



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
MARCH 31, 2005



**City of Monett, Missouri  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended March 31, 2005**

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## **INTRODUCTION SECTION**



# City of Monett

THIRD CLASS CITY – COMMISSION FORM OF GOVERNMENT  
James Orr, Mayor · Donald Roberson, Commissioner · Jerry Dierker, Commissioner  
217 Fifth Street · P.O. Box 110 · Monett, Missouri 65708

City Clerk - (417) 235-3763  
City Collector - (417) 235-3544  
Council - (417) 235-3355  
Fax - (417) 235-4608

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August 5, 2005

## **Members of the Governing Council, and Citizens of the City of Monett, Missouri:**

### **Introduction**

State law requires that all political subdivision in the state shall cause to be prepared an annual report of the financial transactions in such summary form as the state auditor shall prescribe (105.145, RSMO) and the state auditor shall receive a copy of the financial report (15 CRS 40-3.030). Pursuant to these requirements, we hereby issue the annual financial report of the City of Monett, Missouri for the fiscal year ended March 31, 2005.

This report consists of management's representations concerning the finances of the City of Monett, Missouri. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Monett, Missouri has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Monett, Missouri's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Monett, Missouri's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Monett, Missouri's financial statements have been audited by The CPA Group, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monett, Missouri for the fiscal year ended March 31, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering a unqualified opinion that the City of Monett, Missouri's financial statements for the fiscal year ended March 31, 2005, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Monett, Missouri was part of a

## Introduction

broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Monett, Missouri's MD&A can be found immediately following the report of the independent auditors'.

### ***Profile of the Government***

The City of Monett, Missouri, incorporated in 1888, is a third class city located in the southwestern part of the state. The City of Monett, Missouri currently occupies a land area of 9 square miles and has a population of 7,396. The City of Monett, Missouri is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Monett, Missouri operates under a commission form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and two commissioners. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the heads of the various departments. The various departments are responsible for carrying out the policies and ordinances of the governing council, and for overseeing the day-to-day operations of the government. Council members serve four-year terms that expire in April of 2008.

The City of Monett, Missouri provides a full range of services, which can be found in Note A to the financial statements. The annual budget serves as the foundation for the City of Monett, Missouri's financial planning and control. All departments of the City of Monett, Missouri are required to submit requests for appropriation to the government's director of finance in January each year. The director of finance uses these requests as the starting point for developing a proposed budget. The director of finance then presents a proposed budget to the council for review prior to March 10th. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than March 31, the close of the City of Monett, Missouri's fiscal year. The appropriated budget is prepared by fund (e.g., general fund), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council.

### ***Factors Affecting Financial Condition***

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Monett, Missouri operates.



## Introduction

**Local economy.** The City of Monett, Missouri currently enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include several computer software providers, several window manufacturers, playground equipment manufacturer, food manufacturer, cheese processing, dairy processing and poultry processing, and several financial and insurance institutions. Currently, a major, nationally known home improvement retailer is considering the area as a site for a retail facility. Meanwhile, there continues to be a discernable trend toward steady residential growth.

**Long-term financial planning.** The governing council is continuing progress on a \$10.45 million dollar extension and improvement to the sewer system project. This project is funded by \$8,950,000 revenue bonds and \$1,500,000 grant. The system will be completed sometime in late 2005.

The next transportation-related project is expected to be a railroad overpass project on the western edge of the City of Monett, Missouri's boundaries. Federal highway and railroad funds will be used to pay for the greater part of the cost of the \$1.25 million overpass, with \$300,000 anticipated to be the City of Monett, Missouri's share. The overpass will probably be completed sometime in late 2007.

The next tax increment financing project is expected to include a large retail box store on the eastern edge of the City of Monett, Missouri's boundaries. Federal highway funds, tax increment financing, and community improvement district funds will be used to pay for the \$2.45 million highway improvements and the \$1.65 million in infrastructure improvements relating to the retail store location.

**Cash management policies and practices.** Cash temporarily idle during the year was invested in money market accounts, certificates of deposit, and U.S. government backed securities. The maturities of the investments range from 12 months to 4 years, with an average maturity of 36 months. For the last fiscal year the average yield on investments was 5.23 percent.

**Risk management.** During 1998, the government initiated a safety program for workers' compensation. This program strives to emphasize the importance of practicing sound loss prevention techniques, the refinement of work safety policies and procedures and the creation and maintenance of a safe working environment. In addition, various control techniques, including employee accident prevention training, have been implemented to minimize accident-related losses.

**Defined benefit pension plan.** The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. Additional information on the City's pension benefits can be found in Note F in the notes to the financial statements.

## Introduction

### *Acknowledgements*

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Monett, Missouri's finances.

Respectfully submitted,

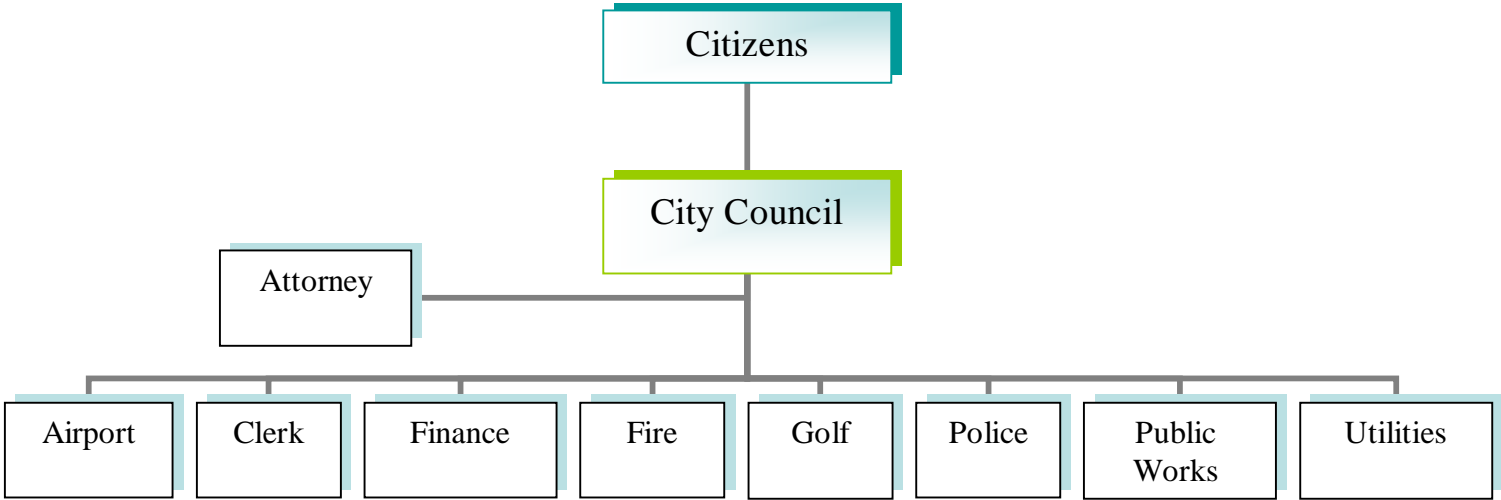


James Orr,  
Mayor



Dorothy Pendergrass,  
Director of Finance

City of Monett, Missouri  
Organization Chart



City of Monett, Missouri  
List of Elected and Appointed Officials  
March 31, 2005

Elected Officials

Mayor	James Orr
Commissioner	Jerry Dierker
Commissioner	Donald Roberson

Appointed Officials

Airport Superintendent	Howard Frazier
City Clerk/Treasurer	Janie Knight
Finance Director	Dorothy Pendergrass
Fire Chief	Tom Jones
Golf Superintendent	Mike Knight
Police Chief	Dave Tatum
Public Works Superintendent	Russ Balmas
Utilities General Manager	Pete Rauch

## **FINANCIAL SECTION**



## **REPORT OF INDEPENDENT AUDITORS'**







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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor James Orr,  
Jerry Dierker and Donald Roberson, Councilmen  
Monett, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monett, Missouri (the City), as of and for the year ended March 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have issued our report dated July 28, 2005 on our consideration of City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, budgetary comparison information, and combined financial statements are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

## Independent Auditors' Report

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, such as the introductory section, statistical section, Schedule of Federal Expenditures of Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*THE CPA GROUP, P.C.*

The CPA Group, P.C.

July 28, 2005

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# City of Monett

THIRD CLASS CITY – COMMISSION FORM OF GOVERNMENT

James Orr, Mayor · Donald Roberson, Commissioner · Jerry Dierker, Commissioner  
217 Fifth Street · P.O. Box 110 · Monett, Missouri 65708

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## Management's Discussion and Analysis

As management of the City of Monett, Missouri, we offer readers of the City of Monett, Missouri's financial statements this narrative overview and analysis of the financial activities of the City of Monett, Missouri for the fiscal year ended March 31, 2005. We encourage readers to consider the information presented here in conjunction with the transmittal letter and basic financial statements.

### Financial Highlights

- The assets of the City of Monett, Missouri exceeded its liabilities at the close of the most recent fiscal year by \$24,641,319.47 (*net assets*). Of this amount, \$4,471,190.08 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. By far the largest portion of the City of Monett, Missouri's net assets (82 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Monett, Missouri uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Monett, Missouri's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- At the end of the current fiscal year, the City of Monett, Missouri is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.
- The government's total net assets increased by \$1,508,252.25. Governmental activities net assets increased by \$793,794.07 while business-type activities increased by \$714,458.18.
- As of the close of the current fiscal year, the City of Monett, Missouri's governmental funds reported combined ending fund balances of \$1,343,603.38 an increase of \$124,119.83 in comparison with the prior year. Approximately 32% of this total amount, \$434,718.72, is *available for spending* at the government's discretion (*undesignated fund balance*).
- The City of Monett, Missouri's total debt increased by \$859,000 (6 percent) during the current fiscal year. The key factor in this increase was the issuance of \$700,000 in lease obligations for the water tower project and \$159,000 in a lease obligation for a trash truck. The City fiscal year started with existing debt of \$14,639,494.29, principal payment of \$861,351.03 were made during the year, also, new debt issuance of \$859,000, which created ending fiscal year debt balance of \$ 14,637,143.26.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Monett, Missouri's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Monett, Missouri's assets and liabilities, with the difference between the two reported as *net assets*. Overtime, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Monett, Missouri is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monett, Missouri that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Monett, Missouri include policy development and administration, public safety, public works, parks and recreation, and municipal airport. The business-type activities of the City of Monett, Missouri include water, electric, sewer, sanitation and fiber optic operations.

The government-wide financial statements can be found within the table of contents.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monett, Missouri, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Monett, Missouri can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

## Management's Discussion and Analysis

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Monett, Missouri maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The City of Monett, Missouri adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for the governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found within the table of contents.

**Proprietary funds.** The City of Monett, Missouri maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Monett, Missouri uses enterprise funds to account for its water, electric, sewer, sanitation and fiber optic operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Monett, Missouri's various functions. The City of Monett, Missouri uses internal service funds to account for its hazardous material, safety, and mechanic operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, electric, sewer, sanitation and fiber optic operations, all of which are considered to be major funds of the City of Monett, Missouri. Individual fund data for the internal service funds is provided in the form of *combined statements* elsewhere in this report.

The basic proprietary fund financial statements can be found within the table of contents.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Monett, Missouri's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions.

**Governmental activities**

For the most part, revenues closely paralleled the prior fiscal year, with the following exceptions noted:

- Sales tax of \$2,658,069.07 showed an increase of \$28,191.07 (1%) compared to prior fiscal year. Most of this increase is the result of a rebounding economy from lower sales tax during 2003-2004.
- Investment income of \$16,416.74 showed a decrease of \$92,666.21 (85%) compared to \$109,082.95 in 2003-2004. Mostly as a result of the allocation of interest income between the government activities and the business-type activities. Average interest income increased from 4.2% during 2003-2004 to 5.23% during 2004-2005 mostly due to aggressive investment strategies of the City and also due to the amount of reserve available for investments.
- Federal and state grants of \$898.77 showed a decrease of \$83,659.91 compared to \$84,558.68 in 2003-2004. Due mostly to the completion during 2003-2004 of an airport grant of \$44,930 and a community development block grant of \$25,827.57.

**City of Monett's Net Assets**

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 1,671,944	\$ 1,478,203	\$ 9,600,817	\$ 13,358,551	\$ 11,272,761	\$ 14,836,754
Capital assets	8,667,017	8,643,986	21,617,193	16,329,842	30,284,210	24,973,828
Total assets	10,338,961	10,122,189	31,218,009	29,688,393	41,556,970	39,810,582
Long-term liabilities outstanding	3,470,000	4,397,788	9,524,230	9,985,000	12,994,230	14,382,788
Other liabilities	982,421	659,084	2,938,999	1,635,643	3,921,421	2,294,727
Total liabilities	4,452,421	5,056,871	12,463,229	11,620,643	16,915,651	16,677,515
Net assets:						
Invested in capital assets, net of related debt	5,151,453	4,109,869	11,413,653	5,950,782	16,565,107	10,060,650
Restricted	1,082,657	844,748	3,472,850	10,579,079	4,555,507	11,423,826
Unrestricted	(347,570)	110,701	3,868,276	1,537,889	3,520,706	1,648,591
Total net assets	\$ 5,886,540	\$ 5,065,318	\$ 18,754,780	\$ 18,067,749	\$ 24,641,319	\$ 23,133,067

For the most part, increases in operating expenditures closely paralleled inflation and growth in the demand for services, with the following exceptions noted:

- Computer, Education and Travel combined expenditures of \$79,574.63 showed an increase of \$16,419.30 (25%) compared to \$63,155.33 in 2003-2004. Most of this increase related to the new city-wide general/utility computer system placed in service during 2004-2005.
- Repair and Maintenance expenditure of \$740,220.27 showed an increase of \$175,199.62 (31%) compared to \$565,020.65 in 2003-2004. Most of this increase was a budgeted effort by City Council to allocation of funds for repair and maintenance items.
- Workmen's Compensation of \$274,306.55 showed an increase of \$67,574.55 compared



## Management's Discussion and Analysis

to \$206,732.00. Mostly the result of a significant rate increase.

### City of Monett's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 665,667	\$ 770,383	\$ 16,646,403	\$ 15,451,294	\$ 17,312,070	\$ 16,221,678
Capital grants and contributions	211,293	84,559	768,967	591,933	980,260	676,492
<b>General revenues:</b>						
Sales taxes	2,128,003	2,107,816	-	-	2,128,003	2,107,816
TIF taxes	742,767	697,113	-	-	742,767	697,113
Other taxes	455,465	420,692	-	-	455,465	420,692
Franchise fees	211,353	248,821	-	-	211,353	248,821
Pilots in lieu of taxes	1,085,760	1,044,574	(1,085,760)	(1,044,574)	-	-
Other	18,158	109,083	450,962	441,823	469,120	550,906
<b>Total revenues</b>	<b>5,518,465</b>	<b>5,483,041</b>	<b>16,780,571</b>	<b>15,440,477</b>	<b>22,299,037</b>	<b>20,923,517</b>
<b>Expenses:</b>						
Policy development and admin.	399,114	309,776	-	-	399,114	309,776
Public safety	2,961,579	2,669,911	-	-	2,961,579	2,669,911
Public works	1,251,906	1,003,991	-	-	1,251,906	1,003,991
Parks and recreation	1,071,259	1,148,503	-	-	1,071,259	1,148,503
Municipal Airport	343,254	337,963	-	-	343,254	337,963
Interest on long-term debt	216,650	204,101	-	-	216,650	204,101
Fiscal agent fees	-	169,781	-	-	-	169,781
Waterworks	-	-	1,093,533	953,069	1,093,533	953,069
Electric	-	-	10,879,614	10,110,009	10,879,614	10,110,009
Wastewater-sewer	-	-	2,008,335	1,823,205	2,008,335	1,823,205
Sanitation	-	-	519,036	426,164	519,036	426,164
Fiber optics	-	-	51,553	3,167	51,553	3,167
<b>Total expenses</b>	<b>6,243,762</b>	<b>5,844,026</b>	<b>14,552,071</b>	<b>13,315,614</b>	<b>20,795,833</b>	<b>19,159,640</b>
Increase(decrease) in net assets before transfers	(725,297)	(360,986)	2,228,501	2,124,863	1,503,204	1,763,877
Transfers	1,541,470	1,340,000	(1,541,470)	(1,340,000)	-	-
<b>Increase in net assets</b>	<b>816,173</b>	<b>979,014</b>	<b>687,031</b>	<b>784,863</b>	<b>1,503,204</b>	<b>1,763,877</b>
Net assets - beginning of year	5,065,318	4,086,303	18,067,749	17,027,697	23,133,067	21,114,000
Prior period adjustment	5,049	-	-	255,190	5,049	255,190
<b>Net assets - end of year</b>	<b>\$ 5,886,540</b>	<b>\$ 5,065,318</b>	<b>\$ 18,754,780</b>	<b>\$ 18,067,749</b>	<b>\$ 24,641,319</b>	<b>\$ 23,133,067</b>

### Business-type activities:

For the most part, revenues closely paralleled the prior fiscal year, with the following exceptions noted:

- Electric revenue of \$12,513,246.14 showed an increase of \$499,521.51 (4%) compared to \$12,013,724.63. Most of this was due to growth in system sales.

