	-	23,444	8,714
Other	54,950	53,924	-	-	54,950	53,924
	<u>12,304,516</u>	<u>8,540,656</u>	<u>27,542,198</u>	<u>28,685,906</u>	<u>39,846,714</u>	<u>37,226,562</u>
Expenses:						
General government	574,413	450,827	-	-	574,413	450,827
Public safety	5,209,459	4,772,130	-	-	5,209,459	4,772,130
Public works	2,926,729	2,291,031	-	-	2,926,729	2,291,031
Parks and recreation	1,293,496	1,365,759	-	-	1,293,496	1,365,759
Airport	492,487	455,830	-	-	492,487	455,830
Cemetery	185,108	179,543	-	-	185,108	179,543
Interest on long-term debt	128,193	217,583	-	-	128,193	217,583
Water	-	-	2,463,105	2,575,822	2,463,105	2,575,822
Electric	-	-	18,359,276	15,718,597	18,359,276	15,718,597
Sewer	-	-	2,452,226	2,551,265	2,452,226	2,551,265
Sanitation	-	-	643,563	685,575	643,563	685,575
Fiber	-	-	156,699	150,143	156,699	150,143
Total expenses	<u>10,809,885</u>	<u>9,732,703</u>	<u>24,074,869</u>	<u>21,681,402</u>	<u>34,884,754</u>	<u>31,414,105</u>
Change in net position	1,494,631	(1,192,047)	3,467,329	7,004,504	4,961,960	5,812,457
Payment in lieu of taxes (PILOTS)	2,673,784	2,809,703	(2,673,784)	(2,809,703)	-	-
Transfers	1,323,564	1,711,197	(1,323,564)	(1,711,197)	-	-
Change in net position after PILOTS and transfers	5,491,979	3,328,853	(530,019)	2,483,604	4,961,960	5,812,457
Net position, beginning	30,470,506	27,141,653	31,530,770	29,047,166	62,001,276	56,188,819
Net position, ending	<u>\$ 35,962,485</u>	<u>\$ 30,470,506</u>	<u>\$ 31,000,751</u>	<u>\$ 31,530,770</u>	<u>\$ 66,963,236</u>	<u>\$ 62,001,276</u>

Governmental Activities

Governmental activities increased the net position of the City by \$5,491,979. Tax revenues for the City were \$5,947,626, which represents 40% of the funding of these activities. Program revenues for the functions totaled \$6,208,703 or 41% of the funding. The following table shows the cost of the City's programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

**Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2021**

**NET EXPENSE OF THE CITY OF MONETT,
MISSOURI'S GOVERNMENTAL ACTIVITIES**

	Total Expense of Services	Net Expense (Revenue) of Services
General government	\$ 574,413	\$ 446,415
Public safety	5,209,459	3,556,766
Public works	2,926,729	2,911,190
Parks and recreation	1,293,496	894,358
Airport	492,487	(3,496,038)
Cemetery	185,108	160,298
Interest on long-term debt	128,193	128,193
	\$ 10,809,885	\$ 4,601,182

Business-Type Activities-

Business-type activities decreased the City's net position by \$530,019. Total charges for services revenue decreased \$1,015,238 from 2020 primarily from decreases in activity in the Water and Electric funds. Expenses increased \$2,393,467 over the prior year mostly due to increases in purchased power.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of March 31, 2021, were \$6,535,399. Of this amount \$225,403 is non-spendable, \$3,364,454 is restricted, and \$2,945,542 is unassigned.

Fund balance of the City's General Fund increased \$233,449 from March 31, 2020, as revenues and transfers in exceeded expenditures and transfers out.

The Transportation Sales Tax Fund is used to account for proceeds of the City's transportation sales tax. The ending fund balance decreased \$311,786 to an ending balance of \$1,061,123 at March 31, 2021.

The Park Sales Tax Fund accounts for proceeds of the City's park sales tax. The ending fund balance which is restricted for parks and recreation was \$582,884 at March 31, 2021.

The Tax Increment Financing #1 Fund and the Tax Increment Financing #2 Fund balances totaled \$29, and \$716,526, a decrease of \$60 and an increase of \$19,290, respectively. The fund balance of these funds is restricted to provide funds for the retirement of related tax increment financing obligations.

The Capital Improvement Sales Tax Fund balance totaled \$163, a decrease of \$17,167 from 2020. The entire fund balance is restricted for capital improvements.

The Airport Improvement Fund was established to set aside funding for future airport improvements. The ending fund balance was \$1,003,729 at March 31, 2021.

The City's Enterprise Funds net position decreased by \$530,019 as the Water, Sanitation, and Fiber Funds reported increases in net position while the Electric Fund reported a decrease to net position.

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2021

General Fund Budgetary Highlights

Differences between the original and the final amended budget can be summarized as follows:

The original General Fund budget projected revenues of \$7,221,049 and other financing sources of \$5,407,030 totaling \$12,628,079 while total expenditures and transfers out were budgeted at \$12,628,079. The final amended budget included an increase in total revenues of \$2,317,500 while other financing sources decreased \$124,030 while total expenditures and transfers out were increased by \$2,567,500. The General Fund's actual revenues and other financing sources were more than the final budgeted revenues amount by \$1,096,954 primarily related airport grant revenues and proceeds from lease purchase agreement, and payments in lieu of taxes. The General Fund's actual expenditures and other financing uses exceeded the final budget by \$481,580 primarily from airport runway expansion construction costs that were greater than anticipated. These costs are reimbursed to the City through a grant agreement with the Federal Aviation Administration.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$32,692,798 (net of accumulated depreciation) as of March 31, 2021. This represents a \$5,294,251 increase over the prior year. Capital assets for business-type activities were \$29,194,779 as of March 31, 2021. This represents a decrease of \$756,238 from the prior year.

During the fiscal year, the City of Monett was involved in several large capital projects that affected the financial statements. Projects in progress at year end include the Airport runway expansion and Bridle Lane improvement projects. The City also purchased land, vehicles, and equipment during the year.

Additional information on the City's capital assets can be found in Note 6 in the Notes to the Basic Financial Statements.

Debt Administration

Total debt of the governmental activities as of March 31, 2021, was \$5,180,939, which is a decrease of \$385,172. Total debt of the business-type activities as of March 31, 2021, was \$13,614,952, a decrease of \$1,300,914 from the prior year. The decreases for both governmental and business-type activities are primarily due to principal payments made in the current year.

In July 2020, the City entered into a \$1,845,000 Refunding Lease Purchase Agreement, Series 2020. Net proceeds of the refunding lease purchase agreement along with available Series 2010 Certificates of Participation trust funds of \$237,805 were used to refund the outstanding Series 2010 Certificates of Participation. Funds totaling \$2,050,138 were deposited in trust with an escrow agent to pay accrued interest and the outstanding balance of the Certificates of Participation of \$2,035,000 on August 12, 2020. The City completed this refunding to reduce its net debt service payments by approximately \$421,969 which resulted in a net economic gain of \$252,975.

Additional information on the City's long-term debt can be found in Note 7 in the Notes to the Basic Financial Statements.

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2021

Economic Factors and Next Year's Budget

During the middle of the global COVID-19 pandemic, the local Monett economy fared relatively well for the fiscal year ended 2021. While the local economy was shuttered for a short time period as businesses closed their doors and people were ordered to "stay home" during the beginning of the pandemic. Thankfully, the Monett community found ways to continue to patronize and support our local businesses through various online, drive thru, and other platforms. Our local industries adapted to stay operational as best they could, and most businesses were able to survive the economic shutdown and emerged into a very strong and growing economy.

During 2020, the City saw twenty-three (23) new homes constructed which contributed to the overall construction investment in the community during 2020 of over \$8.7 million (almost \$5.7 was residential). New housing development has continued throughout 2021, with the addition of substantial commercial and industrial expansion along with a new middle school and library being built. Thus far through August of 2021, approximately \$30 million in improvements or development has been completed or is still underway.

While the City anticipated a decrease in sales tax revenues due to the onset of the pandemic during the budgeting process for FYE 2021, actual sales tax receipts were surprisingly robust. This trend has continued through much of the current fiscal year 2021-2022 as we have seen receipts continue to grow year over year. This trend is likely due to a number of factors including the federal stimulus programs and changes in tax law providing for child tax credits being provided up front in the form of cash distributions, and rising wages in the community due to the shortage of available labor. With more discretionary income, our populace is utilizing it. This will likely normalize over the next year as the economy stabilizes from the waning effects of the federal stimulus and economic behaviors change as people adapt to the changes in tax law.

The City continues work in FYE 2022 on infrastructure projects initiated in FYE 2021 or earlier, including the Airport Expansion Project, Central Avenue and Roundabout Project, and the construction of a new water well. The City is moving forward with design work on the Chapel Drive Overpass project which is projected to begin construction in FYE 2024 or 2025. The City also continues to build new sidewalks due to the recently extended Transportation Sales Tax.

The City received notification in FYE 2022 that it was approved for an additional \$16,054,454 grant from the FAA and MoDOT for the phase II paving work at the airport to construct the new 6,000 ft long, 100 ft wide runway and parallel taxiway. The City continues to focus on economic development and is considering the implementation of a third Tax Increment Financing district. As currently proposed, this would include most of the new Southeast Industrial Park and areas surrounding the Cox Monett Hospital. The City is also working to obtain a CDBG grant to extend infrastructure in this area to facilitate more industrial expansion. As existing businesses have already announced plans to expand with additional job creation, a significant challenge facing the community is an available labor force. Therefore, the City is working with developers to construct additional workforce housing using incentives from the Missouri Housing Development Commission. As mentioned previously, there are also private developers actively building homes with three subdivisions being currently constructed.

As for the City's utility enterprises, FYE 2022 will continue to focus on maintenance rather than the extension of new facilities. We will continue to make improvements to the water, electric, and wastewater systems as some of these facilities and equipment are aging and in need of replacement. The Sanitation Department acquired a new truck during FYE 2021 and as such will now start saving for the new truck replacement planned for FYE 2024. The City's fiber utility provides "last mile" service to carriers that provide service to residential homes and businesses. The City installed the system in 2007 and have made minor improvements since that time. We will look to invest in system upgrades in the coming years.

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2021

The City changed wholesale electric providers in FYE 2021 as the cities of Monett and Mt. Vernon formed a new power purchasing pool, the Southwest Missouri Public Energy Pool (SWMPEP) which is managed under contract with the Missouri Joint Municipal Electric Utility Commission (MJMEUC). This started out smoothly with slightly better wholesale pricing than Monett had historically received, but with the February 2021 polar vortex energy prices skyrocketed and the utility incurred a bill over 400% higher than normal. Thankfully, the State of Missouri offered a no interest loan program to Missouri municipalities which were in the difficult position. MJMEUC received a no interest five-year loan for \$4,987,506. MJMEUC chose this route to spread this cost out over time and avoid charging its customers an astronomical bill for usage during the month of February. While the polar vortex event and the corresponding loan have caused the City's cost of electricity operations to increase, they are in line with historical pricing. The City's contract with MJMEUC is for five years and should provide stability in retail electric rates (barring another utility crisis) for the foreseeable future.

Through the first five months of the current fiscal year, the City is unaware of any negative impacts on the current year budget other than the unanticipated loan payments that will be necessary in the electric fund and ongoing uncertainty relating to the long-term impact of the COVID-19 pandemic.

