

City of Monett, Missouri

Basic Financial Statements With Independent Auditor's Report

For the Year Ended
March 31, 2022

CITY OF MONETT, MISSOURI

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Commissioners
City of Monett, Missouri

Report on the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position 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, as of March 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Monett, Missouri and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Monett, Missouri's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Monett, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Monett, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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 nonmajor 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 nonmajor fund financial statements and schedules are the responsibility of management and were derived from and related 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 nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.

Hood & Associates CPAs PC

Kansas City, Missouri
December 12, 2022

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2022

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, 2022. Please read it in conjunction with the City's financial statements, which begin on page 11.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of March 31, 2022, by \$81,817,045 (net position). Of this amount \$16,062,010 is unrestricted and may be used to meet future obligations of the City.
- The City's total net position increased by \$14,853,809 during the fiscal year as a result of current year activities. The City's governmental activities increased by \$12,766,211 and the City's business activities increased by \$2,087,598 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, 2022

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 Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 16,741,432	\$ 8,445,220	\$ 21,112,414	\$ 17,469,925	\$ 37,853,846	\$ 25,915,145
Capital assets	40,593,605	32,692,798	27,744,268	29,194,779	68,337,873	61,887,577
Total assets	57,335,037	41,138,018	48,856,682	46,664,704	106,191,719	87,802,722
Deferred outflow s - pension	658,743	1,394,914	230,873	515,826	889,616	1,910,740
Total deferred outflow s of resources	658,743	1,394,914	230,873	515,826	889,616	1,910,740
Long-term debt	3,827,927	5,180,939	12,141,061	13,614,952	15,968,988	18,795,891
Other liabilities	1,187,525	1,138,544	1,997,832	2,511,223	3,185,357	3,649,767
Total liabilities	5,015,452	6,319,483	14,138,893	16,126,175	19,154,345	22,445,658
Deferred inflow - pension	4,249,332	250,964	1,860,313	53,604	6,109,645	304,568
Total deferred inflow s of resources	4,249,332	250,964	1,860,313	53,604	6,109,645	304,568
Net position:						
Net investment in capital assets	37,381,605	28,234,971	15,765,168	15,892,072	53,146,773	44,127,043
Restricted	7,474,371	5,196,963	5,133,891	4,517,143	12,608,262	9,714,106
Unrestricted	3,872,720	2,530,551	12,189,290	10,591,536	16,062,010	13,122,087
Total net position	\$ 48,728,696	\$ 35,962,485	\$ 33,088,349	\$ 31,000,751	\$ 81,817,045	\$ 66,963,236

Total net position of the City increased by \$14,853,809 for the year due to current year activity. Total liabilities for the City increased \$3,291,013. Restricted net position of the City totaled \$12,608,262 as of March 31, 2022. 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, 2022

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,013,988	\$ 1,787,056	\$ 29,533,930	\$ 27,403,724	\$ 31,547,918	\$ 29,190,780
Operating grants and contributions	874,085	625,731	45,000	2,139	919,085	627,870
Capital grants and contributions	9,429,992	3,795,916	-	103,055	9,429,992	3,898,971
General revenues:						
Sales taxes	5,355,030	4,939,360	-	-	5,355,030	4,939,360
Motor vehicle and gas taxes	387,346	347,724	-	-	387,346	347,724
Franchise taxes	342,882	303,532	-	-	342,882	303,532
Other taxes	53,434	51,130	-	-	53,434	51,130
Intergovernmental activity taxes	296,669	305,880	-	-	296,669	305,880
Interest	1,838	69,793	(1,573)	33,280	265	103,073
Gain on disposal of capital assets	45,856	23,444	-	-	45,856	23,444
Other	59,967	54,950	-	-	59,967	54,950
	<u>18,861,087</u>	<u>12,304,516</u>	<u>29,577,357</u>	<u>27,542,198</u>	<u>48,438,444</u>	<u>39,846,714</u>
Expenses:						
General government	371,808	574,413	-	-	371,808	574,413
Public safety	4,792,870	5,209,459	-	-	4,792,870	5,209,459
Public works	2,471,463	2,926,729	-	-	2,471,463	2,926,729
Parks and recreation	1,180,034	1,293,496	-	-	1,180,034	1,293,496
Airport	438,231	492,487	-	-	438,231	492,487
Cemetery	176,961	185,108	-	-	176,961	185,108
Interest on long-term debt	118,994	128,193	-	-	118,994	128,193
Water	-	-	2,487,234	2,463,105	2,487,234	2,463,105
Electric	-	-	18,593,543	18,359,276	18,593,543	18,359,276
Sewer	-	-	2,170,888	2,452,226	2,170,888	2,452,226
Sanitation	-	-	705,686	643,563	705,686	643,563
Fiber	-	-	130,607	156,699	130,607	156,699
Total expenses	<u>9,550,361</u>	<u>10,809,885</u>	<u>24,087,958</u>	<u>24,074,869</u>	<u>33,638,319</u>	<u>34,884,754</u>
Change in net position	9,310,726	1,494,631	5,489,399	3,467,329	14,800,125	4,961,960
Payment in lieu of taxes (PILOTS)	2,914,648	2,673,784	(2,914,648)	(2,673,784)	-	-
Gain on sale of capital assets	-	-	53,684	-	53,684	-
Transfers in(out)	540,837	1,323,564	(540,837)	(1,323,564)	-	-
Change in net position after PILOTS and transfers	<u>12,766,211</u>	<u>5,491,979</u>	<u>2,087,598</u>	<u>(530,019)</u>	<u>14,853,809</u>	<u>4,961,960</u>
Net position, beginning	35,962,485	30,470,506	31,000,751	31,530,770	66,963,236	62,001,276
Net position, ending	<u>\$ 48,728,696</u>	<u>\$ 35,962,485</u>	<u>\$ 33,088,349</u>	<u>\$ 31,000,751</u>	<u>\$ 81,817,045</u>	<u>\$ 66,963,236</u>

Governmental Activities

Governmental activities increased the net position of the City by \$12,766,211. Tax revenues for the City were \$6,435,361 which represents 30% of the funding of these activities. Program revenues for the functions totaled \$12,318,065 or 57% 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, 2022**

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

	Total Expense of Services	Net Expense (Revenue) of Services
General government	\$ 371,808	\$ (607,952)
Public safety	4,792,870	3,538,336
Public works	2,471,463	2,465,325
Parks and recreation	1,180,034	792,795
Airport	438,231	(9,227,153)
Cemetery	176,961	151,951
Interest on long-term debt	118,994	118,994
	<u>\$ 9,550,361</u>	<u>\$ (2,767,704)</u>

Business-Type Activities-

Business-type activities increased the City's net position by \$2,087,598. Total charges for services revenue increased \$2,150,206 from 2021 primarily from increases in activity in the Electric and Sanitation funds. Expenses increased \$304,013 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, 2022, were \$9,186,986. Of this amount \$256,908 is non-spendable, \$4,698,309 is restricted, and \$4,231,739 is unassigned.

Fund balance of the City's General Fund increased \$1,317,702 from March 31, 2021, 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 increased \$723,169 to an ending balance of \$1,784,292 at March 31, 2022.

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 \$777,254 at March 31, 2022.

The Tax Increment Financing #1 Fund and the Tax Increment Financing #2 Fund balances totaled \$29, and \$1,019,755, no change and an increase of \$303,229, 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 \$45, a decrease of \$118 from 2021. 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 \$1,116,934 at March 31, 2022.

The City's Enterprise Funds net position increased by \$2,087,598 as the Water, Electric, Sewer and Fiber Funds reported increases in net position.

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2022

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 \$11,392,140 and other financing sources of \$4,840,970 totaling \$16,233,110 while total expenditures and transfers out were budgeted at \$13,966,360. The final amended budget included an increase in total revenues of \$4,391,770 and other financing sources increased \$907,500 while total expenditures and transfers out were increased by \$5,550,910. The General Fund's actual revenues and other financing sources were more than the final budgeted revenues amount by \$619,168, primarily related tax revenues and airport grant revenues. The General Fund's actual expenditures and other financing uses were under the final budget by \$498,424.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$40,593,605 (net of accumulated depreciation) as of March 31, 2022. This represents a \$7,900,807 increase over the prior year. Capital assets for business-type activities were \$27,744,268 as of March 31, 2022. This represents a decrease of \$1,450,511 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, 2022, was \$3,827,927, which is a decrease of \$1,270,294. Total debt of the business-type activities as of March 31, 2022, was \$12,141,061, a decrease of \$1,400,341 from the prior year. The decreases for both governmental and business-type activities are primarily due to principal payments made in the current year.

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, 2022

Economic Factors and Next Year's Budget

As we emerged from the threat and fear surrounding the global COVID-19 pandemic, the local Monett economy was especially robust for the fiscal year ended 2022. While we hope that the worst of the pandemic is behind us, its impact is still felt through businesses maintaining modified operations and the loss of some of our community members and businesses. Thankfully, as they did throughout the worst of the pandemic, the Monett community found ways to adapt and transitioned into a period of growth and prosperity.

During 2021, the City of Monett saw seventeen (17) new homes constructed which contributed to the overall construction investment in the community during 2021 of over \$6.7 million (almost \$4.6 was residential). New housing development has continued throughout 2022, with the addition of substantial commercial and industrial expansion along with a new middle school and library being built. Thus far through September of 2022, approximately \$43 million in improvements or development has been completed or is still underway.

