

City of Monett, Missouri

Basic Financial Statements With Independent Auditor's Report

For the Year Ended
March 31, 2023

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, 2023, 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, 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, 2023, 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.

Change in Accounting Principle

As described in Notes 4 and 8 to the financial statements, in 2023, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) No. 87 Leases. Our opinion is not modified with respect to this matter.

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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2023 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
October 31, 2023

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2023

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, 2023. 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, 2023, by \$98,926,796 (net position). Of this amount \$20,279,282 is unrestricted and may be used to meet future obligations of the City.
- The City's total net position increased by \$17,109,751 during the fiscal year as a result of current year activities. The City's governmental activities increased by \$15,568,202 and the City's business-type activities increased by \$1,541,549 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 on 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, 2023

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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 17,890,960	\$ 16,741,432	\$ 20,388,361	\$ 21,112,414	\$ 38,279,321	\$ 37,853,846
Capital assets	51,677,373	40,593,605	27,831,721	27,744,268	79,509,094	68,337,873
Total assets	69,568,333	57,335,037	48,220,082	48,856,682	117,788,415	106,191,719
Deferred outflow s - pension	767,921	658,743	298,309	230,873	1,066,230	889,616
Total deferred outflow s of resources	767,921	658,743	298,309	230,873	1,066,230	889,616
Long-term debt	2,536,705	3,827,927	10,742,111	12,141,061	13,278,816	15,968,988
Other liabilities	1,773,128	1,187,825	2,439,914	1,997,832	4,213,042	3,185,657
Total liabilities	4,309,833	5,015,752	13,182,025	14,138,893	17,491,858	19,154,645
Deferred inflow s - pension and leases	1,729,523	4,249,332	706,468	1,860,313	2,435,991	6,109,645
Total deferred inflow s of resources	1,729,523	4,249,332	706,468	1,860,313	2,435,991	6,109,645
Net position:						
Net investment in capital assets	49,708,048	37,381,605	17,323,221	15,765,168	67,031,269	53,146,773
Restricted	9,672,553	7,474,371	1,943,692	5,133,891	11,616,245	12,608,262
Unrestricted	4,916,297	3,872,720	15,362,985	12,189,290	20,279,282	16,062,010
Total net position	\$ 64,296,898	\$ 48,728,696	\$ 34,629,898	\$ 33,088,349	\$ 98,926,796	\$ 81,817,045

Total net position of the City increased by \$17,109,751 for the year due to current year activity. Total liabilities for the City decreased \$1,662,787. Restricted net position of the City totaled \$11,616,245 as of March 31, 2023. 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, 2023

Figure 2 – Statement of Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 1,893,687	\$ 2,013,988	\$ 29,756,609	\$ 29,533,930	\$ 31,650,296	\$ 31,547,918
Operating grants and contributions	134,689	874,085	33,500	45,000	168,189	919,085
Capital grants and contributions	12,239,587	9,429,992	-	-	12,239,587	9,429,992
General revenues:						
Sales taxes	5,884,562	5,355,030	-	-	5,884,562	5,355,030
Motor vehicle and gas taxes	457,128	387,346	-	-	457,128	387,346
Franchise taxes	365,449	342,882	-	-	365,449	342,882
Other taxes	53,519	53,434	-	-	53,519	53,434
Intergovernmental activity taxes	302,788	296,669	-	-	302,788	296,669
Investment earnings	123,729	1,838	48,519	(1,573)	172,248	265
Gain on disposal of capital assets	89,329	45,856	37,407	53,684	126,736	99,540
Other	140,159	59,967	-	-	140,159	59,967
	<u>21,684,626</u>	<u>18,861,087</u>	<u>29,876,035</u>	<u>29,631,041</u>	<u>51,560,661</u>	<u>48,492,128</u>
Expenses:						
General government	325,188	371,808	-	-	325,188	371,808
Public safety	4,948,619	4,792,870	-	-	4,948,619	4,792,870
Public works	2,560,445	2,471,463	-	-	2,560,445	2,471,463
Parks and recreation	1,387,400	1,180,034	-	-	1,387,400	1,180,034
Airport	433,050	438,231	-	-	433,050	438,231
Cemetery	209,822	176,961	-	-	209,822	176,961
Interest on long-term debt	147,411	118,994	-	-	147,411	118,994
Water	-	-	2,250,933	2,487,234	2,250,933	2,487,234
Electric	-	-	19,122,846	18,593,543	19,122,846	18,593,543
Sewer	-	-	2,117,716	2,170,888	2,117,716	2,170,888
Sanitation	-	-	777,324	705,686	777,324	705,686
Fiber	-	-	170,156	130,607	170,156	130,607
Total expenses	<u>10,011,935</u>	<u>9,550,361</u>	<u>24,438,975</u>	<u>24,087,958</u>	<u>34,450,910</u>	<u>33,638,319</u>
Change in net position	11,672,691	9,310,726	5,437,060	5,543,083	17,109,751	14,853,809
Payment in lieu of taxes (PILOTS)	2,895,511	2,914,648	(2,895,511)	(2,914,648)	-	-
Transfers in(out)	1,000,000	540,837	(1,000,000)	(540,837)	-	-
Change in net position after PILOTS and transfers	15,568,202	12,766,211	1,541,549	2,087,598	17,109,751	14,853,809
Net position, beginning	48,728,696	35,962,485	33,088,349	31,000,751	81,817,045	66,963,236
Net position, ending	<u>\$ 64,296,898</u>	<u>\$ 48,728,696</u>	<u>\$ 34,629,898</u>	<u>\$ 33,088,349</u>	<u>\$ 98,926,796</u>	<u>\$ 81,817,045</u>

Governmental Activities

Governmental activities increased the net position of the City by \$15,568,202. Tax revenues for the City were \$7,063,446 which represents 29% of the funding of these activities. Program revenues for the functions totaled \$14,267,963 or 58% 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, 2023**

**Net Expenses of the
City of Monett, Missouri's
Governmental Activities**

	Total Expense of Services	Net (Expense) Revenue of Services
General government	\$ 325,188	\$ (138,568)
Public safety	4,948,619	(3,672,694)
Public works	2,560,445	(2,518,086)
Parks and recreation	1,387,400	(1,014,469)
Airport	433,050	11,929,428
Cemetery	209,822	(182,172)
Interest on long-term debt	147,411	(147,411)
	<u>\$ 10,011,935</u>	<u>\$ 4,256,028</u>

Business-Type Activities-

Business-type activities increased the City's net position by \$1,541,549. Total charges for services revenue increased \$222,679 from 2022 primarily from increases in activity in the Electric fund. Expenses increased \$351,017 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, 2023, were \$11,137,468. Of this amount \$258,851 is non-spendable, \$5,620,859 is restricted, and \$5,258,028 is unassigned.

Fund balance of the City's General Fund increased \$1,028,232 from March 31, 2022, 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 \$942,043 to a balance of \$2,726,335.

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 \$1,031,166 at March 31, 2023.

The Airport Projects Fund accounts for capital related projects at the City's airport primarily funded with federal grant funds. The ending fund balance was \$366 at March 31, 2023.

The Tax Increment Financing #1 Fund and the Tax Increment Financing #2 Fund balances totaled \$29 and \$467,645, no change and a decrease of \$552,110, respectively. All TIF related tax increment financing obligations have all been fully retired.

The Capital Improvement Sales Tax Fund balance totaled \$34, a decrease of \$11 from 2022. 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 \$1,082,5144 at March 31, 2023.

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2023

The Equipment Reserve Fund was established to set aside funding for future equipment needs of the City. The ending fund balance was \$312,500 at March 31, 2023.

The City's Enterprise Funds net position increased by \$1,541,549 as the Water, Electric, Sewer, Sanitation, and Fiber Funds reported increases in net position.

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 \$5,655,500 and other financing sources of \$3,691,000 totaling \$9,346,500 while total expenditures and transfers out were budgeted at \$10,447,500. There were no changes to the original revenues, other financing sources, or total expenditures and transfers out. The General Fund's actual revenues and other financing sources exceeded the final budgeted amount by \$1,323,680, primarily related tax revenues and intergovernmental revenues. The General Fund's actual expenditures and other financing uses were under the final budget by \$805,552.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were \$51,677,373 (net of accumulated depreciation) as of March 31, 2023. This represents a \$10,953,482 increase over the prior year. Capital assets for business-type activities were \$27,831,721 as of March 31, 2023. This represents an increase of \$87,453 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 Wastewater Treatment Plant improvement projects. The City also purchased vehicles and equipment during the year.

Additional information on the City's capital assets can be found in Note 7 in the Notes to the Basic Financial Statements.

Debt Administration

Total debt of the governmental activities as of March 31, 2023, was \$2,536,705, which is a decrease of \$1,291,809. Total debt of the business-type activities as of March 31, 2023, was \$10,742,111, a decrease of \$1,398,950 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 8 in the Notes to the Basic Financial Statements.

Management's Discussion and Analysis
City of Monett, Missouri
March 31, 2023

Economic Factors and Next Year's Budget

As we have continued to progress out of the COVID cloud that enveloped our country and economy, the local Monett economy has been strong during this past fiscal year (ended March of 2023). While we look forward to a brighter future, the pandemic's impact is still felt through inflation with ever increasing interest rates and continuing labor pressures and supply chain shortages.

During the 2022-2023 fiscal year, the City of Monett saw seventy-eight (78) permits obtained for new homes which contributed to the overall construction investment in the community during FY 2022-2023 of almost \$16.5 million (over \$14.4 million was for residential). New housing development has continued throughout 2023, with the completion and opening of a new middle school and additional commercial and industrial investments. Thus far through September of 2023, over \$3.5 million in new permits for improvements or development has been completed or is still underway.

The City continued to see increasing sales tax revenues during FY 22-23. This trend is now beginning to flatten out as consumers return to seeking retail outlets in person in regional shopping centers. While year over year collections were approximately \$550,000 higher, or 10%, so far through September of this 2023 year, the City's sales tax collections are 2% (approximately \$75,000 lower than they were at this point in 2022). Fortunately for the City, the community passed a use tax provision in November of 2022 which, starting in April of 2023, has thus far collected over \$200,000 in revenues which have historically not been collected. These revenues are anticipated to be largely utilized for the purposes of replacing public safety equipment, at least until the police and fire departments are better equipped for their responsibilities.