For the most part, increases in operating expenditures closely paralleled inflation and growth in the demand for services, with the following exceptions noted:

- Electric expenses of \$10,879,709.75 showed an increase of \$769,699.70 (8%) compared to \$10,110,009.05 in 2003-2004. Most of this increase (\$698,748.05) was from an increase in power consumption.

## Management's Discussion and Analysis

- Insurance expenses of \$145,694.60 showed an increase of \$76,320.60 compared to \$69,374.00 in 2003-2004. This was due to the fact that the renewal date had been changed from a March to September renewal during 2003-2004 and there was only a half year payment billed during 2003-2004.
- Workman's Compensation of \$139,038.62 showed an increase of \$14,175.62 compared to \$124,863.00. Mostly as a result significant rate increases.
- Repair/Maintenance and Supply expenses of \$763,516.72 showed a increase of \$58,541.07 compared to \$704,975.65, mostly from the electric department.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Monett, Missouri uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

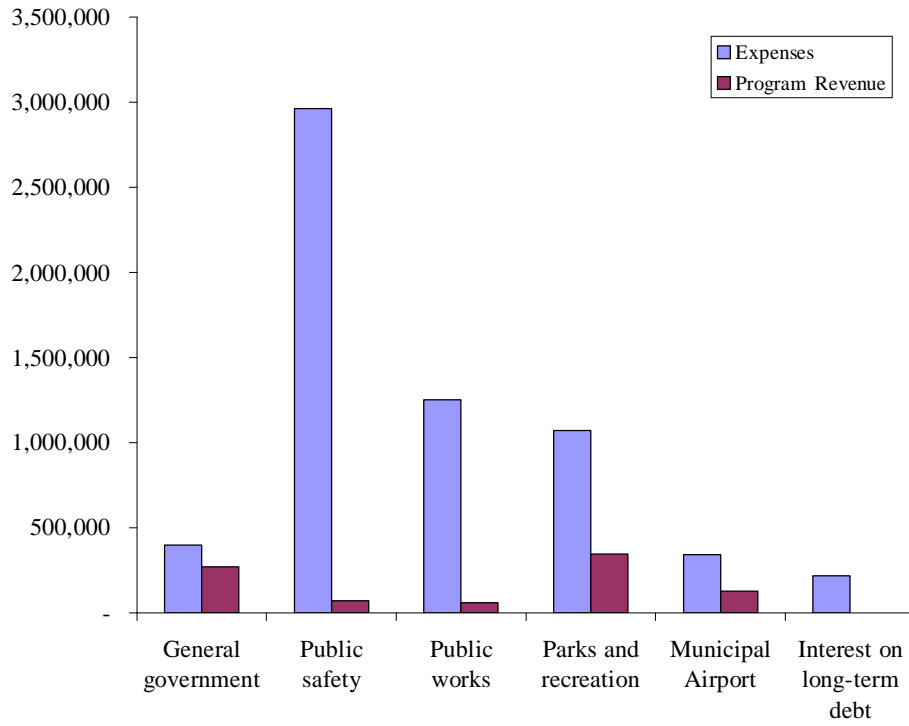
**Governmental funds.** The focus of the City of Monett, Missouri's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Monett, Missouri's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Monett, Missouri. At the end of the current fiscal year, unreserved fund balance of the general fund was \$336,569.13, while total fund balance reached \$1,245,453.79. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 5.32 percent of total general fund expenditures, while total governmental fund balance represents 17.70 percent of that same amount.

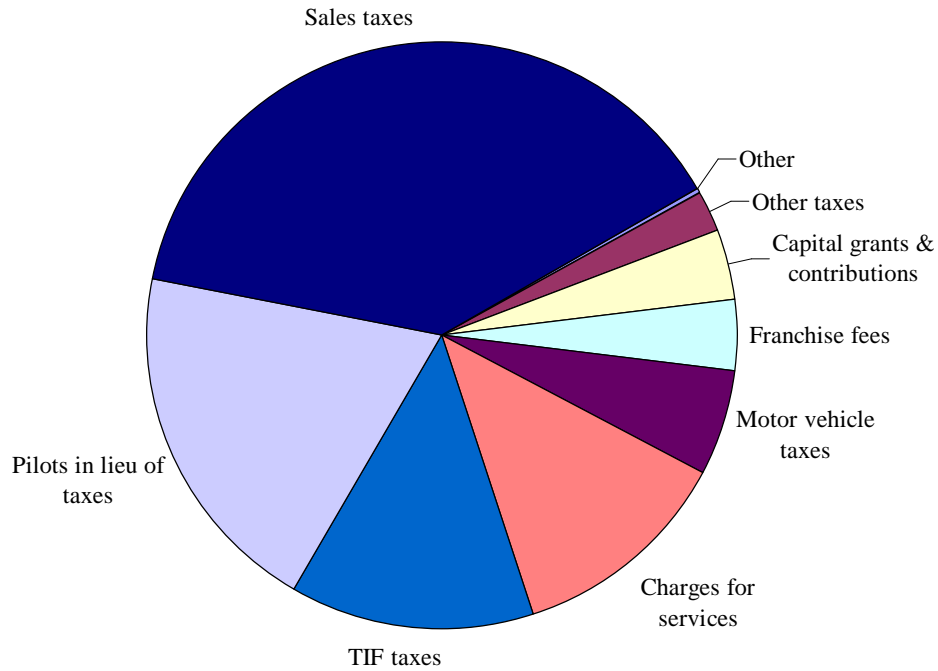
The fund balance of the City of Monett, Missouri's general fund increased by \$124,119.83 during the current fiscal year. Key factors in this growth are as follows:

- An increase in the restricted fund for TIF by \$105,135.90.
- An increase in restricted fund for E-911 by \$18,249.46.
- An increase in undesignated funds for the general fund of \$734.47 from operating transfers from the electric fund.

**Expense and Program Revenues – Governmental Activities**



**Revenues by Source – Governmental Activities**



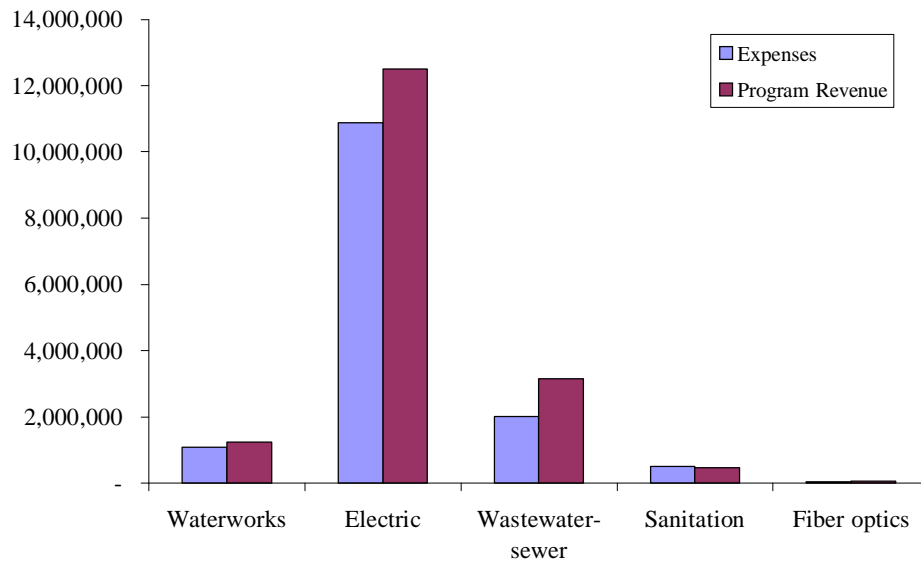
## Management's Discussion and Analysis

**Proprietary funds.** The City of Monett, Missouri's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Enterprise Funds at the end of the year amounted to \$1,187,519.63. The total growth in net assets for the fund was \$687,030.50. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Monett, Missouri's business-type activities.

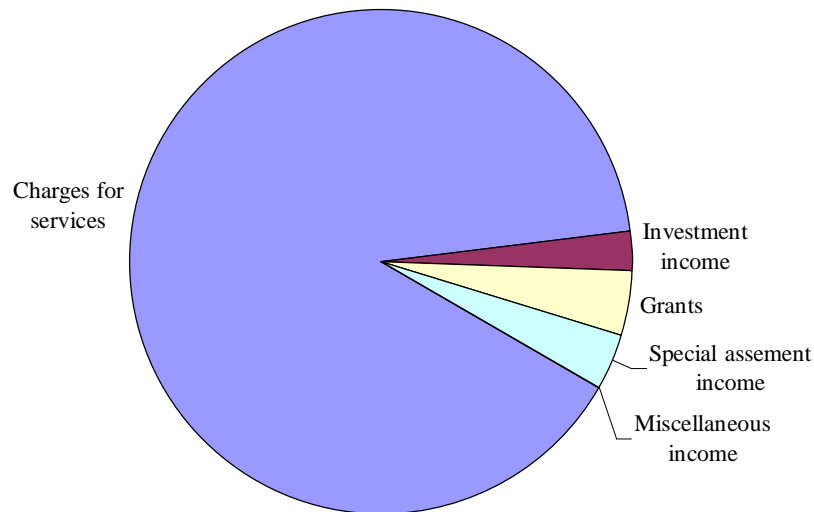
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### Expense and Program Revenues – Business-type Activities



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### Revenues by Source – Business-type Activities



**General Fund Budgetary Highlights**

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

- General actual revenues of \$3,599,258.84 showed a variance decrease of \$161,541.16 compared to the original budget of \$3,760,800. This decrease was mostly due to budgetary projections exceeding actual sales tax and motor fuel tax received.
- Tax increment financing actual revenues of \$745,210.06 showed a variance increase of \$68,210.06 compared to the original budget amount of \$677,000. This increase was due to actual sales tax and real estate taxes received exceeding budgetary projections.
- General actual expenditures of \$6,323,820.10 showed a variance decrease of \$150,414.05 compared to the original budget of \$6,465,900. This decrease was mostly due to budgeted capital for the greenway project, which was not expended during 2004-2005.
- E-911 actual expenditures of \$68,883.60 showed a variance decrease of \$6,516.40 compared to the original budget of \$75,400. Variance was mostly due to less being expended for education and retirement expenditures then projected in the original budget.
- Tax increment financing actual expenditures of \$642,510.67 showed a variance increase of \$172,510.67 compared to the original budget of \$470,000. Variance was mostly due to actual capital outlay and interest expenditures exceeding original budget.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Monett, Missouri's investment in capital assets for its governmental and business type activities as of March 31, 2005, amounts to \$30,284,209.66 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Monett, Missouri's investment in capital assets for the current fiscal year was 26 percent.

**City of Monett’s Capital Assets**

	Governmental		Business-type		Total	
	2005	2004	2005	2004	2005	2004
Land, Buildings, & Improvements	\$ 3,799,708	\$ 3,798,085	\$ 1,961,830	\$ 1,963,453	\$ 5,761,538	\$ 5,761,538
Infrastructure	10,824,172	10,372,374	24,834,342	23,296,878	35,658,513	33,669,252
Furniture, Fixtures & Equipment	4,133,741	4,527,886	1,903,364	965,044	6,037,105	5,492,929
Construction in Progress	26,920	67,170	8,287,796	3,612,354	8,314,715	3,679,524
<b>Total</b>	<b>\$ 18,784,541</b>	<b>\$ 18,765,514</b>	<b>\$ 36,987,332</b>	<b>\$ 29,837,729</b>	<b>\$ 55,771,872</b>	<b>\$ 48,603,243</b>

## Management's Discussion and Analysis

Major capital asset events during the current fiscal year included the following:

- Tax increment financing infrastructure on Chapel Drive of \$40,250,
- Eisenhower infrastructure of \$155,097,
- Caselle computer software of \$105,384, computer hardware relating to Caselle system \$46,918 and office furniture \$14,201,
- GIS software of \$43,656,
- Electric department infrastructure of \$70,732,
- Fiber optic infrastructure of \$110,349,
- Emergency management storm sirens (2) of \$20,208,
- Sewer department had Country Club project of \$153,262, construction on the new wastewater treatment plant of \$5,502,687, F250 Ford Truck of \$22,587, back hoe of \$66,169 (1/2 charged to Sewer and 1/2 charged to Water) and infrastructure of \$45,480,
- South Park festival of lights for \$26,647 and tractor of \$13,900,
- North Park concession building of \$14,033,
- Gymnastic parking lot of \$16,816,
- Water department had well infrastructure of \$224,654 and water tower project of \$44,552,
- Street department dump truck of \$85,165, 3/4 ton Ford pickup of \$23,798, Valley View street project of \$231,747 and infrastructure of \$5,101,
- Police department new police station of \$3,050 and (2) patrol cars of \$42,263,
- Fire department exhaust system of \$33,280,
- Airport apron of \$6,644.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Monett, Missouri's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 217 5<sup>th</sup> Street, Monett, Missouri, 65708.