Contacting the City's Financial Management

For additional information or questions, please contact Christopher T. Weiner, City Administrator at:

City of Monett
217 5th Street
PO Box 110
Monett, Missouri 65708
(417) 235-3763

CITY OF MONETT, MISSOURI
Statement of Net Position
March 31, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and investments	\$ 5,170,576	\$ 8,474,302	\$ 13,644,878
Receivables:			
Taxes	865,681	-	865,681
Special assessments	-	25,000	25,000
Accounts and other	91,665	3,618,083	3,709,748
Due from other governments	608,946	-	608,946
Prepays, deposits, and other assets	225,403	32,898	258,301
Inventory	-	1,106,171	1,106,171
Restricted assets:			
Cash and investments	670,741	4,128,471	4,799,212
Special assessments - long-term	-	85,000	85,000
Net pension asset	812,208	-	812,208
Capital assets:			
Not being depreciated	8,557,192	305,104	8,862,296
Being depreciated, net of depreciation	24,135,606	28,889,675	53,025,281
Total assets	41,138,018	46,664,704	87,802,722
Deferred Outflows of Resources			
Deferred outflows - pension related activity	1,394,914	515,826	1,910,740
Total deferred outflows of resources	1,394,914	515,826	1,910,740
Liabilities			
Accounts payable	895,099	1,838,785	2,733,884
Accrued liabilities	190,884	64,244	255,128
Accrued interest	40,931	73,129	114,060
Payable from restricted assets:			
Customer deposits	11,630	535,065	546,695
Long term debt:			
Due within one year	1,114,940	1,454,194	2,569,134
Due in more than one year	3,983,281	12,087,208	16,070,489
Net pension liability	82,718	73,550	156,268
Total liabilities	6,319,483	16,126,175	22,445,658
Deferred Inflows of Resources			
Deferred inflows - pension related activity	250,964	53,604	304,568
Total deferred inflows of resources	250,964	53,604	304,568
Net Position			
Net investment in capital assets	28,234,971	15,892,072	44,127,043
Restricted :			
Capital projects	2,065,015	3,796,393	5,861,408
Debt service	675,624	332,078	1,007,702
Parks and recreation	582,884	-	582,884
Pension benefits	1,873,440	388,672	2,262,112
Unrestricted	2,530,551	10,591,536	13,122,087
Total net position	\$ 35,962,485	\$ 31,000,751	\$ 66,963,236

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Activities
For the Year Ended March 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	\$ 574,413	\$ 99,998	\$ 28,000	\$ -	\$ (446,415)	\$ -	\$ (446,415)
Public safety	5,209,459	1,064,290	588,403	-	(3,556,766)	-	(3,556,766)
Public works	2,926,729	15,539	-	-	(2,911,190)	-	(2,911,190)
Parks and recreation	1,293,496	389,810	9,328	-	(894,358)	-	(894,358)
Airport	492,487	192,609	-	3,795,916	3,496,038	-	3,496,038
Cemetery	185,108	24,810	-	-	(160,298)	-	(160,298)
Interest on long-term debt	128,193	-	-	-	(128,193)	-	(128,193)
Total governmental activities	10,809,885	1,787,056	625,731	3,795,916	(4,601,182)	-	(4,601,182)
Business-type activities							
Water	2,463,105	2,997,097	1,207	8,135	-	543,334	543,334
Electric	18,359,276	20,122,145	710	-	-	1,763,579	1,763,579
Sewer	2,452,226	3,309,259	200	94,920	-	952,153	952,153
Sanitation	643,563	694,388	22	-	-	50,847	50,847
Fiber	156,699	280,835	-	-	-	124,136	124,136
Total business-type activities	24,074,869	27,403,724	2,139	103,055	-	3,434,049	3,434,049
Total primary government	\$ 34,884,754	\$ 29,190,780	\$ 627,870	\$ 3,898,971	(4,601,182)	3,434,049	(1,167,133)

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General revenues:

Taxes:				
Sales taxes		4,939,360	-	4,939,360
Motor vehicle and gas taxes		347,724	-	347,724
Franchise taxes		303,532	-	303,532
Other taxes		51,130	-	51,130
Intergovernmental activity taxes		305,880	-	305,880
Payment in lieu of taxes		2,673,784	(2,673,784)	-
Unrestricted investment earnings		69,793	33,280	103,073
Gain on disposal of capital assets		23,444	-	23,444
Other		54,950	-	54,950
Transfers		1,323,564	(1,323,564)	-
Total general revenues		10,093,161	(3,964,068)	6,129,093
Change in net position		5,491,979	(530,019)	4,961,960
Net position, beginning of year		30,470,506	31,530,770	62,001,276
Net position, end of year		\$ 35,962,485	\$ 31,000,751	\$ 66,963,236

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Balance Sheet - Governmental Funds
March 31, 2021

	General	Transportation Sales Tax Fund	Park Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 2,780,172	\$ 891,772	\$ 494,903	\$ 1,003,729	\$ 5,170,576
Receivables:					
Taxes	572,950	169,351	87,981	35,399	865,681
Accounts and other	91,665	-	-	-	91,665
Due from other governments	578,115	-	-	30,831	608,946
Prepays, deposits and other assets	225,403	-	-	-	225,403
Restricted cash and investments	20,253	-	-	650,488	670,741
Total Assets	<u>\$ 4,268,558</u>	<u>\$ 1,061,123</u>	<u>\$ 582,884</u>	<u>\$ 1,720,447</u>	<u>\$ 7,633,012</u>
Liabilities					
Accounts payable	\$ 895,099	\$ -	\$ -	\$ -	\$ 895,099
Accrued liabilities	190,884	-	-	-	190,884
Customer deposits	11,630	-	-	-	11,630
Total Liabilities	<u>1,097,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,097,613</u>
Fund balances:					
Nonspendable:					
Prepaid items	225,403	-	-	-	225,403
Restricted:					
Capital projects	-	1,061,123	-	1,003,892	2,065,015
Debt service	-	-	-	716,555	716,555
Parks and recreation	-	-	582,884	-	582,884
Unassigned	2,945,542	-	-	-	2,945,542
Total fund balance	<u>3,170,945</u>	<u>1,061,123</u>	<u>582,884</u>	<u>1,720,447</u>	<u>6,535,399</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,268,558</u>	<u>\$ 1,061,123</u>	<u>\$ 582,884</u>	<u>\$ 1,720,447</u>	<u>\$ 7,633,012</u>

See accompanying notes to the basic financial statements

**CITY OF MONETT, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
March 31, 2021**

Fund balances of governmental funds	\$	6,535,399
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension assets are not available to pay for current period expenditures and are therefore deferred in the fund statements		812,208
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		32,692,798
Deferred outflows and inflows related to pension activity are not required to be reported in the governmental funds but are required to be reported in the statement of net position		1,143,950
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		(40,931)
The net pension liability is not due and payable and therefore is not recorded in the governmental fund statements.		(82,718)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Long-term liabilities		(5,098,221)
Net position of governmental activities	<u>\$</u>	<u>35,962,485</u>

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended March 31, 2021

	General	Transportation Sales Tax Fund	Park Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 3,464,101	\$ 1,071,108	\$ 552,940	\$ 205,873	\$ 5,294,022
Intergovernmental activity taxes	-	-	-	305,880	305,880
Licenses and permits	32,599	-	-	-	32,599
Intergovernmental	5,741,122	-	-	-	5,741,122
Charges for services	717,099	-	-	-	717,099
Rental	51,958	-	-	-	51,958
Investment earnings	69,522	-	-	271	69,793
Miscellaneous	68,599	-	-	-	68,599
Total Revenues	10,145,000	1,071,108	552,940	512,024	12,281,072
Expenditures:					
Current:					
General government	528,702	-	-	-	528,702
Public safety	5,476,606	-	-	-	5,476,606
Public works	3,347,719	-	-	310,730	3,658,449
Parks and recreation	1,578,176	-	-	-	1,578,176
Airport	4,301,804	-	-	-	4,301,804
Cemetery	158,070	-	-	-	158,070
Debt service:					
Principal	234,495	-	325,000	140,000	699,495
Interest and fiscal charges	16,293	-	78,406	33,315	128,014
Total Expenditures	15,641,865	-	403,406	484,045	16,529,316
Excess of Revenues Over (Under) Expenditures	(5,496,865)	1,071,108	149,534	27,979	(4,248,244)
Other financing sources (uses):					
Transfers in	2,682,374	-	-	93,189	2,775,563
Transfers out	(43,189)	(1,382,894)	-	(25,916)	(1,451,999)
Sale of capital assets	23,444	-	-	-	23,444
Proceeds from lease purchase agreement	393,901	-	-	-	393,901
Payments in lieu of taxes (PILOTS)	2,673,784	-	-	-	2,673,784
Total Other Financing Sources (Uses)	5,730,314	(1,382,894)	-	67,273	4,414,693
Net change in fund balances	233,449	(311,786)	149,534	95,252	166,449
Fund balances, beginning of year	2,937,496	1,372,909	433,350	1,625,195	6,368,950
Fund balances, end of year	<u>\$ 3,170,945</u>	<u>\$ 1,061,123</u>	<u>\$ 582,884</u>	<u>\$ 1,720,447</u>	<u>\$ 6,535,399</u>

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2021

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

Net change in fund balances - total governmental funds	\$ 166,449
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay costs in excess of capitalization threshold	7,139,466
Depreciation	(1,845,215)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Principal payments and adjustments on long-term debt	699,495
Proceeds from issuance of lease purchase agreement	(393,901)
Changes in accrued interest expense	(179)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences and net pension obligations	<u>(274,136)</u>
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Change in net position of governmental activities	<u><u>\$ 5,491,979</u></u>
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See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Net Position
Proprietary Funds
March 31, 2021

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets					
Current assets:					
Cash and investments	\$ 2,794,413	\$ 3,828,762	\$ 939,877	\$ 911,250	\$ 8,474,302
Receivables					
Accounts and other	439,386	2,596,036	459,837	122,824	3,618,083
Special assessments	-	-	25,000	-	25,000
Prepaid expenses	4,562	21,014	5,696	1,626	32,898
Restricted cash and investments	1,740,259	-	2,388,212	-	4,128,471
Inventory	164,648	905,994	9,685	25,844	1,106,171
Total current assets	5,143,268	7,351,806	3,828,307	1,061,544	17,384,925
Noncurrent assets:					
Receivables					
Special assessments	-	-	85,000	-	85,000
Capital assets:					
Not being depreciated	56,532	58,400	178,071	12,101	305,104
Being depreciated, net of depreciation	16,451,386	1,182,262	10,463,227	792,800	28,889,675
Net pension asset	-	-	-	-	-
Total noncurrent assets	16,507,918	1,240,662	10,726,298	804,901	29,279,779
Total assets	21,651,186	8,592,468	14,554,605	1,866,445	46,664,704
Deferred Outflow of Resources					
Deferred outflow - pension related activity	142,711	252,662	81,805	38,648	515,826
Liabilities					
Current liabilities:					
Accounts payable	19,395	1,710,379	78,909	30,102	1,838,785
Accrued liabilities	18,107	30,556	10,617	4,964	64,244
Current liabilities (payable from restricted assets):					
Customer deposits	36,084	498,981	-	-	535,065
Accrued interest	37,822	-	35,307	-	73,129
Current portion of long-term debt	647,665	71,974	729,698	4,857	1,454,194
Total current liabilities:	759,073	2,311,890	854,531	39,923	3,965,417
Long-term liabilities:					
Net pension liability	20,349	36,026	11,664	5,511	73,550
Long-term debt	8,765,812	76,385	3,244,060	951	12,087,208
Total long-term liabilities:	8,786,161	112,411	3,255,724	6,462	12,160,758
Total liabilities	9,545,234	2,424,301	4,110,255	46,385	16,126,175
Deferred Inflow of Resources					
Deferred inflow - pension related activity	14,830	26,257	8,501	4,016	53,604
Net position					
Net investment in capital assets	7,137,818	1,221,355	6,727,998	804,901	15,892,072
Restricted net position for:					
Capital projects	1,592,867	-	2,203,526	-	3,796,393
Debt service	147,392	-	184,686	-	332,078
Pension benefits	107,532	190,379	61,640	29,121	388,672
Unrestricted	3,248,224	4,982,838	1,339,804	1,020,670	10,591,536
Total net position	\$ 12,233,833	\$ 6,394,572	\$ 10,517,654	\$ 1,854,692	\$ 31,000,751

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended March 31, 2021

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:					
Charges for services	\$ 2,960,393	\$ 20,023,718	\$ 3,302,257	\$ 965,814	\$ 27,252,182
Other	36,704	98,427	7,002	9,409	151,542
Total operating revenues	<u>2,997,097</u>	<u>20,122,145</u>	<u>3,309,259</u>	<u>975,223</u>	<u>27,403,724</u>
Operating expenses:					
Wages and benefits	735,483	1,187,470	409,550	196,852	2,529,355
Professional and consulting services	130,117	88,200	249,930	99,790	568,037
Insurance	18,461	92,305	26,809	5,769	143,344
Repairs and maintenance	328,335	261,121	430,703	62,932	1,083,091
Utilities	195,198	9,701	418,829	1,838	625,566
Supplies	97,966	371,134	51,153	28,316	548,569
Depreciation	679,397	164,663	648,450	134,134	1,626,644
Other operating expenses	76,928	108,758	50,430	45,260	281,376
Purchase of power	-	16,075,234	-	-	16,075,234
Landfill and recycling	-	-	-	225,371	225,371
Total operating expenses	<u>2,261,885</u>	<u>18,358,586</u>	<u>2,285,854</u>	<u>800,262</u>	<u>23,706,587</u>
Operating income	<u>735,212</u>	<u>1,763,559</u>	<u>1,023,405</u>	<u>174,961</u>	<u>3,697,137</u>
Nonoperating revenues (expenses):					
Interest income	7,238	15,505	10,537	-	33,280
Federal and State grants	9,342	710	95,120	22	105,194
Interest expense and fees	(201,220)	(690)	(166,372)	-	(368,282)
Total nonoperating revenues (expenses)	<u>(184,640)</u>	<u>15,525</u>	<u>(60,715)</u>	<u>22</u>	<u>(229,808)</u>
Income before transfers and payment in lieu of taxes	550,572	1,779,084	962,690	174,983	3,467,329
Transfers out	-	(1,323,564)	-	-	(1,323,564)
Payments in lieu of taxes (PILOTS)	<u>(315,495)</u>	<u>(2,001,942)</u>	<u>(328,263)</u>	<u>(28,084)</u>	<u>(2,673,784)</u>
Change in net position	235,077	(1,546,422)	634,427	146,899	(530,019)
Total net position, beginning of year	11,998,756	7,940,994	9,883,227	1,707,793	31,530,770
Total net position, end of year	<u>\$ 12,233,833</u>	<u>\$ 6,394,572</u>	<u>\$ 10,517,654</u>	<u>\$ 1,854,692</u>	<u>\$ 31,000,751</u>