The City continues work in FYE 2024 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 2025 or 2026. 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 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. While the community is currently experiencing housing growth, many of these new homes will not be suitable to fill our workforce needs as they will either be too expensive to purchase for entry level staff members, or they have income limitation requirements which are too low for entry level staff members at our industrial employers. Therefore, the City is working with developers to construct additional workforce housing. There are currently two new subdivisions being constructed.

As for the City's utility enterprises, FYE 2024 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 2025. 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, 2023

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 to spread this cost out over time and avoid charging its customers an astronomical bill for usage during the month of February. While the polar vortex event and the corresponding loan have caused Monett's cost of electricity operations to increase, they are in line with Monett's historical pricing. The City is contracted with MJMEUC long-term which should provide stability in retail electric rates (barring another utility crisis) for the foreseeable future. The City is currently looking at purchasing ownership stakes in multiple regional power plants as well as investigating the development of a local solar farm to further stabilize and reduce long term power costs.

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 continues to drive up operational costs. 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, 2023

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash and investments	\$ 10,675,659	\$ 13,291,000	\$ 23,966,659
Receivables:			
Taxes	1,005,345	-	1,005,345
Special assessments	-	60,000	60,000
Accounts and other	103,512	3,402,674	3,506,186
Leases receivable	200,053	-	200,053
Due from other governments	361,930	-	361,930
Prepays, deposits, and other assets	258,851	37,022	295,873
Inventory	-	1,245,814	1,245,814
Restricted assets:			
Cash and investments	467,674	536,622	1,004,296
Net pension asset	4,817,936	1,815,229	6,633,165
Capital assets:			
Not being depreciated	30,263,927	919,429	31,183,356
Being depreciated, net of depreciation	21,413,446	26,912,292	48,325,738
Total assets	69,568,333	48,220,082	117,788,415
Deferred Outflows of Resources			
Deferred outflows - pension related activity	767,921	298,309	1,066,230
Total deferred outflows of resources	767,921	298,309	1,066,230
Liabilities			
Accounts payable	386,812	1,802,155	2,188,967
Accrued liabilities	306,695	51,956	358,651
Accrued interest	33,568	51,435	85,003
Unearned revenue	1,033,833	-	1,033,833
Payable from restricted assets:			
Customer deposits	12,220	534,368	546,588
Long term debt:			
Due within one year	668,792	1,516,260	2,185,052
Due in more than one year	1,867,913	9,225,851	11,093,764
Total liabilities	4,309,833	13,182,025	17,491,858
Deferred Inflows of Resources			
Deferred inflow - leases	195,996	-	195,996
Deferred inflows - pension related activity	1,533,527	706,468	2,239,995
Total deferred inflows of resources	1,729,523	706,468	2,435,991
Net Position			
Net investment in capital assets	49,708,048	17,323,221	67,031,269
Restricted :			
Capital projects	4,121,383	186,940	4,308,323
Debt service	467,674	349,682	817,356
Parks and recreation	1,031,166	-	1,031,166
Pension benefits	4,052,330	1,407,070	5,459,400
Unrestricted	4,916,297	15,362,985	20,279,282
Total net position	\$ 64,296,898	\$ 34,629,898	\$ 98,926,796

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Activities
For the Year Ended March 31, 2023

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	\$ 325,188	\$ 186,620	\$ -	\$ -	\$ (138,568)	\$ -	\$ (138,568)
Public safety	4,948,619	1,157,685	118,240	-	(3,672,694)	-	(3,672,694)
Public works	2,560,445	10,589	-	31,770	(2,518,086)	-	(2,518,086)
Parks and recreation	1,387,400	356,482	16,449	-	(1,014,469)	-	(1,014,469)
Airport	433,050	154,661	-	12,207,817	11,929,428	-	11,929,428
Cemetery	209,822	27,650	-	-	(182,172)	-	(182,172)
Interest on long-term debt	147,411	-	-	-	(147,411)	-	(147,411)
Total governmental activities	10,011,935	1,893,687	134,689	12,239,587	4,256,028	-	4,256,028
Business-type activities							
Water	2,250,933	3,056,163	-	-	-	805,230	805,230
Electric	19,122,846	22,401,944	-	-	-	3,279,098	3,279,098
Sewer	2,117,716	3,321,583	5,000	-	-	1,208,867	1,208,867
Sanitation	777,324	743,604	28,500	-	-	(5,220)	(5,220)
Fiber	170,156	233,315	-	-	-	63,159	63,159
Total business-type activities	24,438,975	29,756,609	33,500	-	-	5,351,134	5,351,134
Total primary government	\$ 34,450,910	\$ 31,650,296	\$ 168,189	\$ 12,239,587	4,256,028	5,351,134	9,607,162
General revenues:							
Taxes:							
Sales taxes					5,884,562	-	5,884,562
Motor vehicle and gas taxes					457,128	-	457,128
Franchise taxes					365,449	-	365,449
Other taxes					53,519	-	53,519
Intergovernmental activity taxes					302,788	-	302,788
Payment in lieu of taxes					2,895,511	(2,895,511)	-
Unrestricted investment earnings					123,729	48,519	172,248
Gain on disposal of capital assets					89,329	37,407	126,736
Other					140,159	-	140,159
Transfers					1,000,000	(1,000,000)	-
Total general revenues					11,312,174	(3,809,585)	7,502,589
Change in net position					15,568,202	1,541,549	17,109,751
Net position, beginning of year					48,728,696	33,088,349	81,817,045
Net position, end of year					\$ 64,296,898	\$ 34,629,898	\$ 98,926,796

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Balance Sheet - Governmental Funds
March 31, 2023

	General	Transportation Sales Tax Fund	Park Sales Tax Fund	Airport Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 5,754,580	\$ 2,594,272	\$ 931,427	\$ 366	\$ 1,395,014	\$ 10,675,659
Receivables:						
Taxes	716,334	189,238	99,739	-	34	1,005,345
Special assessments	-	-	-	-	-	-
Accounts and other	103,512	-	-	-	-	103,512
Leases	200,053	-	-	-	-	200,053
Due from other governments	40,627	-	-	321,303	-	361,930
Due from other funds	-	-	-	-	-	-
Prepays, deposits and other assets	258,851	-	-	-	-	258,851
Restricted cash and investments	-	-	-	-	467,674	467,674
Total Assets	<u>\$ 7,073,957</u>	<u>\$ 2,783,510</u>	<u>\$ 1,031,166</u>	<u>\$ 321,669</u>	<u>\$ 1,862,722</u>	<u>\$ 13,073,024</u>
Liabilities						
Accounts payable	\$ 8,334	\$ 57,175	\$ -	\$ 321,303	\$ -	\$ 386,812
Accrued liabilities	306,695	-	-	-	-	306,695
Customer deposits	12,220	-	-	-	-	12,220
Unearned revenue	1,033,833	-	-	-	-	1,033,833
Due to other funds	-	-	-	-	-	-
Total Liabilities	<u>1,361,082</u>	<u>57,175</u>	<u>-</u>	<u>321,303</u>	<u>-</u>	<u>1,739,560</u>
Deferred inflows of resources						
Leases	<u>195,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,996</u>
Fund balances:						
Nonspendable:						
Prepaid items	258,851	-	-	-	-	258,851
Restricted:						
Capital projects	-	2,726,335	-	-	1,395,048	4,121,383
Debt service	-	-	-	-	467,674	467,674
Parks and recreation	-	-	1,031,166	-	-	1,031,166
Capital projects	-	-	-	366	-	366
Unassigned	<u>5,258,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,258,028</u>
Total fund balance	<u>5,516,879</u>	<u>2,726,335</u>	<u>1,031,166</u>	<u>366</u>	<u>1,862,722</u>	<u>11,137,468</u>
Total liabilities and fund balances	<u>\$ 7,073,957</u>	<u>\$ 2,783,510</u>	<u>\$ 1,031,166</u>	<u>\$ 321,669</u>	<u>\$ 1,862,722</u>	<u>\$ 13,073,024</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, 2023

Fund balances of governmental funds	\$	11,137,468
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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		4,817,936
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		51,677,373
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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		(765,606)
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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.		(33,568)
--	--	----------

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		(2,536,705)
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Net position of governmental activities	\$	64,296,898
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See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended March 31, 2023

	General	Transportation Sales Tax Fund	Park Sales Tax Fund	Airport Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 4,168,194	\$ 1,273,622	\$ 658,163	\$ -	\$ 203,551	\$ 6,303,530
Intergovernmental activity taxes	-	-	-	-	302,788	302,788
Licenses and permits	36,718	-	-	-	-	36,718
Intergovernmental	1,695,333	31,771	-	12,207,817	-	13,934,921
Charges for services	649,891	-	-	-	-	649,891
Rental	80,946	-	-	-	-	80,946
Investment earnings	100,566	-	-	-	23,163	123,729
Miscellaneous	162,774	-	-	-	-	162,774
Total Revenues	6,894,422	1,305,393	658,163	12,207,817	529,502	21,595,297
Expenditures:						
Current:						
General government	386,352	-	-	-	-	386,352
Public safety	5,311,863	-	-	-	-	5,311,863
Public works	1,292,925	288,555	-	-	6,638	1,588,118
Parks and recreation	1,461,959	-	-	-	-	1,461,959
Airport	363,010	-	-	-	-	363,010
Cemetery	240,480	-	-	-	-	240,480
Capital outlay	-	-	-	12,258,422	524,468	12,782,890
Debt service:						
Principal	23,961	-	344,000	-	1,005,000	1,372,961
Interest and fiscal charges	3,879	-	60,251	-	69,596	133,726
Total Expenditures	9,084,429	288,555	404,251	12,258,422	1,605,702	23,641,359
Excess of Revenues Over (Under) Expenditures	(2,190,007)	1,016,838	253,912	(50,605)	(1,076,200)	(2,046,062)
Other financing sources (uses):						
Transfers in	825,184	-	-	50,971	807,519	1,683,674
Transfers out	(557,519)	(74,795)	-	-	(51,360)	(683,674)
Sale of capital assets	55,063	-	-	-	46,000	101,063
Payments in lieu of taxes (PILOTS)	2,895,511	-	-	-	-	2,895,511
Total Other Financing Sources (Uses)	3,218,239	(74,795)	-	50,971	802,159	3,996,574
Net change in fund balances	1,028,232	942,043	253,912	366	(274,041)	1,950,512
Fund balances, beginning of year	4,488,647	1,784,292	777,254	-	2,136,763	9,186,956
Fund balances, end of year	\$ 5,516,879	\$ 2,726,335	\$ 1,031,166	\$ 366	\$ 1,862,722	\$ 11,137,468