## **BASIC FINANCIAL STATEMENTS**





**CITY OF MONETT, MISSOURI  
STATEMENT OF NET ASSETS  
MARCH 31, 2005**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 211,709.18	\$ 366,637.25	\$ 578,346.43
Investments	-	-	-
Accounts receivable	246,482.90	1,880,151.69	2,126,634.59
Due from other funds	172,986.12	468,677.82	641,663.94
Prepaid workmen's compensation	133,324.00	84,605.00	217,929.00
Premium on investment	-	207,021.36	207,021.36
Restricted assets:			
Cash and cash equivalents	907,441.57	5,940,473.41	6,847,914.98
Investments	-	653,250.21	653,250.21
Capital assets:			
Non depreciable	-	210,160.00	210,160.00
Depreciable, net	8,667,017.07	21,407,032.59	30,074,049.66
<b>Total assets</b>	<u>10,338,960.84</u>	<u>31,218,009.33</u>	<u>41,556,970.17</u>
<b>LIABILITIES</b>			
Accounts payable	13,194.30	761,350.68	774,544.98
Accrued payroll and payroll taxes	228,184.56	60,755.57	288,940.13
Due to other funds	172,986.12	468,677.82	641,663.94
Due to depositors	12,125.00	306,689.62	318,814.62
Accrued compensated absences	-	222,099.80	222,099.80
Capital lease obligations	30,367.66	125,116.45	155,484.11
Revenue bonds payable	-	315,000.00	315,000.00
Certificates of participation	480,000.00	-	480,000.00
Noncurrent liabilities:			
Capital lease obligations	13,119.11	679,309.45	692,428.56
Revenue bonds payable	-	9,524,230.00	9,524,230.00
Certificates of participation	3,470,000.00	-	3,470,000.00
Other long-term liabilities	32,444.56	-	32,444.56
<b>Total liabilities</b>	<u>4,452,421.31</u>	<u>12,463,229.39</u>	<u>16,915,650.70</u>
<b>NET ASSETS</b>			
Reserved:			
Invested in capital assets, net of related debt	5,151,453.40	11,413,653.14	16,565,106.54
Restricted for:			
Debt service	907,441.57	653,250.21	1,560,691.78
Capital projects	-	2,819,600.17	2,819,600.17
Nonspendable	9,100.00	-	9,100.00
Other purposes	166,115.01	-	166,115.01
Unrestricted	(347,570.45)	3,868,276.42	3,520,705.97
<b>Total net assets</b>	<u>\$ 5,886,539.53</u>	<u>\$ 18,754,779.94</u>	<u>\$ 24,641,319.47</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Service	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
Policy development and administration	\$ 399,113.63	\$ 115,574.00	\$ 156,384.58	\$ (127,155.05)	\$	\$ (127,155.05)
Public safety	2,961,579.39	53,634.84	15,898.77	(2,892,045.78)	-	(2,892,045.78)
Public works	1,251,906.47	60,512.84	-	(1,191,393.63)	-	(1,191,393.63)
Parks and recreation	1,071,259.18	306,612.32	39,009.72	(725,637.14)	-	(725,637.14)
Municipal airport	343,254.06	129,333.00	-	(213,921.06)	-	(213,921.06)
Interest on long-term debt	216,649.61	-	-	(216,649.61)	-	(216,649.61)
<b>Total governmental activities</b>	<b>6,243,762.34</b>	<b>665,667.00</b>	<b>211,293.07</b>	<b>(5,366,802.27)</b>	<b>-</b>	<b>(5,366,802.27)</b>
<b>Business-type activities:</b>						
Waterworks	1,093,532.75	1,233,286.83	-	-	139,754.08	139,754.08
Electric	10,879,613.59	12,513,150.98	-	-	1,633,537.39	1,633,537.39
Wastewater-sewer	2,008,335.25	2,381,553.39	768,966.60	-	1,142,184.74	1,142,184.74
Sanitation	519,036.09	459,734.22	-	-	(59,301.87)	(59,301.87)
Fiber optics	51,552.97	58,677.38	-	-	7,124.41	7,124.41
<b>Total business-type activities</b>	<b>14,552,070.65</b>	<b>16,646,402.80</b>	<b>768,966.60</b>	<b>-</b>	<b>2,863,298.75</b>	<b>2,863,298.75</b>
<b>Total City</b>	<b>\$20,795,832.99</b>	<b>\$17,312,069.80</b>	<b>\$ 980,259.67</b>	<b>\$ (5,366,802.27)</b>	<b>\$ 2,863,298.75</b>	<b>\$ (2,503,503.52)</b>

General revenues			
Sales Tax	2,128,003.09	-	2,128,003.09
M & M Surcharge Tax	31,402.50	-	31,402.50
Emergency Telephone Tax	88,236.64	-	88,236.64
Sales Tax - TIF	530,065.98	-	530,065.98
Real Estate Tax - TIF	212,701.01	-	212,701.01
Motor vehicle tax	335,825.59	-	335,825.59
Franchise fees	211,352.65	-	211,352.65
Pilots in Lieu of Taxes	1,085,759.71	(1,085,759.71)	-
Investment revenue	16,416.74	433,946.86	450,363.60
Miscellaneous	1,741.27	17,014.86	18,756.13
Transfers	1,541,470.26	(1,541,470.26)	-
Total general revenues and transfers	6,182,975.44	(2,176,268.25)	4,006,707.19
Change in net assets	816,173.17	687,030.50	1,503,203.67
Net assets - beginning	5,065,317.78	18,067,749.44	23,133,067.22
Prior period adjustment	5,048.58	-	5,048.58
Net assets - ending	\$ 5,886,539.53	\$18,754,779.94	\$24,641,319.47

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MARCH 31, 2005**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General</b>	<b>E-911</b>	<b>Tax Increment Finance</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,176.39	\$ 175,532.79	\$ -	\$ 211,709.18
Investments	-	-	-	
Accounts receivable	246,482.90	-	-	246,482.90
Due from other funds	172,986.12	-	-	172,986.12
Other assets - current	-	-	-	-
Prepaid workmen's compensation	133,175.00	149.00	-	133,324.00
Restricted assets:				
Cash and cash equivalents	-	-	907,441.57	907,441.57
Investments	-	-	-	-
<b>Total assets</b>	<u>\$ 588,820.41</u>	<u>\$ 175,681.79</u>	<u>\$ 907,441.57</u>	<u>\$ 1,671,943.77</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,194.30	\$ -	\$ -	\$ 13,194.30
Accrued payroll and payroll taxes	226,931.98	1,252.58	-	228,184.56
Due to depositors	12,125.00	-	-	12,125.00
Due to other funds	-	-	172,986.12	172,986.12
<b>Total liabilities</b>	<u>252,251.28</u>	<u>1,252.58</u>	<u>172,986.12</u>	<u>426,489.98</u>
<b>FUND BALANCE</b>				
Reserved:				
Reserved for E-911	-	174,429.21	-	174,429.21
Reserved for Tax Increment Financing	-	-	734,455.45	734,455.45
Undesignated	336,569.13	-	-	336,569.13
<b>Total fund balances</b>	<u>336,569.13</u>	<u>174,429.21</u>	<u>734,455.45</u>	<u>1,245,453.79</u>
<b>Total liabilities and fund balances</b>	<u>\$ 588,820.41</u>	<u>\$ 175,681.79</u>	<u>\$ 907,441.57</u>	<u>\$ 1,671,943.77</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**MARCH 31, 2005**

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

<b>Total fund balance - total governmental funds</b>		\$ 1,245,453.79
Capital assets used in governmental activities are not current financial resource, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 18,800,539.35	
Less accumulated depreciation	<u>(10,133,522.28)</u>	8,667,017.07
Long-term liabilities; including certificates of participation, capital lease obligations, and accrued compensated absences, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds.		
Accrued compensated absences	\$ -	
Capital lease obligations	(43,486.77)	
Certificates of participation - Airport	(800,000.00)	
Certificates of participation - Golf Course	(280,000.00)	
Certificates of participation - TIF	(2,870,000.00)	
Accrued TIF liability	<u>(32,444.56)</u>	<u>(4,025,931.33)</u>
<b>Net assets of governmental activities</b>		<u><u>\$ 5,886,539.53</u></u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>E-911</u>	<u>Tax Increment Finance</u>	
<b>REVENUES</b>				
Business license and permits	\$ 16,769.97	\$ -	\$ -	\$ 16,769.97
Federal and state grants	898.77	-	-	898.77
Fines and forfeitures	103,996.51	-	-	103,996.51
Franchise fees	211,352.65	-	-	211,352.65
Sales tax	2,128,003.09	-	530,065.98	2,658,069.07
Investment income	13,973.67	-	2,443.07	16,416.74
Intergovernmental	152,514.82	-	-	152,514.82
Other revenue	461,805.23	88,236.64	-	550,041.87
Other taxes and assessments	367,228.09	-	212,701.01	579,929.10
Rental revenue	142,716.04	-	-	142,716.04
Total revenues	<u>3,599,258.84</u>	<u>88,236.64</u>	<u>745,210.06</u>	<u>4,432,705.54</u>
<b>EXPENDITURES</b>				
Current				
Policy development and administration	368,500.47	-	-	368,500.47
Public safety	2,763,200.53	68,883.60	-	2,832,084.13
Public works	1,065,542.95	-	420.00	1,065,962.95
Parks and recreation	825,345.21	-	-	825,345.21
Municipal airport	190,527.98	-	-	190,527.98
Capital outlay	754,900.48	-	163,114.79	918,015.27
Debt service:				
Principal	258,128.75	-	360,000.00	618,128.75
Interest	97,673.73	-	118,975.88	216,649.61
Total expenditures	<u>6,323,820.10</u>	<u>68,883.60</u>	<u>642,510.67</u>	<u>7,035,214.37</u>
Excess (deficiency) of revenues over expenditures	<u>(2,724,561.26)</u>	<u>19,353.04</u>	<u>102,699.39</u>	<u>(2,602,508.83)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers from PILOTS	1,085,759.71	-	-	1,085,759.71
Operating transfers from (to) other funds	1,540,137.33	(1,103.58)	2,436.51	1,541,470.26
Total other financing sources (uses)	<u>2,625,897.04</u>	<u>(1,103.58)</u>	<u>2,436.51</u>	<u>2,627,229.97</u>
Net change in fund balances	(98,664.22)	18,249.46	105,135.90	24,721.14
Fund balance - beginning	433,984.25	156,179.75	629,319.55	1,219,483.55
Prior period adjustment	1,249.10	-	-	1,249.10
Fund balance - ending	<u>\$ 336,569.13</u>	<u>\$ 174,429.21</u>	<u>\$ 734,455.45</u>	<u>\$ 1,245,453.79</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2005**

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

<b>Net change in fund balance - total governmental funds</b>	\$ 24,721.14
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives.	918,015.27
In the Statement of Activities cost of capital outlay assets is allocated over their estimated useful lives and reported as depreciation expense.	(744,691.99)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	<u>618,128.75</u>
<b>Change in net assets of governmental activities</b>	<u><u>\$ 816,173.17</u></u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
MARCH 31, 2005**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ -	\$ 275,846.01	\$ -	\$ 102,818.57	\$ (12,027.33)	\$ 366,637.25
Investments	-	-	-	-	-	-
Accounts receivable	103,346.47	1,193,010.00	533,839.40	43,955.82	6,000.00	1,880,151.69
Due from other funds	-	468,677.82	-	-	-	468,677.82
Prepaid workmen's compensation	18,086.00	34,644.00	14,794.00	17,081.00	-	84,605.00
Total current assets	<u>121,432.47</u>	<u>1,972,177.83</u>	<u>548,633.40</u>	<u>163,855.39</u>	<u>(6,027.33)</u>	<u>2,800,071.76</u>
Restricted assets:						
Cash and cash equivalents	1,377,064.44	-	4,563,408.97	-	-	5,940,473.41
Investments	-	-	653,250.21	-	-	653,250.21
Total restricted assets	<u>1,377,064.44</u>	<u>-</u>	<u>5,216,659.18</u>	<u>-</u>	<u>-</u>	<u>6,593,723.62</u>
Noncurrent assets:						
Premium on Investment	-	-	207,021.36	-	-	207,021.36
Capital assets:						
Capital assets (see note C)	6,138,312.97	6,325,158.33	23,108,501.34	855,490.52	559,868.44	36,987,331.60
Less: accumulated depreciation	(2,589,407.66)	(4,386,195.60)	(7,862,629.54)	(505,292.15)	(26,614.06)	(15,370,139.01)
Total capital assets (net of accumulated depreciation)	<u>3,548,905.31</u>	<u>1,938,962.73</u>	<u>15,245,871.80</u>	<u>350,198.37</u>	<u>533,254.38</u>	<u>21,617,192.59</u>
Total noncurrent assets	<u>3,548,905.31</u>	<u>1,938,962.73</u>	<u>15,452,893.16</u>	<u>350,198.37</u>	<u>533,254.38</u>	<u>21,824,213.95</u>
<b>Total assets</b>	<u>5,047,402.22</u>	<u>3,911,140.56</u>	<u>21,218,185.74</u>	<u>514,053.76</u>	<u>527,227.05</u>	<u>31,218,009.33</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	716.20	760,634.48	-	-	-	761,350.68
Accrued payroll and payroll taxes	16,176.90	24,021.02	15,723.34	4,834.31	-	60,755.57
Due to other funds	-	-	-	-	468,677.82	468,677.82
Total current liabilities	<u>16,893.10</u>	<u>784,655.50</u>	<u>15,723.34</u>	<u>4,834.31</u>	<u>468,677.82</u>	<u>1,290,784.07</u>
Payable from restricted assets:						
Revenue bonds payable - current maturities	-	-	40,000.00	-	-	40,000.00
Noncurrent liabilities:						
Due to depositors	34,359.60	272,330.02	-	-	-	306,689.62
Accrued compensated absences	55,823.38	105,463.06	60,813.36	-	-	222,099.80
Lease payable	700,000.00	-	-	104,425.90	-	804,425.90
Revenue bonds payable	-	-	9,799,230.00	-	-	9,799,230.00
Total noncurrent liabilities	<u>790,182.98</u>	<u>377,793.08</u>	<u>9,860,043.36</u>	<u>104,425.90</u>	<u>-</u>	<u>11,132,445.32</u>
<b>Total liabilities</b>	<u>807,076.08</u>	<u>1,162,448.58</u>	<u>9,915,766.70</u>	<u>109,260.21</u>	<u>468,677.82</u>	<u>12,463,229.39</u>
<b>NET ASSETS</b>						
Reserved:						
Invested in capital assets, net of related debt	2,848,905.31	1,938,962.73	5,446,641.80	245,772.47	533,254.38	11,013,536.69
Restricted for:						
Capital projects	1,377,064.44	-	5,216,659.18	-	-	6,593,723.62
Unrestricted	14,356.39	809,729.25	639,118.06	159,021.08	(474,705.15)	1,147,519.63
<b>Total net assets</b>	<u>\$ 4,240,326.14</u>	<u>\$ 2,748,691.98</u>	<u>\$ 11,302,419.04</u>	<u>\$ 404,793.55</u>	<u>\$ 58,549.23</u>	<u>\$ 18,754,779.94</u>

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2005**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
<b>OPERATING REVENUES</b>						
Charges for services	\$ 1,233,306.77	\$ 12,513,246.14	\$ 1,756,553.39	\$ 459,734.22	\$ 58,677.38	\$ 16,021,517.90
<b>OPERATING EXPENSES</b>						
Salaries	428,283.94	650,569.74	409,328.95	127,701.47	-	1,615,884.10
Payroll taxes	31,405.03	47,603.54	30,302.86	9,210.89	-	118,522.32
Depreciation	178,718.87	174,382.29	668,288.49	65,551.94	26,614.06	1,113,555.65
Computer	9,737.67	11,554.03	9,148.87	-	-	30,440.57
Education	4,145.93	8,306.45	2,963.19	-	87.02	15,502.59
Electric purchases	-	9,448,405.34	-	-	-	9,448,405.34
Health and life insurance	42,598.49	59,124.31	37,456.39	20,407.13	-	159,586.32
Insurance	22,940.30	88,494.30	28,178.00	6,082.00	-	145,694.60
Landfill and recycling	-	-	-	156,463.01	-	156,463.01
Miscellaneous	895.24	3,366.00	7,572.04	1,566.82	(73.35)	13,326.75
Professional and consulting service	15,121.60	9,990.52	64,022.41	-	4,769.62	93,904.15
Repairs and maintenance	172,463.52	75,082.80	92,091.54	75,102.35	122.00	414,862.21
Retirement	50,149.72	83,290.41	56,717.35	12,134.79	-	202,292.27
Supplies	100,844.30	164,915.74	79,226.49	10,113.15	20,002.75	375,102.43
Telephone	3,306.72	4,890.39	2,496.01	0.53	30.87	10,724.52
Utilities	609.27	3,515.04	41,862.04	-	-	45,986.35
Workman's compensation	32,332.09	46,217.85	25,786.67	34,702.01	-	139,038.62
Total operating expenses	<u>1,093,552.69</u>	<u>10,879,708.75</u>	<u>1,555,441.30</u>	<u>519,036.09</u>	<u>51,552.97</u>	<u>14,099,291.80</u>
Operating income (loss)	<u>139,754.08</u>	<u>1,633,537.39</u>	<u>201,112.09</u>	<u>(59,301.87)</u>	<u>7,124.41</u>	<u>1,922,226.10</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	-	28,787.48	405,159.38	-	-	433,946.86
Grants	-	-	768,966.60	-	-	768,966.60
Special assement income	-	-	625,000.00	-	-	625,000.00
Miscellaneous income	2,210.09	12,003.93	938.46	1,789.03	73.35	17,014.86
Loss on asset disposal	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>2,210.09</u>	<u>40,791.41</u>	<u>1,347,170.49</u>	<u>1,789.03</u>	<u>73.35</u>	<u>1,392,034.37</u>
Income (loss) before contributions and transfers	141,964.17	1,674,328.80	1,548,282.58	(57,512.84)	7,197.76	3,314,260.47
Operating transfers from PILOTS	(85,242.09)	(874,116.25)	(122,293.98)	-	(4,107.39)	(1,085,759.71)
Operating transfers from (to) other funds	-	(1,553,716.95)	-	12,246.69	-	(1,541,470.26)
Change in net assets	<u>56,722.08</u>	<u>(753,504.40)</u>	<u>1,425,988.60</u>	<u>(45,266.15)</u>	<u>3,090.37</u>	<u>687,030.50</u>
Net assets - beginning	4,183,604.06	3,502,196.38	9,876,430.44	450,059.70	55,458.86	18,067,749.44
Prior period adjustment	-	-	-	-	-	-
Net assets - ending	<u>\$ 4,240,326.14</u>	<u>\$ 2,748,691.98</u>	<u>\$ 11,302,419.04</u>	<u>\$ 404,793.55</u>	<u>\$ 58,549.23</u>	<u>\$ 18,754,779.94</u>

See accompanying notes to the financial statements.