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2021

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:					
Receipts from customers and others	\$ 3,128,006	\$ 19,577,743	\$ 3,214,655	\$ 969,994	\$ 26,890,398
Payments to suppliers	(841,005)	(16,330,858)	(1,154,173)	(447,863)	(18,773,899)
Payments to employees	(706,801)	(1,151,791)	(372,599)	(191,933)	(2,423,124)
Net cash provided by (used in) operating activities	<u>1,580,200</u>	<u>2,095,094</u>	<u>1,687,883</u>	<u>330,198</u>	<u>5,693,375</u>
Cash flows from noncapital financing activities:					
Transfers in (out)	-	(1,323,564)	-	-	(1,323,564)
Pilots in lieu of taxes	(315,495)	(2,001,942)	(328,263)	(28,084)	(2,673,784)
Intergovernmental revenues	1,207	710	200	22	2,139
Net Cash Flows Provided by (used in) Noncapital Financing Activities	<u>(314,288)</u>	<u>(3,324,796)</u>	<u>(328,063)</u>	<u>(28,062)</u>	<u>(3,995,209)</u>
Cash flows from investing activities:					
Interest received	7,238	15,505	10,537	-	33,280
Net cash flows provided by (used in) investing activities	<u>7,238</u>	<u>15,505</u>	<u>10,537</u>	<u>-</u>	<u>33,280</u>
Cash flows from capital and related financing activities:					
Purchases of capital assets	(135,602)	(91,241)	(243,322)	(400,241)	(870,406)
Intergovernmental revenues	8,135	-	94,920	-	103,055
Interest and fiscal charges	(230,080)	(690)	(174,265)	-	(405,035)
Proceeds from long-term debt	1,845,000	-	-	-	1,845,000
Principal payments on long-term debt	(2,587,100)	(9,061)	(671,600)	-	(3,267,761)
Net cash flows provided by (used in) capital and related financing activities	<u>(1,099,647)</u>	<u>(100,992)</u>	<u>(994,267)</u>	<u>(400,241)</u>	<u>(2,595,147)</u>
Net change in cash and equivalents	173,503	(1,315,189)	376,090	(98,105)	(863,701)
Cash and equivalents, beginning of year	4,361,169	5,143,951	2,951,999	1,009,355	13,466,474
Cash and equivalents, end of year	<u>\$ 4,534,672</u>	<u>\$ 3,828,762</u>	<u>\$ 3,328,089</u>	<u>\$ 911,250</u>	<u>\$ 12,602,773</u>
Total cash and investments reported on the Statement of Net Position					
	<u>\$ 4,534,672</u>	<u>\$ 3,828,762</u>	<u>\$ 3,328,089</u>	<u>\$ 911,250</u>	<u>\$ 12,602,773</u>
Cash and investments reported on the Statement of Net Position					
Cash and investments	\$ 2,794,413	\$ 3,828,762	\$ 939,877	\$ 911,250	\$ 8,474,302
Restricted cash and investments	<u>1,740,259</u>	<u>-</u>	<u>2,388,212</u>	<u>-</u>	<u>4,128,471</u>
Total cash and investments	<u>\$ 4,534,672</u>	<u>\$ 3,828,762</u>	<u>\$ 3,328,089</u>	<u>\$ 911,250</u>	<u>\$ 12,602,773</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income	\$ 735,212	\$ 1,763,559	\$ 1,023,405	\$ 174,961	\$ 3,697,137
Adjustments to reconcile operating income to net cash provided by operations:					
Depreciation and amortization	679,397	164,663	648,450	134,134	1,626,644
Change in compensated absences	8,265	28,641	8,897	2,494	48,297
Changes in net pension asset/liability	205,232	316,512	139,194	49,301	710,239
Changes in deferred outflows of resources	(85,186)	(165,391)	(42,125)	(25,023)	(317,725)
Changes in deferred inflows of resources	(101,275)	(149,886)	(71,587)	(23,484)	(346,232)
Changes in:					
Receivables	131,590	(545,753)	(119,604)	(5,229)	(538,996)
Special assessments	-	-	25,000	-	25,000
Prepaid expenses	2,228	11,139	3,235	696	17,298
Inventory	(8,780)	(102,644)	(268)	7,849	(103,843)
Accounts payable	12,552	767,100	70,714	12,868	863,234
Accrued liabilities	1,646	5,803	2,572	1,631	11,652
Customer deposits	(681)	1,351	-	-	670
Net cash provided by (used in) operating activities	<u>\$ 1,580,200</u>	<u>\$ 2,095,094</u>	<u>\$ 1,687,883</u>	<u>\$ 330,198</u>	<u>\$ 5,693,375</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

(1) Summary of Significant Accounting Policies

The City of Monett, Missouri (the City) was incorporated on March 3, 1913. The City is a third class city and operates under a Mayor-Board of Commission form of government. The Mayor and the two Commissioners serve four-year terms. The City provides a variety of general governmental services to residents including general administrative services, public safety, public works, parks and recreation, airport, and cemetery operations. Other services include water, electric, sewer, fiber optic, and sanitation operations.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

This report includes the financial statements of the City (the primary government) and its blended component unit, the City of Monett, Missouri Tax Increment Financing (TIF) Commission (the Commission). The Commission is governed by a board of which six members are appointed by the Mayor with the consent of the Board of Commission, two members appointed by the school district and one member each appointed by the commission of Lawrence and Barry County. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because its sole function is to use TIF as a method to finance economic development through payments in lieu of taxes (PILOTS) and economic activity taxes (EATS). The Commission does not issue separate financial statements.

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-wide financial statements

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or supported from the general revenues of the City.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

Fund financial statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following are the City's major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Transportation Sales Tax Fund: The Transportation Sales Tax Fund accounts for the City's transportation sales taxes proceeds that are restricted to be used for transportation related purposes.

Park Sales Tax Fund: The Park Sales Tax Fund accounts for the City's park sales taxes proceeds that are restricted to be used for parks and recreational related purposes.

PROPRIETARY FUNDS

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The following are the City's major proprietary funds:

Waterworks Fund: 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 Fund: 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 Fund: 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.

The City reports the following fund type of nonmajor funds:

Special Revenue Funds – These funds account for specific revenue sources that are restricted for specified purposes.

Enterprise Funds – These funds account for the operations, maintenance, and improvement activities of the sanitation and fiber services.

City of Monett, Missouri
Notes to the Basic Financial Statements
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C. Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available. The City considers all revenues for investment earnings, special assessments and state levied locally shared taxes (including motor vehicle fees) and other intergovernmental revenues to be available if the revenues are collected within sixty days after year-end. Proceeds and payments of long-term debt are reported as other financing sources and uses.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

City of Monett, Missouri
Notes to the Basic Financial Statements
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D. Cash and Investments

The City maintains a cash and investment pool in which a majority of the City's funds share. Each fund type's portion of this pool is displayed in the financial statements as cash and investments, and investments made in accordance with bond ordinances are reflected as restricted cash and investments. 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, banker's acceptances, and commercial paper. Investments are reported at fair value based on quoted market prices. Interest earned from the pool is allocated to the funds on the basis of average monthly cash and investment balances.

E. Accounts Receivable

Governmental activities accounts receivable consists of miscellaneous services provided to citizens. Business-type activities represent billed and unbilled charges for water, electric, sewer, sanitation, and fiber services. Accounts receivable are shown net of an allowance for uncollectible accounts.

F. Special Assessments Receivable

Special assessments receivable reflects the property taxes collectible by the City for the purpose of repaying certain Special Assessment debt held by the City. The amount collectible by the City is reduced each year as the taxes are levied against the property and, subsequently, collected by the City.

G. Prepaid Items

Prepaid items reflect the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized using the consumption method over the policy periods in both the government-wide and fund financial statements.

H. Inventory

Inventory is stated at average cost. Inventories in the enterprise funds consist of expendable supplies and merchandise held for consumption or resale. The costs of these inventories are recorded as an expense when consumed or sold.

I. Capital Assets

Capital assets include land, construction in progress, buildings, 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 are charged to expenditures as purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Fully depreciated capital assets are included in their respective accounts until their disposal.

City of Monett, Missouri
Notes to the Basic Financial Statements
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In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 – 50 years
Improvements	10 – 30 years
Machinery and equipment	3 – 20 years
Infrastructure	10 – 50 years

J. *Compensated Absences*

Employees earn vacation time based on the number of years' service to the City. Outstanding vacation leave is payable upon termination of employment. Compensated absences are recorded as a liability in the Statement of Net Position.

K. *Deferred Outflows/inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. The item results from actuarial assumption changes, the difference between actual and projected earnings in calculating the net pension asset/liability, and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts will be amortized over five to seven years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. The item relates to the change in actual and projected experience in calculating the pension asset/liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

L. Interfund Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e., due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statement of net position.

Payment in Lieu of Taxes (PILOTS) – paid from the City's enterprise funds to the general fund were \$2,673,784 for the year ended March 31, 2021.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

M. Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts which can only be used for specific purposes determined by a formal action of passing an ordinance or resolution by City Council, the City's highest level of decision-making authority. Any changes or removal of specific purpose requires the same action by the City Council.

Assigned – This consists of amounts which are constrained by City management's intent to be used for a specific purpose but do not meet the criteria to be classified as committed. In accordance with City policy, only the City Council has the authority to assign amounts for a specific purpose in this category.

Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Per City policy, the general fund balance should be no less than 8% of general fund appropriations for the succeeding fiscal year in order to provide financial stability and provide the City with resources to achieve its objectives and the flexibility to respond to unexpected opportunities.

City of Monett, Missouri
Notes to the Basic Financial Statements
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N. Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

O. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations - Actual expenditures and transfers out exceeded budgeted appropriations in the General Fund by \$481,580 primarily as a result of the actual Airport runway project cost billings exceeding the estimated amounts for the year ended March 31, 2021. These costs are reimbursed to the City through a grant agreement with the Federal Aviation Administration.

P. Use of Estimates

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

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

(2) Cash and Investments

A reconciliation of cash and investments as shown on the government-wide statement of net position is as follows:

Cash on hand	\$	1,000
Demand deposits		16,364,374
Certificates of deposits		473,541
U.S. treasuries and agency securities		655,356
Restricted cash equivalents held in trust		949,819
Total cash and investments	<u>\$</u>	<u>18,444,090</u>

Government-wide Statement of Net Position

	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 5,170,576	\$ 8,474,302	\$ 13,644,878
Restricted cash and investments	670,741	4,128,471	4,799,212
Total cash and investments	<u>\$ 5,841,317</u>	<u>\$ 12,602,773</u>	<u>\$ 18,444,090</u>

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is that, in the event of the failure of a counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize deposits with a standby letter of credit with the primary financial institution. The City collateralizes deposits at other financial institutions with securities held by the financial institution's agent and in the City's name.

As of March 31, 2021, the City's deposits were insured with Federal depository insurance, with the remaining uninsured balance collateralized by a \$11.5 million standby letter of credit and securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits were exposed to custodial credit risk as of March 31, 2021.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to minimize credit risk by limiting its investments to Certificates of Deposit, bonds, or other obligations of the United States, and other debt securities given the highest available rating by a nationally recognized statistical rating organization. The ratings shown on the next page are by Standard & Poor's as of year-end for each investment.

City of Monett, Missouri
Notes to the Basic Financial Statements
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Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of March 31, 2021:

<u>US Treasuries and Agency Securities</u>	<u>Level 1</u>	<u>S&P Rating</u>
US Treasuries	\$ 499,848	AA+
Government National Mortgage Association	140,677	AA+
Federal Home Loan Bank	14,361	AA+
Federal National Mortgage Association	470	AA+
Total US Treasuries and Agency Securities	<u>\$ 655,356</u>	

All of the City's investments are classified as Level 1 of the fair value hierarchy using prices quoted in active markets for those securities.

(3) Tax Revenues and Taxes Receivable

The City's property taxes are levied and recorded each November 1 on the assessed value as of the prior January 1 for all property located in the City and are delinquent on January 1 (the lien date) following the levy date. Assessed values are established by county assessors, subject to review by the County's Board of Equalization. The assessed value of local property at January 1, 2021, was \$160,556,143.

The City is permitted by the Missouri State Constitution to levy (without a vote of two-thirds of the voting electorate) taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt. The City does not levy property taxes.