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, 2023**

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

Net change in fund balances - total governmental funds	\$ 1,950,512
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	12,863,970
Depreciation	(1,898,754)
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	1,372,961
Change in accrued interest expense	(13,685)
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>1,304,932</u>
Change in net position of governmental activities	<u><u>\$ 15,568,202</u></u>

See accompanying notes to the basic financial statements

CITY OF MONETT, MISSOURI
Statement of Net Position
Proprietary Funds
March 31, 2023

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets					
Current assets:					
Cash and investments	\$ 4,621,626	\$ 3,743,662	\$ 3,770,306	\$ 1,155,406	\$ 13,291,000
Receivables					
Accounts and other	283,343	2,645,686	329,351	144,294	3,402,674
Special assessments	-	-	60,000	-	60,000
Prepaid expenses	3,472	24,881	6,744	1,925	37,022
Restricted cash and investments	261,460	-	275,162	-	536,622
Inventory	234,463	982,723	3,837	24,791	1,245,814
Total current assets	<u>5,404,364</u>	<u>7,396,952</u>	<u>4,445,400</u>	<u>1,326,416</u>	<u>18,573,132</u>
Noncurrent assets:					
Capital assets:					
Not being depreciated	177,911	113,897	615,520	12,101	919,429
Being depreciated, net of depreciation	15,520,590	1,632,220	9,118,621	640,861	26,912,292
Net pension asset	441,806	878,664	353,213	141,546	1,815,229
Total noncurrent assets	<u>16,140,307</u>	<u>2,624,781</u>	<u>10,087,354</u>	<u>794,508</u>	<u>29,646,950</u>
Total assets	<u>21,544,671</u>	<u>10,021,733</u>	<u>14,532,754</u>	<u>2,120,924</u>	<u>48,220,082</u>
Deferred Outflows of Resources					
Deferred outflows - pension related activity	<u>72,605</u>	<u>144,397</u>	<u>58,046</u>	<u>23,261</u>	<u>298,309</u>
Liabilities					
Current liabilities:					
Accounts payable	5,314	1,747,561	17,775	31,505	1,802,155
Accrued liabilities	22,284	4,373	18,081	7,218	51,956
Current liabilities (payable from restricted assets):					
Customer deposits	35,439	498,929	-	-	534,368
Accrued interest	31,948	-	19,487	-	51,435
Current portion of long-term debt	687,217	55,579	768,014	5,450	1,516,260
Total current liabilities:	<u>782,202</u>	<u>2,306,442</u>	<u>823,357</u>	<u>44,173</u>	<u>3,956,174</u>
Long-term liabilities:					
Long-term debt	<u>7,457,512</u>	<u>59,190</u>	<u>1,707,534</u>	<u>1,615</u>	<u>9,225,851</u>
Total long-term liabilities:	<u>7,457,512</u>	<u>59,190</u>	<u>1,707,534</u>	<u>1,615</u>	<u>9,225,851</u>
Total liabilities	<u>8,239,714</u>	<u>2,365,632</u>	<u>2,530,891</u>	<u>45,788</u>	<u>13,182,025</u>
Deferred Inflows of Resources					
Deferred inflows - pension related activity	<u>171,946</u>	<u>341,967</u>	<u>137,467</u>	<u>55,088</u>	<u>706,468</u>
Net position					
Net investment in capital assets	7,605,501	1,746,117	7,318,641	652,962	17,323,221
Restricted net position for:					
Capital projects	112,122	-	74,818	-	186,940
Debt service	149,338	-	200,344	-	349,682
Pension benefits	342,465	681,094	273,792	109,719	1,407,070
Unrestricted	4,996,190	5,031,320	4,054,847	1,280,628	15,362,985
Total net position	<u>\$ 13,205,616</u>	<u>\$ 7,458,531</u>	<u>\$ 11,922,442</u>	<u>\$ 2,043,309</u>	<u>\$ 34,629,898</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, 2023

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:					
Charges for services	\$ 3,007,717	\$ 22,269,321	\$ 3,169,585	\$ 962,059	\$ 29,408,682
Other	48,446	132,623	151,998	14,860	347,927
Total operating revenues	<u>3,056,163</u>	<u>22,401,944</u>	<u>3,321,583</u>	<u>976,919</u>	<u>29,756,609</u>
Operating expenses:					
Wages and benefits	561,153	909,971	398,429	220,580	2,090,133
Professional and consulting services	33,917	26,989	127,459	-	188,365
Insurance	38,363	15,792	58,716	7,760	120,631
Repairs and maintenance	353,969	258,602	373,544	91,963	1,078,078
Utilities	257,670	9,236	381,621	94,142	742,669
Supplies	58,238	104,706	47,048	26,915	236,907
Depreciation	661,191	139,144	633,046	115,237	1,548,618
Other operating expenses	103,326	119,302	39,669	49,417	311,714
Purchase of power	-	17,539,104	-	-	17,539,104
Landfill and recycling	-	-	-	341,466	341,466
Total operating expenses	<u>2,067,827</u>	<u>19,122,846</u>	<u>2,059,532</u>	<u>947,480</u>	<u>24,197,685</u>
Operating income	<u>988,336</u>	<u>3,279,098</u>	<u>1,262,051</u>	<u>29,439</u>	<u>5,558,924</u>
Nonoperating revenues (expenses):					
Interest income	16,529	19,004	12,986	-	48,519
Federal and State grants	-	-	5,000	28,500	33,500
Gain on capital asset disposal	-	20,307	-	17,100	37,407
Interest expense and fees	(183,106)	-	(58,184)	-	(241,290)
Total nonoperating revenues (expenses)	<u>(166,577)</u>	<u>39,311</u>	<u>(40,198)</u>	<u>45,600</u>	<u>(121,864)</u>
Income before transfers and payment in lieu of taxes	821,759	3,318,409	1,221,853	75,039	5,437,060
Transfers in(out)	-	(1,000,000)	-	-	(1,000,000)
Payments in lieu of taxes (PILOTS)	<u>(312,859)</u>	<u>(2,223,712)</u>	<u>(336,408)</u>	<u>(22,532)</u>	<u>(2,895,511)</u>
Change in net position	508,900	94,697	885,445	52,507	1,541,549
Total net position, beginning of year	12,696,716	7,363,834	11,036,997	1,990,802	33,088,349
Total net position, end of year	<u>\$ 13,205,616</u>	<u>\$ 7,458,531</u>	<u>\$ 11,922,442</u>	<u>\$ 2,043,309</u>	<u>\$ 34,629,898</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, 2023

	Waterworks Fund	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:					
Receipts from customers and others	\$ 3,173,232	\$ 22,701,696	\$ 3,356,961	\$ 958,747	\$ 30,190,636
Payments to suppliers	(948,296)	(17,671,063)	(1,012,284)	(602,667)	(20,234,310)
Payments to employees	(718,224)	(1,336,435)	(570,228)	(277,847)	(2,902,734)
Net cash flows from operating activities	1,506,712	3,694,198	1,774,449	78,233	7,053,592
Cash flows from noncapital financing activities:					
Transfers in (out)	-	(1,000,000)	-	-	(1,000,000)
Pilots in lieu of taxes	(312,859)	(2,223,712)	(336,408)	(22,532)	(2,895,511)
Intergovernmental revenues	-	-	-	28,500	28,500
Net cash flows from noncapital financing activities	(312,859)	(3,223,712)	(336,408)	5,968	(3,867,011)
Cash flows from investing activities:					
Interest received	16,529	19,004	12,986	-	48,519
Net cash flows from investing activities	16,529	19,004	12,986	-	48,519
Cash flows from capital and related financing activities:					
Purchases of capital assets	(169,704)	(702,344)	(437,448)	(326,575)	(1,636,071)
Proceeds on sale of capital assets	-	20,307	-	17,100	37,407
Intergovernmental revenues	-	-	5,000	-	5,000
Interest and fiscal charges	(187,450)	-	(66,891)	-	(254,341)
Principal payments on long-term debt	(651,000)	-	(709,600)	-	(1,360,600)
Net cash flows from capital and related financing activities	(1,008,154)	(682,037)	(1,208,939)	(309,475)	(3,208,605)
Net change in cash and equivalents	202,228	(192,547)	242,088	(225,274)	26,495
Cash and equivalents, beginning of year	4,680,858	3,936,209	3,803,380	1,380,680	13,801,127
Cash and equivalents, end of year	\$ 4,883,086	\$ 3,743,662	\$ 4,045,468	\$ 1,155,406	\$ 13,827,622
Total cash and investments reported on the Statement of Net Position	\$ 4,883,086	\$ 3,743,662	\$ 4,045,468	\$ 1,155,406	\$ 13,827,622
Cash and investments reported on the Statement of Net Position					
Cash and investments	\$ 4,621,626	\$ 3,743,662	\$ 3,770,306	\$ 1,155,406	\$ 13,291,000
Restricted cash and investments	261,460	-	275,162	-	536,622
Total cash and investments	\$ 4,883,086	\$ 3,743,662	\$ 4,045,468	\$ 1,155,406	\$ 13,827,622
Reconciliation of operating income to net cash flows from operating activities:					
Operating income	\$ 988,336	\$ 3,279,098	\$ 1,262,051	\$ 29,439	\$ 5,558,924
Adjustments to reconcile operating income to net cash flows from operations:					
Depreciation and amortization	661,191	139,144	633,046	115,237	1,548,618
Change in compensated absences	496	(35,448)	(5,252)	1,854	(38,350)
Changes in net pension asset/liability	190,461	240,732	9,218	29,682	470,093
Changes in deferred outflows of resources	(8,731)	(31,311)	(21,431)	(5,963)	(67,436)
Changes in deferred inflows of resources	(342,739)	(569,243)	(157,567)	(84,296)	(1,153,845)
Changes in:					
Receivables	116,557	289,540	10,378	(18,172)	398,303
Special assessments	-	-	25,000	-	25,000
Prepaid expenses	(538)	(3,867)	(1,048)	(299)	(5,752)
Inventory	(71,247)	(64,107)	(954)	(788)	(137,096)
Accounts payable	(31,028)	470,642	17,775	10,083	467,472
Accrued liabilities	3,442	(31,194)	3,233	1,456	(23,063)
Customer deposits	512	10,212	-	-	10,724
Net cash flows from operating activities	\$ 1,506,712	\$ 3,694,198	\$ 1,774,449	\$ 78,233	\$ 7,053,592

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

(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
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March 31, 2023

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 being used for parks and recreational related purposes.