The City continued to see increasing sales tax revenues during FY 21-22. This trend is likely due to a number of factors including rising wages in the community due to the shortage of available labor and general inflation. This will likely normalize over the next year as the economy stabilizes from the waning effects of the previous federal stimulus and economic behaviors change as people adapt to the changes made by the Federal Reserve to combat inflation. The City continues work in FYE 2023 on infrastructure projects initiated in FYE 2021 or earlier, including the Airport Expansion Project, Central Avenue and Roundabout Project, and the Chapell Drive Overpass. The Airport Expansion Project should be completed in the current fiscal year, while the other major infrastructure projects mentioned should 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 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; one such housing project has already been announced as it will be using incentives from the Missouri Housing Development Commission. There are currently two new subdivisions being constructed.

As for the City's utility enterprises, FYE 2023 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 2022 and as such is now 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 has 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, 2022

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 2020 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 a difficult position. Monett received a no interest five-year loan for \$5,338,226. The City went this route 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 Monett's cost of electricity operations to increase, they are in line with Monett's 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 continued inflation which has driven up operational costs by as much as 400% in some cases. Inflation continues to cause wage pressures and the City will need to stay adaptive to respond to the ever-shifting labor and materials marketplace.

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

Exhibit A

CITY OF MONETT, MISSOURI
Statement of Net Position
March 31, 2022

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Cash and investments	\$ 7,423,399	\$ 9,323,118	\$ 16,746,517
Receivables:			
Taxes	945,074	-	945,074
Special assessments	-	85,000	85,000
Accounts and other	111,455	3,800,977	3,912,432
Due from other governments	577,917	-	577,917
Prepays, deposits, and other assets	256,908	31,270	288,178
Inventory	-	1,108,718	1,108,718
Restricted assets:			
Cash and investments	1,040,145	4,478,009	5,518,154
Net pension asset	6,386,534	2,285,322	8,671,856
Capital assets:			
Not being depreciated	17,761,526	305,104	18,066,630
Being depreciated, net of depreciation	22,832,079	27,439,164	50,271,243
Total assets	57,335,037	48,856,682	106,191,719
Deferred Outflows of Resources			
Deferred outflows - pension related activity	658,743	230,873	889,616
Total deferred outflows of resources	658,743	230,873	889,616
Liabilities			
Accounts payable	812,666	1,334,683	2,147,349
Accrued liabilities	240,115	75,019	315,134
Accrued interest	19,883	64,486	84,369
Unearned revenue	104,416	-	104,416
Payable from restricted assets:			
Customer deposits	10,745	523,644	534,389
Long term debt:			
Due within one year	830,903	1,498,429	2,329,332
Due in more than one year	2,997,024	10,642,632	13,639,656
Total liabilities	5,015,752	14,138,893	19,154,645
Deferred Inflows of Resources			
Deferred inflows - pension related activity	4,249,332	1,860,313	6,109,645
Total deferred inflows of resources	4,249,332	1,860,313	6,109,645
Net Position			
Net investment in capital assets	37,381,605	15,765,168	53,146,773
Restricted :			
Capital projects	2,901,271	3,796,393	6,697,664
Debt service	999,901	681,616	1,681,517
Parks and recreation	777,254	-	777,254
Pension benefits	2,795,945	655,882	3,451,827
Unrestricted	3,872,720	12,189,290	16,062,010
Total net position	\$ 48,728,696	\$ 33,088,349	\$ 81,817,045

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Activities
For the Year Ended March 31, 2022

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	\$ 371,808	\$ 148,163	\$ 831,597	\$ -	\$ 607,952	\$ -	\$ 607,952
Public safety	4,792,870	1,212,046	42,488	-	(3,538,336)	-	(3,538,336)
Public works	2,471,463	6,138	-	-	(2,465,325)	-	(2,465,325)
Parks and recreation	1,180,034	387,239	-	-	(792,795)	-	(792,795)
Airport	438,231	235,392	-	9,429,992	9,227,153	-	9,227,153
Cemetery	176,961	25,010	-	-	(151,951)	-	(151,951)
Interest on long-term debt	118,994	-	-	-	(118,994)	-	(118,994)
Total governmental activities	9,550,361	2,013,988	874,085	9,429,992	2,767,704	-	2,767,704
Business-type activities							
Water	2,487,234	3,002,733	-	-	-	515,499	515,499
Electric	18,593,543	22,624,801	-	-	-	4,031,258	4,031,258
Sewer	2,170,888	2,970,365	45,000	-	-	844,477	844,477
Sanitation	705,686	706,971	-	-	-	1,285	1,285
Fiber	130,607	229,060	-	-	-	98,453	98,453
Total business-type activities	24,087,958	29,533,930	45,000	-	-	5,490,972	5,490,972
Total primary government	\$ 33,638,319	\$ 31,547,918	\$ 919,085	\$ 9,429,992	2,767,704	5,490,972	8,258,676
General revenues:							
Taxes:							
Sales taxes					5,355,030	-	5,355,030
Motor vehicle and gas taxes					387,346	-	387,346
Franchise taxes					342,882	-	342,882
Other taxes					53,434	-	53,434
Intergovernmental activity taxes					296,669	-	296,669
Payment in lieu of taxes					2,914,648	(2,914,648)	-
Unrestricted investment earnings (losses)					1,838	(1,573)	265
Gain on disposal of capital assets					45,856	53,684	99,540
Other					59,967	-	59,967
Transfers					540,837	(540,837)	-
Total general revenues					9,998,507	(3,403,374)	6,595,133
Change in net position					12,766,211	2,087,598	14,853,809
Net position, beginning of year					35,962,485	31,000,751	66,963,236
Net position, end of year					\$ 48,728,696	\$ 33,088,349	\$ 81,817,045

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Balance Sheet - Governmental Funds
March 31, 2022

	General	Transportation Sales Tax Fund	Park Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 4,018,517	\$ 1,605,218	\$ 682,730	\$ 1,116,934	\$ 7,423,399
Receivables:					
Taxes	658,813	179,074	94,524	12,663	945,074
Accounts and other	99,361	-	-	12,094	111,455
Due from other governments	577,917	-	-	-	577,917
Prepays, deposits and other assets	256,908	-	-	-	256,908
Restricted cash and investments	45,073	-	-	995,072	1,040,145
Total Assets	<u>\$ 5,656,589</u>	<u>\$ 1,784,292</u>	<u>\$ 777,254</u>	<u>\$ 2,136,763</u>	<u>\$ 10,354,898</u>
Liabilities					
Accounts payable	\$ 812,666	\$ -	\$ -	\$ -	\$ 812,666
Accrued liabilities	240,115	-	-	-	240,115
Customer deposits	10,745	-	-	-	10,745
Unearned revenue	104,416	-	-	-	104,416
Total Liabilities	<u>1,167,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,167,942</u>
Fund balances:					
Nonspendable:					
Prepaid items	256,908	-	-	-	256,908
Restricted:					
Capital projects	-	1,784,292	-	1,116,979	2,901,271
Debt service	-	-	-	1,019,784	1,019,784
Parks and recreation	-	-	777,254	-	777,254
Unassigned	4,231,739	-	-	-	4,231,739
Total fund balance	<u>4,488,647</u>	<u>1,784,292</u>	<u>777,254</u>	<u>2,136,763</u>	<u>9,186,956</u>
Total liabilities and fund balances	<u>\$ 5,656,589</u>	<u>\$ 1,784,292</u>	<u>\$ 777,254</u>	<u>\$ 2,136,763</u>	<u>\$ 10,354,898</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, 2022

Fund balances of governmental funds	\$ 9,186,956
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	6,386,534
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	40,593,605
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	(3,590,589)
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.	(19,883)
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	(3,827,927)
Net position of governmental activities	<u>\$ 48,728,696</u>

See accompanying notes to the basic financial statements

Exhibit D

CITY OF MONETT, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended March 31, 2022

	General	Transportation Sales Tax Fund	Park Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 3,801,883	\$ 1,157,036	\$ 597,740	\$ 194,688	\$ 5,751,347
Intergovernmental activity taxes	-	-	-	296,669	296,669
Licenses and permits	141,102	-	-	-	141,102
Intergovernmental	11,711,220	57,718	-	-	11,768,938
Charges for services	721,607	-	-	-	721,607
Rental	68,980	-	-	-	68,980
Investment earnings	1,746	-	-	92	1,838
Miscellaneous	64,750	-	-	-	64,750
Total Revenues	<u>16,511,288</u>	<u>1,214,754</u>	<u>597,740</u>	<u>491,449</u>	<u>18,815,231</u>
Expenditures:					
Current:					
General government	464,444	-	-	-	464,444
Public safety	4,994,822	-	-	-	4,994,822
Public works	1,506,658	377,265	-	6,255	1,890,178
Parks and recreation	1,193,420	-	-	-	1,193,420
Airport	9,533,692	-	-	-	9,533,692
Cemetery	202,590	-	-	-	202,590
Debt service:					
Principal	761,827	-	334,000	150,000	1,245,827
Interest and fiscal charges	39,025	-	69,370	31,647	140,042
Total Expenditures	<u>18,696,478</u>	<u>377,265</u>	<u>403,370</u>	<u>187,902</u>	<u>19,665,015</u>
Excess of Revenues Over (Under) Expenditures	(2,185,190)	837,489	194,370	303,547	(849,784)
Other financing sources (uses):					
Transfers in	864,756	-	-	113,205	977,961
Transfers out	(322,368)	(114,320)	-	(436)	(437,124)
Sale of capital assets	45,856	-	-	-	45,856
Payments in lieu of taxes (PILOTS)	2,914,648	-	-	-	2,914,648
Total Other Financing Sources (Uses)	<u>3,502,892</u>	<u>(114,320)</u>	<u>-</u>	<u>112,769</u>	<u>3,501,341</u>
Net change in fund balances	1,317,702	723,169	194,370	416,316	2,651,557
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 4,488,647</u>	<u>\$ 1,784,292</u>	<u>\$ 777,254</u>	<u>\$ 2,136,763</u>	<u>\$ 9,186,956</u>