**CITY OF MONETT, MISSOURI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2005**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 1,254,889.70	\$ 12,551,211.53	\$ 2,133,289.02	\$ 469,380.65	\$ 58,604.03	\$ 16,467,374.93
Cash received from other sources	2,210.09	12,003.93	938.46	1,789.03	73.35	17,014.86
Cash payments to suppliers	(349,862.16)	(9,852,618.15)	(1,049,305.74)	(266,896.49)	(30,851.89)	(11,549,534.43)
Cash payments to employees	(394,879.00)	(602,895.70)	(373,039.55)	(122,867.16)	-	(1,493,681.41)
Cash payments to employee benefits and payroll taxes	(151,674.33)	(225,952.11)	(147,813.27)	(93,535.82)	-	(618,975.53)
Cash payments to other funds	(28,575.92)	(28,575.92)	(28,575.92)	(157.41)	-	(85,885.17)
Cash payments for other expenses	(5,041.17)	(11,672.45)	(10,535.23)	(1,566.82)	(13.67)	(28,829.34)
Net cash provided by (used in) operating activities	327,067.21	1,841,501.13	524,957.77	(13,854.02)	27,811.82	2,707,483.91
<b>Cash flows from non-capital financing activities:</b>						
Operating transfers from (to) other funds	-	(1,553,716.95)	-	12,246.69	-	(1,541,470.26)
Operating transfers from PILOTS	(85,242.09)	(874,116.25)	(122,293.98)	-	(4,107.39)	(1,085,759.71)
Grants	-	-	768,966.60	-	-	768,966.60
Special assessment income	-	-	625,000.00	-	-	625,000.00
Due (from) to other funds	-	(74,617.45)	-	-	74,617.45	-
Net cash provided by (used in) non-capital financing activities	(85,242.09)	(2,502,450.65)	1,271,672.62	12,246.69	70,510.06	(1,233,263.37)
<b>Cash flows from capital and related financing activities:</b>						
Interest expense & fees	-	-	(452,893.95)	-	-	(452,893.95)
Purchase of capital acquisitions	(374,467.40)	(114,728.54)	(5,801,361.09)	-	(110,349.21)	(6,400,906.24)
Premium on investment	-	-	18,424.36	-	-	18,424.36
Principal payment on capital lease	700,000.00	-	-	104,425.90	-	804,425.90
Proceeds from bond issuance	-	-	(145,770.00)	-	-	(145,770.00)
Net cash provided by (used in) capital and related financing activities	325,532.60	(114,728.54)	(6,381,600.68)	104,425.90	(110,349.21)	(6,176,719.93)
<b>Cash flows from investing activities:</b>						
Investment income	-	28,787.48	405,159.38	-	-	433,946.86
Purchase of investments-held to maturity	809,706.72	150,560.52	1,076,738.00	-	-	2,037,005.24
Net cash provided by (used in) investing activities	809,706.72	179,348.00	1,481,897.38	-	-	2,470,952.10
Net increase (decrease) in cash and cash equivalents	1,377,064.44	(596,330.06)	(3,103,072.91)	102,818.57	(12,027.33)	(2,231,547.29)
<b>Cash and cash equivalents - beginning</b>	<b>-</b>	<b>872,176.07</b>	<b>7,666,481.88</b>	<b>-</b>	<b>-</b>	<b>8,538,657.95</b>
<b>Cash and cash equivalents - ending</b>	<b>\$ 1,377,064.44</b>	<b>\$ 275,846.01</b>	<b>\$ 4,563,408.97</b>	<b>\$ 102,818.57</b>	<b>\$ (12,027.33)</b>	<b>\$ 6,307,110.66</b>
Displayed as:						
Cash and cash equivalents	\$ -	\$ 275,846.01	\$ -	\$ 102,818.57	\$ (12,027.33)	\$ 366,637.25
Restricted - cash and cash equivalents	1,377,064.44	-	4,563,408.97	-	-	5,940,473.41
Total cash, cash equivalents, and investments	\$ 1,377,064.44	\$ 275,846.01	\$ 4,563,408.97	\$ 102,818.57	\$ (12,027.33)	\$ 6,307,110.66
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 139,754.08	\$ 1,633,537.39	\$ 201,112.09	\$ (59,301.87)	\$ 7,124.41	\$ 1,922,226.10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	178,718.87	174,382.29	668,288.49	65,551.94	26,614.06	1,113,555.65
Miscellaneous charges	2,210.09	12,003.93	938.46	1,789.03	73.35	17,014.86
(Increase) decrease in accounts receivable	(20,562.83)	(42,144.43)	(376,735.63)	(9,646.43)	(6,000.00)	(455,089.32)
Increase (decrease) in workmen's compensation	4,811.00	10,284.00	2,450.00	(17,081.00)	-	464.00
Increase (decrease) in accounts payable	(12,289.04)	9,942.95	(7,385.04)	-	-	(9,731.13)
Increase (decrease) in accrued payroll	5,493.25	(5,057.49)	5,882.72	4,834.31	-	11,152.79
Increase (decrease) in customer deposits	1,020.10	(4,179.04)	-	-	-	(3,158.94)
Increase (decrease) in accrued compensated absences	27,911.69	52,731.53	30,406.68	-	-	111,049.90
Net cash provided by (used in) operating activities	\$ 327,067.21	\$ 1,841,501.13	\$ 524,957.77	\$ (13,854.02)	\$ 27,811.82	\$ 2,707,483.91

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

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The City of Monett, Missouri, was incorporated as a town in 1888 and, as a city on March 3, 1914, under the provisions of the State of Missouri. The City operates under a Mayor-Board of Commission form of government as a Third Class City. The Mayor and the two Commissioners serve four-year terms that expire in April 2008. The City provides the following services as authorized by its charter: general administrative services, public safety, public works, parks and recreation, and airport operations. Other services include water, electric, sewer, fiber optic, and sanitation operations.

The City of Monett (City) complies with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

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**THE FINANCIAL REPORTING ENTITY**

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The City, for financial purposes, includes all of the funds and account groups relevant to the operations of the City of Monett, Missouri. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Monett.

In determining the financial reporting entity, the City complies with the provisions of the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

*Blended Component Units*

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation. Currently, the City has no blended component units.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

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*Discretely Presented Component Units*

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

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**ACCOUNTING POLICIES**

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**Basis of Presentation - Fund Accounting**

The accounts of the City are organized into funds and accounts groups, each of which is considered to be a separate accounting entity. The major fund categories and account groups are:

**Governmental Fund Types**

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheet. Their operating statements present sources and uses of available resources during a given period.

**Proprietary Fund Types**

Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income financial position and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into contributed capital and retained earnings.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

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**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

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The basis of accounting determines when transactions and economic events are reflected in financial statements, and measurement focus identifies which transactions and events should be recorded.

*Modified Accrual Basis of Accounting*

The City uses the modified accrual basis of accounting for governmental funds. The modified accrual basis of accounting recognizes revenues when both “measurable and available”. Measurable means the amount can be determined. Available means collectable within the current period or soon thereafter to pay current liabilities. The City considers revenues to be available if they are expected to be collected within 30 days of the end of year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due. Transfer between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

*Accrual Basis of Accounting*

The accrual basis of accounting is used in proprietary fund types. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Budgets and Budgetary Accounting**

All departments of the City of Monett, Missouri are required to submit requests for appropriations to the government’s director of finance in January each year. The director of finance uses these requests as the starting point for developing a proposed budget. The director of finance then presents a proposed budget to the council for review prior to March 10<sup>th</sup>. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than March 31, the close of the City of Monett, Missouri’s fiscal year.

The budget is prepared on the cash basis of accounting, which is another comprehensive basis of accounting. The cash basis of accounting recognizes revenues when collected and expenditures which are paid. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

The budget for the fiscal year ended March 31, 2005, was amended March 20, 2005. Revisions were made to the budget after initial adoption by the City Council.

**CITY OF MONETT, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2005**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

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**Cash and Cash Equivalents**

Cash includes amounts in petty cash, demand deposits, and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

**Investments**

Investments for the city are reported at fair value.

**Receivables**

All receivables are reported at their gross value and where appropriate are reduced by the estimated portion that is expected to be uncollectible. The city uses the direct write-off method. Bad debts are considered expenses in the period in which they are written off.

**Due to and due from other funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

**Inventories**

Purchase of various operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

**Restricted Assets**

Funds, because of certain contracts and/or bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service certain contract or bond covenants.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Fixed Assets, Depreciation, and Amortization**

Property, plant and equipment of all funds and component units are stated at historical cost. Donated fixed assets are stated at their fair value on the date donated. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. Proprietary fund assets are recorded in the respective funds and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Land, buildings, and improvements	5 - 40
Furniture, fixtures, and equipment	3 - 40

**Net Assets**

*Unrestricted Net Assets:*

Unrestricted net assets for governmental activities represent the amount available for budgeting future operations. Unrestricted net assets for proprietary activities represent the amount available for budgeting future operations.

*Restricted Net Assets:*

Restricted net assets for governmental activities represent the amounts that have been legally identified for specific purposes. Reserved net assets for proprietary activities represent the net assets that are invested in capital assets, net of related debt. Restricted net assets for proprietary activities represents amounts that have been legally identified for debt service, capital projects, nonspendable or other purposed designated by city council.

Reserved Funds:

E-911	\$ 174,429.21	Providing funding for operation of emergency telephone service and the operational cost associated with answering and dispatching of emergency calls. RSMo 190.305 (2).
TIF	734,455.45	Providing funding for the Tax Increment Financing District project.
	<u>\$ 908,884.66</u>	

**CITY OF MONETT, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 MARCH 31, 2005**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

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Proprietary Fund:

Wastewater Sewer	\$ 5,216,659.18	Providing funding for sewer system bond repayment, replacement, and repairs. Sewer construction cash of \$2,476,252.53.
Water	1,377,064.44	Providing funding for sewer system bond repayment, replacement, and repairs.
	<u>\$ 6,593,723.62</u>	

**Vacation, sick leave, and other compensated absences**

For vacation leave the City's policy allows full-time employees or firefighters with 1 - 2 years city employment, 80 to 88 hours or 4 to 5 shifts vacation; 3 - 5 years employment, 96 to 112 hours or 5 to 6 shifts vacation; 6 - 11 years employment 120 to 160 hours or 7 to 10 shifts vacation. No extra vacation time accrues beyond 160 hours or ten shifts for firefighters. With supervisor approval, employees may carry over to the next calendar year, up to 40 hours vacation or two shifts for firefighters. All additional accrued but unused vacation shall be forfeited. All employees with greater than three years of service will start with 288 hours sick leave minus documented sick leave taken in the past three calendar years. Non-exempt Fire Department personnel will start with 403 hours (16.8 shifts) of sick leave minus documented sick leave in the past three years. Employees with less than three years of service will be credited for accumulated sick leave at the rate of four hours per pay period (5.6 hours for non-exempt Fire Department personnel) since date of hire minus any sick leave taken since that time. Should employment be terminated the employee is paid for accumulated vacation leave and 1/3 of the accumulated sick leave. Vacation time and sick leave are considered as expenditures in year paid.

**Sales Taxes**

The City levies a one half of one percent sales tax dedicated to the purpose of capital improvement funding. Also, the City levies a one percent sales tax for the purpose of general operations.

**Use of Estimates**

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

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)**

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**Statement of Cash Flow**

For the purpose of the Statement of Cash Flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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**NOTE B - CASH AND INVESTMENTS**

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**Deposits**

Missouri Statutes require that the City have all deposits with financial institutions collateralized in an amount at least equal to uninsured deposits. As of March 31, 2005, the City was in compliance with collateralized deposit requirements. The City's deposits are categorized to give an indication of the level of risk assumed by the City at year end as follows:

- Category 1 - Insured or collateralized with securities held by the City or its agent in the City's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 - Uncollateralized.

Description	Bank Balance	Category			Carrying Amount
		1	2	3	
Cash & Cash Equivalents	<u>\$ 7,688,910.15</u>	<u>\$ 2,771,552.32</u>	<u>\$ 4,917,357.83</u>	<u>\$ -</u>	<u>\$ 7,426,261.41</u>

**Investments**

Investing is performed in accordance with investment policies complying with State Statutes. Pooled funds may be invested in bonds of the State of Missouri or any wholly owned corporation of the United States or in other short-term obligations of the United States.

The City's investments are categorized to give an indication of the level of risk assumed by the City at fiscal year-end. The categories are described as follows:

- Category 1 - Insured, registered, or securities held by the City or its agent in the City's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the City's name.



**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

**NOTE B - CASH AND INVESTMENTS (continued)**

Description	Bank Balance	Category			Carrying Amount
		1	2	3	
Investments	\$ 653,250.21	\$ 653,250.21	\$ -	\$ -	\$ 653,250.21

**NOTE C - PROPERTY FUND FIXED ASSETS**

Capital assets activity for the year ended March 31, 2005 was as follows:

	Balance April 1,	Additions	Deletions	Balance March 31,
Land, Buildings, & Improvements	\$ 3,798,085.12	\$ 1,622.50	\$ -	\$ 3,799,707.62
Infrastructure	10,372,373.70	451,798.15	-	10,824,171.85
Furniture, Fixtures, & Equipment	4,527,885.76	294,985.42	689,129.79	4,133,741.39
Construction in Progress	67,169.79	23,726.79	63,976.89	26,919.69
	<u>18,765,514.37</u>	<u>\$ 767,722.70</u>	<u>\$ 753,106.68</u>	<u>18,784,540.55</u>
Accumulated Depreciation	<u>(9,796,572.90)</u>	(744,691.99)	(423,741.41)	<u>(10,117,523.48)</u>
	<u>\$ 8,969,941.47</u>			<u>\$ 8,667,017.07</u>

A summary of property, plant and equipment of proprietary funds is presented below:

	Electric	Sanitation	Sewer	Waterworks	Fiber
Land, Buildings, & Improvements	\$ 809,526.89	\$ 84,877.50	\$ 101,548.50	\$ 965,877.50	\$ -
Infrastructure	4,922,022.33	61,189.23	14,569,357.87	4,721,906.65	559,868.44
Furniture, Fixtures, & Equipment	537,494.27	709,423.79	306,583.43	349,862.48	-
Construction in Progress	56,114.84	-	8,131,014.54	100,666.34	-
	<u>6,325,158.33</u>	<u>855,490.52</u>	<u>23,108,504.34</u>	<u>6,138,312.97</u>	<u>559,868.44</u>
Accumulated Depreciation	<u>(4,386,195.60)</u>	<u>(505,292.15)</u>	<u>(7,862,629.54)</u>	<u>(2,589,407.66)</u>	<u>(26,614.06)</u>
	<u>\$ 1,938,962.73</u>	<u>\$ 350,198.37</u>	<u>\$15,245,871.80</u>	<u>\$ 3,548,905.31</u>	<u>\$ 533,254.38</u>

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE C - PROPERTY FUND FIXED ASSETS (continued)**

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

Governmental activities:

Policy development and administration	\$ 30,613.16
Public safety	129,495.26
Public works	185,943.52
Parks and recreation	245,913.97
Municipal Airport	<u>152,726.08</u>

Total depreciation expense - governmental activities \$ 744,691.99

Business-type activities:

Waterworks	\$ 178,718.87
Electric	174,382.29
Wastewater-sewer	668,288.49
Sanitation	65,551.94
Fiber optics	<u>26,614.06</u>