Airport Project Fund: The Airport Project Fund accounts for the City's airport capital improvement project primarily funded by federal grants.

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.

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

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
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D. Cash and Investments

The City maintains a cash and investment pool in which a majority of the City's funds share. Each fund type's portion of this pool is displayed in the financial statements as cash and investments, and investments made in accordance with bond ordinances are reflected as restricted cash and investments. Permissible investments include obligations of the U.S. Government, State of Missouri, bonds, bills, or notes guaranteed by the U.S., state or city governments, certificates of deposit, repurchase agreements, banker's acceptances, and commercial paper. Investments are reported at fair value based on quoted market prices. Interest earned from the pool is allocated to the funds on the basis of average monthly cash and investment balances.

E. Accounts Receivable

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

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

J. Compensated Absences

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

K. Deferred Outflows/inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category. The first 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. The second item relates to leases reported in both the government-wide statement of net position and in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources over the remaining term of the lease.

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
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L. Interfund Activity

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

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

Payment in Lieu of Taxes (PILOTS) – paid from the City's enterprise funds to the general fund were \$2,895,511 for the year ended March 31, 2023.

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

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

M. Fund Balances

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

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

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

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

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

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

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

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

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

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

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

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

O. 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		5,793,615
Certificates of deposits		326,237
Commercial paper		249,169
U.S. treasuries and agency securities		103,468
Restricted cash equivalents held in trust		775,969
US Treasury Bills		17,721,397
Total cash and investments	\$	<u>24,970,955</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
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Government-wide Statement of Net Position

	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 10,675,659	\$ 13,291,000	\$ 23,966,659
Restricted cash and investments	467,674	536,622	1,004,296
Total cash and investments	<u>\$ 11,143,333</u>	<u>\$ 13,827,622</u>	<u>\$ 24,970,955</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, 2023, the City's deposits were insured with Federal depository insurance, with the remaining uninsured balance collateralized by a \$16.0 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, 2023.

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
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The City has the following recurring fair value measurements as of March 31, 2023:

	Level 1	S&P Rating
<u>US Treasuries and Agency Securities</u>		
Government National Mortgage Association	\$ 99,712	AA+
Federal Home Loan Bank	630	AA+
Federal National Mortgage Association	3,126	AA+
Total US Treasuries and Agency Securities	<u>\$ 103,468</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 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, 2023 consisted of the following:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
Governmental funds:				
General Fund	\$ 3,749,226	\$ 365,449	\$ 53,519	\$ 4,168,194
Transportation Sales Tax Fund	1,273,622	-	-	1,273,622
Parks Sales Tax Fund	658,163	-	-	658,163
Nonmajor funds	203,551	-	-	203,551
	<u>\$ 5,884,562</u>	<u>\$ 365,449</u>	<u>\$ 53,519</u>	<u>\$ 6,303,530</u>

Taxes receivable represent sales tax and franchise taxes. Taxes receivable consisted of the following at March 31, 2023:

	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
Governmental funds:			
General Fund	\$ 598,636	\$ 117,698	\$ 716,334
Transportation Sales Tax Fund	189,238	-	189,238
Parks Sales Tax Fund	99,739	-	99,739
Nonmajor funds	34	-	34
	<u>\$ 887,647</u>	<u>\$ 117,698</u>	<u>\$ 1,005,345</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
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(4) Leases Receivable

During the year ended March 31, 2023, the City implemented Government Accounting Standards Board No. 87, Leases (GASB 87). Under GASB 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that related to future periods. Additional information for leases receivable is as follows:

The City leases facilities and the right to place communication equipment on towers owned by the City. As of the year ended March 31, 2023, the City had five leases, with original lease terms ranging from five to 15 years with options to extend in certain leases. As of June 30, 2023, the leases had approximately 3 to 20 years remaining. The City recognized \$28,172 in lease revenue and \$7,607 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

The City's leases receivable activity for the year ended March 31, 2023, is as follows:

Lease Description	Balance April 1, 2022	Additions	Retirements	Balance March 31, 2023	Current
Leases receivable	\$ 168,338	\$ 55,830	\$ 24,115	\$ 200,053	\$ 29,351

The future minimum lease revenue due under the lease arrangements for the years ending March 31 are as follows:

Leases Receivable			
Year Ended March 31:	Principal	Interest	Total
2024	\$ 29,351	\$ 8,496	\$ 37,847
2025	32,536	7,186	39,722
2026	31,069	5,633	36,702
2027	23,675	4,284	27,959
2028	18,679	3,030	21,709
2029-2033	49,123	7,374	56,497
2034-2038	7,444	2,031	9,475
2039-2043	8,176	1,299	9,475
	<u>\$ 200,053</u>	<u>\$ 39,333</u>	<u>\$ 239,386</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
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(5) Intergovernmental Revenue/Receivables

Intergovernmental revenue during the year ended March 31, 2023 consisted of the following:

	General Fund	Transportation Sales Tax Fund	Airport Project Fund	Total Governmenta Funds
Grants:				
Federal, State and Local	\$ 247,798	\$ 31,771	\$ 12,207,817	\$ 12,487,386
State:				
Motor vehicle fees and taxes	457,128	-	-	457,128
Local:				
Lawrence Co. Emerg. Services	990,407	-	-	990,407
Total intergovernmental revenue	<u>\$ 1,695,333</u>	<u>\$ 31,771</u>	<u>\$ 12,207,817</u>	<u>\$ 13,934,921</u>
		Sewer Fund	Sanatation Fund	Total Enterprise Funds
Grants - State and Local		<u>\$ 5,000</u>	<u>\$ 28,500</u>	<u>\$ 33,500</u>

Amounts due from other governments at March 31, 2023, were as follows:

	General Fund	Airport Project Fund	Total
Grants - federal, state, and local	\$ -	\$ 321,303	\$ 321,303
State:			
Motor vehicle fees and taxes	40,627	-	40,627
Total due from other governments	<u>\$ 40,627</u>	<u>\$ 321,303</u>	<u>\$ 361,930</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
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(6) Interfund Activity

Transfers between funds for the year ended March 31, 2023 were as follows:

	Transfers Out:				
	General	Transportation Sales Tax Fund	Nonmajor Governmental Funds	Electric Fund	Total
Transfers In:					
General fund	\$ -	\$ 24,795	\$ 389	\$ 800,000	\$ 825,184
Airport project fund	-	-	50,971	-	50,971
Nonmajor Governmental Funds	<u>557,519</u>	<u>50,000</u>	<u>-</u>	<u>200,000</u>	<u>807,519</u>
	<u>\$ 557,519</u>	<u>\$ 74,795</u>	<u>\$ 51,360</u>	<u>\$ 1,000,000</u>	<u>\$ 1,683,674</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, 2023

(7) Capital Assets

A summary of the changes in capital assets for the year ended March 31, 2023 is as follows:

	March 31, 2022	Additions	Retirements	March 31, 2023
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,342,260	\$ -	\$ -	\$ 4,342,260
Construction in progress	13,419,266	12,502,401	-	25,921,667
Total capital assets, not being depreciated	17,761,526	12,502,401	-	30,263,927
Capital assets, being depreciated				
Building and improvements	12,139,561	42,023	-	12,181,584
Machinery and equipment	8,713,500	299,180	17,991	8,994,689
Right of use equipment	130,286	-	-	130,286
Infrastructure	34,247,651	20,366	-	34,268,017
Total capital assets, being depreciated	55,230,998	361,569	17,991	55,574,576
Less accumulated depreciation for:				
Building and improvements	4,602,208	334,288	-	4,936,496
Machinery and equipment	6,810,419	487,762	6,257	7,291,924
Right of use equipment	-	25,632	-	25,632
Infrastructure	20,856,006	1,051,072	-	21,907,078
Total accumulated depreciation	32,268,633	1,898,754	6,257	34,161,130
Total capital assets being depreciated, net	22,962,365			21,413,446
Governmental activities capital assets, net	<u>\$40,723,891</u>			<u>\$51,677,373</u>

	March 31, 2021	Additions	Retirements	March 31, 2022
Business-type Activities:				
Capital assets, not being depreciated				
Land	\$ 305,104	\$ -	\$ -	\$ 305,104
Construction in progress	-	614,325	-	614,325
Total capital assets, not being depreciated	305,104	614,325	-	919,429
Capital assets, being depreciated				
Building and improvements	16,763,194	-	-	16,763,194
Machinery and equipment	4,997,722	968,646	114,600	5,851,768
Infrastructure	45,213,176	53,100	-	45,266,276
Total capital assets being depreciated	66,974,092	1,021,746	114,600	67,881,238
Less accumulated depreciation for:				
Building and improvements	3,978,272	380,989	-	4,359,261
Machinery and equipment	3,683,729	289,423	114,600	3,858,552
Infrastructure	31,872,927	878,206	-	32,751,133
Total accumulated depreciation	39,534,928	1,548,618	114,600	40,968,946
Total capital assets being depreciated, net	27,439,164			26,912,292
Business-type activities capital assets, net	<u>\$ 27,744,268</u>			<u>\$ 27,831,721</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