See accompanying notes to the basic financial statements

Exhibit D
(continued)

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, 2022

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

Net change in fund balances - total governmental funds	\$ 2,651,557
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	9,843,684
Depreciation	(1,942,877)
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	1,245,827
Change in accrued interest expense	21,048
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>946,972</u>
Change in net position of governmental activities	<u><u>\$ 12,766,211</u></u>

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Net Position
Proprietary Funds
March 31, 2022

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets					
Current assets:					
Cash and investments	\$ 2,706,790	\$ 3,936,209	\$ 1,299,439	\$ 1,380,680	\$ 9,323,118
Receivables					
Accounts and other	399,900	2,935,226	339,729	126,122	3,800,977
Special assessments	-	-	85,000	-	85,000
Prepaid expenses	2,934	21,014	5,696	1,626	31,270
Restricted cash and investments	1,974,068	-	2,503,941	-	4,478,009
Inventory	163,216	918,616	2,883	24,003	1,108,718
Total current assets	<u>5,246,908</u>	<u>7,811,065</u>	<u>4,236,688</u>	<u>1,532,431</u>	<u>18,827,092</u>
Noncurrent assets:					
Capital assets:					
Not being depreciated	56,532	58,400	178,071	12,101	305,104
Being depreciated, net of depreciation	16,133,456	1,124,517	9,751,668	429,523	27,439,164
Net pension asset	632,267	1,119,396	362,431	171,228	2,285,322
Total noncurrent assets	<u>16,822,255</u>	<u>2,302,313</u>	<u>10,292,170</u>	<u>612,852</u>	<u>30,029,590</u>
Total assets	<u>22,069,163</u>	<u>10,113,378</u>	<u>14,528,858</u>	<u>2,145,283</u>	<u>48,856,682</u>
Deferred Outflows of Resources					
Deferred outflows - pension related activity	<u>63,874</u>	<u>113,086</u>	<u>36,615</u>	<u>17,298</u>	<u>230,873</u>
Liabilities					
Current liabilities:					
Accounts payable	36,342	1,276,919	-	21,422	1,334,683
Accrued liabilities	18,842	35,567	14,848	5,762	75,019
Current liabilities (payable from restricted assets):					
Customer deposits	34,927	488,717	-	-	523,644
Accrued interest	36,292	-	28,194	-	64,486
Current portion of long-term debt	674,492	82,049	737,491	4,397	1,498,429
Total current liabilities:	<u>800,895</u>	<u>1,883,252</u>	<u>780,533</u>	<u>31,581</u>	<u>3,496,261</u>
Long-term liabilities:					
Long-term debt	<u>8,120,741</u>	<u>68,168</u>	<u>2,452,909</u>	<u>814</u>	<u>10,642,632</u>
Total long-term liabilities:	<u>8,120,741</u>	<u>68,168</u>	<u>2,452,909</u>	<u>814</u>	<u>10,642,632</u>
Total liabilities	<u>8,921,636</u>	<u>1,951,420</u>	<u>3,233,442</u>	<u>32,395</u>	<u>14,138,893</u>
Deferred Inflows of Resources					
Deferred inflows - pension related activity	<u>514,685</u>	<u>911,210</u>	<u>295,034</u>	<u>139,384</u>	<u>1,860,313</u>
Net position					
Net investment in capital assets	7,445,988	1,182,917	6,694,639	441,624	15,765,168
Restricted net position for:					
Capital projects	1,592,867	-	2,203,526	-	3,796,393
Debt service	381,201	-	300,415	-	681,616
Pension benefits	181,456	321,272	104,012	49,142	655,882
Unrestricted	3,095,204	5,859,645	1,734,405	1,500,036	12,189,290
Total net position	<u>\$ 12,696,716</u>	<u>\$ 7,363,834</u>	<u>\$ 11,036,997</u>	<u>\$ 1,990,802</u>	<u>\$ 33,088,349</u>

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, 2022

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:					
Charges for services	\$ 2,959,048	\$ 22,558,658	\$ 2,964,217	\$ 926,250	\$ 29,408,173
Other	43,685	66,143	6,148	9,781	125,757
Total operating revenues	<u>3,002,733</u>	<u>22,624,801</u>	<u>2,970,365</u>	<u>936,031</u>	<u>29,533,930</u>
Operating expenses:					
Wages and benefits	716,340	1,139,578	413,340	180,969	2,450,227
Professional and consulting services	71,152	134,456	285,481	84,290	575,379
Insurance	17,052	86,358	25,577	6,153	135,140
Repairs and maintenance	387,407	148,353	186,990	93,676	816,426
Utilities	200,386	9,212	401,626	1,575	612,799
Supplies	94,777	357,761	64,436	17,262	534,236
Depreciation	690,755	150,794	651,502	140,054	1,633,105
Other operating expenses	109,192	149,733	63,293	54,390	376,608
Purchase of power	-	16,416,802	-	-	16,416,802
Landfill and recycling	-	-	-	257,924	257,924
Total operating expenses	<u>2,287,061</u>	<u>18,593,047</u>	<u>2,092,245</u>	<u>836,293</u>	<u>23,808,646</u>
Operating income	<u>715,672</u>	<u>4,031,754</u>	<u>878,120</u>	<u>99,738</u>	<u>5,725,284</u>
Nonoperating revenues (expenses):					
Interest income	13	73	(1,659)	-	(1,573)
Federal and State grants	-	-	45,000	-	45,000
Gain (loss) on capital asset disposal	-	-	(5,594)	59,278	53,684
Interest expense and fees	(200,173)	(496)	(78,643)	-	(279,312)
Total nonoperating revenues (expenses)	<u>(200,160)</u>	<u>(423)</u>	<u>(40,896)</u>	<u>59,278</u>	<u>(182,201)</u>
Income before transfers and payment in lieu of taxes	515,512	4,031,331	837,224	159,016	5,543,083
Transfers in(out)	259,163	(800,000)	-	-	(540,837)
Payments in lieu of taxes (PILOTS)	<u>(311,792)</u>	<u>(2,262,069)</u>	<u>(317,881)</u>	<u>(22,906)</u>	<u>(2,914,648)</u>
Change in net position	462,883	969,262	519,343	136,110	2,087,598
Total net position, beginning of year	12,233,833	6,394,572	10,517,654	1,854,692	31,000,751
Total net position, end of year	<u>\$ 12,696,716</u>	<u>\$ 7,363,834</u>	<u>\$ 11,036,997</u>	<u>\$ 1,990,802</u>	<u>\$ 33,088,349</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, 2022

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:					
Receipts from customers and others	\$ 3,041,062	\$ 22,275,347	\$ 3,115,473	\$ 932,733	\$ 29,364,615
Payments to suppliers	(859,959)	(17,748,757)	(1,099,510)	(522,109)	(20,230,335)
Payments to employees	(781,673)	(1,244,295)	(446,639)	(200,789)	(2,673,396)
Net cash provided by (used in) operating activities	1,399,430	3,282,295	1,569,324	209,835	6,460,884
Cash flows from noncapital financing activities:					
Transfers in (out)	259,163	(800,000)	-	-	(540,837)
Pilots in lieu of taxes	(311,792)	(2,262,069)	(317,881)	(22,906)	(2,914,648)
Net Cash Flows Provided by (used in) Noncapital Financing Activities	(52,629)	(3,062,069)	(317,881)	(22,906)	(3,455,485)
Cash flows from investing activities:					
Interest received	13	73	8,756	-	8,842
Net cash flows provided by (used in) investing activities	13	73	8,756	-	8,842
Cash flows from capital and related financing activities:					
Purchases of capital assets	(372,825)	(93,049)	(7,645)	-	(473,519)
Proceeds on sale of capital assets	-	-	62,108	282,501	344,609
Intergovernmental revenues	-	-	45,000	-	45,000
Interest and fiscal charges	(201,703)	(496)	(96,171)	-	(298,370)
Principal payments on long-term debt	(626,100)	(19,307)	(788,200)	-	(1,433,607)
Net cash flows provided by (used in) capital and related financing activities	(1,200,628)	(112,852)	(784,908)	282,501	(1,815,887)
Net change in cash and equivalents	146,186	107,447	475,291	469,430	1,198,354
Cash and equivalents, beginning of year	4,534,672	3,828,762	3,328,089	911,250	12,602,773
Cash and equivalents, end of year	<u>\$ 4,680,858</u>	<u>\$ 3,936,209</u>	<u>\$ 3,803,380</u>	<u>\$ 1,380,680</u>	<u>\$ 13,801,127</u>
Total cash and investments reported on the Statement of Net Position	<u>\$ 4,680,858</u>	<u>\$ 3,936,209</u>	<u>\$ 3,803,380</u>	<u>\$ 1,380,680</u>	<u>\$ 13,801,127</u>
Cash and investments reported on the Statement of Net Position					
Cash and investments	\$ 2,706,790	\$ 3,936,209	\$ 1,299,439	\$ 1,380,680	\$ 9,323,118
Restricted cash and investments	1,974,068	-	2,503,941	-	4,478,009
Total cash and investments	<u>\$ 4,680,858</u>	<u>\$ 3,936,209</u>	<u>\$ 3,803,380</u>	<u>\$ 1,380,680</u>	<u>\$ 13,801,127</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income	\$ 715,672	\$ 4,031,754	\$ 878,120	\$ 99,738	\$ 5,725,284
Adjustments to reconcile operating income to net cash provided by operations:					
Depreciation and amortization	690,755	150,794	651,502	140,054	1,633,105
Change in compensated absences	7,856	21,165	4,842	(597)	33,266
Changes in net pension asset/liability	(652,616)	(1,155,422)	(374,095)	(176,739)	(2,358,872)
Changes in deferred outflows of resources	78,837	139,576	45,190	21,350	284,953
Changes in deferred inflows of resources	499,855	884,953	286,533	135,368	1,806,709
Changes in:					
Receivables	39,486	(339,190)	120,108	(3,298)	(182,894)
Special assessments	-	-	25,000	-	25,000
Prepaid expenses	1,628	-	-	-	1,628
Inventory	1,432	(12,622)	6,802	1,841	(2,547)
Accounts payable	16,947	(433,460)	(78,909)	(8,680)	(504,102)
Accrued liabilities	735	5,011	4,231	798	10,775
Customer deposits	(1,157)	(10,264)	-	-	(11,421)
Net cash provided by (used in) operating activities	<u>\$ 1,399,430</u>	<u>\$ 3,282,295</u>	<u>\$ 1,569,324</u>	<u>\$ 209,835</u>	<u>\$ 6,460,884</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

(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, 2022

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
March 31, 2022

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

I. 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.

J. 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, 2022

K. 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 \$2,914,648 for the year ended March 31, 2022.

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.