Total depreciation expense - business-type activities \$ 1,113,555.65

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE D - LONG-TERM DEBT**

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The following is a summary of changes in long-term debt for the year ended March 31, 2005:

Amount of Original Issue (bonds only)	Range of Maturity Dates	Interest Rate %	Balance April 1,	Issued	Retired	Balance March 31,
<u>General Long-Term Debt:</u>						
Lease Obligations Payable:						
- Golf Equipment	2002-2006	5.129%	\$ 72,339.39	\$ -	\$ 28,852.62	\$ 43,486.77
- Airport	2003-2012	3.300%	343,605.13	-	63,605.13	280,000.00
- Golf Course	2003-2012	3.300%	1,008,549.77	-	208,549.77	800,000.00
TIF Revenue Bonds:						
- TIF \$ 4,000,000.00	2002-2011	5.99%	<u>3,230,000.00</u>	<u>-</u>	<u>360,000.00</u>	<u>2,870,000.00</u>
Total Debt			\$ 4,654,494.29	<u>\$ -</u>	<u>\$ 661,007.52</u>	\$ 3,993,486.77
Less: Current Portion			-			510,367.66
Total General Long-Term Debt			<u>\$ 4,654,494.29</u>			<u>\$ 3,483,119.11</u>
<u>Enterprise Funds:</u>						
Construction Obligation Payable:						
- Country Club NID	2003-2004	4.000%	\$ 500,000.00	\$ -	\$ 105,769.00	\$ 394,230.00
Lease Obligations Payable:						
- Trash Truck	2005-2007	3.000%	-	159,000.00	54,574.10	104,425.90
- Water Tower	2005-2015	3.550%	-	700,000.00	-	700,000.00
Sewerage Revenue Bonds:						
- Sewer 2003	2003-2005	4.70%	8,950,000.00	-	-	8,950,000.00
- Series 1992A		2.00 -				
\$ 745,000.00	2002-2014	6.45%	<u>535,000.00</u>	<u>-</u>	<u>40,000.00</u>	<u>495,000.00</u>
Total Debt			\$ 9,985,000.00	<u>\$ 859,000.00</u>	<u>\$ 200,343.10</u>	\$10,643,655.90
Less: Current Portion			40,000.00			440,116.45
Total Long-Term Debt			<u>\$ 9,945,000.00</u>			<u>\$10,203,539.45</u>

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE D - LONG-TERM DEBT (continued)**

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**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2005, are as follows:

Fiscal Year Ended March 31	Leases	TIF	Country Club	Series 1992A	Series 2003	Total
2006	\$ 344,721.44	\$ 428,170.00	\$ 31,387.31	\$ 70,947.50	\$ 663,078.76	\$ 1,521,148.28
2007	331,416.02	425,457.50	31,827.50	73,206.25	662,578.76	1,524,486.03
2008	258,604.12	421,332.50	31,415.00	75,142.50	661,558.76	1,448,052.88
2009	263,571.62	415,840.00	30,946.25	71,917.50	664,433.76	1,446,709.13
2010	258,291.62	408,860.00	30,440.00	73,503.75	661,173.76	1,432,269.13
2011-2015	752,058.10	1,141,280.00	148,273.75	289,551.25	3,395,356.30	5,726,519.40
2016-2020	-	-	152,387.50	-	3,696,018.78	3,848,406.28
2021-2025	-	-	152,927.50	-	3,705,966.26	3,858,893.76
<b>Total Principal and Interest</b>	<b>\$2,208,662.92</b>	<b>\$3,240,940.00</b>	<b>\$ 609,604.81</b>	<b>\$ 654,268.75</b>	<b>\$ 14,110,165.14</b>	<b>\$ 20,823,642.20</b>
<b>Less Interest</b>	<b>(280,750.25)</b>	<b>(370,940.00)</b>	<b>(215,374.81)</b>	<b>(159,268.75)</b>	<b>(5,160,165.14)</b>	<b>(6,186,498.95)</b>
<b>Liability as of March 31, 2005</b>	<b><u>\$1,927,912.67</u></b>	<b><u>\$2,870,000.00</u></b>	<b><u>\$ 394,230.00</u></b>	<b><u>\$ 495,000.00</u></b>	<b><u>\$ 8,950,000.00</u></b>	<b><u>\$ 14,637,142.67</u></b>

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

**NOTE D - LONG-TERM DEBT (continued)**

**LEGAL DEBT MARGIN - GENERAL OBLIGATION BONDS**

Article VI, Section 26 (b), (c), (d) and (e), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a political subdivision to twenty-percent of the assessed valuation of the political subdivision (excluding state-assessed railroad and utilities). The legal debt margin, computed excluding state-assessed railroad and utilities, of the City at March 31, 2005 was:

Assessed Valuation	
Real Estate	\$ 67,761,213.00
Personal Property	<u>34,216,482.00</u>
Total Assessed Valuation	<u>\$101,977,695.00</u>

The legal debt margin at March 31, 2005, was computed as follows:

General Obligation	
Debt Limit	\$ 20,395,539.00
General Obligation	
Bonds Payable	-
Legal Debt Margin	<u>\$ 20,395,539.00</u>

As of March 31, 2005, the City of Monett had no outstanding general obligation bonds.

**REVENUE BONDS**

Various bond indentures contain significant requirements for annual debt service and flow of funds through the various restricted accounts. Specifically, the bond indentures for the 1992A sewer project, and the Tax Increment Revenue Bonds require the use of operations and maintenance, principal and interest, reserve account, and depreciation and replacement account. The reporting entity is in compliance with all significant requirements of the various bond covenants.

The sewer project bonds are recorded in the proprietary fund since the repayment is to be from the operations for which the debt was issued. The Tax Increment Revenue Bonds are reported in the long-term debt account group since the Tax Increment finance district is a major revenue fund.

**Advance Refunding of Revenue Bonds, Series of 1990:**

During the year 1992, the city of Monett issued sewer system revenue refunding and improvement bonds series 1992A. The net proceeds were used to provide improvements for the sewer system and to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments on the series 1990 bonds. As a result, the series 1990 bonds are considered to be defeased and the liability for those bonds has been removed from the sewer fund, a component of the enterprise fund. The annual requirements to amortize the 1990 bonds in defeasance, including interest payments are as follows:

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

**NOTE D - LONG-TERM DEBT (continued)**

Fiscal Year Ended March 31	Total	Total Interest	Interest Rate	Principal Maturing	Bonds Outstanding
2005					\$ 135,000.00
2006	139,893.75	4,893.75	6.90%	135,000.00	
Totals	<u>\$ 139,893.75</u>	<u>\$ 4,893.75</u>		<u>\$ 135,000.00</u>	

Total monies held in cash and U. S. Government securities to be used by trust for series 1990 bonds at March 31, 2005 is \$ 139,893.75.

**Operating Leases**

The reporting entity has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations.

*Commitments*

As of March 31, 2005, the following funds have service and construction commitments:

	Construction Contracts
Enterprise Fund: Sewer	<u>\$ 2,476,252.53</u>

As part of the Tax Increment Financing District Construction, the Missouri Highway and Transportation Commission will reimburse the City of Monett \$1,120,692.00 in the year 2010. The reimbursement will be made without interest upon the City's letter of request in the year 2010.

**NOTE E - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts: theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE F - DEFINED BENEFIT PENSION PLAN**

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**Plan Description**

The City of Monett participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

**Funding Status**

The City of Monett's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 13.0% (general), 11.5% (police), 11.4% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

**Annual Pension Cost**

For 2004, the political subdivision's annual pension cost of \$476,080 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2002, and/or February 28, 2003 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, and (d) pre- and post-retirement mortality based on the 1983 Group Annuity Mortality table and (e) post retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfounded actuarial accrued liability is being amortized as a level of percentage of projected payroll on a closed basis. The amortization period at February 29, 2004 was 15 years.

**CITY OF MONETT, MISSOURI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2005**

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**NOTE F - DEFINED BENEFIT PENSION PLAN (continued)**

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**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost APC	Percentage of APC Contributed	Net Pension Obligation
6/30/2002	\$ 464,976	100%	\$ 0
6/30/2003	450,102	100%	0
6/30/2004	476,080	100%	0

**Contribution Information**

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 2005, was \$4,077,211.35; the City's total payroll was \$4,382,659.48. All City full-time employees are eligible to participate in LT-8 LAGERS Program. Employees who retire at or after age 60 (55 for police and fire employees) with 5 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1.50 percent of their final-average salary for each year of credited service. Final-average salary is the employee's monthly average of gross salary paid an employee during the period of sixty months or, if an election has been made in accordance with the plan, thirty-six consecutive months or credited service producing the highest monthly average within the last 120 months of credited service. Benefits fully vest on reaching 5 years of service. Vested employees may retire at or after age 55 (age 50 for police and fire employees) and receive reduced retirement benefits.

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**NOTE G - GRANTS**

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In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

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**NOTE H - CONTINGENCIES**

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**Litigation**

The City is party to various legal proceedings which normally occur in governmental operations. The potential outcome can not be determined, therefore, no provisions have been recorded.

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**NOTE I - PRIOR PERIOD ADJUSTMENTS**

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During the year ended March 31, 2005, the City discovered errors in the prepaid workmen's compensation which were recorded as expenditures and the resulting decrease in unrestricted net assets in the amount of \$5,048.58 and unrestricted fund balance in the amount of \$1,249.10.



**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF MONETT, MISSOURI  
SCHEDULE OF FUNDING PROCESS  
RETIREMENT SYSTEM  
MARCH 31, 2004**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Entry Age Actuarial Accrued Liability</b>	<b>(b-a) Unfunded Accrued Liability (UAL)</b>	<b>(a/b) Funde d Ratio</b>	<b>(c) Annual Covered Payroll</b>	<b>[(b-a)/c] UAL as a Percentage of Covered Payroll</b>
2/28/2002	\$ 5,305,981	\$ 5,506,960	\$ 200,979	96%	\$ 3,364,070	6%
2/28/2003	5,601,648	6,047,268	445,620	93	3,616,132	12
2/28/2004	6,449,695	6,769,368	319,673	95	3,838,923	8

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2001, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**CITY OF MONETT, MISSOURI  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,  
BUDGET AND ACTUAL  
GOVERNMENTAL FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005**

<b>Functions/Programs</b>	<b>Budgeted Amount</b>		<b>March 31, 2005</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
<b>Revenues</b>				
General	\$ 3,760,800.00	\$ 3,599,258.84	\$ 3,599,258.84	\$ -
E-911	90,000.00	88,236.64	88,236.64	-
Tax increment finance	677,000.00	745,210.06	745,210.06	-
<b>Total revenues</b>	<b>4,527,800.00</b>	<b>4,432,705.54</b>	<b>4,432,705.54</b>	<b>-</b>
<b>Expenditures</b>				
General	6,465,900.00	6,323,820.10	6,323,820.10	-
E-911	75,400.00	68,883.60	68,883.60	-
Tax increment finance	470,000.00	642,510.67	642,510.67	-
<b>Total expenditures</b>	<b>7,011,300.00</b>	<b>7,035,214.37</b>	<b>7,035,214.37</b>	<b>-</b>
Revenues over (under) expenditures				
<b>Other financing sources (uses):</b>				
Proceeds from financing	-	-	-	-
Transfer in	2,074,600.00	2,627,229.97	2,627,229.97	-
Total other financing sources (uses)	2,074,600.00	2,627,229.97	2,627,229.97	-
Change in fund balance	\$ (408,900.00)	\$ 24,721.14	24,721.14	\$ -
Beginning - fund balance			1,219,483.55	
Prior period adjustment			1,249.10	
Ending - fund balance			<u>\$ 1,245,453.79</u>	

See accompanying notes to the financial statements.

## **OTHER SUPPLEMENTARY INFORMATION**



**CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2005**

Revenues	Total Policy Development and Administration (Memorandum Only)			Public Safety					
	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	BOCA Building Enforcement			Municipal Court		
				Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05
Business license and permits	\$ 13,321.18	\$ 15,726.97	\$ 13,500.00	\$ 26,049.15	\$ -	\$ 28,000.00	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	104,125.86	94,633.60	100,000.00	-	-	-	-	-	-
Franchise fees	248,820.76	211,352.65	235,000.00	-	-	-	-	-	-
Sales tax	2,107,816.03	2,128,003.09	2,200,000.00	-	-	-	-	-	-
Interest income	106,095.55	13,914.33	10,000.00	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	4,952.58	10,730.42	2,200.00	431.70	44,300.14	500.00	-	-	-
Other taxes and assessments	27,435.90	31,402.50	25,000.00	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 2,612,567.86</b>	<b>\$ 2,505,763.56</b>	<b>\$ 2,585,700.00</b>	<b>\$ 26,480.85</b>	<b>\$ 44,300.14</b>	<b>\$ 28,500.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>									
Salaries	\$ 104,984.10	\$ 83,426.13	\$ 80,000.00	\$ 71,666.38	\$ 76,264.20	\$ 110,500.00	\$ 44,807.59	\$ 46,004.36	\$ 46,100.00
Payroll taxes	7,476.88	6,250.80	6,200.00	4,841.81	5,621.06	8,500.00	3,427.78	3,519.34	3,600.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	10,310.30	12,339.32	7,500.00	996.35	2,828.31	1,000.00	1,909.93	700.98	500.00
Education and Travel	3,641.53	6,417.10	3,000.00	1,178.94	526.72	1,500.00	1,452.55	1,169.07	1,600.00
Election	6,140.92	5,428.95	4,000.00	-	-	-	-	-	-
Health and life insurance	17,825.06	34,218.28	18,000.00	9,868.60	8,180.79	9,900.00	3,560.64	3,258.62	3,600.00
Insurance	27,579.32	1,883.29	20,000.00	1,124.00	5,277.00	1,500.00	375.00	3,788.00	300.00
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	7,816.09	6,123.18	8,500.00	708.46	1,481.98	800.00	347.20	514.15	200.00
Professional and consulting service	62,693.22	28,871.13	65,000.00	6,465.83	17,572.47	7,500.00	2,137.95	2,072.50	2,700.00
Repairs and maintenance	8,918.74	(7,212.73)	4,000.00	6,008.94	4,311.79	8,400.00	100.05	6.66	-
Retirement	10,819.35	12,059.93	9,100.00	8,816.89	10,142.20	13,700.00	3,696.09	4,076.40	3,700.00
Supplies	14,691.00	17,956.05	18,000.00	2,528.25	4,855.62	3,000.00	1,777.10	1,343.15	2,300.00
Telephone	1,964.24	2,121.16	2,200.00	1,829.51	1,788.97	2,500.00	1,339.31	1,308.75	1,400.00
Travel	3,338.97	-	3,000.00	-	-	400.00	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	427.00	6,009.02	900.00	5,876.00	9,305.40	8,300.00	204.00	352.53	200.00
Capital outlay	43,381.25	77,151.35	80,000.00	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 332,007.97</b>	<b>\$ 293,042.96</b>	<b>\$ 329,400.00</b>	<b>\$ 121,909.96</b>	<b>\$ 148,156.51</b>	<b>\$ 177,500.00</b>	<b>\$ 65,135.19</b>	<b>\$ 68,114.51</b>	<b>\$ 66,200.00</b>
Excess (deficiency) of revenues over expenditures	\$ 2,280,559.89	\$ 2,212,720.60	\$ 2,256,300.00	\$ (95,429.11)	\$ (103,856.37)	\$ (149,000.00)	\$ (65,135.19)	\$ (68,114.51)	\$ (66,200.00)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ (1,669.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	1,161,636.11	1,085,759.71	1,065,800.00	-	-	-	-	-	-
Operating transfers from (to) other funds	(3,153,204.61)	1,540,137.33	1,008,800.00	98,045.60	-	-	57,962.33	-	-
Revenues and other sources over (under) expenditures and other uses	\$ 287,322.39	\$ 4,838,617.64	\$ 4,330,900.00	\$ 2,616.49	\$ (103,856.37)	\$ (149,000.00)	\$ (7,172.86)	\$ (68,114.51)	\$ (66,200.00)