City of Monett, Missouri
Notes to the Basic Financial Statements
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Tax revenues for the year ended March 31, 2021 consisted of the following:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
Governmental funds:				
General Fund	\$ 3,109,439	\$ 303,532	\$ 51,130	\$ 3,464,101
Transportation Sales Tax Fund	1,071,108	-	-	1,071,108
Parks Sales Tax Fund	552,940	-	-	552,940
Nonmajor funds	205,873	-	-	205,873
	<u>\$ 4,939,360</u>	<u>\$ 303,532</u>	<u>\$ 51,130</u>	<u>\$ 5,294,022</u>

Taxes receivable represent sales tax and franchise taxes. Taxes receivable consisted of the following at March 31, 2021:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
Governmental funds:			
General Fund	\$ 493,651	\$ 79,299	\$ 572,950
Transportation Sales Tax Fund	169,351	-	169,351
Parks Sales Tax Fund	87,981	-	87,981
Nonmajor funds	35,399	-	35,399
	<u>\$ 786,382</u>	<u>\$ 79,299</u>	<u>\$ 865,681</u>

(4) Intergovernmental Revenue/Receivables

Intergovernmental revenue during the year ended March 31, 2021 consisted of the following:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Grants:			
Federal, State and Local	\$ 4,507,814	\$ -	\$ 4,507,814
State:			
Motor vehicle fees and taxes	347,724	-	347,724
Local:			
Lawrence Co. Emerg. Services	885,584	-	885,584
Intergovernmental activity taxes	-	305,880	305,880
Total intergovernmental revenue	<u>\$ 5,741,122</u>	<u>\$ 305,880</u>	<u>\$ 6,047,002</u>

	<u>Water Works Fund</u>	<u>Electric Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor</u>	<u>Total Enterprise Funds</u>
Grants - State and Local	\$ 9,342	\$ 710	\$ 95,120	\$ 22	<u>\$ 105,194</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

Amounts due from other governments at March 31, 2021, were as follows:

	General Fund	Nonmajor Funds	Total
Grants - federal, state, and local	\$ 549,667	\$ -	\$ 549,667
State:			
Motor vehicle fees and taxes	28,448	-	28,448
Local:			
Intergovernmental activity taxes	-	30,831	30,831
Total due from other governments	\$ 578,115	\$ 30,831	\$ 608,946

(5) Interfund Activity

Transfers between funds for the year ended March 31, 2021 were as follows:

	General	Transportation Sales Tax Fund	Nonmajor Governmental Funds	Electric Fund	Total
Transfers In:					
General Fund	\$ -	\$ 1,332,894	\$ 25,916	\$ 1,323,564	\$ 2,682,374
Nonmajor Governmental Funds	43,189	50,000	-	-	93,189
	\$ 43,189	\$ 1,382,894	\$ 25,916	\$ 1,323,564	\$ 2,775,563

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the Electric Fund to finance administrative services provided by the General fund. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

(6) Capital Assets

A summary of the changes in capital assets for the year ended March 31, 2021 is as follows:

	March 31, 2020	Additions	Retirements	March 31, 2021
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 3,212,349	\$ 1,129,007	\$ -	\$ 4,341,356
Construction in progress	443,217	5,060,631	654,443	4,849,405
Total capital assets, not being depreciated	<u>3,655,566</u>	<u>6,189,638</u>	<u>654,443</u>	<u>9,190,761</u>
Capital assets, being depreciated				
Building and improvements	11,827,378	312,183	-	12,139,561
Machinery and equipment	7,799,812	863,116	112,151	8,550,777
Infrastructure	32,963,534	428,972	-	33,392,506
Total capital assets being depreciated	<u>52,590,724</u>	<u>1,604,271</u>	<u>112,151</u>	<u>54,082,844</u>
Less accumulated depreciation for:				
Building and improvements	3,881,562	360,111	-	4,241,673
Machinery and equipment	6,169,693	476,012	112,151	6,533,554
Infrastructure	18,796,488	1,009,092	-	19,805,580
Total accumulated depreciation	<u>28,847,743</u>	<u>1,845,215</u>	<u>112,151</u>	<u>30,580,807</u>
Total capital assets being depreciated, net	<u>23,742,981</u>			<u>23,502,037</u>
Governmental activities capital assets, net	<u>\$ 27,398,547</u>			<u>\$ 32,692,798</u>
	March 31, 2020	Additions	Retirements	March 31, 2021
Business-type Activities:				
Capital assets, not being depreciated				
Land	\$ 305,104	\$ -	\$ -	\$ 305,104
Construction in progress	3,485	126,907	130,392	-
Total capital assets, not being depreciated	<u>308,589</u>	<u>126,907</u>	<u>130,392</u>	<u>305,104</u>
Capital assets, being depreciated				
Building and improvements	16,578,586	184,608	-	16,763,194
Machinery and equipment	4,655,553	634,069	-	5,289,622
Infrastructure	44,848,234	55,214	-	44,903,448
Total capital assets being depreciated	<u>66,082,373</u>	<u>873,891</u>	<u>-</u>	<u>66,956,264</u>
Less accumulated depreciation for:				
Building and improvements	3,207,354	384,237	-	3,591,591
Machinery and equipment	3,191,765	328,153	-	3,519,918
Infrastructure	30,040,826	914,254	-	30,955,080
Total accumulated depreciation	<u>36,439,945</u>	<u>1,626,644</u>	<u>-</u>	<u>38,066,589</u>
Total capital assets being depreciated, net	<u>29,642,428</u>			<u>28,889,675</u>
Business-type activities capital assets, net	<u>\$ 29,951,017</u>			<u>\$ 29,194,779</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

Depreciation expense was charged to functions and programs of the primary government as follows:

Governmental Activities:	
General government	\$ 16,994
Public safety	485,353
Public works	1,018,094
Parks and recreation	170,239
Airport	133,842
Cemetery	20,693
Total depreciation expense for Governmental activities	<u>\$ 1,845,215</u>
Business-type Activities:	
Waterworks	\$ 679,397
Electric	164,663
Sewer	648,450
Sanitation	94,688
Fiber	39,446
Total depreciation expense for Business-type activities:	<u>\$ 1,626,644</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

(7) Long Term Debt

A summary of the changes in long term debt for the year ended March 31, 2021 is as follows:

	<u>Beginning of Year</u>	<u>Adjustments/ Additions</u>	<u>Adjustments/ Retirements</u>	<u>End of Year</u>	<u>Due Within One Year</u>
Governmental Activities:					
Tax Increment Financing Bonds:					
Series 2020	\$ 1,295,000	\$ -	\$ 140,000	\$ 1,155,000	\$ 150,000
Certificate of participation - Series 2012	493,116	-	159,903	333,213	164,331
Capital leases	109,305	393,901	74,592	428,614	149,437
Lease purchase agreement	2,866,000	-	325,000	2,541,000	334,000
Compensated absences **	560,458	79,936	-	640,394	317,172
Total Governmental activities	<u>5,323,879</u>	<u>473,837</u>	<u>699,495</u>	<u>5,098,221</u>	<u>1,114,940</u>
Business-Type Activities:					
Neighborhood Improvement Bonds:					
Series 2005	135,000	-	25,000	110,000	25,000
Revenue Bonds:					
Series 2003B	3,235,000	-	585,000	2,650,000	615,000
Series 2013	7,987,200	-	462,100	7,525,100	471,000
Series 2015	1,214,900	-	61,600	1,153,300	63,200
Certificates of Participation - Series 2010	2,125,000	-	2,125,000	-	-
Refunding lease purchase agreement - Series 2020	-	1,845,000	-	1,845,000	155,000
Note payable - Light Upgrade at WWT	24,241	-	4,934	19,307	5,071
Note payable - Light Upgrade at Justice	4,127	-	4,127	-	-
Compensated absences	190,398	48,297	-	238,695	119,923
Total Business-type activities	<u>14,915,866</u>	<u>1,893,297</u>	<u>3,267,761</u>	<u>13,541,402</u>	<u>1,454,194</u>
Total primary government	<u>\$ 20,239,745</u>	<u>\$ 2,367,134</u>	<u>\$ 3,967,256</u>	<u>\$ 18,639,623</u>	<u>\$ 2,569,134</u>

** governmental compensated absences are liquidated by the General Fund

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

A. Governmental Activities Debt

Tax Increment Revenue Bonds

\$1,295,000 Series 2020 Annual Appropriation Supported - Tax Increment and Sales Tax Refunding and Improvement Bonds (East US Highway 60 Improvement and RPA #1 Infrastructure Redevelopment Projects). Due in annual instalments through January 1, 2028; including interest at 2.74%.

Certificates of Participation

\$1,500,000 Series 2012, Certificates of Participation, issued for the purpose of constructing a community building (Casino). Due in semi-annual installment through December 2022; interest at 2.75%.

Lease Purchase Agreement

\$3,484,000 Series 2017, Lease Purchase Agreement. issued for the purpose of constructing the Aquatic Center. Due in annual installment through December 1, 2027; interest at 2.73%.

Capital Lease Obligations

The City has entered into a capital leasing agreements for Fire SCBA equipment and Motorola Radio equipment. The cumulative amount of assets acquired under the capital leases are \$503,206 with related accumulated depreciation of \$18,217 as of March 31, 2021.

The future minimum lease obligation and the net present value of these minimum lease payments as of March 31, 2021 were as follows:

2022	\$	167,946
2023		167,946
2024		128,913
		464,805
Less imputed interest		(36,191)
Present value of minimum lease payments	\$	428,614

B. Business-type Activities Debt

Neighborhood Improvement Bonds

\$394,230 Series 2004, General Obligation Bonds, Neighborhood Improvement District Bonds Series issued to fund certain sewer projects in the City. Due in annual installments through September 1, 2024; interest at 2.00% to 5.10%.

Revenue Bonds

\$8,950,000 Series 2003B Combined Waterworks and Sewerage System Revenue Bonds, (State Revolving Funds Program). Proceeds 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. Due in annual installments through January 1, 2025; interest at 2.00% to 4.70%.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

\$10,002,321 Series 2013 Combined Waterworks and Sewerage System Revenue Bonds - Direct Loan Program (Original amount not to exceed \$11,012,000). Proceeds were used for certain costs of improving the water and sewerage system. Due in annual instalments through 2035; interest at 1.61% and a semi-annual administrative fee of 0.25% of the outstanding principal balance of the bonds.

\$1,397,482 Series 2015 Combined Waterworks and Sewerage System Revenue Bonds - Direct Loan Program (Original amount not to exceed \$1,895,000). Proceeds were used for the purpose of extending and improving the City's sewage system. Due in annual installments through 2037; interest at 1.23% and a semi-annual administrative fee of 0.50% of the outstanding principal balance of the bonds.

Certificates of Participation

\$2,859,000 Series 2010, Certificates of Participation, issued for the purpose of constructing a water line project. Due in annual installments through July 2035; interest at 3.49%. The outstanding balance of the bonds were refunded in 2021 as described in the next paragraph.

Refunding Lease Purchase Agreement

In July 2020, the City entered into a \$1,845,000 Refunding Lease Purchase Agreement, Series 2020. Net proceeds of the refunding lease purchase agreement along with available Series 2010 Certificates of Participation trust funds of \$237,805 were used to refund the outstanding Series 2010 Certificates of Participation. Funds totaling \$2,050,138 were deposited in trust with an escrow agent to pay accrued interest and the outstanding balance of the Certificates of Participation of \$2,035,000 on August 12, 2020. The City completed this refunding to reduce its net debt service payments by approximately \$421,969 which resulted in a net economic gain of \$252,975. The Refunding Equipment Lease Purchase Agreement is due in annual installment through July 1, 2030; interest at 2.45%.

Notes Payable

\$33,878 Note payable to Mo. Department of Economic Development for the purpose of lighting upgrades for the Wastewater Treatment Plant. Due in annual installment through September 2024; interest at 2.75%.

\$31,115 Note payable to Mo. Department of Economic Development for the purpose of lighting upgrades. Due in annual installment through September 2021; interest at 2.75%. Note was paid off during the year ended March 31, 2021.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

C. Future Debt Service Requirements

	Governmental Activities					
	Series 2020 Tax Increment Financing Bonds		Series 2012 Certificates of Participation		Series 2017 Lease Purchase Agreement	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 150,000	\$ 31,647	\$ 164,331	\$ 8,034	\$ 334,000	\$ 69,369
2023	155,000	27,537	168,882	3,483	344,000	60,251
2024	165,000	23,290	-	-	353,000	50,860
2025	165,000	18,769	-	-	362,000	41,336
2026	170,000	14,248	-	-	372,000	31,340
2027-2031	350,000	14,522	-	-	776,000	31,914
2032-2036	-	-	-	-	-	-
Totals	\$ 1,155,000	\$ 130,013	\$ 333,213	\$ 11,517	\$ 2,541,000	\$ 285,070

	Business-type Activities					
	Series 2004 General Obligation Bonds, NID		Series 2003B Waterworks and Sewerage Bonds		Series 2013 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 25,000	\$ 4,960	\$ 615,000	\$ 123,320	\$ 471,100	\$ 119,269
2023	25,000	3,698	645,000	95,645	481,000	111,641
2024	30,000	2,295	680,000	65,330	490,100	103,860
2025	30,000	765	710,000	33,370	500,100	95,933
2026	-	-	-	-	510,000	87,838
2027-2031	-	-	-	-	2,708,200	312,057
2032-2036	-	-	-	-	2,364,600	86,606
2037-2038	-	-	-	-	-	-
Totals	\$ 110,000	\$ 11,718	\$ 2,650,000	\$ 317,665	\$ 7,525,100	\$ 917,204

	Business-type Activities					
	Series 2015 Waterworks and Sewerage Bonds		Series 2020 Refunding Equipment Lease Purchase		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 63,200	\$ 13,991	\$ 155,000	\$ 43,304	\$ 2,017,531	\$ 377,329
2023	64,600	13,210	170,000	39,323	2,102,582	315,289
2024	66,000	12,411	175,000	35,096	1,999,100	251,725
2025	67,600	11,594	180,000	30,748	1,284,600	190,285
2026	69,000	10,758	185,000	26,276	3,504,200	394,679
2027-2031	368,500	40,624	980,000	61,006	4,598,700	459,275
2032-2036	411,800	16,782	-	-	3,902,400	149,824
2037-2038	42,600	262	-	-	42,600	262
Totals	\$ 1,153,300	\$ 119,632	\$ 1,845,000	\$ 235,753	\$ 19,451,713	\$ 2,138,668

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

(8) Employees Retirement System

A. Plan Description

The City's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS' issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

B. Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

	<u>2020 Valuation</u>
Benefit Multiplier:	2% for Life
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	66	16	10	92
Inactive employees entitled to but not yet receiving benefits	15	13	3	31
Active employees	84	17	15	116
	<u>165</u>	<u>46</u>	<u>28</u>	<u>239</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

D. Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% to the pension plan. Employer contribution rates are 10.1% (General), 7.4% (Police) and 2.1% (Fire) of annual covered payroll.