L. 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
March 31, 2022

M. 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.

N. 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.

(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	\$	1,100
Demand deposits		20,376,583
Certificates of deposits		474,885
U.S. treasuries and agency securities		114,104
Restricted cash equivalents held in trust		1,297,999
Total cash and investments	\$	<u>22,264,671</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

Government-wide Statement of Net Position

	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 7,423,399	\$ 9,323,118	\$ 16,746,517
Restricted cash and investments	1,040,145	4,478,009	5,518,154
Total cash and investments	<u>\$ 8,463,544</u>	<u>\$ 13,801,127</u>	<u>\$ 22,264,671</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, 2022, the City's deposits were insured with Federal depository insurance, with the remaining uninsured balance collateralized by a \$13.0 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, 2022.

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.

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.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

The City has the following recurring fair value measurements as of March 31, 2022:

	Level 1	S&P Rating
<u>US Treasuries and Agency Securities</u>		
Government National Mortgage Association	\$ 109,188	AA+
Federal Home Loan Bank	800	AA+
Federal National Mortgage Association	4,116	AA+
Total US Treasuries and Agency Securities	<u>\$ 114,104</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.

Tax revenues for the year ended March 31, 2022 consisted of the following:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
Governmental funds:				
General Fund	\$ 3,405,567	\$ 342,882	\$ 53,434	\$ 3,801,883
Transportation Sales Tax Fund	1,157,036	-	-	1,157,036
Parks Sales Tax Fund	597,740	-	-	597,740
Nonmajor funds	194,688	-	-	194,688
	<u>\$ 5,355,031</u>	<u>\$ 342,882</u>	<u>\$ 53,434</u>	<u>\$ 5,751,347</u>

Taxes receivable represent sales tax and franchise taxes. Taxes receivable consisted of the following at March 31, 2022:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
Governmental funds:			
General Fund	\$ 554,861	\$ 103,952	\$ 658,813
Transportation Sales Tax Fund	179,074	-	179,074
Parks Sales Tax Fund	94,524	-	94,524
Nonmajor funds	12,663	-	12,663
	<u>\$ 841,122</u>	<u>\$ 103,952</u>	<u>\$ 945,074</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

(4) Intergovernmental Revenue/Receivables

Intergovernmental revenue during the year ended March 31, 2022 consisted of the following:

	<u>General Fund</u>	<u>Transportation Sales Tax Fund</u>	<u>Total Governmental Funds</u>
Grants:			
Federal, State and Local	\$ 10,362,314	\$ -	\$ 10,362,314
State:			
Motor vehicle fees and taxes	387,346	-	387,346
Local:			
Lawrence Co. Emerg. Services	961,560	-	961,560
Intergovernmental activity taxes	-	57,718	57,718
Total intergovernmental revenue	<u>\$ 11,711,220</u>	<u>\$ 57,718</u>	<u>\$ 11,768,938</u>
		<u>Sewer Fund</u>	<u>Total Enterprise Funds</u>
Grants - State and Local		<u>\$ 45,000</u>	<u>\$ 45,000</u>

Amounts due from other governments at March 31, 2022, were as follows:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Grants - federal, state, and local	\$ 549,668	\$ -	\$ 549,668
State:			
Motor vehicle fees and taxes	28,248	-	28,248
Local:			
Intergovernmental activity taxes	-	12,094	12,094
Total due from other governments	<u>\$ 577,916</u>	<u>\$ 12,094</u>	<u>\$ 590,010</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

(5) Interfund Activity

Transfers between funds for the year ended March 31, 2022 were as follows:

	Transfers Out:				Total
	General	Transportation Sales Tax Fund	Nonmajor Governmental Funds	Electric Fund	
Transfers In:					
General Fund	\$ -	\$ 64,320	\$ 436	\$ 800,000	\$ 864,756
Nonmajor Governmental Funds	63,205	50,000	-	-	113,205
Water Fund	259,163	-	-	-	259,163
	<u>\$ 322,368</u>	<u>\$ 114,320</u>	<u>\$ 436</u>	<u>\$ 800,000</u>	<u>\$ 1,237,124</u>

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, 2022

(6) Capital Assets

A summary of the changes in capital assets for the year ended March 31, 2022 is as follows:

	March 31, 2021	Additions	Retirements	March 31, 2022
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,341,356	\$ 904	\$ -	\$ 4,342,260
Construction in progress	4,849,405	9,435,094	865,233	13,419,266
Total capital assets, not being depreciated	9,190,761	9,435,998	865,233	17,761,526
Capital assets, being depreciated				
Building and improvements	12,139,561	-	-	12,139,561
Machinery and equipment	8,550,777	417,774	255,051	8,713,500
Infrastructure	33,392,506	855,145	-	34,247,651
Total capital assets, being depreciated	54,082,844	1,272,919	255,051	55,100,712
Less accumulated depreciation for:				
Building and improvements	4,241,673	360,535	-	4,602,208
Machinery and equipment	6,533,554	531,916	255,051	6,810,419
Infrastructure	19,805,580	1,050,426	-	20,856,006
Total accumulated depreciation	30,580,807	1,942,877	255,051	32,268,633
Total capital assets being depreciated, net	23,502,037			22,832,079
Governmental activities capital assets, net	<u>\$ 32,692,798</u>			<u>\$ 40,593,605</u>
Business-type Activities:				
Capital assets, not being depreciated				
Land	\$ 305,104	\$ -	\$ -	\$ 305,104
Total capital assets, not being depreciated	305,104	-	-	305,104
Capital assets, being depreciated				
Building and improvements	16,763,194	-	-	16,763,194
Machinery and equipment	5,289,622	163,790	455,690	4,997,722
Infrastructure	44,903,448	309,728	-	45,213,176
Total capital assets being depreciated	66,956,264	473,518	455,690	66,974,092
Less accumulated depreciation for:				
Building and improvements	3,591,591	386,681	-	3,978,272
Machinery and equipment	3,519,918	328,577	164,766	3,683,729
Infrastructure	30,955,080	917,847	-	31,872,927
Total accumulated depreciation	38,066,589	1,633,105	164,766	39,534,928
Total capital assets being depreciated, net	28,889,675			27,439,164
Business-type activities capital assets, net	<u>\$ 29,194,779</u>			<u>\$ 27,744,268</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

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

Governmental Activities:	
General government	\$ 16,030
Public safety	538,937
Public works	1,060,154
Parks and recreation	170,781
Airport	135,962
Cemetery	<u>21,013</u>
Total depreciation expense for Governmental activities	<u>\$ 1,942,877</u>
Business-type Activities:	
Waterworks	\$ 690,755
Electric	150,794
Sewer	651,502
Sanitation	107,618
Fiber	<u>32,436</u>
Total depreciation expense for Business type activities	<u>\$ 1,633,105</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

(7) Long Term Debt

A summary of the changes in long term debt for the year ended March 31, 2022 is as follows:

	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Governmental Activities:					
Tax Increment Financing Bonds:					
Series 2020	\$ 1,155,000	\$ -	\$ 150,000	\$ 1,005,000	\$ 155,000
Certificate of participation - Series 2012	333,213	-	333,213	-	-
Capital leases	428,614	-	428,614	-	-
Lease purchase agreement	2,541,000	-	334,000	2,207,000	344,000
Compensated absences **	640,394	39,919	64,386	615,927	331,903
Total Governmental activities	5,098,221	39,919	1,310,213	3,827,927	830,903
Business-Type Activities:					
Neighborhood Improvement Bonds:					
Series 2005	110,000	-	110,000	-	-
Revenue Bonds:					
Series 2003B	2,650,000	-	615,000	2,035,000	645,000
Series 2013	7,525,100	-	471,100	7,054,000	481,000
Series 2015	1,153,300	-	63,200	1,090,100	64,600
Certificates of Participation:					
Series 2020	1,845,000	-	155,000	1,690,000	170,000
Note payable - Light Upgrade at WWT	19,307	-	19,307	-	-
Compensated absences	238,695	137,830	104,564	271,961	137,829
Total Business-type activities	13,541,402	137,830	1,538,171	12,141,061	1,498,429
Total primary government	\$ 18,639,623	\$ 177,749	\$ 2,848,384	\$ 15,968,988	\$ 2,329,332

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 #1Infrastructure 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%. The Certificates of Participation were paid off during the year ended March 31, 2022.

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%.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

Capital Lease Obligations

The City 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 \$93,420 as of March 31, 2022. The leases were paid off during the year ended March 31, 2022.

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%. The outstanding balance of the bonds were redeemed in 2022.