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2005**

	<b>Public Safety</b>								
	<b>E-911</b>			<b>Emergency Management</b>			<b>Communications</b>		
	<b>Prior Year 03/31/04</b>	<b>Current Year 03/31/05</b>	<b>Budget ** 03/31/05</b>	<b>Prior Year 03/31/04</b>	<b>Current Year 03/31/05</b>	<b>Budget ** 03/31/05</b>	<b>Prior Year 03/31/04</b>	<b>Current Year 03/31/05</b>	<b>Budget ** 03/31/05</b>
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	-	88,236.64	-	-	-	-	200.00	-	-
Other taxes and assessments	89,937.05	-	90,000.00	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 89,937.05</b>	<b>\$ 88,236.64</b>	<b>\$ 90,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200.00</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>									
Salaries	\$ 29,134.30	\$ 32,519.01	\$ 32,600.00	\$ 1,275.34	\$ 1,370.20	\$ 1,500.00	\$ 195,454.38	\$ 203,841.46	\$ 204,400.00
Payroll taxes	2,228.77	2,380.15	2,500.00	97.56	104.81	100.00	14,918.66	15,551.41	15,700.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	258.84	1,708.84	3,500.00	-	-	-	4,526.70	6,525.47	6,500.00
Education	2,668.70	2,075.48	4,500.00	125.00	298.48	200.00	60.00	3,192.24	500.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	4,100.90	3,431.33	4,100.00	-	-	-	23,796.67	22,969.07	24,600.00
Insurance	206.00	429.00	500.00	16.00	33.00	100.00	876.00	1,820.00	1,400.00
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	-	140.95	200.00	-	-	100.00	280.00	343.17	500.00
Professional and consulting service	45.45	-	100.00	-	-	-	45.45	-	200.00
Repairs and maintenance	-	-	-	2,191.18	1,412.75	2,000.00	9,021.68	7,717.72	10,000.00
Retirement	3,612.61	2,763.24	4,100.00	-	-	-	24,315.74	31,080.29	26,000.00
Supplies	338.68	200.33	1,100.00	437.35	241.47	700.00	642.09	1,068.48	1,500.00
Telephone	21,995.60	22,959.58	22,000.00	-	-	-	-	3.57	100.00
Travel	-	-	-	377.70	-	300.00	26.90	-	500.00
Utilities	-	-	-	-	-	-	-	-	-
Workman's compensation	190.00	275.69	200.00	-	101.60	-	1,165.00	12,405.20	1,300.00
Capital outlay	16,843.00	-	-	-	20,208.21	13,000.00	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 81,622.85</b>	<b>\$ 68,883.60</b>	<b>\$ 75,400.00</b>	<b>\$ 4,520.13</b>	<b>\$ 23,770.52</b>	<b>\$ 18,000.00</b>	<b>\$ 275,129.27</b>	<b>\$ 306,518.08</b>	<b>\$ 293,200.00</b>
Excess (deficiency) of revenues over expenditures	\$ 8,314.20	\$ 19,353.04	\$ 14,600.00	\$ (4,520.13)	\$ (23,770.52)	\$ (18,000.00)	\$ (274,929.27)	\$ (306,518.08)	\$ (293,200.00)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	-	(1,103.58)	-	4,520.13	-	-	244,689.27	-	-
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>\$ 8,314.20</b>	<b>\$ 18,249.46</b>	<b>\$ 14,600.00</b>	<b>\$ -</b>	<b>\$ (23,770.52)</b>	<b>\$ (18,000.00)</b>	<b>\$ (30,240.00)</b>	<b>\$ (306,518.08)</b>	<b>\$ (293,200.00)</b>

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.



**CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2005**

	Public Safety						Total Public Safety (Memorandum Only)		
	Fire Department			Police Department			Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05
	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05			
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,049.15	\$ -	\$ 68,200.00
Federal and state grants	-	-	-	3,374.33	898.77	-	3,374.33	898.77	46,500.00
Fines and forfeitures	-	-	-	10,704.54	9,362.91	8,500.00	10,704.54	9,362.91	50,100.00
Franchise fees	-	-	-	-	-	-	-	-	43,140.00
Sales tax	-	-	-	-	-	-	-	-	42,000.00
Interest income	-	-	-	-	59.34	-	-	59.34	41,250.00
Intergovernmental	-	-	-	-	-	-	-	-	41,350.00
Other revenue	3,898.81	9,774.51	600.00	21,509.60	5,197.28	13,900.00	26,040.11	147,508.57	61,000.00
Other taxes and assessments	-	-	-	-	-	-	89,937.05	-	133,200.00
Rental revenue	-	-	-	-	-	-	-	-	41,400.00
<b>Total revenues</b>	<b>\$ 3,898.81</b>	<b>\$ 9,774.51</b>	<b>\$ 600.00</b>	<b>\$ 35,588.47</b>	<b>\$ 15,518.30</b>	<b>\$ 22,400.00</b>	<b>156,105.18</b>	<b>157,829.59</b>	<b>568,140.00</b>
<b>Expenditures</b>									
Salaries	\$ 532,396.26	\$ 646,980.75	\$ 575,300.00	\$ 734,921.56	\$ 740,562.83	\$ 774,600.00	1,609,655.81	1,747,542.81	1,745,000.00
Payroll taxes	37,994.95	46,245.16	44,000.00	54,240.41	54,829.40	61,300.00	117,749.94	128,251.33	135,700.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	220.95	1,774.87	500.00	5,469.53	13,588.16	10,000.00	13,382.30	27,126.63	22,000.00
Education	5,090.02	7,497.61	4,500.00	8,429.92	9,914.93	9,500.00	19,005.13	24,674.53	22,300.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	66,917.20	69,682.20	65,800.00	79,913.12	77,149.57	79,800.00	188,157.13	184,671.58	187,800.00
Insurance	8,766.00	16,308.80	17,400.00	9,744.00	20,751.20	20,000.00	21,107.00	48,407.00	41,200.00
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	1,656.50	2,547.45	1,000.00	2,766.57	1,642.56	2,000.00	5,758.73	6,670.26	4,800.00
Professional and consulting service	5,045.45	217.00	400.00	22,450.45	23,351.08	22,500.00	36,190.58	43,213.05	33,400.00
Repairs and maintenance	35,854.74	69,561.35	40,300.00	72,868.17	77,895.35	74,900.00	126,044.76	160,905.62	135,600.00
Retirement	57,902.48	72,794.93	70,500.00	79,407.59	89,539.50	87,400.00	177,751.40	210,396.56	205,400.00
Supplies	11,146.11	17,492.11	14,400.00	15,814.71	11,367.29	24,000.00	32,684.29	36,568.45	47,000.00
Telephone	3,022.53	4,225.89	4,000.00	10,549.78	11,314.70	11,000.00	38,736.73	41,601.46	41,000.00
Travel	2,824.17	-	2,800.00	2,771.46	-	3,000.00	6,000.23	-	7,000.00
Utilities	181.39	1,019.24	1,000.00	-	562.87	-	181.39	1,582.11	1,000.00
Workman's compensation	56,358.00	79,428.06	47,500.00	54,575.00	68,604.26	50,700.00	118,368.00	170,472.74	108,200.00
Capital outlay	19,860.00	33,280.00	64,700.00	-	45,313.35	62,200.00	36,703.00	98,801.56	139,900.00
Debt service - principal	65,387.00	-	-	-	-	-	65,387.00	-	-
Debt service - interest	3,596.31	-	-	-	-	-	3,596.31	-	-
<b>Total expenditures</b>	<b>\$ 914,220.06</b>	<b>\$ 1,069,055.42</b>	<b>\$ 954,100.00</b>	<b>\$ 1,153,922.27</b>	<b>\$ 1,246,387.05</b>	<b>\$ 1,292,900.00</b>	<b>2,616,459.73</b>	<b>2,930,885.69</b>	<b>2,877,300.00</b>
Excess (deficiency) of revenues over expenditures	\$ (910,321.25)	\$ (1,059,280.91)	\$ (953,500.00)	\$ (1,118,333.80)	\$ (1,230,868.75)	\$ (1,270,500.00)	(2,460,354.55)	(2,773,056.10)	(2,309,160.00)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	58,500.00
Proceeds from Financing	-	-	-	-	-	-	-	-	45,500.00
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	59,300.00
Operating transfers from (to) other funds	910,321.25	-	-	995,530.39	-	-	2,253,106.64	(1,103.58)	41,300.00
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ (1,059,280.91)	\$ (953,500.00)	\$ (122,803.41)	\$ (1,230,868.75)	\$ (1,270,500.00)	\$ (210,227.23)	\$ (2,772,245.17)	\$ (2,669,600.00)

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2005

	Public Works								
	Cemetery			Tax Increment Finance District			Community Development Block Grant Projects		
	Prior Year 03/31/04	Current Year 03/31/05	Budget** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget** 03/31/05
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	32,327.57	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	522,061.97	530,065.98	500,000.00	-	-	-
Interest income	-	-	-	2,316.30	2,443.07	2,000.00	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	14,975.47	22,492.48	15,000.00	-	-	-	-	-	-
Other taxes and assessments	-	-	-	175,050.61	212,701.01	175,000.00	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Total revenues	\$ 14,975.47	\$ 22,492.48	\$ 15,000.00	\$ 699,428.88	\$ 745,210.06	\$ 677,000.00	\$ 32,327.57	\$ -	\$ -
<b>Expenditures</b>									
Salaries	\$ 104,162.14	\$ 89,036.05	\$ 108,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll taxes	7,821.15	6,521.26	8,300.00	-	-	-	-	-	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	7,134.48	7,859.67	7,200.00	-	-	-	-	-	-
Insurance	950.00	1,826.21	1,800.00	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	701.36	466.32	1,000.00	385.00	420.00	-	-	253.00	-
Professional and consulting service	45.45	-	100.00	-	-	3,000.00	-	-	-
Repairs and maintenance	14,742.36	15,972.02	16,400.00	-	-	-	-	-	-
Retirement	11,570.08	13,303.88	11,600.00	-	-	-	-	-	-
Supplies	1,233.59	1,768.42	2,200.00	-	-	-	-	-	-
Telephone	1,648.30	1,938.75	1,800.00	-	-	-	-	-	-
Travel	-	-	100.00	-	-	-	-	-	-
Utilities	-	59.93	-	-	-	-	-	-	-
Workman's compensation	15,129.00	14,222.85	13,300.00	-	-	-	-	-	-
Capital outlay	8,514.00	-	-	48,020.79	163,114.79	35,000.00	370,393.06	155,153.84	-
Debt service - principal	-	-	-	312,755.54	360,000.00	360,000.00	-	-	-
Debt service - interest	-	-	-	307,828.88	118,975.88	72,000.00	-	-	-
Total expenditures	\$ 173,651.91	\$ 152,975.36	\$ 171,800.00	\$ 668,990.21	\$ 642,510.67	\$ 470,000.00	\$ 370,393.06	\$ 155,406.84	\$ -
Excess (deficiency) of revenues over expenditures	\$ (158,676.44)	\$ (130,482.88)	\$ (156,800.00)	\$ 30,438.67	\$ 102,699.39	\$ 207,000.00	\$ (338,065.49)	\$ (155,406.84)	\$ -
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ 1,669.00	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	200,000.00	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	(221,963.78)	-	-	-	-	-
Operating transfers from (to) other funds	158,676.44	-	-	-	2,436.51	-	217,425.01	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ (130,482.88)	\$ (156,800.00)	\$ 10,143.89	\$ 105,135.90	\$ 207,000.00	\$ (120,640.48)	\$ (155,406.84)	\$ -

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - GENERAL FUND  
 YEAR ENDED MARCH 31, 2005

Revenues	Public Works			Total Public Works (Memorandum Only)		
	Street Department			Prior Year	Current Year	Budget **
	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05
Business license and permits	\$ 380.00	\$ 1,043.00	\$ 100.00	\$ 380.00	\$ 1,043.00	\$ 100.00
Federal and state grants	3,926.78	-	-	36,254.35	-	-
Fines and forfeitures	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-
Sales tax	-	-	-	522,061.97	530,065.98	500,000.00
Interest income	671.10	-	-	2,987.40	2,443.07	2,000.00
Intergovernmental	-	-	-	-	-	-
Other revenue	12,698.38	33,677.36	4,400.00	27,673.85	56,169.84	19,400.00
Other taxes and assessments	303,319.38	335,825.59	305,400.00	478,369.99	548,526.60	480,400.00
Rental revenue	3,600.00	3,300.00	3,600.00	3,600.00	3,300.00	3,600.00
Total revenues	\$ 324,595.64	\$ 373,845.95	\$ 313,500.00	\$ 1,071,327.56	\$ 1,141,548.49	\$ 1,005,500.00
<b>Expenditures</b>						
Salaries	\$ 349,642.61	\$ 351,101.88	\$ 359,700.00	453,804.75	440,137.93	467,700.00
Payroll taxes	25,994.10	28,210.96	28,600.00	33,815.25	34,732.22	36,900.00
Community development block grant	-	-	-	-	-	-
Computer	1,610.91	3,027.18	2,000.00	1,610.91	3,027.18	2,000.00
Education	430.00	2,414.87	500.00	430.00	2,414.87	500.00
Election	-	-	-	-	-	-
Health and life insurance	52,360.64	38,724.93	52,400.00	59,495.12	46,584.60	59,600.00
Insurance	10,312.00	22,012.00	22,000.00	11,262.00	23,838.21	23,800.00
Intergovernmental	-	-	-	-	-	-
Miscellaneous	1,841.60	1,630.46	1,000.00	2,927.96	2,769.78	2,000.00
Professional and consulting service	13,704.85	2,950.77	10,000.00	13,750.30	2,950.77	13,100.00
Repairs and maintenance	243,522.19	347,033.73	525,200.00	258,264.55	363,005.75	541,600.00
Retirement	41,955.58	43,310.95	43,900.00	53,525.66	56,614.83	55,500.00
Supplies	7,691.49	11,983.25	10,300.00	8,925.08	13,751.67	12,500.00
Telephone	5,810.00	5,938.82	6,600.00	7,458.30	7,877.57	8,400.00
Travel	814.30	-	800.00	814.30	-	900.00
Utilities	3,044.52	2,978.42	2,200.00	3,044.52	3,038.35	2,200.00
Workman's compensation	43,842.00	50,996.37	40,000.00	58,971.00	65,219.22	53,300.00
Capital outlay	26,410.94	345,754.63	341,800.00	453,338.79	664,023.26	376,800.00
Debt service - principal	975.31	-	-	313,730.85	360,000.00	360,000.00
Debt service - interest	4.97	-	-	307,833.85	118,975.88	72,000.00
Total expenditures	\$ 829,968.01	\$ 1,258,069.22	\$ 1,447,000.00	\$ 2,043,003.19	\$ 2,208,962.09	\$ 2,088,800.00
Excess (deficiency) of revenues over expenditures	\$ (505,372.37)	\$ (884,223.27)	\$ (1,133,500.00)	\$ (971,675.63)	\$ (1,067,413.60)	\$ (1,083,300.00)
<b>Other financing sources (uses)</b>						
Due from (to) other funds	\$ -	\$ -	\$ -	\$ 1,669.00	\$ -	\$ -
Proceeds from Financing	-	-	-	200,000.00	-	-
Operating transfers from PILOTS and TIF	-	-	-	(221,963.78)	-	-
Operating transfers from (to) other funds	505,372.37	-	-	881,473.82	2,436.51	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ (884,223.27)	\$ (1,133,500.00)	\$ (110,496.59)	\$ (1,064,977.09)	\$ (1,083,300.00)

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUNDS  
 YEAR ENDED MARCH 31, 2005