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

Governmental Activates:	
General government	\$ 15,461
Public safety	542,662
Public works	1,021,457
Parks and recreation	176,135
Airport	127,017
Cemetery	16,022
Total depreciation expense for Governmental activates	<u>\$ 1,898,754</u>
Business-type Activities:	
Waterworks	\$ 661,191
Electric	139,144
Sewer	633,046
Sanitation	82,800
Fiber	32,437
Total depreciation expense for Business type activities	<u>\$ 1,548,618</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

(8) Long Term Debt

A summary of the changes in long term debt for the year ended March 31, 2023 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	\$ 1,005,000	\$ -	\$ 1,005,000	\$ -	\$ -
Lease purchase agreement	2,207,000	-	344,000	1,863,000	353,000
Lease liabilities	130,286	-	23,961	106,325	24,751
Compensated absences **	615,927	-	48,547	567,380	291,041
Total Governmental activities	3,958,213	-	1,421,508	2,536,705	668,792
Business-Type Activities:					
Revenue Bonds:					
Series 2003B	2,035,000	-	645,000	1,390,000	680,000
Series 2013	7,054,000	-	481,000	6,573,000	490,100
Series 2015	1,090,100	-	64,600	1,025,500	66,000
Certificates of Participation:					
Series 2020	1,690,000	-	170,000	1,520,000	175,000
Compensated absences	271,961	-	38,350	233,611	105,160
Total Business-type activities	12,141,061	-	1,398,950	10,742,111	1,516,260
Total primary government	\$ 16,099,274	\$ -	\$ 2,820,458	\$ 13,278,816	\$ 2,185,052

** governmental compensated absences are liquidated by the General Fund

A. Governmental Activities Debt

Tax Increment Revenue Bonds

\$1,295,000 Series 2020 Annual Appropriation Supported - Tax Increment and Sales Tax Refunding and Improvement Bonds (East US Highway 60 Improvement and RPA #1 Infrastructure Redevelopment Projects). Due in annual instalments through January 1, 2028; including interest at 2.74%. The Series 2020 Bonds were paid off during the year ended March 31, 2023.

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, 2023

Lease Liabilities

A summary of changes in lease liabilities is as follows:

	For the Year Ended March 31, 2023				
	Beginning of Year	Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Lease liabilities:					
Equipment	\$ 130,286	\$ -	\$ 23,961	\$ 106,325	\$ 24,751
Total	\$ 130,286	\$ -	\$ 23,961	\$ 106,325	\$ 24,751

As a result of implementation of GASB 87, \$130,286 in golf cart equipment lease liabilities has been added to the beginning balance presented in the table above. The lease is offset by an equal amount of right of use asset, therefore the City does not report a restatement of beginning net position for the implementation of GASB 87.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The length of the lease is 72 months, at an interest rate of 3.25% with monthly payments of \$2,320. The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The future minimum lease obligation and the net present value of these minimum lease payments as of March 31, 2023 were as follows:

For the years ending March 31:	Principal	Interest	Total
2024	\$ 24,751	\$ 3,089	\$ 27,840
2025	25,567	2,274	27,841
2026	26,411	1,431	27,842
2027	27,282	561	27,843
2028	2,314	6	2,320
	<u>\$ 106,325</u>	<u>\$ 7,361</u>	<u>\$ 113,686</u>

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred. These leases are not included as lease liabilities or right of use assets on the statement of net position.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

B. Business-type Activities Debt

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%.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

C. Future Debt Service Requirements

Governmental Activities						
Series 2017 Lease Purchase Agreement						
	Principal	Interest				
2024	\$ 353,000	\$ 50,860				
2025	362,000	41,336				
2026	372,000	31,340				
2027	383,000	21,185				
2028	393,000	10,729				
Totals	\$ 1,863,000	\$ 155,450				
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
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	-	-	530,800	71,177	72,000	9,034
2029-2033	-	-	2,816,800	223,542	385,400	31,409
2034-2037	-	-	1,205,300	24,354	295,100	7,319
Totals	\$ 1,390,000	\$ 98,700	\$ 6,573,000	\$ 686,294	\$ 1,025,500	\$ 92,430
Business-type Activities						
	Series 2020 Refunding Equipment Lease Purchase		Total			
	Principal	Interest	Principal	Interest		
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	190,000	17,028	792,800	97,239		
2029-2033	600,000	22,295	3,802,200	277,246		
2034-2037	-	-	1,500,400	31,673		
Totals	\$ 1,520,000	\$ 153,126	\$ 10,508,500	\$ 1,030,550		

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

(9) 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>2022 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	67	18	13	98
Inactive employees entitled to but not yet receiving benefits	17	14	5	36
Active employees	87	23	12	122
	<u>171</u>	<u>55</u>	<u>30</u>	<u>256</u>

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

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 8.5% (General), 7.3% (Police) and 1.0% (Fire) of annual covered payroll.

E. Net Pension Liability (Asset)

The City's net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2022.

F. Actuarial Assumptions

The total pension liability in the February 28, 2022 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)
	2.75% to 6.55% including wage inflation (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:

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

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%

G. Discount Rate

The discount rate used to measure the total pension liability is 7.00%. 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	\$ 30,560,852	\$ 39,232,708	\$ (8,671,856)
Changes for the year:			
Service cost	727,024	-	727,024
Interest	2,108,190	-	2,108,190
Difference between expected and actual experience	456,197	-	456,197
Contributions - employer	-	484,243	(484,243)
Contributions - employee	-	231,551	(231,551)
Net investment income	-	28,978	(28,978)
Benefit payments, including refunds	(1,630,030)	(1,630,030)	-
Administrative expense	-	(27,403)	27,403
Other changes (net transfer)	-	535,351	(535,351)
Net changes	1,661,381	(377,310)	2,038,691
Balances at end of year	\$ 32,222,233	\$ 38,855,398	\$ (6,633,165)

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

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)	\$ 36,748,800	\$ 32,222,233	\$ 28,491,996
Plan Fiduciary Net Position	(38,855,398)	(38,855,398)	(38,855,398)
Net Pension Liability/(Asset)	<u>\$ (2,106,598)</u>	<u>\$ (6,633,165)</u>	<u>\$ (10,363,402)</u>

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 \$1,470,397, \$1,099,476 (General), \$93,352 (Police) and \$277,369 (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	\$ -	\$ -	\$ 10,673	\$ 10,673
Difference between expected and actual experience	326,073	121,680	232,031	679,784
Contributions subsequent to measurement date*	291,198	79,321	5,254	375,773
Total	<u>\$ 617,271</u>	<u>\$ 201,001</u>	<u>\$ 247,958</u>	<u>\$ 1,066,230</u>
Deferred Inflows of Resources:				
Changes in assumptions	\$ (286,332)	\$ (111,353)	\$ (47,614)	\$ (445,299)
Difference between expected and actual experience	(732,231)	(30,239)	(226,358)	(988,828)
Difference in projected and actual earnings on pension plan investments	(443,282)	(133,982)	(228,604)	(805,868)
Total	<u>\$ (1,461,845)</u>	<u>\$ (275,574)</u>	<u>\$ (502,576)</u>	<u>\$ (2,239,995)</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, 2023.

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:

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

Year ending March 31:	General	Police	Fire	Total
2023	\$ (387,447)	\$ (46,727)	\$ (96,214)	\$ (530,388)
2024	(445,092)	(95,469)	(88,620)	(629,181)
2025	(696,291)	(103,786)	(142,929)	(943,006)
2026	393,058	92,088	84,970	570,116
2027	-	-	(17,079)	(17,079)
Thereafter	-	-	-	-
Total	<u>\$ (1,135,772)</u>	<u>\$ (153,894)</u>	<u>\$ (259,872)</u>	<u>\$ (1,549,538)</u>

K. Payable to the Pension Plan

At March 31, 2023, the City's outstanding contributions due to the LAGERS pension plan was \$56,799.

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

	General	Police	Fire	Total
Governmental activities:				
Net Pension Asset/(Liability)	\$ (1,940,896)	\$ (988,182)	\$ (1,888,858)	\$ (4,817,936)
Business-type activities:				
Net Pension Asset/(Liability)	(1,815,229)	-	-	(1,815,229)
Total	<u>\$ (3,756,125)</u>	<u>\$ (988,182)</u>	<u>\$ (1,888,858)</u>	<u>\$ (6,633,165)</u>
Governmental activities:				
Pension related deferred outflows	\$ 318,962	\$ 201,001	\$ 247,958	\$ 767,921
Pension related deferred inflows	(755,377)	(275,574)	(502,576)	(1,533,527)
Business-type activities:				
Pension related deferred outflows	298,309	-	-	298,309
Pension related deferred inflows	(706,468)	-	-	(706,468)
Total	<u>\$ (844,574)</u>	<u>\$ (74,573)</u>	<u>\$ (254,618)</u>	<u>\$ (1,173,765)</u>

(10) 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.

City of Monett, Missouri
Notes to the Basic Financial Statements
March 31, 2023

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 2021, 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, 2023

E. *Construction Commitments*

At March 31, 2023, the City had approximately \$3.1 million in construction commitments related to the Airport runway relocation project.

(11) Subsequent Events

Management has evaluated subsequent events through October 31, 2023, the date the financial statements were available to be issued. Subsequent to year end, legal action was taken against the City seeking \$2.4 million in damages in connection with a construction contract associated with the airport expansion project. The City intends to vigorously defend against the claim. The ultimate outcome cannot reasonably be determined at this time. No other 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, 2023

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.