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%.

\$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.

Refunding Lease Purchase Agreement

\$1,845,000 Refunding Lease Purchase Agreement, Series 2020. 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%. The note was paid off during the year ended March 31, 2022.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

C. Future Debt Service Requirements

Governmental Activities						
	Series 2020 Tax Increment Financing Bonds		Series 2017 Lease Purchase Agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 155,000	\$ 27,537	\$ 344,000	\$ 60,251	\$ 499,000	\$ 87,788
2024	165,000	23,290	353,000	50,860	518,000	74,150
2025	165,000	18,769	362,000	41,336	527,000	60,105
2026	170,000	14,248	372,000	31,340	542,000	45,588
2027	170,000	9,590	383,000	21,185	553,000	30,775
2028-2032	180,000	4,932	393,000	10,729	573,000	15,661
Totals	\$ 1,005,000	\$ 98,366	\$ 2,207,000	\$ 215,701	\$ 3,212,000	\$ 314,067

Business-type Activities						
	Series 2003B Waterworks and Sewerage Bonds		Series 2013 Waterworks and Sewerage Bonds		Series 2015 Waterworks and Sewerage Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 645,000	\$ 95,645	\$ 481,000	\$ 111,641	\$ 64,600	\$ 13,210
2024	680,000	65,330	490,100	103,860	66,000	12,411
2025	710,000	33,370	500,100	95,933	67,600	11,594
2026	-	-	510,000	87,838	69,000	10,758
2027	-	-	519,900	79,590	70,400	9,905
2028-2032	-	-	2,762,500	268,237	376,600	36,069
2033-2037	-	-	1,790,400	50,836	375,900	11,694
Totals	\$ 2,035,000	\$ 194,345	\$ 7,054,000	\$ 797,935	\$ 1,090,100	\$ 105,641

Business-type Activities				
	Series 2020 Refunding Equipment Lease Purchase		Total	
	Principal	Interest	Principal	Interest
2023	\$ 170,000	\$ 39,323	\$ 1,360,600	\$ 259,819
2024	175,000	35,096	1,411,100	216,697
2025	180,000	30,748	1,457,700	171,645
2026	185,000	26,276	764,000	124,872
2027	190,000	21,683	780,300	111,178
2028-2032	790,000	39,323	3,929,100	343,629
2033-2037	-	-	2,166,300	62,530
Totals	\$ 1,690,000	\$ 192,449	\$ 11,869,100	\$ 1,290,370

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

(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>2021 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	63	17	11	91
Inactive employees entitled to but not yet receiving benefits	17	12	5	34
Active employees	87	20	14	121
	<u>167</u>	<u>49</u>	<u>30</u>	<u>246</u>

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.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

E. Net Pension Liability (Asset)

The City's net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2021.

F. Actuarial Assumptions

The total pension liability in the February 28, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation (General and Police) 2.75% to 7.15% including wage inflation (Fire)
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 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, 2022

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	\$ 31,109,579	\$ 31,765,519	\$ (655,940)
Changes for the year:			
Service cost	708,058	-	708,058
Interest	2,239,943	-	2,239,943
Difference between expected and actual experience	(1,733,415)	-	(1,733,415)
Contributions - employer	(620,009)	438,185	(1,058,194)
Contributions - employee	-	222,265	(222,265)
Net investment income	-	8,507,883	(8,507,883)
Benefit payments, including refunds	(1,143,304)	(1,143,304)	-
Administrative expense	-	(24,654)	24,654
Other changes (net transfer)	-	(533,186)	533,186
Net changes	(548,727)	7,467,189	(8,015,916)
Balances at end of year	\$ 30,560,852	\$ 39,232,708	\$ (8,671,856)

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 7.00%, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability (TPL)	\$ 34,860,621	\$ 30,560,852	\$ 27,011,833
Plan Fiduciary Net Position	(39,232,708)	(39,232,708)	(39,232,708)
Net Pension Liability/(Asset)	\$ (4,372,087)	\$ (8,671,856)	\$ (12,220,875)

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

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

For the year ended March 31, 2022, the City recognized LAGERS pension benefit of \$741,762, \$196,201 (General), \$183,390 (Police) and \$362,171 (Fire). The City reported deferred outflows related to LAGERS pension from the following sources:

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Changes in assumptions	\$ -	\$ -	\$ 30,279	\$ 30,279
Difference between expected and actual experience	227,733	163,812	145,013	536,558
Contributions subsequent to measurement date*	262,792	54,263	5,724	322,779
Total	<u>\$ 490,525</u>	<u>\$ 218,075</u>	<u>\$ 181,016</u>	<u>\$ 889,616</u>
Deferred Inflows of Resources:				
Changes in assumptions	\$ (386,103)	\$ (48,500)	\$ (57,494)	\$ (492,097)
Difference between expected and actual experience	(997,111)	(193,183)	(311,088)	(1,501,382)
Difference in projected and actual earnings on pension plan investments	(2,569,141)	(690,637)	(856,388)	(4,116,166)
Total	<u>\$ (3,952,355)</u>	<u>\$ (932,320)</u>	<u>\$ (1,224,970)</u>	<u>\$ (6,109,645)</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	\$ (997,480)	\$ (200,035)	\$ (269,086)	\$ (1,466,601)
2023	(786,838)	(155,270)	(221,279)	(1,163,387)
2024	(844,483)	(204,012)	(213,685)	(1,262,180)
2025	(1,095,821)	(209,191)	(267,994)	(1,573,006)
2026	-	-	(40,097)	(40,097)
Thereafter	-	-	(37,537)	(37,537)
Total	<u>\$ (3,724,622)</u>	<u>\$ (768,508)</u>	<u>\$ (1,049,678)</u>	<u>\$ (5,542,808)</u>

K. Payable to the Pension Plan

At March 31, 2022, the City's outstanding contributions due to the LAGERS pension plan was \$322,779.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

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

	General	Police	Fire	Total
Governmental activities:				
Net Pension Asset/(Liability)	\$ (2,570,183)	\$ (1,426,851)	\$ (2,389,500)	\$ (6,386,534)
Business-type activities:				
Net Pension Asset/(Liability)	(2,285,322)	-	-	(2,285,322)
Total	<u>\$ (4,855,505)</u>	<u>\$ (1,426,851)</u>	<u>\$ (2,389,500)</u>	<u>\$ (8,671,856)</u>
Governmental activities:				
Pension related deferred outflows	\$ 259,652	\$ 218,075	\$ 181,016	\$ 658,743
Pension related deferred inflows	(2,092,042)	(932,320)	(1,224,970)	(4,249,332)
Business-type activities:				
Pension related deferred outflows	230,873	-	-	230,873
Pension related deferred inflows	(1,860,313)	-	-	(1,860,313)
Total	<u>\$ (3,461,830)</u>	<u>\$ (714,245)</u>	<u>\$ (1,043,954)</u>	<u>\$ (5,220,029)</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.

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.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2022

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, 2022

E. Leases

The City rents golf carts under a cancelable operating lease. Rent expenditures for the year ended March 31, 2022 was \$22,360. As of March 31, 2022, minimum future rental payments required under the lease for subsequent fiscal years are as follows:

Year ending March 31,		
2023	\$	27,840
2024		27,840
2025		27,840
2026		27,840
2027		27,840
2028-2032		27,840
		<u>167,040</u>
	\$	<u>167,040</u>

F. Construction Commitments

At March 31, 2022, the City had approximately \$600,000 in construction commitments related to the Airport runway relocation project.

(10) Subsequent Events

Management has evaluated subsequent events through December 12, 2022, the date the financial statements were prepared. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

City of Monett, Missouri
Notes to Required Supplementary Information
March 31, 2022

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
Combining Balance Sheet - Nonmajor Governmental Funds
March 31, 2022

	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Capital Improvement Fund	Airport Improvement Fund	Total
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ 1,116,934	\$ 1,116,934
Receivables:					
Taxes	-	12,618	45	-	12,663
Special assessments	-	-	-	-	-
Accounts and other	-	12,094	-	-	12,094
Due from other governments	-	-	-	-	-
Restricted cash and investments	29	995,043	-	-	995,072
Total Assets	\$ 29	\$ 1,019,755	\$ 45	\$ 1,116,934	\$ 2,136,763
Fund balances:					
Restricted:					
Capital projects	\$ -	\$ -	\$ 45	\$ 1,116,934	\$ 1,116,979
Debt service	29	1,019,755	-	-	1,019,784
Total fund balance	29	1,019,755	45	1,116,934	2,136,763
Total liabilities and fund balances	\$ 29	\$ 1,019,755	\$ 45	\$ 1,116,934	\$ 2,136,763

CITY OF MONETT, MISSOURI
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended March 31, 2022

	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Capital Improvement Fund	Airport Improvement Fund	Total
Revenues:					
Taxes	\$ -	\$ 194,370	\$ 318	\$ -	\$ 194,688
Intergovernmental activity taxes	-	296,669	-	-	296,669
Investment earnings	-	92	-	-	92
Total Revenues	-	491,131	318	-	491,449
Expenditures:					
Current:					
Public works	-	6,255	-	-	6,255
Debt service:					
Principal	-	150,000	-	-	150,000
Interest and fiscal charges	-	31,647	-	-	31,647
Total Expenditures	-	187,902	-	-	187,902
Excess of Revenues Over (Under) Expenditures	-	303,229	318	-	303,547
Other financing (uses):					
Transfers in	-	-	-	113,205	113,205
Transfers out	-	-	(436)	-	(436)
Total Other Financing (Uses)	-	-	(436)	113,205	112,769
Net change in fund balances	-	303,229	(118)	113,205	416,316
Fund balances, beginning of year	29	716,526	163	1,003,729	1,720,447
Fund balances, end of year	\$ 29	\$ 1,019,755	\$ 45	\$ 1,116,934	\$ 2,136,763