Revenues	Parks and Recreation								
	Casino			Recreation			Golf Course		
	Prior Year 03/31/04	Current Year 03/31/05	Budget** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget** 03/31/05
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	198.81	7.88	-	37,244.04	801.42	-	186,826.21	210,861.40	413,500.00
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	17,903.00	21,379.92	19,800.00	13,838.50	12,000.00	12,000.00	49,030.97	54,537.70	72,700.00
Total revenues	\$ 18,101.81	\$ 21,387.80	\$ 19,800.00	\$ 51,082.54	\$ 12,801.42	\$ 12,000.00	\$ 235,857.18	\$ 265,399.10	\$ 486,200.00
<b>Expenditures</b>									
Salaries	\$ 19,644.10	\$ 13,556.30	\$ 20,300.00	\$ 64,161.33	\$ 8,718.33	\$ 9,200.00	\$ 174,338.98	\$ 147,182.27	\$ 183,500.00
Payroll taxes	1,502.77	1,017.80	1,600.00	5,412.61	1,198.76	700.00	14,329.66	18,189.05	13,700.00
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	1,244.00	166.97	-	-	2,209.03	-
Education	-	-	-	450.00	-	-	719.20	335.90	800.00
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	3,567.24	1,940.34	3,600.00	3,424.88	1,255.68	-	-	12,816.50	10,800.00
Insurance	121.00	557.20	200.00	4,173.00	922.20	4,000.00	7,195.00	6,546.00	8,000.00
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	45.45	85.63	200.00	605.20	1.52	-	2,916.72	599.26	500.00
Professional and consulting service	-	-	100.00	46,710.45	35,500.00	35,500.00	8,826.87	4,201.66	14,000.00
Repairs and maintenance	1,649.07	16,945.14	7,000.00	26,392.46	8,149.14	6,000.00	39,063.05	51,347.68	35,900.00
Retirement	1,187.79	1,136.38	1,600.00	4,159.80	1,136.38	1,200.00	2,331.43	4,745.38	-
Supplies	3,562.24	4,608.38	900.00	15,290.78	3,808.32	-	80,384.20	93,897.59	84,800.00
Telephone	830.66	1,051.09	700.00	1,817.54	-	-	2,708.93	2,282.71	2,500.00
Travel	-	-	-	695.32	-	-	723.14	-	1,000.00
Utilities	307.32	365.34	400.00	3,864.27	3,956.74	-	523.31	525.29	400.00
Workman's compensation	962.00	287.52	2,000.00	10,230.00	389.03	900.00	1,911.00	7,887.40	6,800.00
Capital outlay	-	-	28,000.00	23,425.64	16,815.51	18,000.00	-	-	-
Debt service - principal	-	-	-	-	-	-	118,863.39	194,523.62	239,400.00
Debt service - interest	-	-	-	-	-	-	47,572.11	75,609.02	37,100.00
Total expenditures	\$ 33,379.64	\$ 41,551.12	\$ 66,600.00	\$ 212,057.28	\$ 82,018.58	\$ 75,500.00	\$ 502,406.99	\$ 622,898.36	\$ 639,200.00
Excess (deficiency) of revenues over expenditures	\$ (15,277.83)	\$ (20,163.32)	\$ (46,800.00)	\$ (160,974.74)	\$ (69,217.16)	\$ (63,500.00)	\$ (266,549.81)	\$ (357,499.26)	\$ (153,000.00)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	15,277.83	-	-	160,974.74	-	-	(621,956.57)	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ (20,163.32)	\$ (46,800.00)	\$ -	\$ (69,217.16)	\$ (63,500.00)	\$ (888,506.38)	\$ (357,499.26)	\$ (153,000.00)

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUNDS  
 YEAR ENDED MARCH 31, 2005

	Parks and Recreation								
	North Park			South Park			Pool		
	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05
<b>Revenues</b>									
Business license and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Other revenue	-	1,100.00	2,200.00	83,202.04	40,589.72	-	38,131.42	4,040.00	-
Other taxes and assessments	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	304.00	-	2,747.00	-	-
Total revenues	\$ -	\$ 1,100.00	\$ 2,200.00	\$ 83,202.04	\$ 40,893.72	\$ -	\$ 40,878.42	\$ 4,040.00	\$ -
<b>Expenditures</b>									
Salaries	\$ 54,897.54	\$ 62,842.55	\$ 55,600.00	\$ 80,004.43	\$ 89,910.22	\$ 89,300.00	\$ 59,904.10	\$ 1,191.98	\$ -
Payroll taxes	4,185.34	4,769.91	4,200.00	10,223.95	6,695.65	6,900.00	4,126.74	88.98	-
Community development block grant	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	300.00	-	-	-
Election	-	-	-	-	-	-	-	-	-
Health and life insurance	3,560.64	6,908.04	3,600.00	9,866.06	8,306.88	10,400.00	-	20.87	-
Insurance	625.00	1,298.00	1,300.00	2,618.00	2,990.00	3,100.00	395.00	821.00	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	195.65	224.08	100.00	322.52	632.95	1,000.00	136.73	-	-
Professional and consulting service	-	-	-	45.45	-	100.00	45.45	35,000.00	35,000.00
Repairs and maintenance	29,106.85	58,901.15	24,300.00	39,868.45	26,171.65	42,300.00	9,569.27	10,045.52	500.00
Retirement	2,142.81	2,394.96	5,300.00	8,484.65	9,429.60	8,600.00	-	-	-
Supplies	3,623.27	4,711.33	3,400.00	4,462.90	5,779.76	6,000.00	12,878.22	5,574.21	-
Telephone	167.74	473.08	-	1,619.68	1,419.04	1,700.00	812.71	-	-
Travel	-	-	-	-	-	100.00	-	-	-
Utilities	-	-	-	-	-	100.00	-	-	-
Workman's compensation	4,552.00	8,172.89	4,700.00	5,222.00	10,996.28	7,600.00	3,000.00	54.72	-
Capital outlay	25,565.88	14,032.79	52,900.00	118,968.99	40,546.80	20,000.00	-	-	27,800.00
Debt service - principal	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 128,622.72	\$ 164,728.78	\$ 155,400.00	\$ 281,707.08	\$ 202,878.83	\$ 197,500.00	\$ 90,868.22	\$ 52,797.28	\$ 63,300.00
Excess (deficiency) of revenues over expenditures	\$ (128,622.72)	\$ (163,628.78)	\$ (153,200.00)	\$ (198,505.04)	\$ (161,985.11)	\$ (197,500.00)	\$ (49,989.80)	\$ (48,757.28)	\$ (63,300.00)
<b>Other financing sources (uses)</b>									
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	-	-	-	-	-	-
Operating transfers from PILOTS and TIF	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	128,622.72	-	-	198,505.04	-	-	49,989.80	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ (163,628.78)	\$ (153,200.00)	\$ -	\$ (161,985.11)	\$ (197,500.00)	\$ -	\$ (48,757.28)	\$ (63,300.00)

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUND  
 YEAR ENDED MARCH 31, 2005

	Total Parks and Recreation (Memorandum Only)		
	Prior Year	Current Year	Budget **
	03/31/04	03/31/05	03/31/05
<b>Revenues</b>			
Business license and permits	\$ -	\$ -	\$ -
Federal and state grants	-	-	-
Fines and forfeitures	-	-	-
Franchise fees	-	-	-
Sales tax	-	-	-
Interest income	-	-	-
Intergovernmental	-	-	-
Other revenue	345,602.52	257,400.42	415,700.00
Other taxes and assessments	-	-	-
Rental revenue	83,519.47	88,221.62	104,500.00
Total revenues	<u>\$ 429,121.99</u>	<u>\$ 345,622.04</u>	<u>\$ 520,200.00</u>
<b>Expenditures</b>			
Salaries	452,950.48	323,401.65	357,900.00
Payroll taxes	39,781.07	31,960.15	27,100.00
Community development block grant	-	-	-
Computer	1,244.00	2,376.00	-
Education	1,169.20	335.90	1,100.00
Election	-	-	-
Health and life insurance	20,418.82	31,248.31	28,400.00
Insurance	15,127.00	13,134.40	16,600.00
Intergovernmental	-	-	-
Miscellaneous	4,222.27	1,543.44	1,800.00
Professional and consulting service	55,628.22	74,701.66	84,700.00
Repairs and maintenance	145,649.15	171,560.28	116,000.00
Retirement	18,306.48	18,842.70	16,700.00
Supplies	120,201.61	118,379.59	95,100.00
Telephone	7,957.26	5,225.92	4,900.00
Travel	1,418.46	-	1,100.00
Utilities	4,694.90	4,847.37	900.00
Workman's compensation	25,877.00	27,787.84	22,000.00
Capital outlay	167,960.51	71,395.10	146,700.00
Debt service - principal	118,863.39	194,523.62	239,400.00
Debt service - interest	47,572.11	75,609.02	37,100.00
Total expenditures	<u>1,249,041.93</u>	<u>1,166,872.95</u>	<u>1,197,500.00</u>
Excess (deficiency) of revenues over expenditures	(819,919.94)	(821,250.91)	(677,300.00)
<b>Other financing sources (uses)</b>			
Due from (to) other funds	-	-	-
Proceeds from Financing	-	-	-
Operating transfers from PILOTS and TIF	-	-	-
Operating transfers from (to) other funds	(68,586.44)	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ (888,506.38)</u>	<u>\$ (821,250.91)</u>	<u>\$ (677,300.00)</u>

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (ORIGINAL BUDGET AND ACTUAL) - SPECIAL REVENUE FUND  
 YEAR ENDED MARCH 31, 2005

	Total Municipal Airport (Memorandum Only)			Total General Fund (Memorandum Only)		
	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05
<b>Revenues</b>						
Business license and permits	\$ -	\$ -	\$ -	\$ 39,750.33	\$ 16,769.97	\$ 41,600.00
Federal and state grants	44,930.00	-	-	84,558.68	898.77	-
Fines and forfeitures	-	-	-	114,830.40	103,996.51	108,500.00
Franchise fees	-	-	-	248,820.76	211,352.65	235,000.00
Sales tax	-	-	-	2,629,878.00	2,658,069.07	2,700,000.00
Interest income	-	-	-	109,082.95	16,416.74	12,000.00
Intergovernmental	-	-	-	-	-	-
Other revenue	87,532.19	78,138.58	95,900.00	491,801.25	549,947.83	548,200.00
Other taxes and assessments	-	-	-	595,742.94	579,929.10	595,400.00
Rental revenue	36,882.00	51,194.42	31,900.00	124,001.47	142,716.04	140,000.00
Total revenues	\$ 169,344.19	\$ 129,333.00	\$ 127,800.00	\$ 4,438,466.78	\$ 4,280,096.68	\$ 4,380,700.00
<b>Expenditures</b>						
Salaries	\$ 88,797.30	\$ 91,579.38	\$ 93,300.00	2,710,192.44	2,686,087.90	2,743,900.00
Payroll taxes	5,991.42	6,248.80	7,300.00	204,814.56	207,443.30	213,200.00
Community development block grant	-	-	-	-	-	-
Computer	-	-	-	26,547.51	44,869.13	31,500.00
Education	-	863.10	-	24,245.86	34,705.50	26,900.00
Election	-	-	-	6,140.92	5,428.95	4,000.00
Health and life insurance	13,969.50	13,567.96	14,000.00	299,865.63	310,290.73	307,800.00
Insurance	10,635.00	6,881.20	15,900.00	85,710.32	94,144.10	117,500.00
Intergovernmental	-	-	-	-	-	-
Miscellaneous	1,809.90	8,992.63	1,500.00	22,534.95	26,099.29	18,600.00
Professional and consulting service	207.95	2,723.97	15,000.00	168,470.27	152,460.58	211,200.00
Repairs and maintenance	26,143.45	24,533.67	24,100.00	565,020.65	712,792.59	821,300.00
Retirement	9,359.79	10,378.09	9,700.00	269,762.68	308,292.11	296,400.00
Supplies	7,567.16	3,228.12	5,500.00	184,069.14	189,883.88	178,100.00
Telephone	3,136.54	2,976.07	3,400.00	59,253.07	59,802.18	59,900.00
Travel	790.00	-	1,100.00	12,361.96	-	13,100.00
Utilities	13,936.37	13,737.26	13,000.00	21,857.18	23,205.09	17,100.00
Workman's compensation	3,089.00	4,817.73	3,400.00	206,732.00	274,306.55	187,800.00
Capital outlay	33,751.89	6,644.00	90,000.00	735,135.44	918,015.27	833,400.00
Debt service - principal	31,074.99	63,605.13	61,700.00	529,056.23	618,128.75	661,100.00
Debt service - interest	14,879.65	22,064.71	12,300.00	373,881.92	216,649.61	121,400.00
Total expenditures	\$ 265,139.91	\$ 282,841.82	\$ 371,200.00	\$ 6,505,652.73	\$ 6,882,605.51	\$ 6,864,200.00
Excess (deficiency) of revenues over expenditures	\$ (95,795.72)	\$ (153,508.82)	\$ (243,400.00)	\$ (2,067,185.95)	\$ (2,602,508.83)	\$ (2,483,500.00)
<b>Other financing sources (uses)</b>						
Due from (to) other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Financing	-	-	-	200,000.00	-	-
Operating transfers from PILOTS and TIF	-	-	-	939,672.33	1,085,759.71	1,065,800.00
Operating transfers from (to) other funds	95,795.72	-	-	66,547.46	1,541,470.26	1,008,800.00
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ (153,508.82)	\$ (243,400.00)	\$ (860,966.16)	\$ 24,721.14	\$ (408,900.00)

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2005**

	Waterworks			Electric			Wastewater-Sewer		
	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05
<b>Operating revenues</b>									
Revenues	\$ 1,233,937.33	\$ 1,233,306.77	\$ 1,210,000.00	\$ 12,013,724.63	\$ 12,513,246.14	\$ 12,330,000.00	\$ 1,675,885.49	\$ 1,756,553.39	\$ 1,653,000.00
Federal and state grants	-	-	-	-	-	375,000.00	532,033.40	768,966.60	-
Tap - in charges	6,800.00	-	5,000.00	-	-	-	720.00	-	1,000.00
Penalties	11,570.98	-	10,000.00	42,457.90	-	40,000.00	7,132.80	-	6,000.00
Miscellaneous charges	9,046.55	2,210.09	44,500.00	116,078.33	12,003.93	20,000.00	3,764.49	938.46	3,000.00
Rental	4,491.98	-	3,800.00	2,327.00	-	200.00	-	-	200.00
Total operating revenues	\$ 1,265,846.84	\$ 1,235,516.86	\$ 1,273,300.00	\$ 12,174,587.86	\$ 12,525,250.07	\$ 12,765,200.00	\$ 2,219,536.18	\$ 2,526,458.45	\$ 1,663,200.00
<b>Operating expenses</b>									
Salaries	\$ 412,612.20	\$ 428,283.94	\$ 427,900.00	\$ 670,497.61	\$ 650,569.74	\$ 670,400.00	\$ 374,292.08	\$ 409,328.95	\$ 417,400.00
Payroll taxes	30,336.86	31,405.03	32,800.00	49,061.56	47,603.54	51,300.00	27,858.07	30,302.86	32,000.00
Depreciation	154,669.11	178,718.87	149,000.00	163,491.23	174,382.29	161,500.00	637,304.55	668,288.49	646,900.00
Computer	9,380.00	9,737.67	10,000.00	8,562.98	11,554.03	10,000.00	8,023.00	9,148.87	8,000.00
Education	1,892.51	4,145.93	3,000.00	6,365.01	8,306.45	8,000.00	1,513.45	2,963.19	2,400.00
Electric purchases	-	-	-	8,749,657.29	9,448,405.34	9,000,000.00	-	-	-
Gas and oil	11,488.63	-	11,300.00	9,084.44	-	12,000.00	9,648.21	-	10,200.00
Health and life insurance	36,632.80	42,598.49	37,000.00	71,074.12	59,124.31	70,800.00	27,620.82	37,456.39	27,500.00
Insurance	10,820.00	22,940.30	24,200.00	42,372.00	88,494.30	92,000.00	13,255.00	28,178.00	18,000.00
Landfill and recycling	-	-	-	-	-	-	-	-	-
Miscellaneous	1,336.50	895.24	1,000.00	1,367.92	3,366.00	1,000.00	439.71	7,572.04	2,000.00
Office supplies	5,168.47	-	4,000.00	5,397.75	-	5,000.00	4,760.65	-	4,000.00
Professional and consulting service	2,978.62	15,121.60	30,000.00	4,719.01	9,990.52	15,000.00	35,937.19	64,022.41	50,000.00
Repairs and maintenance	100,609.14	172,463.52	137,000.00	77,683.14	75,082.80	91,500.00	194,214.11	92,091.54	100,800.00
Retirement	47,466.03	50,149.72	50,100.00	74,961.92	83,290.41	83,100.00	49,697.71	56,717.35	51,000.00
Supplies	90,067.42	100,844.30	87,000.00	119,866.67	164,915.74	125,000.00	56,178.23	79,226.49	45,000.00
Telephone	3,609.40	3,306.72	4,000.00	4,404.67	4,890.39	5,000.00	2,573.14	2,496.01	3,000.00
Travel	1,558.21	-	2,800.00	4,303.38	-	5,000.00	1,366.19	-	2,500.00
Utilities	1,959.69	609.27	400.00	2,234.35	3,515.04	800.00	38,158.29	41,862.04	25,000.00
Workman's compensation	30,483.00	32,332.09	23,000.00	44,904.00	46,217.85	45,000.00	21,983.00	25,786.67	17,300.00
Total operating expenses	\$ 953,068.59	\$ 1,093,552.69	\$ 1,034,500.00	\$ 10,110,009.05	\$ 10,879,708.75	\$ 10,452,400.00	\$ 1,504,823.40	\$ 1,555,441.30	\$ 1,463,000.00
<b>Non-operating revenues (expenses)</b>									
Investment Income	\$ 32,884.00	\$ -	\$ -	\$ 115,093.00	\$ 28,787.48	\$ 35,000.00	\$ 164,418.00	\$ 405,159.38	\$ 330,500.00
Loss on Asset Disposal	-	-	-	-	-	-	-	-	-
Special assesment income	-	-	-	-	-	-	-	625,000.00	-
Interest expense and fees	-	-	-	-	-	-	(318,381.34)	(452,893.95)	(261,000.00)
Net non-operating revenues (expenses)	\$ 32,884.00	\$ -	\$ -	\$ 115,093.00	\$ 28,787.48	\$ 35,000.00	\$ (153,963.34)	\$ 577,265.43	\$ 69,500.00
Net income before transfers	\$ 345,662.25	\$ 141,964.17	\$ 238,800.00	\$ 2,179,671.81	\$ 1,674,328.80	\$ 2,347,800.00	\$ 560,749.44	\$ 1,548,282.58	\$ 269,700.00
Operating transfers from PILOTS	(86,402.01)	(85,242.09)	(84,700.00)	(840,960.72)	(874,116.25)	(863,100.00)	(117,048.43)	(122,293.98)	(115,500.00)
Operating transfers from (to) other funds	-	-	-	(1,340,000.00)	(1,553,716.95)	(1,008,800.00)	-	-	-
Net income (loss)	\$ 259,260.24	\$ 56,722.08	\$ 154,100.00	\$ (1,288.91)	\$ (753,504.40)	\$ 475,900.00	\$ 443,701.01	\$ 1,425,988.60	\$ 154,200.00