E. Net Pension Liability (Asset)

The City's net pension asset was measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 29, 2020.

F. Actuarial Assumptions

The total pension liability in the February 29, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation (General and Police) 3.25% to 7.15% including wage inflation (Fire)
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality tables for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-0.29%

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

G. Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

H. Changes in the Net Pension Liability/ (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ 28,946,986	\$ 32,160,966	\$ (3,213,980)
Changes for the year:			
Service cost	657,759	-	657,759
Interest	2,073,445	-	2,073,445
Difference between expected and actual experience	797,018	-	797,018
Contributions - employer	-	409,556	(409,556)
Contributions - employee	-	210,133	(210,133)
Net investment income	-	417,751	(417,751)
Benefit payments, including refunds	(1,365,629)	(1,365,629)	-
Administrative expense	-	(31,327)	31,327
Other changes (net transfer)	-	(35,931)	35,931
Net changes	2,162,593	(395,447)	2,558,040
Balances at end of year	\$ 31,109,579	\$ 31,765,519	\$ (655,940)

I. Sensitivity of the Net Pension Liability/ (Asset) to Changes in the Discount Rate

The following presents the Net Pension Liability/(Asset) of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease	Current Single Discount Rate	1% Increase
	6.25%	Assumption 7.25%	8.25%
Total Pension Liability (TPL)	\$ 35,588,280	\$ 31,109,579	\$ 27,430,585
Plan Fiduciary Net Position	(31,765,519)	(31,765,519)	(31,765,519)
Net Pension Liability/(Asset)	\$ 3,822,761	\$ (655,940)	\$ (4,334,934)

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2021, the City recognized LAGERS pension expense of \$88,008 (\$84,420,(General), \$44,380(Police) and \$(40,792) (Fire)). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Assumption changes	\$ 36,078	\$ -	\$ 49,885	\$ 85,963
Difference in experience	320,333	263,234	184,697	768,264
Difference in projected and actual earnings on plan investments	484,813	131,665	127,163	743,641
Contributions subsequent to the measurement date*	254,726	52,598	5,548	312,872
Total	<u>\$ 1,095,950</u>	<u>\$ 447,497</u>	<u>\$ 367,293</u>	<u>\$ 1,910,740</u>
Deferred Inflows of Resources:				
Difference in experience	\$ (113,891)	\$ (37,335)	\$ (153,342)	\$ (304,568)
	<u>\$ (113,891)</u>	<u>\$ (37,335)</u>	<u>\$ (153,342)</u>	<u>\$ (304,568)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability/(Asset) for the year ending March 31, 2022.

Net amounts reported as deferred outflows and deferred inflows of resources, excluding contributions subsequent to the measurement date, related to LAGERS pension will be recognized in pension expense as follows:

Year ending March 31:	General	Police	Fire	Total
2022	\$ (69,443)	\$ 62,211	\$ (17,545)	\$ (24,777)
2023	144,379	94,663	28,983	268,025
2024	355,021	139,428	76,790	571,239
2025	297,376	61,262	84,384	443,022
2026	-	-	30,073	30,073
Thereafter	-	-	5,718	5,718
Total	<u>\$ 727,333</u>	<u>\$ 357,564</u>	<u>\$ 208,403</u>	<u>\$ 1,293,300</u>

K. Payable to the Pension Plan

At March 31, 2021, the City's outstanding contributions due to the LAGERS pension plan was \$53,038.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

L. Summary of financial reporting of the City's pension plan:

	General	Police	Fire	Total
Governmental activities:				
Net Pension Asset/(Liability)	\$ -	\$ 52,060	\$ 760,148	\$ 812,208
Net Pension Asset/(Liability)	(82,718)	-	-	(82,718)
Business-type activities:				
Net Pension Asset/(Liability)	(73,550)	-	-	(73,550)
Net Pension Asset/(Liability)	<u>\$ (156,268)</u>	<u>\$ 52,060</u>	<u>\$ 760,148</u>	<u>\$ 655,940</u>
Governmental activities:				
Pension related deferred outflows	\$ 580,124	\$ 447,497	\$ 367,293	\$ 1,394,914
Pension related deferred inflows	(60,287)	(37,335)	(153,342)	(250,964)
Business-type activities:				
Pension related deferred outflows	515,826	-	-	515,826
Pension related deferred inflows	(53,604)	-	-	(53,604)
Total	<u>\$ 982,059</u>	<u>\$ 410,162</u>	<u>\$ 213,951</u>	<u>\$ 1,606,172</u>

(9) Commitments and Contingencies

A. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

The amount of settlements has not exceeded the City's insurance coverage in any of the past three fiscal years.

B. Federal and State Grants

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

C. Litigation

The City is involved in legal proceedings arising from the ordinary course of City activities. While these proceedings may have future financial effect, management believes that their ultimate outcome will not be material to the basic financial statements.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

D. Purchased Power

In 2010, the City entered into a ten-year full requirements service agreement with Empire District Electric (EDE). The agreement provided for EDE to sell and for the City to purchase capacity and firm energy sufficient to meet the City's load. The agreement expired in June 2021

In considering the City's options after the EDE contract expires, the City collaborated with other cities with similar contract expiration dates to aggregate their loads and seek the most cost-efficient power supplier for the cities. As part of this process, the cities contracted with the Missouri Public Utility Alliance (MPUA) to prepare an Integrated Resource Plan (IRP) that would provide an in-depth report detailing the group's load forecasts and power supply options. The IRP was completed in July, 2017 and identified the types of resources and quantities that would best fit the needs of the cities with the intent of forming a new energy pool that aggregate the loads into a single power supply contract.

The cities of Monett and Mount Vernon established the Southwest Missouri Public Energy Pool (SWMPEP). The City of Monett approved a Power Supply and Administration Agreement between the Missouri Joint Municipal Electric Utility Commission (MJMEUC) and the members of SWMPEP. SWMPEP, in conjunction with MJMEUC.

In October, 2018, MJMEUC approved a Power Supply Agreement on behalf of SWMPEP effective June 1, 2021. The specific terms of the agreement between MJMEUC and Empire District Electric are:

- The term of the contract is from June 1, 2021 through May 31, 2025.
- 40 MW of capacity and energy from Plum Point, 10 MW of capacity and energy from Riverton 11, 14 MW of capacity and energy from Energy Center units 1 and 2, and 20 MW of energy from the Meridian Way wind farm.
- Capacity pricing of 78 MW is fixed for five years.
- Energy pricing is a blended energy price with the majority of energy coming from the Plum Point coal resource, some fixed wind energy pricing, and a small amount of peaking energy from gas/oil units.
- SWMPEP's all-in projected costs from 2021 to 2025 are expected to be approximately \$18 million/year. This represents significant savings from the current contract which were projected to increase from \$20 million/year to in excess of \$24 million/year, a savings of approximately \$6 million annually.

In February 2021, the Midwest region, experienced polar vortex weather conditions (the Event) for several days. This Event caused natural gas delivery equipment and multiple coal plants to freeze up and limited the availability of natural gas and coal in a time of very high demand. These limitations during this Event caused prices to increase drastically, which had the effect of causing electric prices to also increase drastically resulting in additional power costs of approximately \$5.3 million for the Event. MJMEUC utilized a line of credit to pay the additional \$5.3 million costs associated with the Event to be invoiced to SWMPEP over a period up to 24 months. Invoicing of the monthly costs of \$222,406 began with the April 2021 through the June 2021 billing to the City. In May 2021, the State of Missouri (the State) established a \$50 million relief fund for municipal utilities who experienced extraordinary natural gas and electric prices during the Event. This relief fund provides, on a first-come, first served, basis, zero percent loans with a payback period of no more than five years. MJMEUC has received \$4,987,506 in funding from the State to satisfy the original outstanding balance of the MJMEUC Event obligation. The monthly payback to the State is scheduled to be \$83,125 per month over a five year period. The \$83,125 loan repayment amount will be included in the monthly billings to the City over the five year timeframe beginning in July 2021 through in June 2026.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2021

E. Leases

The City rents golf carts under a cancelable operating lease. Rent expenditures for the year ended March 31, 2021 was \$26,400. As of March 31, 2021, minimum future rental payments required under the lease for subsequent fiscal years are as follows:

Year ending March 31,		
2022	\$	26,400
2023		26,400
2024		<u>22,000</u>
	\$	<u><u>74,800</u></u>

F. Construction Commitments

At March 31, 2021, the City had approximately \$7.8 million in construction commitments related to the Airport runway relocation project.

(10) Subsequent Events

Management has evaluated subsequent events through October 12, 2021, the date the financial statements were available to be issued. In addition to the subsequent event disclosed in Note 9 D., the City approved a grant agreement from the Federal Aviation Administration of approximately \$16.1 million for the Airport runway paving project. The City was awarded approximately \$1.68 million as part of the American Rescue Plan Act (ARPA).

City of Monett, Missouri
Notes to Required Supplementary Information
March 31, 2021

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April, the City Administrator submits to the City Commission a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the City Commission in late February or early March to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to April 1, ordinances are passed by the City Commission which provide for legally adopted budgets for all funds of the City.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The 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 the City Commission.
5. Formal budgetary integration is employed as a management control device for all funds of the City.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by the City Commission on approved budget adjustment forms.

CITY OF MONETT, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended March 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,255,500	\$ 3,439,000	\$ 3,464,101	\$ 25,101
Licenses and permits	41,000	41,000	32,599	(8,401)
Intergovernmental	3,043,304	5,191,304	5,741,122	549,818
Charges for services	651,795	687,795	717,099	29,304
Rental	84,700	59,700	51,958	(7,742)
Investment earnings	100,000	65,000	69,522	4,522
Miscellaneous	44,750	54,750	68,599	13,849
Total Revenues	7,221,049	9,538,549	10,145,000	606,451
Expenditures:				
Current:				
General government				
Administration	519,300	604,300	528,702	75,598
Public safety				
Building official	283,200	343,200	306,632	36,568
Municipal court	96,525	96,525	89,721	6,804
Police	1,984,800	2,126,800	1,943,932	182,868
E911	1,074,500	1,080,000	1,403,483	(323,483)
Emergency management	468,400	661,900	629,504	32,396
Fire	1,255,600	1,270,600	1,103,334	167,266
Total public safety	5,163,025	5,579,025	5,476,606	102,419
Public works				
Street	4,009,500	3,114,500	3,347,719	(233,219)
Parks and recreation				
Pool	14,500	26,000	17,161	8,839
Pavilion	74,900	74,900	46,644	28,256
South park	281,050	731,050	706,086	24,964
North park	173,250	173,250	126,709	46,541
Golf	612,950	612,950	603,633	9,317
Casino and community building	103,200	103,200	77,943	25,257
Total parks and recreation	1,259,850	1,721,350	1,578,176	143,174
Airport	1,210,900	3,670,900	4,301,804	(630,904)
Cemetery	204,500	204,500	158,070	46,430
Debt service:				
Principal	195,107	235,107	234,495	612
Interest and fiscal charges	16,292	16,292	16,293	(1)
Total Expenditures	12,578,474	15,145,974	15,641,865	(495,891)
Excess of Revenues Over (Under) Expenditures	(5,357,425)	(5,607,425)	(5,496,865)	110,560
Other financing sources (uses):				
Transfers in	2,517,500	2,677,500	2,682,374	4,874
Transfers out	(57,500)	(57,500)	(43,189)	14,311
Sale of capital assets	5,500	5,500	23,444	17,944
Proceeds from lease purchase agreement	-	-	393,901	393,901
Payments in lieu of taxes	2,884,030	2,600,000	2,673,784	73,784
Total Other Financing Sources (Uses)	5,349,530	5,225,500	5,730,314	504,814
Net change in fund balances	\$ (7,895)	\$ (381,925)	233,449	\$ 615,374
Fund balances, beginning of year			2,937,496	
Fund balances, end of year			<u>\$ 3,170,945</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

CITY OF MONETT, MISSOURI
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Transportation Sales Tax Fund
For the Year Ended March 31, 2021

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 970,000	\$ 970,000	\$ 1,071,108	\$ 101,108
Total Revenues	<u>970,000</u>	<u>970,000</u>	<u>1,071,108</u>	<u>101,108</u>
Expenditures:				
Current:				
Public works	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>970,000</u>	<u>970,000</u>	<u>1,071,108</u>	<u>101,108</u>
Other financing sources (uses):				
Transfers out	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,382,894)</u>	<u>317,106</u>
Total Other Financing Sources (Uses)	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(1,382,894)</u>	<u>317,106</u>
Net change in fund balances	<u>\$ (730,000)</u>	<u>\$ (730,000)</u>	(311,786)	<u>\$ 418,214</u>
Fund balances, beginning of year			<u>1,372,909</u>	
Fund balances, end of year			<u>\$ 1,061,123</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