Schedule 9

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, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 180,000	\$ 194,370	\$ 14,370
Intergovernmental activity taxes	272,000	296,669	24,669
Investment earnings	1,000	92	(908)
Total Revenues	<u>453,000</u>	<u>491,131</u>	<u>38,131</u>
Expenditures:			
Current:			
Public works	7,000	6,255	745
Debt service:			
Principal	150,000	150,000	-
Interest and fiscal charges	31,650	31,647	3
Total Expenditures	<u>188,650</u>	<u>187,902</u>	<u>748</u>
Excess of Revenues Over (Under) Expenditures	<u>264,350</u>	<u>303,229</u>	<u>38,879</u>
Net change in fund balances	<u>\$ 264,350</u>	303,229	<u>\$ 38,879</u>
Fund balances, beginning of year		<u>716,526</u>	
Fund balances, end of year		<u>\$ 1,019,755</u>	

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

Schedule 10

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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 450	\$ 318	\$ (132)
Total Revenues	<u>450</u>	<u>318</u>	<u>(132)</u>
Excess of Revenues Over (Under) Expenditures	<u>450</u>	<u>318</u>	<u>(132)</u>
Other financing sources (uses):			
Transfers out	<u>(450)</u>	<u>(436)</u>	<u>14</u>
Total Other Financing Sources (Uses)	<u>(450)</u>	<u>(436)</u>	<u>14</u>
Net change in fund balances	<u>\$ -</u>	<u>(118)</u>	<u>\$ (118)</u>
Fund balances, beginning of year		<u>163</u>	
Fund balances, end of year		<u>\$ 45</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, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources (uses):			
Transfers in	57,500	113,205	55,705
Transfers out	(50,000)	-	50,000
Total Other Financing Sources (Uses)	<u>7,500</u>	<u>113,205</u>	<u>105,705</u>
Net change in fund balances	<u>\$ 7,500</u>	<u>113,205</u>	<u>\$ 105,705</u>
Fund balances, beginning of year		<u>1,003,729</u>	
Fund balances, end of year		<u>\$ 1,116,934</u>	

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

Schedule 12

CITY OF MONETT, MISSOURI
Combining Statement of Net Position
Nonmajor Enterprise Funds
March 31, 2022

	Sanitation Fund	Fiber Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 719,054	\$ 661,626	\$ 1,380,680
Receivables			
Accounts and other	102,987	23,135	126,122
Prepaid expenses	1,626	-	1,626
Inventory	-	24,003	24,003
Total current assets	<u>823,667</u>	<u>708,764</u>	<u>1,532,431</u>
Capital assets:			
Not being depreciated	12,101	-	12,101
Being depreciated, net of depreciation	350,416	79,107	429,523
Net pension Asset	171,228	-	171,228
Total noncurrent assets	<u>533,745</u>	<u>79,107</u>	<u>612,852</u>
Total assets	<u>1,357,412</u>	<u>787,871</u>	<u>2,145,283</u>
Deferred outflows of resources			
Deferred outflows - pension related activity	<u>17,298</u>	<u>-</u>	<u>17,298</u>
Liabilities			
Current liabilities:			
Accounts payable	21,422	-	21,422
Accrued liabilities	5,762	-	5,762
Current portion of long-term debt	4,397	-	4,397
Total current liabilities:	<u>31,581</u>	<u>-</u>	<u>31,581</u>
Long-term liabilities:			
Long-term debt	814	-	814
Total long-term liabilities:	<u>814</u>	<u>-</u>	<u>814</u>
Total liabilities	<u>32,395</u>	<u>-</u>	<u>32,395</u>
Deferred inflows of resources			
Deferred inflows - pension related activity	<u>139,384</u>	<u>-</u>	<u>139,384</u>
Net position			
Net investment in capital assets	362,517	79,107	441,624
Restricted net position for:			
Pension benefits	49,142	-	49,142
Unrestricted	791,272	708,764	1,500,036
Total net position	<u>\$ 1,202,931</u>	<u>\$ 787,871</u>	<u>\$ 1,990,802</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, 2022

	Sanitation Fund	Fiber Fund	Total
Operating revenues:			
Charges for services	\$ 697,190	\$ 229,060	\$ 926,250
Other	9,781	-	9,781
Total operating revenues	<u>706,971</u>	<u>229,060</u>	<u>936,031</u>
Operating expenses:			
Wages and benefits	180,969	-	180,969
Professional and consulting services	-	84,290	84,290
Insurance	6,153	-	6,153
Repairs and maintenance	92,999	677	93,676
Utilities	314	1,261	1,575
Supplies	7,278	9,984	17,262
Depreciation	107,618	32,436	140,054
Other operating expenses	52,431	1,959	54,390
Landfill and recycling	257,924	-	257,924
Total operating expenses	<u>705,686</u>	<u>130,607</u>	<u>836,293</u>
Operating income	<u>1,285</u>	<u>98,453</u>	<u>99,738</u>
Nonoperating revenues (expenses):			
Gain on capital asset disposal	59,278	-	59,278
Total nonoperating revenues (expenses)	<u>59,278</u>	<u>-</u>	<u>59,278</u>
Income (loss) before transfers and payment in lieu of taxes	<u>60,563</u>	<u>98,453</u>	<u>159,016</u>
Payments in lieu of taxes (PILOTS)	<u>-</u>	<u>(22,906)</u>	<u>(22,906)</u>
Change in net position	60,563	75,547	136,110
Total net position, beginning of year	1,142,368	712,324	1,854,692
Total net position, end of year	<u>\$ 1,202,931</u>	<u>\$ 787,871</u>	<u>\$ 1,990,802</u>

CITY OF MONETT, MISSOURI
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended March 31, 2022

	Sanitation Fund	Fiber Fund	Total
Cash flows from operating activities:			
Receipts from customers and others	\$ 703,848	\$ 228,885	\$ 932,733
Payments to suppliers	(418,029)	(104,080)	(522,109)
Payments to employees	(200,789)	-	(200,789)
Net cash provided by operating activities	<u>85,030</u>	<u>124,805</u>	<u>209,835</u>
Cash Flows from noncapital financing activities:			
Pilots in lieu of taxes	-	(22,906)	(22,906)
Net cash (used in) noncapital financing activities	<u>-</u>	<u>(22,906)</u>	<u>(22,906)</u>
Cash flows from capital and related financing activities:			
Proceeds on sale of capital assets	282,501	-	282,501
Net cash flows (used in) capital and related financing activities	<u>282,501</u>	<u>-</u>	<u>282,501</u>
Net change in cash and equivalents	367,531	101,899	469,430
Cash and equivalents, beginning of year	351,523	559,727	911,250
Cash and equivalents, end of year	<u><u>\$ 719,054</u></u>	<u><u>\$ 661,626</u></u>	<u><u>\$ 1,380,680</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,285	\$ 98,453	\$ 99,738
Adjustments to reconcile operating income to net cash provided by operations:			
Depreciation and amortization	107,618	32,436	140,054
Change in compensated absences	(597)	-	(597)
Changes in net pension asset/liability	(176,739)	-	(176,739)
Changes in deferred outflows of resources	21,350	-	21,350
Changes in deferred inflows of resources	135,368	-	135,368
Changes in:			
Receivables	(3,123)	(175)	(3,298)
Inventory	-	1,841	1,841
Accounts payable	(930)	(7,750)	(8,680)
Accrued liabilities	798	-	798
Net cash provided by operating activities	<u><u>\$ 85,030</u></u>	<u><u>\$ 124,805</u></u>	<u><u>\$ 209,835</u></u>

Schedule 1

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,319,230	\$ 3,432,000	\$ 3,801,883	\$ 369,883
Licenses and permits	46,000	124,000	141,102	17,102
Intergovernmental	7,247,560	11,414,560	11,711,220	296,660
Charges for services	646,400	685,400	721,607	36,207
Rental	66,450	66,450	68,980	2,530
Investment earnings	20,000	2,000	1,746	(254)
Miscellaneous	46,500	59,500	64,750	5,250
Total Revenues	11,392,140	15,783,910	16,511,288	727,378
Expenditures:				
Current:				
General government				
Administration	254,575	519,675	464,444	55,231
Public safety				
Building official	198,795	281,795	278,863	2,932
Municipal court	82,340	97,690	95,911	1,779
Police	1,669,600	2,270,900	2,267,012	3,888
E911	921,225	1,238,325	1,051,531	186,794
Emergency management	168,325	178,675	143,580	35,095
Fire	1,106,175	1,231,425	1,157,925	73,500
Total public safety	4,146,460	5,298,810	4,994,822	303,988
Public works				
Street	2,983,465	2,017,965	1,506,658	511,307
Parks and recreation				
Pool	-	24,000	24,599	(599)
Pavilion	49,695	69,695	53,976	15,719
South park	201,165	278,565	261,457	17,108
North park	126,020	185,570	162,232	23,338
Golf	377,530	633,630	599,216	34,414
Casino and community building	58,025	91,425	91,940	(515)
Total parks and recreation	812,435	1,282,885	1,193,420	89,465
Airport	5,192,955	9,498,705	9,533,692	(34,987)
Cemetery	178,655	220,855	202,590	18,265
Debt service:				
Principal	313,770	594,330	761,827	(167,497)
Interest and fiscal charges	26,545	26,545	39,025	(12,480)
Total Expenditures	13,908,860	19,459,770	18,696,478	763,292
Excess of Revenues Over (Under) Expenditures	(2,516,720)	(3,675,860)	(2,185,190)	1,490,670
Other financing sources (uses):				
Transfers in	2,050,000	1,164,000	864,756	(299,244)
Transfers out	(57,500)	(57,500)	(322,368)	(264,868)
Sale of capital assets	52,500	31,000	45,856	14,856
Payments in lieu of taxes	2,738,470	2,738,470	2,914,648	176,178
Total Other Financing Sources (Uses)	4,783,470	3,875,970	3,502,892	(373,078)
Net change in fund balances	\$ 2,266,750	\$ 200,110	1,317,702	\$ 1,117,592
Fund balances, beginning of year			3,170,945	
Fund balances, end of year			\$ 4,488,647	