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, 2023

	Original	Final		Variance with
	Budget	Budget	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 3,445,000	\$ 3,445,000	\$ 4,168,194	\$ 723,194
Licenses and permits	44,000	44,000	36,718	(7,282)
Intergovernmental	1,447,000	1,447,000	1,695,333	248,333
Charges for services	607,750	607,750	649,891	42,141
Rental	39,750	39,750	80,946	41,196
Investment earnings	750	750	100,566	99,816
Miscellaneous	71,250	71,250	162,774	91,524
Total Revenues	5,655,500	5,655,500	6,894,422	1,238,922
Expenditures:				
Current:				
General government				
Administration	520,000	520,000	386,352	133,648
Public safety				
Building official	335,000	335,000	286,120	48,880
Municipal court	107,500	107,500	99,367	8,133
Police	2,420,000	2,420,000	2,403,626	16,374
E911	1,375,000	1,375,000	1,211,177	163,823
Emergency management	140,000	140,000	129,379	10,621
Fire	1,260,000	1,260,000	1,182,194	77,806
Total public safety	5,637,500	5,637,500	5,311,863	325,637
Public works				
Street	1,600,000	1,600,000	1,292,925	307,075
Parks and recreation				
Pool	45,000	45,000	48,586	(3,586)
Pavilion	80,000	80,000	41,537	38,463
South park	390,000	390,000	351,535	38,465
North park	435,000	435,000	242,128	192,872
Golf	740,000	740,000	671,169	68,831
Casino and community building	110,000	110,000	107,004	2,996
Total parks and recreation	1,800,000	1,800,000	1,461,959	338,041
Airport	360,000	360,000	363,010	(3,010)
Cemetery	255,000	255,000	240,480	14,520
Debt service:				
Principal	-	-	23,961	(23,961)
Interest and fiscal charges	-	-	3,879	(3,879)
Total Expenditures	10,172,500	10,172,500	9,084,429	1,088,071
Excess of Revenues Over (Under) Expenditures	(4,517,000)	(4,517,000)	(2,190,007)	2,326,993
Other financing sources (uses):				
Transfers in	800,000	800,000	825,184	25,184
Transfers out	(275,000)	(275,000)	(557,519)	(282,519)
Sale of capital assets	2,500	2,500	55,063	52,563
Payments in lieu of taxes	2,888,500	2,888,500	2,895,511	7,011
Total Other Financing Sources (Uses)	3,416,000	3,416,000	3,218,239	(197,761)
Net change in fund balances	\$ (1,101,000)	\$ (1,101,000)	1,028,232	\$ 2,129,232
Fund balances, beginning of year			4,488,647	
Fund balances, end of year			\$ 5,516,879	

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	<u>\$ 1,273,622</u>	<u>\$ 173,622</u>
Total Revenues	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,305,393</u>	<u>205,393</u>
Expenditures:				
Current:				
Public works	<u>2,450,000</u>	<u>2,450,000</u>	<u>288,555</u>	<u>2,161,445</u>
Total Expenditures	<u>2,450,000</u>	<u>2,450,000</u>	<u>288,555</u>	<u>2,161,445</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,350,000)</u>	<u>(1,350,000)</u>	<u>1,016,838</u>	<u>2,366,838</u>
Other financing sources (uses):				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(74,795)</u>	<u>(24,795)</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(74,795)</u>	<u>(24,795)</u>
Net change in fund balances	<u><u>\$ (1,400,000)</u></u>	<u><u>\$ (1,400,000)</u></u>	<u>942,043</u>	<u><u>\$ 2,342,043</u></u>
Fund balances, beginning of year			<u>1,784,292</u>	
Fund balances, end of year			<u><u>\$ 2,726,335</u></u>	

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

Schedule 3

CITY OF MONETT, MISSOURI
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Park Sales Tax Fund
For the Year Ended March 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 550,000	\$ 550,000	\$ 658,163	\$ 108,163
Total Revenues	550,000	550,000	658,163	108,163
Expenditures:				
Debt service:				
Principal	344,000	344,000	344,000	-
Interest and fiscal charges	60,252	60,252	60,251	1
Total Expenditures	404,252	404,252	404,251	1
Net change in fund balances	\$ 145,748	\$ 145,748	253,912	\$ 108,164
Fund balances, beginning of year			777,254	
Fund balances, end of year			\$ 1,031,166	

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, 2023

LAGERS

	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability								
Service costs	\$ 727,024	\$ 708,058	\$ 657,759	\$ 656,616	\$ 668,004	\$ 639,391	\$ 616,931	\$ 617,375
Interest on total pension liability	2,108,190	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	456,197	(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	(1,630,030)	(1,143,304)	(1,365,629)	(1,271,635)	(871,222)	(790,364)	(705,369)	(703,043)
Net change in total pension liability	1,661,381	(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	30,560,852	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>\$ 32,222,233</u>	<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	\$ 484,243	\$ 438,185	\$ 409,556	\$ 407,417	\$ 428,796	\$ 438,751	\$ 476,923	\$ 524,504
Contributions - employee	231,551	222,265	210,133	207,724	208,301	207,953	196,430	187,564
Net investment income	28,978	8,507,883	417,751	2,084,456	3,465,410	2,959,657	(70,888)	465,017
Benefit payments and refunds	(1,630,030)	(1,143,304)	(1,365,629)	(1,271,635)	(871,222)	(790,364)	(705,369)	(703,043)
Administrative expenses	(27,403)	(24,654)	(31,327)	(26,441)	(18,184)	(17,532)	(17,162)	(17,989)
Other (net transfer)	535,351	(533,186)	(35,931)	217,677	17,828	(388,493)	68,562	119,677
Net change in plan fiduciary net position	(377,310)	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	39,232,708	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>\$ 38,855,398</u>	<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>\$ (6,633,165)</u>	<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	120.59%	128.38%	102.11%	111.10%	110.90%	105.20%	100.11%	110.25%
Covered employee payroll	5,551,170	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	-119.49%	-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, 2023, only eight years of information is available.

CITY OF MONETT, MISSOURI
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended March 31, 2023

LAGERS (General, Police and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
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	418,346	418,346	-	5,473,347	7.64%
2022	536,022	490,087	45,935	5,653,739	8.67%

Lagers

Valuation Date February 28, 2022

Notes: The roll-forward of total pension liability from February 28, 2022 to June 30, 2022 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 19 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)
2.75% to 6.55% including wage inflation (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
Combining Balance Sheet - Nonmajor Governmental Funds
March 31, 2023

	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Capital Improvement Fund	Airport Improvement Fund	Equipment Reserve Fund	Total
Assets						
Cash and investments	\$ -	\$ -	\$ -	\$ 1,082,514	\$ 312,500	\$ 1,395,014
Receivables:						-
Taxes	-	-	34	-	-	34
Restricted cash and investments	29	467,645	-	-	-	467,674
Total Assets	<u>\$ 29</u>	<u>\$ 467,645</u>	<u>\$ 34</u>	<u>\$ 1,082,514</u>	<u>\$ 312,500</u>	<u>\$ 1,862,722</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted:						
Capital projects	\$ -	\$ -	\$ 34	\$ 1,082,514	\$ 312,500	\$ 1,395,048
Debt service	29	467,645	-	-	-	467,674
Total fund balance	<u>29</u>	<u>467,645</u>	<u>34</u>	<u>1,082,514</u>	<u>312,500</u>	<u>1,862,722</u>
Total liabilities and fund balances	<u>\$ 29</u>	<u>\$ 467,645</u>	<u>\$ 34</u>	<u>\$ 1,082,514</u>	<u>\$ 312,500</u>	<u>\$ 1,862,722</u>

CITY OF MONETT, MISSOURI
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended March 31, 2023

	Tax Increment Financing #1 Fund	Tax Increment Financing #2 Fund	Capital Improvement Fund	Airport Improvement Fund	Equipment Reserve Fund	Total
Revenues:						
Taxes	\$ -	\$ 203,173	\$ 378	\$ -	\$ -	\$ 203,551
Intergovernmental activity taxes	-	302,788	-	-	-	302,788
Investment earnings	-	23,163	-	-	-	23,163
Total Revenues	-	529,124	378	-	-	529,502
Expenditures:						
Current:						
Public works	-	6,638	-	-	-	6,638
Capital outlay	-	-	-	114,812	409,656	524,468
Debt service:						
Principal	-	1,005,000	-	-	-	1,005,000
Interest and fiscal charges	-	69,596	-	-	-	69,596
Total Expenditures	-	1,081,234	-	114,812	409,656	1,605,702
Excess of Revenues Over (Under) Expenditures	-	(552,110)	378	(114,812)	(409,656)	(1,076,200)
Other financing (uses):						
Transfers in	-	-	-	85,363	722,156	807,519
Transfers out	-	-	(389)	(50,971)	-	(51,360)
Sale of capital assets	-	-	-	46,000	-	46,000
Total Other Financing (Uses)	-	-	(389)	80,392	722,156	802,159
Net change in fund balances	-	(552,110)	(11)	(34,420)	312,500	(274,041)
Fund balances, beginning of year	29	1,019,755	45	1,116,934	-	2,136,763
Fund balances, end of year	\$ 29	\$ 467,645	\$ 34	\$ 1,082,514	\$ 312,500	\$ 1,862,722

Schedule 8

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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 195,000	\$ 203,173	\$ 8,173
Intergovernmental activity taxes	275,000	302,788	27,788
Investment earnings	-	23,163	23,163
Total Revenues	<u>470,000</u>	<u>529,124</u>	<u>59,124</u>
Expenditures:			
Current:			
Public works	7,250	6,638	612
Debt service:			
Principal	1,005,000	1,005,000	-
Interest and fiscal charges	69,750	69,596	154
Total Expenditures	<u>1,082,000</u>	<u>1,081,234</u>	<u>766</u>
Excess of Revenues Over (Under) Expenditures	<u>(612,000)</u>	<u>(552,110)</u>	<u>59,890</u>
Net change in fund balances	<u>\$ (612,000)</u>	<u>(552,110)</u>	<u>\$ 59,890</u>
Fund balances, beginning of year		<u>1,019,755</u>	
Fund balances, end of year		<u>\$ 467,645</u>	