Schedule 3

CITY OF MONETT, MISSOURI
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Park Sales Tax Fund
For the Year Ended March 31, 2021

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Taxes	\$ 500,000	\$ 500,000	\$ 552,940	\$ 52,940
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>552,940</u>	<u>52,940</u>
Expenditures:				
Debt service:				
Principal	325,000	325,000	325,000	-
Interest and fiscal charges	<u>78,457</u>	<u>78,457</u>	<u>78,406</u>	<u>51</u>
Total Expenditures	<u>403,457</u>	<u>403,457</u>	<u>403,406</u>	<u>51</u>
Net change in fund balances	<u>\$ 96,543</u>	<u>\$ 96,543</u>	149,534	<u>\$ 52,991</u>
Fund balances, beginning of year			<u>433,350</u>	
Fund balances, end of year			<u>\$ 582,884</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

CITY OF MONETT, MISSOURI
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended March 31, 2021

	LAGERS					
	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service costs	\$ 657,759	\$ 656,616	\$ 668,004	\$ 639,391	\$ 616,931	\$ 617,375
Interest on total pension liability	2,073,445	1,974,712	1,874,884	1,797,932	1,637,666	1,564,778
Difference between expected and actual experience of the total pension liability	797,018	47,750	(92,430)	(559,892)	(136,413)	(472,412)
Changes of assumptions	-	-	-	-	828,489	-
Benefit payments and refunds	(1,365,629)	(1,271,635)	(871,222)	(790,364)	(705,369)	(703,043)
Net change in total pension liability	2,162,593	1,407,443	1,579,236	1,087,067	2,241,304	1,006,698
Total pension liability - beginning of year	28,946,986	27,539,543	25,960,307	24,873,240	22,631,936	21,625,238
Total pension liability - end of year (a)	<u>\$ 31,109,579</u>	<u>\$ 28,946,986</u>	<u>\$ 27,539,543</u>	<u>\$ 25,960,307</u>	<u>\$ 24,873,240</u>	<u>\$ 22,631,936</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 409,556	\$ 407,417	\$ 428,796	\$ 438,751	\$ 476,923	\$ 524,504
Contributions - employee	210,133	207,724	208,301	207,953	196,430	187,564
Net investment income	417,751	2,084,456	3,465,410	2,959,657	(70,888)	465,017
Benefit payments and refunds	(1,365,629)	(1,271,635)	(871,222)	(790,364)	(705,369)	(703,043)
Administrative expenses	(31,327)	(26,441)	(18,184)	(17,532)	(17,162)	(17,989)
Other (net transfer)	(35,931)	217,677	17,828	(388,493)	68,562	119,677
Net change in plan fiduciary net position	(395,447)	1,619,198	3,230,929	2,409,972	(51,504)	575,730
Plan fiduciary net position - beginning of year	32,160,966	30,541,768	27,310,839	24,900,867	24,952,371	24,376,851
Plan fiduciary net position - end of year (b)	<u>\$ 31,765,519</u>	<u>\$ 32,160,966</u>	<u>\$ 30,541,768</u>	<u>\$ 27,310,839</u>	<u>\$ 24,900,867</u>	<u>\$ 24,952,581</u>
Net pension liability/(asset) (a) - (b)	<u>\$ (655,940)</u>	<u>\$ (3,213,980)</u>	<u>\$ (3,002,225)</u>	<u>\$ (1,350,532)</u>	<u>\$ (27,627)</u>	<u>\$ (2,320,645)</u>
Plan net position as a percentage of the total pension liability	102.11%	111.10%	110.90%	105.20%	100.11%	110.25%
Covered employee payroll	5,364,444	4,917,388	5,119,628	5,143,013	4,744,999	4,657,747
Net pension liability/(asset) as a percentage of covered payroll	-12.23%	-65.36%	-58.64%	-26.26%	-0.58%	-49.82%

GASB 68 requires presentation of ten years. As of March 31, 2021, only six years of information is available.

CITY OF MONETT, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended March 31, 2021

LAGERS (General, Police and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2011	\$ 610,062	\$ 501,367	\$ 108,695	\$ 4,368,735	11.48%
2012	614,448	564,895	49,553	4,522,859	12.49%
2013	631,138	631,138	-	4,613,235	13.68%
2014	598,756	598,756	-	4,715,149	12.70%
2015	536,975	536,975	-	4,642,142	11.57%
2016	497,201	497,201	-	4,883,881	10.18%
2017	449,797	449,797	-	5,324,672	8.45%
2018	435,342	435,342	-	5,208,720	8.36%
2019	409,942	409,942	-	5,200,964	7.88%
2020	417,578	417,578	-	5,464,907	7.64%

Lagers

Valuation Date February 29, 2020

Notes: The roll-forward of total pension liability from February 29, 2020 to June 30, 2020 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age Normal and Modified Terminal Funding
Amortization method	Level percentage of payroll amortized method
Remaining amortization period	Multiple bases from 15 to 21 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation assumption	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% including wage inflation (General and Police) 3.25% to 7.15% including wage inflation (Fire)
Investment rate of return	7.25%, net of investment and administrative expenses
Retirement age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy retiree mortality tables, for post retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for male and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for male and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period based year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.
Other information:	None

CITY OF MONETT, MISSOURI
Combining Balance Sheet - Nonmajor Governmental Funds
March 31, 2021

	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Capital Improvement Fund	Airport Improvement Fund	Total
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ 1,003,729	\$ 1,003,729
Receivables:					
Taxes	-	35,236	163	-	35,399
Due from other governments	-	30,831	-	-	30,831
Restricted cash and investments	29	650,459	-	-	650,488
Total Assets	\$ 29	\$ 716,526	\$ 163	\$ 1,003,729	\$ 1,720,447
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-
Fund balances:					
Restricted:					
Capital projects	-	-	163	1,003,729	1,003,892
Debt service	29	716,526	-	-	716,555
Total fund balance	29	716,526	163	1,003,729	1,720,447
Total liabilities and fund balances	\$ 29	\$ 716,526	\$ 163	\$ 1,003,729	\$ 1,720,447

CITY OF MONETT, MISSOURI
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended March 31, 2021

	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Capital Improvement Fund	Airport Improvement Fund	Total
Revenues:					
Taxes	\$ -	\$ 205,163	\$ 710	\$ -	\$ 205,873
Intergovernmental activity taxes	-	305,880	-	-	305,880
Investment earnings	-	271	-	-	271
Total Revenues	<u>-</u>	<u>511,314</u>	<u>710</u>	<u>-</u>	<u>512,024</u>
Expenditures:					
Current:					
Public works	-	310,730	-	-	310,730
Debt service:					
Principal	-	140,000	-	-	140,000
Interest and fiscal charges	-	33,315	-	-	33,315
Total Expenditures	<u>-</u>	<u>484,045</u>	<u>-</u>	<u>-</u>	<u>484,045</u>
Excess of Revenues Over (Under) Expenditures	-	27,269	710	-	27,979
Other financing (uses):					
Transfers in	-	-	-	93,189	93,189
Transfers out	(60)	(7,979)	(17,877)	-	(25,916)
Total Other Financing (Uses)	<u>(60)</u>	<u>(7,979)</u>	<u>(17,877)</u>	<u>93,189</u>	<u>67,273</u>
Net change in fund balances	(60)	19,290	(17,167)	93,189	95,252
Fund balances, beginning of year	<u>89</u>	<u>697,236</u>	<u>17,330</u>	<u>910,540</u>	<u>1,625,195</u>
Fund balances, end of year	<u>\$ 29</u>	<u>\$ 716,526</u>	<u>\$ 163</u>	<u>\$ 1,003,729</u>	<u>\$ 1,720,447</u>

CITY OF MONETT, MISSOURI

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Tax Increment Financing #1
For the Year Ended March 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental activity taxes	\$ -	\$ 6,200	\$ -	\$ (6,200)
Total Revenues	<u>-</u>	<u>6,200</u>	<u>-</u>	<u>(6,200)</u>
Expenditures:				
Current:				
General government	-	6,500	-	6,500
Total Expenditures	<u>-</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>
Excess of Revenues Over (Under) Expenditures	-	(300)	-	300
Other financing sources (uses):				
Transfers out	-	-	(60)	(60)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(60)</u>	<u>(60)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (300)</u>	(60)	<u>\$ 240</u>
Fund balances, beginning of year			<u>89</u>	
Fund balances, end of year			<u>\$ 29</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

CITY OF MONETT, MISSOURI

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Tax Increment Financing #2
For the Year Ended March 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 155,000	\$ 155,000	\$ 205,163	\$ 50,163
Intergovernmental activity taxes	256,000	256,000	305,880	49,880
Investment earnings	5,000	5,000	271	(4,729)
Total Revenues	<u>416,000</u>	<u>416,000</u>	<u>511,314</u>	<u>95,314</u>
Expenditures:				
Current:				
Public works	8,000	323,000	310,730	12,270
Debt service:				
Principal	140,000	140,000	140,000	-
Interest and fiscal charges	33,315	33,315	33,315	-
Total Expenditures	<u>181,315</u>	<u>496,315</u>	<u>484,045</u>	<u>12,270</u>
Excess of Revenues Over (Under) Expenditures	234,685	(80,315)	27,269	107,584
Other financing sources (uses):				
Transfers out	-	-	(7,979)	7,979
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(7,979)</u>	<u>7,979</u>
Net change in fund balances	<u>\$ 234,685</u>	<u>\$ (80,315)</u>	19,290	<u>\$ 115,563</u>
Fund balances, beginning of year			<u>697,236</u>	
Fund balances, end of year			<u>\$ 716,526</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

CITY OF MONETT, MISSOURI
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Capital Improvements Sales Tax Fund
For the Year Ended March 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ 710	\$ 710
Total Revenues	<u>-</u>	<u>-</u>	<u>710</u>	<u>710</u>
Expenditures:				
Current:				
Public works	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>710</u>	<u>710</u>
Other financing sources (uses):				
Transfers out	<u>(17,500)</u>	<u>(18,000)</u>	<u>(17,877)</u>	<u>123</u>
Total Other Financing Sources (Uses)	<u>(17,500)</u>	<u>(18,000)</u>	<u>(17,877)</u>	<u>123</u>
Net change in fund balances	<u>\$ (17,500)</u>	<u>\$ (18,000)</u>	<u>(17,167)</u>	<u>\$ 833</u>
Fund balances, beginning of year			<u>17,330</u>	
Fund balances, end of year			<u>\$ 163</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

CITY OF MONETT, MISSOURI

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Airport Improvement Fund
For the Year Ended March 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Airport	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	107,500	107,500	93,189	(14,311)
Total Other Financing Sources (Uses)	<u>107,500</u>	<u>107,500</u>	<u>93,189</u>	<u>(14,311)</u>
Net change in fund balances	<u>\$ 107,500</u>	<u>\$ 107,500</u>	93,189	<u>\$ (14,311)</u>
Fund balances, beginning of year			<u>910,540</u>	
Fund balances, end of year			<u>\$ 1,003,729</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

CITY OF MONETT, MISSOURI
Combining Statement of Net Position
Nonmajor Enterprise Funds
March 31, 2021

	Sanitation Fund	Fiber Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 351,523	\$ 559,727	\$ 911,250
Receivables			
Accounts and other	99,864	22,960	122,824
Prepaid expenses	1,626	-	1,626
Inventory	-	25,844	25,844
Total current assets	<u>453,013</u>	<u>608,531</u>	<u>1,061,544</u>
Capital assets:			
Not being depreciated	12,101	-	12,101
Being depreciated, net of depreciation	681,257	111,543	792,800
Total noncurrent assets	<u>693,358</u>	<u>111,543</u>	<u>804,901</u>
Total assets	<u>1,146,371</u>	<u>720,074</u>	<u>1,866,445</u>
Deferred outflows of resources			
Deferred outflows - pension related activity	38,648	-	38,648
Liabilities			
Current liabilities:			
Accounts payable	22,352	7,750	30,102
Accrued liabilities	4,964	-	4,964
Current portion of long-term debt	4,857	-	4,857
Total current liabilities:	<u>32,173</u>	<u>7,750</u>	<u>39,923</u>
Long-term liabilities:			
Net pension liability	5,511	-	5,511
Long-term debt	951	-	951
Total long-term liabilities:	<u>6,462</u>	<u>-</u>	<u>6,462</u>
Total liabilities	<u>38,635</u>	<u>7,750</u>	<u>46,385</u>
Deferred inflows of resources			
Deferred inflows - pension related activity	4,016	-	4,016
Net position			
Net investment in capital assets	693,358	111,543	804,901
Restricted net position for:			
Pension benefits	29,121	-	29,121
Unrestricted	419,889	600,781	1,020,670
Total net position	<u>\$ 1,142,368</u>	<u>\$ 712,324</u>	<u>\$ 1,854,692</u>

CITY OF MONETT, MISSOURI
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended March 31, 2021