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

Schedule 2

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,060,000	\$ 1,060,000	\$ 1,157,036	\$ 97,036
Total Revenues	1,060,000	1,060,000	1,214,754	154,754
Expenditures:				
Current:				
Public works	-	-	377,265	(377,265)
Total Expenditures	-	-	377,265	(377,265)
Excess of Revenues Over (Under) Expenditures	1,060,000	1,060,000	837,489	(222,511)
Other financing sources (uses):				
Transfers out	(1,200,000)	(1,200,000)	(114,320)	1,085,680
Total Other Financing Sources (Uses)	(1,200,000)	(1,200,000)	(114,320)	1,085,680
Net change in fund balances	\$ (140,000)	\$ (140,000)	723,169	\$ 863,169
Fund balances, beginning of year			1,061,123	
Fund balances, end of year			\$ 1,784,292	

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 530,000	\$ 530,000	\$ 597,740	\$ 67,740
Total Revenues	530,000	530,000	597,740	67,740
Expenditures:				
Debt service:				
Principal	334,000	334,000	334,000	-
Interest and fiscal charges	69,370	69,370	69,370	-
Total Expenditures	403,370	403,370	403,370	-
Net change in fund balances	\$ 126,630	\$ 126,630	194,370	\$ 67,740
Fund balances, beginning of year			582,884	
Fund balances, end of year			\$ 777,254	

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, 2022

	LAGERS						
	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service costs	\$ 708,058	\$ 657,759	\$ 656,616	\$ 668,004	\$ 639,391	\$ 616,931	\$ 617,375
Interest on total pension liability	2,239,943	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	(1,733,415)	797,018	47,750	(92,430)	(559,892)	(136,413)	(472,412)
Changes of assumptions	(620,009)	-	-	-	-	828,489	-
Benefit payments and refunds	(1,143,304)	(1,365,629)	(1,271,635)	(871,222)	(790,364)	(705,369)	(703,043)
Net change in total pension liability	(548,727)	2,162,593	1,407,443	1,579,236	1,087,067	2,241,304	1,006,698
Total pension liability - beginning of year	31,109,579	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>\$ 30,560,852</u>	<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	\$ 438,185	\$ 409,556	\$ 407,417	\$ 428,796	\$ 438,751	\$ 476,923	\$ 524,504
Contributions - employee	222,265	210,133	207,724	208,301	207,953	196,430	187,564
Net investment income	8,507,883	417,751	2,084,456	3,465,410	2,959,657	(70,888)	465,017
Benefit payments and refunds	(1,143,304)	(1,365,629)	(1,271,635)	(871,222)	(790,364)	(705,369)	(703,043)
Administrative expenses	(24,654)	(31,327)	(26,441)	(18,184)	(17,532)	(17,162)	(17,989)
Other (net transfer)	(533,186)	(35,931)	217,677	17,828	(388,493)	68,562	119,677
Net change in plan fiduciary net position	7,467,189	(395,447)	1,619,198	3,230,929	2,409,972	(51,504)	575,730
Plan fiduciary net position - beginning of year	31,765,519	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>\$ 39,232,708</u>	<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>\$ (8,671,856)</u>	<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	128.38%	102.11%	111.10%	110.90%	105.20%	100.11%	110.25%
Covered employee payroll	5,457,675	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	-158.89%	-12.23%	-65.36%	-58.64%	-26.26%	-0.58%	-49.82%

GASB 68 requires presentation of ten years. As of March 31, 2022, only seven years of information is available.

CITY OF MONETT, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended March 31, 2022

LAGERS (General, Police and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
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	404,882	404,882	-	5,206,050	7.78%
2021	417,578	417,578	-	5,464,907	7.64%

Lagers

Valuation Date February 28, 2021

Notes: The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 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 is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	Multiple bases from 15 to 20 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation assumption	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation (General and Police) 2.75% to 7.15% including wage inflation (Fire)
Investment rate of return	7.00%, 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, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females/. The ore-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.
Other information:	None

CITY OF MONETT, MISSOURI

SINGLE AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2022

**City of Monett, Missouri
Single Audit Report
For the Year Ended March 31, 2022**

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A copy of the City of Monett, Missouri's Financial Report for the year ended March 31, 2022 accompanies this report. The independent auditor's report and the financial statements are hereby incorporated by reference.	
Additional information:	
Schedule of Expenditures of Federal Awards	2
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To the Honorable Mayor and Members of the City Council
City of Monett, Missouri

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 12, 2022, 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.

Hood and Associates CPAs, PC

Kansas City, Missouri
December 12, 2022

ADDITIONAL INFORMATION

City of Monett, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing 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-2020-EP-00004-075	\$ 6,112
Emergency Management Performance Grant	97.042	EMK-2021-EP-00006-076	9,973
Emergency Management Performance Grant	97.042	EMK-2021-EP-00005-S31	2,900
Passed through Missouri Emergency Management Agency			
Public Assistance (Presidentially Declared Disasters)	97.036	PW 00245 - V-0	6,279
Total U.S. Department of Homeland Security			<u>25,264</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	904
Total U.S. Department of Urban Development			<u>904</u>
U.S. Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027		825,000
Total U.S. Department of Treasury			<u>825,000</u>
U.S. Department of Transportation			
Passed through Missouri Department of Transportation			
Airport Improvement Grant	20.106	20-098B-1	8,443,994
Airport Improvement Grant	20.106	21-098B-1	910,074
Total U.S. Department of Transportation			<u>9,354,068</u>
Total Expenditures of Federal Awards			<u><u>\$ 10,205,236</u></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, 2022

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, 2022.

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, 2022

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
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee Qualified as a Low-risk Auditee
Yes

City of Monett, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended March 31, 2022

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



**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***

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 12, 2022.

Report on 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.

Report on 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.

Hood and Associates CPAs, PC

Kansas City, Missouri
December 12, 2022



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each 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, 2022. 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.

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 each its major federal programs for the year ended March 31, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Hood and Associates CPAs, PC

Kansas City, Missouri
December 12, 2022

CITY OF MONETT, MISSOURI

REQUIRED COMMUNICATIONS
and MANAGEMENT LETTER

For the Year Ended March 31, 2022

City of Monett, Missouri

Required Communications and Management Letter

For the Year Ended March 31, 2022

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December 12, 2022

To the Honorable Mayor and Commissioners
City of Monett, Missouri

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, 2022. 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 July 11, 2022. 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 2022. 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 December 12, 2022.

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

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. 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 99 *Omnibus 2022*, generally effective for fiscal year beginning April 1, 2023.
- GASB Statement 100 *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, effective for fiscal year beginning April 1, 2024.
- GASB Statement 101 *Compensated Absences*, effective for fiscal year beginning April 1, 2024.

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.

Prior Year Comment Description	Significance	Current Period Status
Budgeting	During the audit we noticed that the City did not formally amend the budget for actual expenditures and transfer out. Budget numbers were exceed by \$481,580. This was a result of the Airport runway project and the costs received after March 31, 2021.	Management amended the budget as needed in the current year. There were no instances in which actual expenditures exceeded budgeted appropriations in 2022.
Key Employees and Cross Training	We identified that the City may be exposed to certain management risk which include loss of continuity and disruption in the City. We recommended that management develop an emergency management plan to have a succession plan in case key members are not able to perform their duties.	We continue to recommend that management evaluate its exposure to management risks due to loss of key personnel.
Cyber security	We identified that organizations are encountering more cyberattacks than in previous years do to working remote. We recommended that the City continue to review the current policies and procedures related to cyber security.	Management continues to evaluate cyber security risks.
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 2022. 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.