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

Schedule 9

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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 400	\$ 378	\$ (22)
Total Revenues	<u>400</u>	<u>378</u>	<u>(22)</u>
Excess of Revenues Over (Under) Expenditures	<u>400</u>	<u>378</u>	<u>(22)</u>
Other financing sources (uses):			
Transfers out	<u>(400)</u>	<u>(389)</u>	<u>11</u>
Total Other Financing Sources (Uses)	<u>(400)</u>	<u>(389)</u>	<u>11</u>
Net change in fund balances	<u>\$ -</u>	<u>(11)</u>	<u>\$ (11)</u>
Fund balances, beginning of year		<u>45</u>	
Fund balances, end of year		<u>\$ 34</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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Capital outlay	\$ 750,000	\$ 114,812	\$ 635,188
Total Expenditures	<u>750,000</u>	<u>114,812</u>	<u>635,188</u>
Excess of Revenues Over (Under) Expenditures	<u>(750,000)</u>	<u>(114,812)</u>	<u>635,188</u>
Other financing sources (uses):			
Transfers in	100,000	85,363	(14,637)
Transfers out	-	(50,971)	(50,971)
Sale of capital assets	-	46,000	(46,000)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>80,392</u>	<u>(111,608)</u>
Net change in fund balances	<u>\$ (650,000)</u>	<u>(34,420)</u>	<u>\$ 523,580</u>
Fund balances, beginning of year		<u>1,116,934</u>	
Fund balances, end of year		<u>\$ 1,082,514</u>	

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

Schedule 11

CITY OF MONETT, MISSOURI
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Equipment Reserve Fund
For the Year Ended March 31, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay	\$ 425,000	\$ 409,656	\$ 15,344
Total Expenditures	<u>425,000</u>	<u>409,656</u>	<u>15,344</u>
Excess of Revenues Over (Under) Expenditures	<u>(425,000)</u>	<u>(409,656)</u>	<u>15,344</u>
Other financing sources (uses):			
Transfers in	425,000	722,156	297,156
Total Other Financing Sources (Uses)	<u>425,000</u>	<u>722,156</u>	<u>297,156</u>
Net change in fund balances	<u>\$ -</u>	312,500	<u>\$ 312,500</u>
Fund balances, beginning of year		<u>-</u>	
Fund balances, end of year		<u>\$ 312,500</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, 2023

	Sanitation Fund	Fiber Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 422,119	\$ 733,287	\$ 1,155,406
Receivables			
Accounts and other	120,544	23,750	144,294
Prepaid expenses	1,925	-	1,925
Inventory	-	24,791	24,791
Total current assets	<u>544,588</u>	<u>781,828</u>	<u>1,326,416</u>
Noncurrent assets:			
Capital assets:			
Not being depreciated	12,101	-	12,101
Being depreciated, net of depreciation	594,191	46,670	640,861
Net pension asset	141,546	-	141,546
Total noncurrent assets	<u>747,838</u>	<u>46,670</u>	<u>794,508</u>
Total assets	<u>1,292,426</u>	<u>828,498</u>	<u>2,120,924</u>
Deferred outflows of resources			
Deferred outflows - pension related activity	<u>23,261</u>	<u>-</u>	<u>23,261</u>
Liabilities			
Current liabilities:			
Accounts payable	31,505	-	31,505
Accrued liabilities	7,218	-	7,218
Current portion of long-term debt	5,450	-	5,450
Total current liabilities:	<u>44,173</u>	<u>-</u>	<u>44,173</u>
Long-term liabilities:			
Long-term debt	1,615	-	1,615
Total long-term liabilities:	<u>1,615</u>	<u>-</u>	<u>1,615</u>
Total liabilities	<u>45,788</u>	<u>-</u>	<u>45,788</u>
Deferred inflows of resources			
Deferred inflows - pension related activity	<u>55,088</u>	<u>-</u>	<u>55,088</u>
Net position			
Net investment in capital assets	606,292	46,670	652,962
Restricted net position for:			
Pension benefits	109,719	-	109,719
Unrestricted	498,800	781,828	1,280,628
Total net position	<u>\$ 1,214,811</u>	<u>\$ 828,498</u>	<u>\$ 2,043,309</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, 2023

	Sanitation Fund	Fiber Fund	Total
Operating revenues:			
Charges for services	\$ 736,744	\$ 225,315	\$ 962,059
Other	6,860	8,000	14,860
Total operating revenues	<u>743,604</u>	<u>233,315</u>	<u>976,919</u>
Operating expenses:			
Wages and benefits	201,245	19,335	220,580
Insurance	7,760	-	7,760
Repairs and maintenance	90,190	1,773	91,963
Utilities	549	93,593	94,142
Supplies	11,733	15,182	26,915
Depreciation	82,800	32,437	115,237
Other operating expenses	41,581	7,836	49,417
Landfill and recycling	341,466	-	341,466
Total operating expenses	<u>777,324</u>	<u>170,156</u>	<u>947,480</u>
Operating income	<u>(33,720)</u>	<u>63,159</u>	<u>29,439</u>
Nonoperating revenues (expenses):			
Federal and State grants	28,500	-	28,500
Gain on capital asset disposal	17,100	-	17,100
Total nonoperating revenues (expenses)	<u>45,600</u>	<u>-</u>	<u>45,600</u>
Income (loss) before transfers and payment in lieu of taxes	<u>11,880</u>	<u>63,159</u>	<u>75,039</u>
Payments in lieu of taxes (PILOTS)	<u>-</u>	<u>(22,532)</u>	<u>(22,532)</u>
Change in net position	11,880	40,627	52,507
Total net position, beginning of year	1,202,931	787,871	1,990,802
Total net position, end of year	<u><u>\$ 1,214,811</u></u>	<u><u>\$ 828,498</u></u>	<u><u>\$ 2,043,309</u></u>

Schedule 14

CITY OF MONETT, MISSOURI
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended March 31, 2023

	Sanitation Fund	Fiber Fund	Total
Cash flows from operating activities:			
Receipts from customers and others	\$ 726,047	\$ 232,700	\$ 958,747
Payments to suppliers	(483,495)	(119,172)	(602,667)
Payments to employees	(258,512)	(19,335)	(277,847)
Net cash flows from operating activities	<u>(15,960)</u>	<u>94,193</u>	<u>78,233</u>
Cash Flows from noncapital financing activities:			
Pilots in lieu of taxes	-	(22,532)	(22,532)
Intergovernmental revenues	28,500	-	28,500
Net cash flows from noncapital financing activities	<u>28,500</u>	<u>(22,532)</u>	<u>5,968</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(326,575)	-	(326,575)
Proceeds on sale of capital assets	17,100	-	17,100
Net cash flows from capital and related financing activities	<u>(309,475)</u>	<u>-</u>	<u>(309,475)</u>
Net change in cash and equivalents	(296,935)	71,661	(225,274)
Cash and equivalents, beginning of year	719,054	661,626	1,380,680
Cash and equivalents, end of year	<u>\$ 422,119</u>	<u>\$ 733,287</u>	<u>\$ 1,155,406</u>
Cash and investments reported on the Statement of Net Position			
Cash and investments	<u>\$ 422,119</u>	<u>\$ 733,287</u>	<u>\$ 1,155,406</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income	\$ (33,720)	\$ 63,159	\$ 29,439
Adjustments to reconcile operating income (loss) to net cash flows from operations:			
Depreciation and amortization	82,800	32,437	115,237
Change in compensated absences	1,854	-	1,854
Changes in net pension asset/liability	29,682	-	29,682
Changes in deferred outflows of resources	(5,963)	-	(5,963)
Changes in deferred inflows of resources	(84,296)	-	(84,296)
Changes in:			
Receivables	(17,557)	(615)	(18,172)
Prepaid expenses	(299)	-	(299)
Inventory	-	(788)	(788)
Accounts payable	10,083	-	10,083
Accrued liabilities	1,456	-	1,456
Net cash flows from operating activities	<u>\$ (15,960)</u>	<u>\$ 94,193</u>	<u>\$ 78,233</u>

CITY OF MONETT, MISSOURI

SINGLE AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2023

City of Monett, Missouri
Single Audit Report
For the Year Ended March 31, 2023

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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, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 31, 2023, 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
October 31, 2023

ADDITIONAL INFORMATION

City of Monett, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2023

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-SL13	\$ 49,952
Emergency Management Performance Grant - ARPA	97.042	EMK-2021-EP-00005-S31	1,300
Emergency Management Performance Grant	97.042	EMK-2021-EP-00006-076	9,124
Total U.S. Department of Homeland Security			<u>60,376</u>
U.S. Department of Justice			
Bulletproof Vest	16.607		3,321
Passed through National White Collar Crime Center			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	72-103	22,570
Passed through Missouri Department of Economic Development			
Local Law Enforcement Block Grant	16.738	15-PBAJA-21-GG-00249	10,000
Total U.S. Department of Justice			<u>35,891</u>
U.S. Department of Transportation			
Passed through Missouri Department of Transportation			
Airport Improvement Grant	20.106	20-098B-1	690,534
Airport Improvement Grant	20.106	21-098B-1	11,478,923
Passed through Missouri Department of Transportation			
Chapell Drive overpass railway-highway crossing improvement program	20.314	RRP-000S(628)	31,770
Total U.S. Department of Transportation			<u>12,201,227</u>
Total Expenditures of Federal Awards			<u><u>\$ 12,297,494</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, 2023

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, 2023.

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, 2023

Section 1 - Summary of Auditor's Results

Financial Statements:

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

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

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

Federal Awards:

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

Type Audit Report Issued on Compliance for Major Programs
Unmodified

Audit Findings
None

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

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

Auditee Qualified as a Low-risk Auditee
Yes

City of Monett, Missouri
Schedule of Findings and Questioned Costs (continued)
For the Year Ended March 31, 2023

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 31, 2023.

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
October 31, 2023



**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, 2023. 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 its major federal program for the year ended March 31, 2023.