	Sanitation Fund	Fiber Fund	Total
Operating revenues:			
Charges for services	\$ 684,979	\$ 280,835	\$ 965,814
Other	9,409	-	9,409
Total operating revenues	<u>694,388</u>	<u>280,835</u>	<u>975,223</u>
Operating expenses:			
Wages and benefits	196,852	-	196,852
Professional and consulting services	-	99,790	99,790
Insurance	5,769	-	5,769
Repairs and maintenance	61,772	1,160	62,932
Utilities	437	1,401	1,838
Supplies	14,088	14,228	28,316
Depreciation	94,688	39,446	134,134
Other operating expenses	44,586	674	45,260
Landfill and recycling	225,371	-	225,371
Total operating expenses	<u>643,563</u>	<u>156,699</u>	<u>800,262</u>
Operating income	<u>50,825</u>	<u>124,136</u>	<u>174,961</u>
Nonoperating revenues (expenses):			
Federal and State grants	22	-	22
Total nonoperating revenues (expenses)	<u>22</u>	<u>-</u>	<u>22</u>
Income (loss) before transfers and payment in lieu of taxes	<u>50,847</u>	<u>124,136</u>	<u>174,983</u>
Payments in lieu of taxes (PILOTS)	<u>-</u>	<u>(28,084)</u>	<u>(28,084)</u>
Change in net position	50,847	96,052	146,899
Total net position, beginning of year	1,091,521	616,272	1,707,793
Total net position, end of year	<u>\$ 1,142,368</u>	<u>\$ 712,324</u>	<u>\$ 1,854,692</u>

CITY OF MONETT, MISSOURI
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended March 31, 2021

	Sanitation Fund	Fiber Fund	Total
Cash flows from operating activities:			
Receipts from customers and others	\$ 689,044	\$ 280,950	\$ 969,994
Payments to suppliers	(346,209)	(101,654)	(447,863)
Payments to employees	(191,933)	-	(191,933)
Net cash provided by operating activities	<u>150,902</u>	<u>179,296</u>	<u>330,198</u>
Cash Flows from noncapital financing activities:			
Pilots in lieu of taxes	-	(28,084)	(28,084)
Intergovernmental revenues	22	-	22
Net cash (used in) noncapital financing activities	<u>22</u>	<u>(28,084)</u>	<u>(28,062)</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(400,241)	-	(400,241)
Net cash flows (used in) capital and related financing activities	<u>(400,241)</u>	<u>-</u>	<u>(400,241)</u>
Net change in cash and equivalents	(249,317)	151,212	(98,105)
Cash and equivalents, beginning of year	600,840	408,515	1,009,355
Cash and equivalents, end of year	<u>\$ 351,523</u>	<u>\$ 559,727</u>	<u>\$ 911,250</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 50,825	\$ 124,136	\$ 174,961
Adjustments to reconcile operating income to net cash provided by operations:			
Depreciation and amortization	94,688	39,446	134,134
Change in compensated absences	2,494	-	2,494
Changes in net pension asset/liability	49,301	-	49,301
Changes in deferred outflows of resources	(25,023)	-	(25,023)
Changes in deferred inflows of resources	(23,484)	-	(23,484)
Changes in:			
Receivables	(5,344)	115	(5,229)
Prepaid expenses	696	-	696
Inventory	-	7,849	7,849
Accounts payable	5,118	7,750	12,868
Accrued liabilities	1,631	-	1,631
Net cash provided by operating activities	<u>\$ 150,902</u>	<u>\$ 179,296</u>	<u>\$ 330,198</u>

CITY OF MONETT, MISSOURI

SINGLE AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2021

**City of Monett, Missouri
Single Audit Report**

For the Year Ended March 31, 2021

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A copy of the City of Monett, Missouri's Financial Report for the year ended March 31, 2021 accompanies this report. The independent auditor's report and the financial statements are hereby incorporated by reference.	
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CHV**COCHRAN HEAD VICK & CO., P.C.****& Co***Certified Public Accountants*

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Kansas City, MO 64116
(816) 453-7014
Fax (816) 453-7016

**Independent Auditor's Report on Schedule
of Expenditures of Federal Awards**

To the Honorable Mayor and Members of the City Council
City of Monett, Missouri

**Other Offices in
Missouri and Kansas**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monett, Missouri (the City) as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 12, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
October 12, 2021

ADDITIONAL INFORMATION

City of Monett, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Current Year Expenditures
U.S. Department of Homeland Security			
Passed through Missouri Department of Public Safety			
Emergency Management Performance Grant	97.042	EMK-2019-EP-00001-074	\$ 27,535
Federal Emergency Management Agency Grant	97.036	FEMA-DR-4317-MO	327,259
Total U.S. Department of Homeland Security			<u>354,794</u>
U.S. Department of Housing and Urban Development			
Passed through Missouri Department of Economic Development			
Community Development Block Grant (CDBG) Grant	14.228	FR-2018-17	111,497
Total U.S. Department of Urban Development			<u>111,497</u>
U.S. Department of Treasury			
Passed Through Barry County, Missouri			
Coronavirus Aid, Relief and Economic Security			
CARES Act (covid-19)	21.019		109,368
Passed Through Lawrence County, Missouri			
Coronavirus Aid, Relief and Economic Security			
CARES Act (covid-19)	21.019		33,536
Total U.S. Department of Treasury			<u>142,904</u>
U.S. Department of Transportation			
Passed through Missouri Department of Transportation			
Airport Improvement Grant	20.106	13-098B-1	7,299
Airport Improvement Grant	20.106	20-098B-1	3,758,218
Coronavirus Aid, Relief and Economic Security			
CARES Act (covid-19)	20.106	20-098B-2	30,000
Total U.S. Department of Transportation			<u>3,795,517</u>
U.S. Department of Justice			
Bulletproof Vest	16.607		1,389
Total U.S. Department of Justice			<u>1,389</u>
Total Expenditures of Federal Awards			<u>\$ 4,406,101</u>

See accompanying notes to the schedule of expenditures of federal awards.

City of Monett, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2021

Note 1. Organization

The City of Monett, Missouri, is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Monett, Missouri, and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by Title 2 CFR Part 200, Subpart D, Section 200.306 is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City of Monett, Missouri. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at March 31, 2021.

Note 5. Indirect Cost Rate

The City does not allocate indirect costs, and therefore has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Monett, Missouri
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2021

Section 1 - Summary of Auditor's Results

Financial Statements:

Type Audit Report Issued on the Basic Financial Statements of Auditee
Unmodified

Internal Control Over Financial Reporting
No significant deficiencies reported, no material weaknesses identified.

General Compliance
The audit did not disclose any instances of noncompliance, which would be material to the basic financial statements.

Federal Awards:

Internal Control Over Major Programs
No significant deficiencies reported, no material weaknesses identified.

Type Audit Report Issued on Compliance for Major Programs
Unmodified

Audit Findings
None

<u>Major Programs</u>	
<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.106	Airport Improvement Program

Dollar Threshold Used to Distinguish Between Type A and Type B Program
\$750,000

Auditee Qualified as a Low-risk Auditee
No

City of Monett, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended March 31, 2021

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

Summary Schedule of Prior Audit Findings

None

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with the Uniform Guidance

None

Summary Schedule of Prior Audit Findings

None

COMPLIANCE REPORTS

CHV

COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

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**Independent Auditor's 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***

Other Offices in
Missouri and Kansas

To the Honorable Mayor and Members of the City Council
City of Monett, Missouri

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monett, Missouri (the City), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cochran Head View & Co., P.C.

Kansas City, Missouri
October 12, 2021



COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

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**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Other Offices in
Missouri and Kansas

To the Honorable Mayor and City Council
City of Monett, Missouri

Report on Compliance for the Major Federal Program

We have audited the City of Monett, Missouri's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended March 31, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the City'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 on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cochran Head View & Co., P.C.

Kansas City, Missouri
October 12, 2021

CITY OF MONETT, MISSOURI
REQUIRED COMMUNICATIONS,
And MANAGEMENT LETTER

For the Year Ended March 31, 2021

City of Monett, Missouri

Required Communications and Management Letter, and Compliance Report For the Year Ended March 31, 2021

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October 12, 2021

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 453-7014
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To the Honorable Mayor and
Commissioners
City of Monett, Missouri

Other Offices in
Missouri and Kansas

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Monett, Missouri (the City) for the year ended March 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 14, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant accounting estimates used by the City's management include determining the estimated historical cost of infrastructure and the related estimated useful lives used in recording depreciation and accumulated depreciation for capital assets; and the estimated obligation relating to pension benefits. We evaluated the key factors and assumptions used in developing the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. In addition, we assisted with certain adjustments necessary in converting from the cash basis of accounting to the modified and accrual basis of accounting used in the City's government-wide and fund financial statements. The attached Schedule A includes misstatements and adjustments that we brought to the attention of and were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 12, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the City's management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability (asset) and related ratios and schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monett, Missouri as of and for the year ended March 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the third paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As part of our annual audit, we try to identify opportunities for improving the management of financial resources and for improving the internal controls over financial reporting. We are submitting, for your consideration, our observations and recommendations with regard to these matters.

Management's responses to our comments are included with this report. We did not audit the City's responses and, accordingly, we express no opinion on them.

CURRENT YEAR COMMENTS

Budgeting

We noted that actual expenditures and transfers out exceeded budgeted appropriations in the General Fund by \$481,580 primarily as a result of the Airport runway project cost billings being received after March 31, 2021 for services provided before March 31, 2021 making it challenging to estimate costs for budgeting purposes. We recommend that management review its processes and procedures for estimating construction costs and formally amend the budget when considered necessary.

Additionally, we suggest that management consider establishing a separate Capital Project Fund to budget and account for the Airport runway project. We believe this would simplify and assist in segregating the capital outlay project and related grant reimbursements financial reporting from the Airport operating revenues and expenditures activities reporting.

Management's Response

Management agrees with the findings as to the cause of the budget violation and finds the recommendations provided reasonable and effective. The City will look to initiate the recommendations as soon as reasonably prudent.

Contract Retainage Payable

We noted that the City was not recording contract retainage payable. While we understand that the retainage is generally not paid until the construction contract is completed, we recommend that retainage payable be recorded as an obligation and construction expenditure costs as incurred.

Management's Response

Management finds this recommendation reasonable and will implement the suggested changes.

Key Employees and Cross Training

The City is exposed to certain management risks including among others, the possible loss of continuity and disruption in City operations with the loss of key employees either through retirement or some unforeseen circumstance. We recommend that City management evaluate and identify the exposure to such risks and develop plans to mitigate such risks. Such plans might include: developing an emergency management plan; perform succession planning for key members of management; and increased cross-training of City personnel.

Management's Response

While these succession planning and cross-training is an ever continuing process, management finds this recommendation reasonable and will strive to ensure the recommended plans and programs are developed and maintained. Additionally, as management is in the process of hiring for a new City Clerk, management intends to restructure duties slightly to provide for greater operational continuity and efficiencies.

Cyber Security

Organizations are encountering more cyberattacks than in previous years partly due to the migration of working remote. One example of a cyberattack is through phishing emails asking employees to click on a link which deploys malware to encrypt the Organization's system. We recommend that the City continue reviewing current policies and procedures related to cyber security. Procedures should include training employees on how to identify phishing emails and what to do if one is suspected, review cyber security protocols for key systems, test back-up systems with key data, and developing an incident response plan if an attack occurs.

Management's Response

Management is committed to securing its computer network from ever present cyber security threats. The City uses security strategies that include network structure, virus/malware protection, ongoing employee phishing training and other security measures to guard the network against intrusion. The City is currently reviewing and in the process of updating our cyber security policies and procedures. In addition, the City carries cyber security insurance.

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has recently issued the following statements which may impact the City's financial reporting requirements. In May 2021, in response to COVID-19 pandemic, GASB issued Statement No. 95 - Postponement of the Effective Dates of Certain Authoritative Guidance.

- GASB Statement No.87, Leases, effective for the fiscal year beginning April 1, 2022.

- GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period, effective for the fiscal year beginning April 1, 2021.
- GASB Statement No. 90 – Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61, effective for the fiscal year beginning April 1, 2021.
- GASB Statement No. 91 – Conduit Debt Obligations, effective for the fiscal year beginning April 1, 2022.
- GASB Statement No. 92 – Omnibus 2021, generally effective for the fiscal year beginning April 1, 2022.
- GASB Statement No. 93 - Replacement of Interbank Offered Rates effective for the fiscal year beginning April 1, 2022.
- GASB Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the fiscal year beginning April 1, 2023.
- GASB Statement No. 96 Subscription-Based Information Technology Arrangements, effective for the fiscal year beginning April 1, 2023.
- GASB Statement No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32, generally effective for the fiscal year beginning April 1, 2021.

We recommend management review these standards to determine the impact they may have on the City's financial reporting.

Management's Response

City staff will review all recent and upcoming GASB statements and ensure that any required changes are incorporated in future financial reporting.

Prior Comments

In the prior year, we issued certain comments and recommendations in regard to City accounting, internal control, and financial reporting issues. The following table summarizes the nature of these comments, the significance of the comments as described in the prior year's reports and our determination of the status of those comments.

<u>Prior Year Comment Description</u>	<u>Significance</u>	<u>Current Period Status</u>
Sales taxes for utilities.	We recommended that the City review and reconcile the utility billing system calculation with those used to prepare the monthly sales tax forms.	Staff reviewed and revised certain billing codes and should continue to reconcile the utility billing system with the calculations used to prepare the monthly sales tax forms.
Future Accounting Pronouncements	We recommended that management review upcoming standards to determine what impact they may have on the City's financial reporting.	The City implemented all applicable standards that became effective during fiscal year 2021. See the current comments section for additional upcoming accounting standards.