Hood & Associates CPAs PC

City of Monett
Schedule A
March 31, 2022

	Title	AJE	Debit	Credit
01-11300	A/R - AUDITOR SALES TAX	1	38,592.93	-
01-41-41-42200	SALES TAX - GENERAL OPERATING	1	-	25,728.60
01-41-41-42250	SALES TAX - FOR CAPITAL (1/2%)	1	-	12,864.33
16-11300	AUDIT SALES TAX RECEIVABLE	1	-	117.54
16-50-41-42000	SALES TAX	1	117.54	-
17-11300	AUDIT SALES TAX RECEIVABLE	1	9,723.87	-
17-51-41-42000	SALES TAX	1	-	9,723.87
18-11300	AUDIT SALES TAX RECEIVABLE	1	6,543.78	-
18-52-41-42000	SALES TAX	1	-	6,543.78
To adjust sales tax receivable to current year balances				
01-47-51-50010	Regular Wages - Full Time	2	8,584.95	-
01-48-51-50010	Regular Wages - Full Time	2	8,584.95	-
01-70-51-50010	Regular Wages - Full Time	2	8,584.96	-
01-23105	Accrued Payroll	2	-	25,754.86
06-91-51-50010	Regular Wages - Full Time	2	735.03	-
06-23105	Accrued Payroll (Auditor)	2	-	735.03
07-92-51-50010	Regular Wages - Full Time	2	5,011.22	-
07-23105	Accrued Payroll (Auditor)	2	-	5,011.22
08-93-51-50010	Regular Wages - Full Time	2	4,231.23	-
08-23105	Accrued Payroll (Auditor)	2	-	4,231.23
10-95-51-50010	Regular Wages - Full Time	2	798.97	-
10-23105	Accrued Payroll (Auditor)	2	-	798.97
To post current year accruals net of reversal of prior year accruals.				
01-11272	A/R - Franchise Taxes	3	24,652.48	-
01-41-41-43140	TELEPHONE FRANCHISE	3	6,659.78	-
01-41-41-43142	CELLULAR PHONE TAX	3	1,546.82	-
01-41-41-43150	GAS FRANCHISE	3	-	33,573.75
01-41-41-43160	CABLE TV FRANCHISE	3	714.67	-
To post current year accruals net of reversal of prior year accruals.				
06-11203	UNBILLED ACCOUNTS RECEIVABLE	4	-	111,211.56
06-91-44-40000	SALE OF SERVICES	4	111,211.56	-
07-11203	UNBILLED ACCOUNTS RECEIVABLE	4	-	13,471.43
07-92-44-40000	SALE OF SERVICES	4	13,471.43	-
08-11203	UNBILLED ACCOUNTS RECEIVABLE	4	-	108,761.38
08-93-44-40000	SALE OF SERVICES	4	108,761.38	-
10-11203	UNBILLED ACCOUNTS RECEIVABLE	4	480.01	-
10-95-44-40000	SALE OF SERVICES	4	-	480.01
Adjusting entry for unbilled A/R at year end				
01-41-48-41250	INVESTMENT INCOME	5	10,415.25	-
08-10150	Cash Adj. FMV - Edward Jones	5	-	10,415.25
To record FMV of investment account at year end				

	Title	AJE	Debit	Credit
01-22501	A/P - AUDITOR	6	261,571.74	-
01-41-41-42240	LESS SALES TAX TRANSFER TO TIF	6	-	10,961.96
01-41-52-53000	PROFESSIONAL AND CONSULTING	6	-	7,516.67
01-44-52-51000	COMPUTER EXPENSE	6	-	15,469.33
01-44-52-53500	REPAIR AND MAINTENANCE	6	-	3,000.00
01-44-52-54500	TELEPHONE/PAGERS	6	-	13,831.30
01-48-52-54000	SUPPLIES	6	-	10,483.54
01-67-52-53000	PROFESSIONAL AND CONSULTING	6	-	6,250.00
01-70-52-53000	PROFESSIONAL AND CONSULTING	6	-	3,611.51
01-70-52-53500	REPAIR AND MAINTENANCE	6	-	48,297.72
01-70-52-54100	FUEL	6	-	8,430.06
01-70-53-59002	PUBLIC WORKS/MECHANIC FACILITY	6	-	-
01-70-53-59003	CENTRAL AVENUE PROJECT	6	-	48,947.26
01-70-53-59004	CHAPPELL DRIVE OVERPASS PROJECT	6	-	27,078.42
01-82-52-54000	SUPPLIES	6	-	41,442.00
01-83-52-53500	REPAIR AND MAINTENANCE	6	-	2,910.00
01-84-52-53000	PROFESSIONAL AND CONSULTING	6	-	-
01-88-52-52000	INSURANCE	6	-	6,874.00
01-88-52-55000	UTILITIES	6	-	-
01-88-53-59001	RUNWAY EXPANSION PROJECT	6	-	6,467.97
06-22500	A/P(AUDITOR)	6	5,760.00	-
06-91-52-53500	REPAIR AND MAINTENANCE	6	-	5,760.00
07-22500	A/P - ELECTRIC PUR. (AUDITOR)	6	1,641,758.67	-
07-92-52-53000	PROFESSIONAL AND CONSULTING	6	-	3,036.51
07-92-52-53500	REPAIR AND MAINTENANCE	6	-	2,660.00
07-92-52-54000	SUPPLIES	6	-	27,914.88
07-92-52-54100	FUEL	6	-	2,984.85
07-92-52-56500	ELECTRIC PURCHASES	6	-	1,600,812.43
07-92-53-59000	CAPITAL OUTLAY	6	-	4,350.00
08-22500	A/P (AUDITOR)	6	78,909.41	-
08-93-52-53000	PROFESSIONAL AND CONSULTING	6	-	20,810.00
08-93-52-53500	REPAIR AND MAINTENANCE	6	-	58,099.41
09-22500	A/P(AUDITOR)	6	7,750.00	-
09-94-52-53000	PROFESSIONAL AND CONSULTING	6	-	7,750.00
10-22500	A/P - AUDITOR	6	22,352.40	-
10-95-52-54000	SUPPLIES	6	-	2,794.79
10-95-52-57500	LANDFILL EXPENSE	6	-	19,557.61
01-88-53-59001	RUNWAY EXPANSION PROJECT	6	-	496,833.54
01-22501	A/P - AUDITOR	6	496,833.54	-
06-22500	A/P(AUDITOR)	6	-	567.00
06-91-52-53500	REPAIR AND MAINTENANCE	6	567.00	-
To reverse PY and record CY Accounts payable				
01-22503	A/P - AUDITOR-GRANT RETAINAGE	7	-	369,862.45
01-88-53-59001	RUNWAY EXPANSION PROJECT	7	369,862.45	-
To adjust retainage payable to year end balance.				

	Title	AJE	Debit	Credit
01-10810	PREPAID COMM LIAB (AUDITOR)	8	-	2,503.66
01-41-52-52000	INSURANCE	8	2,503.66	-
To adjust prepaid insurance				
01-10800	PREPAID WORK COMP	9	45,505.94	-
01-47-51-50080	WORKMEN'S COMPENSATION	9	-	16,354.83
01-48-51-50080	WORKMEN'S COMPENSATION	9	-	16,269.10
01-70-51-50080	WORKMEN'S COMPENSATION	9	-	12,882.01
To adjust worker's comp insurance for the CY				
06-19000	DEFERRED OUTFLOWS	10	-	78,836.78
06-19500	NET PENSION ASSET	10	652,615.68	-
07-19000	DEFERRED OUTFLOWS	10	-	139,575.82
07-19500	NET PENSION ASSET	10	1,155,422.07	-
08-19000	DEFERRED OUTFLOWS	10	-	45,190.37
08-19500	NET PENSION ASSET	10	374,095.16	-
10-19000	DEFERRED OUTFLOWS	10	-	21,350.42
10-19500	NET PENSION ASSET	10	176,738.87	-
06-29000	DEFERRED INFLOW OF RESOURCES	10	-	499,814.71
07-29000	DEFERRED INFLOW OF RESOURCES	10	-	884,892.39
08-29000	DEFERRED INFLOW OF RESOURCES	10	-	286,505.01
10-29000	DEFERRED INFLOW OF RESOURCES	10	-	135,358.07
06-91-51-50061	LAGERS ADJ	10	-	73,964.19
07-92-51-50061	LAGERS ADJ	10	-	130,953.86
08-93-51-50061	LAGERS ADJ	10	-	42,399.78
10-95-51-50061	LAGERS ADJ	10	-	20,030.38
To record GASB 68 pension for the current year				
01-41-41-42240	LESS SALES TAX TRANSFER TO TIF	11	-	22,617.58
01-11287	A/R - Sales Tax TIF	11	22,617.58	-
04-11500	A/R - CITY PORTION (AUDITOR)	11	-	22,617.58
04-11510	A/R - COUNTY	11	12,093.55	30,831.41
04-62-41-42330	SALES TAX - BARRY	11	26,426.92	9,463.74
04-62-41-42340	SALES TAX - BARRY E911	11	4,404.49	2,629.81
04-62-41-42350	CITY'S PORTION OF SALES	11	22,617.58	-
To adjust year end TIF amounts.				
01-11290	PREPAID HEALTH INSURANCE	12	95,173.71	-
01-22501	A/P - AUDITOR	12	-	310,231.32
01-48-53-59000	CAPITAL OUTLAY	12	35,611.00	-
01-88-53-59001	RUNWAY EXPANSION PROJECT	12	179,446.61	-
06-91-52-53500	REPAIR AND MAINTENANCE	12	28,138.62	-
07-92-52-56500	ELECTRIC PURCHASES	12	1,224,771.54	-
10-95-52-57500	LANDFILL EXPENSE	12	21,422.11	-
07-22500	A/P - ELECTRIC PUR. (AUDITOR)	12	-	1,224,771.54
06-22500	A/P(AUDITOR)	12	-	28,138.62
10-22500	A/P - AUDITOR		-	21,422.11
To record current year accounts payable				

	Title	AJE	Debit	Credit
06-23130	ACCRUED INTEREST - DEBT	13	1,530.00	-
08-23130	ACCRUED INTEREST - DEBT	13	7,113.00	-
06-91-53-59100	DEBT - INTEREST EXPENSE	13	-	1,530.00
08-93-53-59100	DEBT - INTEREST EXPENSE	13	-	7,113.00
To adjust accrued interest payable at yearend				
08-11202	ACCT. REC.- COUNTRY CLUB NID			25,000.00
08-93-48-47500	COUNTRY CLUB NID/SPEC ASSESSMENT		25,000.00	
To adjust special assessments receivable				
01-23170	UNEARNED REVENUE			104,416.27
01-41-43-46500	GRANT RESOURCES		104,416.27	-
06-91-43-46100	TRANSFER FROM OTHER FUNDS			259,163.00
01-41-53-59400	TRANSFER TO OTHER FUNDS		259,163.00	
01-10100	CASH IN COMBINED CASH FUND		-	259,163.00
06-10100	CASH IN COMBINED CASH FUND		259,163.00	-
To record unearned ARPA revenue and transfers of ARPA funds to reimburse expenses				