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 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
October 31, 2023

CITY OF MONETT, MISSOURI

REQUIRED COMMUNICATIONS
and MANAGEMENT LETTER

For the Year Ended March 31, 2023

City of Monett, Missouri

Required Communications and Management Letter

For the Year Ended March 31, 2023

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October 31, 2023

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, 2023. 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 February 14, 2023. 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. As described in Notes 4 and 8 to the financial statements, the City changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 87, Leases, in 2023. No other new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 31, 2023.

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, 2023, 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.

- 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
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 2023. 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, 2023

Number	Title	AJE	Debit	Credit
01-11300	A/R - AUDITOR SALES TAX	1	31,156.88	
16-11300	AUDIT SALES TAX RECEIVABLE	1		11.51
17-11300	AUDIT SALES TAX RECEIVABLE	1	10,163.64	
18-11300	AUDIT SALES TAX RECEIVABLE	1	5,214.62	
01-41-41-42200	SALES TAX - GENERAL OPERATING	1		20,770.93
01-41-41-42250	SALES TAX - FOR CAPITAL (1/2%)	1		10,385.95
16-50-41-42000	SALES TAX	1	11.51	
17-51-41-42000	SALES TAX	1		10,163.64
18-52-41-42000	SALES TAX	1		5,214.62
<i>To adjust the current year accrual amount for sales tax</i>				
08-11202	ACCT. REC.- COUNTRY CLUB NID	2		25,000.00
08-93-48-47500	COUNTRY CLUB NID/SPEC ASSESSMENT	2	25,000.00	
<i>To adjust special assessments receivable</i>				
01-11287	A/R - Sales Tax TIF	3	12,618.31	
01-41-41-42240	LESS SALES TAX TRANSFER TO TIF	3		12,618.31
04-11500	A/R - CITY PORTION (AUDITOR)	3		12,618.31
04-11510	A/R - COUNTY	3		12,093.57
04-62-41-42330	SALES TAX - BARRY	3	12,093.57	
04-62-41-42350	CITY'S PORTION OF SALES	3	12,618.31	
<i>To adjust TIF sales taxes</i>				
01-22501	A/P - AUDITOR	4	310,231.32	
06-22500	A/P(AUDITOR)	4	28,705.62	
07-22500	A/P - ELECTRIC PUR. (AUDITOR)	4	1,224,771.54	
10-22500	A/P - AUDITOR	4	21,422.11	
01-11290	PREPAID HEALTH INSURANCE	4		95,173.71
01-48-53-59000	CAPITAL OUTLAY	4		35,611.00
01-88-53-59001	RUNWAY EXPANSION PROJECT	4	-	179,446.61
06-91-52-53500	REPAIR AND MAINTENANCE	4		28,705.62
07-92-52-56500	ELECTRIC PURCHASES	4		1,224,771.54
10-95-52-57500	LANDFILL EXPENSE	4		21,422.11
01-22501	A/P - AUDITOR	4	83,753.63	
01-44-43-46507	LAW CO EMERGENCY SERVICE BOARD	4		83,753.63
<i>To reverse/adjust prior year accounts payable</i>				

City of Monett
Schedule A
March 31, 2023

Number	Title	AJE	Debit	Credit
06-19000	DEFERRED OUTFLOWS	5	8,731.14	
06-19500	NET PENSION ASSET	5		190,460.71
06-29000	DEFERRED INFLOW OF RESOURCES	5	342,738.56	
06-91-51-50061	LAGERS ADJ	5		161,008.99
07-19000	DEFERRED OUTFLOWS	5	31,311.03	
07-19500	NET PENSION ASSET	5		240,732.11
07-29000	DEFERRED INFLOW OF RESOURCES	5	569,243.10	
07-92-51-50061	LAGERS ADJ	5		359,822.02
08-19000	DEFERRED OUTFLOWS	5	21,430.98	
08-19500	NET PENSION ASSET	5		9,217.99
08-29000	DEFERRED INFLOW OF RESOURCES	5	157,567.15	
08-93-51-50061	LAGERS ADJ	5		169,780.14
10-19000	DEFERRED OUTFLOWS	5	5,963.26	
10-19500	NET PENSION ASSET	5		29,681.97
10-29000	DEFERRED INFLOW OF RESOURCES	5	84,295.75	
10-95-51-50061	LAGERS ADJ	5		60,577.04
<i>To record GASB 68 pension for the current year</i>				
01-11400	A/R - AUDITOR MOTOR VEHICLE	6	12,378.96	
01-70-41-43200	MOTOR FUEL TAX	6		12,378.96
<i>To record the accrual for the excise tax for the year</i>				
01-11272	A/R - Franchise Taxes	7	13,746.38	
01-41-41-43140	TELEPHONE FRANCHISE	7	1,743.59	
01-41-41-43142	CELLULAR PHONE TAX	7	1,263.48	
01-41-41-43150	GAS FRANCHISE	7		17,017.91
01-41-41-43160	CABLE TV FRANCHISE	7	264.46	
<i>To adjust for the accrual entry for the year in franchise taxes</i>				
01-23105	ACCRUED PAYROLL	8	156,294.87	191,786.32
01-47-51-50010	REGULAR WAGES - FULL-TIME	8	63,928.78	52,098.29
01-48-51-50010	REGULAR WAGES - FULL-TIME	8	63,928.77	52,098.29
01-70-51-50010	REGULAR WAGES - FULL-TIME	8	63,928.77	52,098.29
10-23105	ACCRUED PAYROLL (AUDITOR)	8	5,762.54	7,217.81
10-95-51-50010	REGULAR WAGES - FULL-TIME	8	7,217.81	5,762.54
06-23105	ACCRUED PAYROLL (AUDITOR)	8	18,841.62	22,284.43
06-91-51-50010	REGULAR WAGES - FULL-TIME	8	22,284.43	18,841.62
07-23105	ACCRUED PAYROLL (AUDITOR)	8	35,567.04	4,372.72
07-92-51-50010	REGULAR WAGES - FULL-TIME	8	4,372.72	35,567.04
08-23105	ACCRUED PAYROLL (AUDITOR)	8	14,848.14	18,080.76
08-93-51-50010	REGULAR WAGES - FULL-TIME	8	18,080.76	14,848.14
<i>To record the accrual entry for payroll by reversing out last year and adding the current year</i>				

City of Monett
Schedule A
March 31, 2023

Number	Title	AJE	Debit	Credit
06-11203	UNBILLED ACCOUNTS RECEIVABLE	9		6,988.80
06-91-44-40000	SALE OF SERVICES	9	6,988.80	
07-11203	UNBILLED ACCOUNTS RECEIVABLE	9	160,385.29	
07-92-44-40000	SALE OF SERVICES	9		160,385.29
08-11203	UNBILLED ACCOUNTS RECEIVABLE	9		3,080.15
08-93-44-40000	SALE OF SERVICES	9	3,080.15	
10-11203	UNBILLED ACCOUNTS RECEIVABLE	9	6,960.34	
10-95-44-40000	SALE OF SERVICES	9		6,960.34
<i>To adjust unbilled accounts receivable</i>				
01-23170	Unearned Revenue	10		929,416.27
01-41-43-46500	GRANT RESOURCES	10	929,416.27	
<i>To record unearned ARPA revenue and transfers of ARPA funds to reimburse expenses</i>				
06-23130	ACCRUED INTEREST - DEBT	11	4,343.60	
08-23130	ACCRUED INTEREST - DEBT	11	8,707.19	
21-55-53-59100	DEBT - INTEREST EXPENSE	11		4,343.60
22-56-53-59100	DEBT - INTEREST EXPENSE	11		8,707.19
<i>To record accrued interest</i>				
07-22550	A/P - (AUDITOR)	12		35,080.04
07-92-52-56500	ELECTRIC PURCHASES	12	35,080.04	
08-22500	A/P (AUDITOR)	12		15,603.76
08-93-52-53590	WASTE REMOVAL	12	15,603.76	
10-22500	A/P - AUDITOR	12		31,505.28
10-95-52-57500	LANDFILL EXPENSE	12	31,505.28	
17-22501	A/P - AUDITOR	12		57,174.71
17-51-53-59007	CENTRAL AVENUE PROJECT	12	57,174.71	
07-22550	A/P - (AUDITOR)	12		1,699,206.29
07-92-52-56500	ELECTRIC PURCHASES	12	1,699,206.29	-
06-23001	ACCT PAYABLE - SALES TAX	12	-	50,608.74
06-91-44-40000	SALE OF SERVICES	12	50,608.74	
<i>To record/adjust current year accounts payable</i>				

City of Monett
Schedule A
March 31, 2023

Number	Title	AJE	Debit	Credit
01-11285	A/R - GRANTS	13		549,668.21
01-22503	A/P - AUDITOR-GRANT RETAINAGE	13	506,597.12	
01-88-53-59001	RUNWAY EXPANSION PROJECT	13	213,545.09	-
01-88-53-59400	TRANSFER TO OTHER FUNDS	13	-	170,474.00
23-57-53-59001	RUNWAY EXPANSION PROJECT	13		170,474.00
23-57-49-41400	TRANSFER FROM GENERAL FUND	13	170,474.00	
23-11285	A/R - GRANTS	13	321,303.20	-
23-22501	A/P - AUDITOR	13		321,303.20
23-57-43-46500	GRANT RESOURCES	13	-	321,303.20
23-57-53-59001	RUNWAY EXPANSION PROJECT	13	321,303.20	-
To adjust Airport Grants Receivable and payable				
01-11280x	Leases Receivable	14	224,168.00	24,115.00
01-23170X	Deferred inflows - Leases	14	28,172.00	224,168.00
01-82-53-590x1	Lease offset	14		27,840.00
01-82-53-590x2	Lease - Principle	14	23,961.00	
01-82-53-590x3	Lease - Interest	14	3,879.00	
01-88-46-490x1	Lease offset account	14	31,722.00	28,172.00
01-88-46-490x2	Lease interest	14		7,607.00
To implement GASB Statement 87 Leases				