This report is intended solely for the information and use of the Mayor, Commissioners, and management of the City, and is not intended to be and should not be used by anyone other than these specified parties.

Cochran Head Vick & Co., P.C.

City of Monett
Schedule A
March 31, 2021

	Title	AJE	Debit	Credit
01-11300	A/R - AUDITOR SALES TAX	1	48,044.82	-
01-41-41-42200	SALES TAX - GENERAL OPERATING	1	-	32,030.04
01-41-41-42250	SALES TAX - FOR CAPITAL (1/2%)	1	-	16,014.78
16-11300	AUDIT SALES TAX RECEIVABLE	1	162.63	-
16-50-41-42000	SALES TAX	1	-	162.63
17-11300	AUDIT SALES TAX RECEIVABLE	1	17,590.37	-
17-51-41-42000	SALES TAX	1	-	17,590.37
18-11300	AUDIT SALES TAX RECEIVABLE	1	8,046.63	-
18-52-41-42000	SALES TAX	1	-	8,046.63
To adjust sales tax receivable to current year balances				
07-29000	DEFERRED INFLOW OF RESOURCES	2	149,825.39	-
06-29000	DEFERRED INFLOW OF RESOURCES	2	101,234.71	-
08-29000	DEFERRED INFLOW OF RESOURCES	2	71,559.01	-
10-29000	DEFERRED INFLOW OF RESOURCES	2	23,474.07	-
06-91-51-50061	LAGERS ADJ	2	18,811.19	-
07-92-51-50061	LAGERS ADJ	2	1,295.86	-
08-93-51-50061	LAGERS ADJ	2	25,509.78	-
10-95-51-50061	LAGERS ADJ	2	803.38	-
10-19000	DEFERRED OUTFLOWS	2	25,023.42	-
08-19000	DEFERRED OUTFLOWS	2	42,125.37	-
10-19500	NET PENSION ASSET	2	-	49,300.87
06-19000	DEFERRED OUTFLOWS	2	85,185.78	-
07-19000	DEFERRED OUTFLOWS	2	165,390.82	-
08-19500	NET PENSION ASSET	2	-	139,194.16
06-19500	NET PENSION ASSET	2	-	205,231.68
07-19500	NET PENSION ASSET	2	-	316,512.07
To adjust LAGERS deferred inflows, outflows and Net Pension to current year activity				
01-47-51-50010	REGULAR WAGES - FULL-TIME	3	5,753.66	-
01-48-51-50010	REGULAR WAGES - FULL-TIME	3	5,753.66	-
01-70-51-50010	REGULAR WAGES - FULL-TIME	3	5,753.66	-
01-23105	ACCRUED PAYROLL	3	-	17,260.98
06-91-51-50010	REGULAR WAGES - FULL-TIME	3	1,646.05	-
06-23105	ACCRUED PAYROLL (AUDITOR)	3	-	1,646.05
07-92-51-50010	REGULAR WAGES - FULL-TIME	3	5,802.39	-
07-23105	ACCRUED PAYROLL (AUDITOR)	3	-	5,802.39
08-93-51-50010	REGULAR WAGES - FULL-TIME	3	2,572.29	-
08-23105	ACCRUED PAYROLL (AUDITOR)	3	-	2,572.29
10-95-51-50010	REGULAR WAGES - FULL-TIME	3	1,630.29	-
10-23105	ACCRUED PAYROLL (AUDITOR)	3	-	1,630.29
To reverse PY and record CY payroll accrual				
01-10100	CASH IN COMBINED CASH FUND	4	-	17,661.79
01-10800	PREPAID WORK COMP	4	61,857.99	-
01-41-51-50080	WORKMEN'S COMPENSATION	4	-	95.71
01-42-51-50080	WORKMEN'S COMPENSATION	4	-	1,233.77
01-43-51-50080	WORKMEN'S COMPENSATION	4	-	30.16
01-44-51-50080	WORKMEN'S COMPENSATION	4	-	239.40
01-45-51-50080	WORKMEN'S COMPENSATION	4	-	231.58
01-47-51-50080	WORKMEN'S COMPENSATION	4	-	13,654.22
01-48-51-50080	WORKMEN'S COMPENSATION	4	-	11,690.94
01-60-51-50080	WORKMEN'S COMPENSATION	4	-	1,507.73
01-70-51-50080	WORKMEN'S COMPENSATION	4	-	9,303.93
01-80-51-50080	WORKMEN'S COMPENSATION	4	-	378.68
01-82-51-50080	WORKMEN'S COMPENSATION	4	-	1,130.85
01-83-51-50080	WORKMEN'S COMPENSATION	4	-	754.10
01-84-51-50080	WORKMEN'S COMPENSATION	4	-	1,423.25
01-87-51-50080	WORKMEN'S COMPENSATION	4	-	344.69
01-88-51-50080	WORKMEN'S COMPENSATION	4	-	2,177.19
06-10100	CASH IN COMBINED CASH FUND	4	5,181.64	-
06-91-51-50080	WORKMEN'S COMPENSATION	4	-	5,181.64
07-10100	CASH IN COMBINED CASH FUND	4	6,874.57	-

	Title	AJE	Debit	Credit
07-92-51-50080	WORKMEN'S COMPENSATION	4	-	6,874.57
08-10100	CASH IN COMBINED CASH FUND	4	2,059.57	-
08-93-51-50080	WORKMEN'S COMPENSATION	4	-	2,059.57
10-10100	CASH IN COMBINED CASH FUND	4	3,546.01	-
10-95-51-50080	WORKMEN'S COMPENSATION	4	-	3,546.01
To adjust prepaid CY Workmen's Compensation				
01-43-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	134.96	-
01-80-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	134.96	-
01-87-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	134.96	-
01-45-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	250.61	-
01-11290	PREPAID HEALTH INSURANCE	5	-	13,168.09
01-83-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	269.92	-
01-88-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	404.87	-
01-60-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	410.69	-
01-84-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	482.41	-
01-42-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	496.58	-
01-82-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	696.04	-
01-41-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	808.91	-
01-70-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	1,680.02	-
01-44-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	1,802.02	-
01-47-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	2,318.25	-
01-48-51-52020	HEALTH/DENTAL/LIFE INSURANCE	5	3,142.89	-
To adjust prepaid insurance at year end				
01-10810	PREPAID COMM LIAB (AUDITOR)	6	-	16,412.31
01-48-52-52000	INSURANCE	6	16,412.31	-
06-10800	PREPAID COMM LIAB (AUDITOR)	6	-	2,227.67
06-91-52-52000	INSURANCE	6	2,227.67	-
07-10800	PREPAID COMM LIAB (AUDITOR)	6	-	11,138.37
07-92-52-52000	INSURANCE	6	11,138.37	-
08-10800	PREPAID COMM LIAB (AUDITOR)	6	-	3,235.00
08-93-52-52000	INSURANCE	6	3,235.00	-
10-10800	PREPAID COMM LIAB (AUDITOR)	6	-	696.15
10-95-52-52000	INSURANCE	6	696.15	-
TO adjust prepaid insurance at year end				
01-44-43-465xx	Lease proceeds	7	-	393,901.00
01-44-52-59000	CAPITAL OUTLAY	7	393,901.00	-
To record capital lease proceeds for Report				
01-44-52-59000				
06-23130	ACCRUED INTEREST - DEBT	8	28,860.00	-
06-91-53-59100	DEBT - INTEREST EXPENSE	8	-	28,860.00
08-23130	ACCRUED INTEREST - DEBT	8	7,893.00	-
08-93-53-59100	DEBT - INTEREST EXPENSE	8	-	7,893.00
To adjust accrued interest payable				
01-22501	A/P - AUDITOR	9	-	142,977.35
01-41-41-42240	LESS SALES TAX TRANSFER TO TIF	9	10,961.96	-
01-41-52-51000	COMPUTER EXPENSE	9	-	8,073.96
01-41-52-53000	PROFESSIONAL AND CONSULTING	9	7,516.67	-
01-42-52-53000	PROFESSIONAL AND CONSULTING	9	-	2,565.00
01-42-52-54500	TELEPHONE/PAGERS	9	-	4,181.49
01-44-52-51000	COMPUTER EXPENSE	9	15,469.33	-
01-44-52-53500	REPAIR AND MAINTENANCE	9	3,000.00	-
01-44-52-54500	TELEPHONE/PAGERS	9	13,831.30	-
01-45-52-53500	REPAIR AND MAINTENANCE	9	-	19.51
01-48-52-54000	SUPPLIES	9	10,483.54	-
01-67-52-53000	PROFESSIONAL AND CONSULTING	9	6,250.00	-
01-70-52-53000	PROFESSIONAL AND CONSULTING	9	2,474.41	-
01-70-52-53500	REPAIR AND MAINTENANCE	9	48,297.72	-
01-70-52-54100	FUEL	9	8,430.06	-
01-70-53-59002	PUBLIC WORKS/MECHANIC FACILITY	9	-	80,439.63
01-70-53-59003	CENTRAL AVENUE PROJECT	9	48,947.26	-
01-70-53-59004	CHAPPELL DRIVE OVERPASS PROJECT	9	27,078.42	-
01-82-52-54000	SUPPLIES	9	25,490.70	-
01-83-52-53500	REPAIR AND MAINTENANCE	9	-	736.00

	Title	AJE	Debit	Credit
01-84-52-53000	PROFESSIONAL AND CONSULTING	9	-	1,200.00
01-88-52-52000	INSURANCE	9	6,874.00	-
01-88-52-55000	UTILITIES	9	-	1,380.40
01-88-53-59001	RUNWAY EXPANSION PROJECT	9	6,467.97	-
06-22500	A/P(AUDITOR)	9	-	5,193.00
06-91-52-53500	REPAIR AND MAINTENANCE	9	5,193.00	-
07-22500	A/P - ELECTRIC PUR. (AUDITOR)	9	-	741,232.56
07-92-52-53000	PROFESSIONAL AND CONSULTING	9	3,036.51	-
07-92-52-53500	REPAIR AND MAINTENANCE	9	2,660.00	-
07-92-52-54000	SUPPLIES	9	27,914.88	-
07-92-52-54100	FUEL	9	2,984.85	-
07-92-52-56500	ELECTRIC PURCHASES	9	700,286.32	-
07-92-53-59000	CAPITAL OUTLAY	9	4,350.00	-
08-22500	A/P (AUDITOR)	9	-	70,714.41
08-93-52-53000	PROFESSIONAL AND CONSULTING	9	12,615.00	-
08-93-52-53500	REPAIR AND MAINTENANCE	9	58,099.41	-
09-22500	A/P(AUDITOR)	9	-	7,750.00
09-94-52-53000	PROFESSIONAL AND CONSULTING	9	7,750.00	-
10-22500	A/P - AUDITOR	9	-	5,118.82
10-95-52-54000	SUPPLIES	9	2,794.79	-
10-95-52-57500	LANDFILL EXPENSE	9	2,324.03	-
To reverse prior year A/P and record C/Y A/P				
08-11202	ACCT. REC.- COUNTRY CLUB NID	10	-	25,000.00
08-93-48-47500	COUNTRY CLUB NID/SPEC ASSESMNT	10	25,000.00	-
<i>To adjust NID Special assessment a/r for CY Payment</i>				
<i>Ending balance of \$135,000 agrees with note balance</i>				
06-11203	UNBILLED ACCOUNTS RECEIVABLE	11	-	142,480.38
06-91-44-40000	SALE OF SERVICES	11	142,480.38	-
07-11203	UNBILLED ACCOUNTS RECEIVABLE	11	71,566.64	-
07-92-44-40000	SALE OF SERVICES	11	-	71,566.64
08-11203	UNBILLED ACCOUNTS RECEIVABLE	11	110,703.28	-
08-93-44-40000	SALE OF SERVICES	11	-	110,703.28
10-11203	UNBILLED ACCOUNTS RECEIVABLE	11	1,258.10	-
10-95-44-40000	SALE OF SERVICES	11	-	1,258.10
To adjust CY unbilled A/R				
01-11287	A/R - Sales Tax TIF	12	-	9,262.07
01-41-41-42240	LESS SALES TAX TRANSFER TO TIF	12	9,262.07	-
04-11500	A/R - CITY PORTION (AUDITOR)	12	9,262.07	-
04-11510	A/R - COUNTY	12	8,104.33	-
04-62-41-42330	SALES TAX - BARRY	12	-	6,946.56
04-62-41-42340	SALES TAX - BARRY E911	12	-	1,157.77
04-62-41-42350	CITY'S PORTION OF SALES	12	-	9,262.07
To adjust CY TIF A/R				
06-37503	FUND BALANCE - WATER	13	-	1,845,000.00
06-91-46-49600	PROCEEDS FROM FINANCING	13	1,845,000.00	-
To reclassify Debt issuance in Fund 6				
01-11500XX	A/R - Grants	14	549,668.21	-
01-88-43-46500	GRANT MONEY	14	-	549,668.21
To record Airport reimbursements receivable				
01-22501	A/P - AUDITOR	15	-	496,833.54
01-22501XX	A/P - Retainage AUDITOR	15	-	136,734.67
01-88-53-59001	RUNWAY EXPANSION PROJECT	15	633,568.21	-
To record A/P for reimbursement request 11 and cumulative retainage payable				