\*\* Figures listed above relate to the original City's budget.  
 See accompanying notes to the financial statements.



CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2005

	Fiber			Sanitation			Total Proprietary Funds (Memorandum Only)		
	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05
<b>Operating revenues</b>									
Revenues	\$ 2,700.00	\$ 58,677.38	\$ 36,000.00	\$ 449,545.94	\$ 459,734.22	\$ 447,700.00	\$ 15,375,793.39	\$ 16,021,517.90	\$ 15,676,700.00
Federal and state grants	-	-	-	59,900.00	-	-	591,933.40	768,966.60	375,000.00
Tap - in charges	-	-	-	-	-	-	7,520.00	-	6,000.00
Penalties	-	-	-	-	-	-	61,161.68	-	56,000.00
Miscellaneous charges	-	73.35	-	538.64	1,789.03	-	129,428.01	17,014.86	67,500.00
Rental	-	-	-	-	-	-	6,818.98	-	4,200.00
Total operating revenues	\$ 2,700.00	\$ 58,750.73	\$ 36,000.00	\$ 509,984.58	\$ 461,523.25	\$ 447,700.00	\$ 16,172,655.46	\$ 16,807,499.36	\$ 16,185,400.00
<b>Operating expenses</b>									
Salaries	\$ -	\$ -	\$ -	\$ 102,352.84	\$ 127,701.47	\$ 138,300.00	\$ 1,559,754.73	\$ 1,615,884.10	\$ 1,654,000.00
Payroll taxes	-	-	-	12,450.87	9,210.89	17,000.00	119,707.36	118,522.32	133,100.00
Depreciation	-	26,614.06	-	65,731.82	65,551.94	-	1,021,196.71	1,113,555.65	957,400.00
Computer	-	-	2,000.00	-	-	66,000.00	91,697.80	95,992.51	96,000.00
Education	-	87.02	1,000.00	-	-	-	9,770.97	15,502.59	14,400.00
Electric purchases	-	-	-	-	-	-	8,749,657.29	9,448,405.34	9,000,000.00
Gas and oil	-	-	-	-	-	-	30,221.28	-	33,500.00
Health and life insurance	-	-	-	14,793.10	20,407.13	14,800.00	150,120.84	159,586.32	150,100.00
Insurance	-	-	-	2,927.00	6,082.00	4,000.00	69,374.00	145,694.60	138,200.00
Landfill and recycling	-	-	-	127,346.15	156,463.01	137,200.00	127,346.15	156,463.01	137,200.00
Miscellaneous	-	(73.35)	-	2,009.82	1,566.82	1,000.00	5,153.95	13,326.75	5,000.00
Office supplies	-	-	-	-	-	-	15,326.87	-	13,000.00
Professional and consulting service	-	4,769.62	2,000.00	45.45	-	200.00	43,680.27	93,904.15	97,200.00
Repairs and maintenance	2,042.65	122.00	1,000.00	59,146.17	75,102.35	73,300.00	433,695.21	414,862.21	403,600.00
Retirement	-	-	-	7,558.08	12,134.79	10,600.00	179,683.74	202,292.27	194,800.00
Supplies	1,124.32	20,002.75	2,000.00	4,043.80	10,113.15	7,000.00	271,280.44	375,102.43	266,000.00
Telephone	-	30.87	-	266.33	0.53	200.00	10,853.54	10,724.52	12,200.00
Travel	-	-	-	-	-	-	7,227.78	-	10,300.00
Utilities	-	-	-	-	-	-	42,352.33	45,986.35	26,200.00
Workman's compensation	-	-	-	27,493.00	34,702.01	26,600.00	124,863.00	139,038.62	111,900.00
Total operating expenses	\$ 3,166.97	\$ 51,552.97	\$ 8,000.00	\$ 426,164.43	\$ 519,036.09	\$ 496,200.00	\$ 13,062,964.26	\$ 14,164,843.74	\$ 13,454,100.00
<b>Non-operating revenues (expenses)</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,395.00	\$ 433,946.86	\$ 365,500.00
Loss on Asset Disposal	-	-	-	-	-	-	-	-	-
Special assesment income	-	-	-	-	-	-	-	625,000.00	-
Interest expense and fees	-	-	-	-	-	-	(318,381.34)	(452,893.95)	(261,000.00)
Net non-operating revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,986.34)	\$ 606,052.91	\$ 104,500.00
Net income before transfers	\$ (466.97)	\$ 7,197.76	\$ 28,000.00	\$ 83,820.15	\$ (57,512.84)	\$ (48,500.00)	\$ 3,169,436.68	\$ 3,314,260.47	\$ 2,835,800.00
Operating transfers from PILOTS	(189.00)	(4,107.39)	(2,500.00)	-	-	-	(1,044,600.16)	(1,085,759.71)	(1,065,800.00)
Operating transfers from (to) other funds	-	-	-	63,971.12	12,246.69	-	(1,276,028.88)	(1,541,470.26)	(1,008,800.00)
Net income (loss)	\$ (655.97)	\$ 3,090.37	\$ 25,500.00	\$ 147,791.27	\$ (45,266.15)	\$ (48,500.00)	\$ 848,807.64	\$ 687,030.50	\$ 761,200.00

\*\* Figures listed above relate to the original City's budget.  
 See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - INTERNAL SERVICE FUND TYPES  
 YEAR ENDED MARCH 31, 2005

	Hazardous Material			Safety Program			Mechanic		
	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05	Prior Year 03/31/04	Current Year 03/31/05	Budget ** 03/31/05
<b>Operating revenues</b>									
Revenues	\$ 12,418.92	\$ 18,099.11	\$ 15,000.00	\$ 16,764.30	\$ 20,442.45	\$ 19,000.00	\$ 104,678.28	\$ 113,973.26	\$ 113,100.00
Federal and state grants	-	-	-	-	-	-	-	-	-
Tap - in charges	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Miscellaneous charges	-	-	-	-	94.04	-	-	-	-
Rental	-	-	-	-	-	-	-	-	-
Total operating revenues	\$ 12,418.92	\$ 18,099.11	\$ 15,000.00	\$ 16,764.30	\$ 20,536.49	\$ 19,000.00	\$ 104,678.28	\$ 113,973.26	\$ 113,100.00
<b>Operating expenses</b>									
Salaries	\$ 6,875.89	\$ 7,351.24	\$ 7,700.00	\$ 9,006.90	\$ 9,481.75	\$ 10,000.00	\$ 57,209.56	\$ 60,750.21	\$ 60,800.00
Payroll taxes	526.01	558.09	600.00	689.03	721.07	800.00	4,056.75	4,321.91	4,700.00
Depreciation	-	-	-	-	-	-	4,899.40	-	4,900.00
Computer	-	-	-	285.24	1,147.06	1,000.00	-	-	2,000.00
Education	940.00	2,403.17	500.00	356.90	2,369.51	600.00	-	-	1,800.00
Electric purchases	-	-	-	-	-	-	-	-	-
Gas and oil	-	-	-	-	-	-	-	-	-
Health and life insurance	-	73.98	-	-	73.98	-	8,501.54	7,508.44	8,500.00
Insurance	43.00	89.00	100.00	-	-	-	562.00	1,168.00	700.00
Landfill and recycling	807.19	-	200.00	-	-	100.00	84.00	-	100.00
Miscellaneous	-	-	-	-	14.00	-	-	294.80	-
Office supplies	45.45	-	1,000.00	306.50	-	200.00	45.45	-	100.00
Professional and consulting service	-	50.00	100.00	552.34	537.50	400.00	4,522.55	-	3,300.00
Repairs and maintenance	811.79	-	1,100.00	820.44	470.80	1,300.00	8,291.03	2,348.92	7,900.00
Retirement	534.08	904.61	1,600.00	2,332.94	1,014.90	2,600.00	11,300.59	9,299.29	12,100.00
Supplies	978.08	4,839.20	1,100.00	853.55	2,176.20	800.00	1,213.12	21,120.07	1,400.00
Telephone	497.43	1,113.40	800.00	1,120.46	1,619.25	1,000.00	196.76	1,215.16	200.00
Travel	-	-	-	-	-	-	428.53	-	500.00
Utilities	360.00	-	200.00	440.00	-	200.00	3,367.00	218.96	4,100.00
Workman's compensation	-	716.42	-	-	910.47	-	-	5727.5	-
Total operating expenses	\$ 12,418.92	\$ 18,099.11	\$ 15,000.00	\$ 16,764.30	\$ 20,536.49	\$ 19,000.00	\$ 104,678.28	\$ 113,973.26	\$ 113,100.00
<b>Non-operating revenues (expenses)</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss on Asset Disposal	-	-	-	-	-	-	-	-	-
Interest expense and fees	-	-	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income before transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers from PILOTS	-	-	-	-	-	-	-	-	-
Operating transfers from (to) other funds	-	-	-	-	-	-	-	-	-
Net income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (ORIGINAL BUDGET AND ACTUAL) - INTERNAL SERVICE FUND TYPES  
 YEAR ENDED MARCH 31, 2005

	Total Internal Service Funds		
	(Memorandum Only)		
	Prior Year 03/31/04	Current Year 03/31/05	Budget** 03/31/05
<b>Operating revenues</b>			
Revenues	\$ 133,861.50	\$ 152,514.82	\$ 147,100.00
Federal and state grants	-	-	-
Tap - in charges	-	-	-
Penalties	-	-	-
Miscellaneous charges	-	94.04	-
Rental	-	-	-
Total operating revenues	<u>\$ 133,861.50</u>	<u>\$ 152,608.86</u>	<u>\$ 147,100.00</u>
<b>Operating expenses</b>			
Salaries	\$ 73,092.35	\$ 77,583.20	\$ 78,500.00
Payroll taxes	5,271.79	5,601.07	6,100.00
Depreciation	4,899.40	-	4,900.00
Computer	285.24	1,147.06	3,000.00
Education	1,296.90	4,772.68	2,900.00
Electric purchases	-	-	-
Gas and oil	-	-	-
Health and life insurance	8,501.54	7,656.40	8,500.00
Insurance	605.00	1,257.00	800.00
Landfill and recycling	891.19	-	400.00
Miscellaneous	-	308.80	-
Office supplies	397.40	-	1,300.00
Professional and consulting service	5,074.89	587.50	3,800.00
Repairs and maintenance	9,923.26	2,819.72	10,300.00
Retirement	14,167.61	11,218.80	16,300.00
Supplies	3,044.75	28,135.47	3,300.00
Telephone	1,814.65	3,947.81	2,000.00
Travel	428.53	-	500.00
Utilities	4,167.00	218.96	4,500.00
Workman's compensation	-	7,354.39	-
Total operating expenses	<u>\$ 133,861.50</u>	<u>\$ 152,608.86</u>	<u>\$ 147,100.00</u>
<b>Non-operating revenues (expenses)</b>			
Investment Income	\$ -	\$ -	\$ -
Loss on Asset Disposal	-	-	-
Interest expense and fees	-	-	-
Net non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income before transfers	\$ -	\$ -	\$ -
Operating transfers from PILOTS	-	-	-
Operating transfers from (to) other funds	-	-	-
Net income (loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*\* Figures listed above relate to the original City's budget. The City's budget was amended March 20, 2005. See page 56 for amended budget information.  
 See accompanying notes to the financial statements.



**FEDERAL COMPLIANCE SECTION**





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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor James Orr  
Jerry Dierker and Donald Roberson, Councilmen  
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 as of and for the year ended March 31, 2005, which collectively comprise of the City's basic financial statements and have issued our report thereon dated July 28, 2005. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City of Monett's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Monett's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Council of the City of Monett, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*THE CPA GROUP, P.C.*

The CPA Group, P.C.

July 28, 2005





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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor James Orr  
Jerry Dierker and Donald Roberson, Councilmen  
Monett, Missouri

**Compliance**

We have audited the compliance of the City of Monett, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2005. The City of Monett, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Monett, Missouri's management. Our responsibility is to express an opinion on the City of Monett, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Monett, Missouri's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Monett, Missouri's compliance with those requirements.

In our opinion, the City of Monett, Missouri complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2005.

**Internal Control over Compliance**

The management of The City of Monett, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The City of Monett, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A *material weakness* is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal and State Awards**

We have audited the accompanying financial statements of The City of Monett, Missouri as of and for the year ended March 31, 2005, and have issued our report thereon dated July 28, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*THE CPA GROUP, P.C.*

The CPA Group, P.C.

July 28, 2005

**CITY OF MONETT, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COST  
 MARCH 31, 2005**

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unqualified  
 Internal control over financial reporting:  
 Material weakness(es) identified?  Yes  No  
 Reportable condition(s) identified  
 not considered to be material weaknesses?  Yes  No  
 Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal Control over major programs:  
 Material weakness(es) identified?  Yes  No  
 Reportable condition(s) identified  
 not considered to be material weaknesses?  Yes  No

Type of auditors' report issued on compliance  
 for major program: Unqualified

Any audit findings disclosed that are required  
 to be reported in accordance with  
 Circular A-133, Section .510(a)?  Yes  No

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.606	U.S. Environmental Protection Agency

Dollar threshold used to distinguish between  
 Type A and Type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Findings**

No matters were noted.

**Section III - Federal Award Findings and Questioned Costs**

No matters were noted.

**CITY OF MONETT, MISSOURI  
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
 MARCH 31, 2005**

<b>FEDERAL GRANTOR/PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
Department of Justice			
Local Law Enforcement Block Grant (LLEBG)	16.592	2001-LBG-020	\$ 898.77
US Environmental Protection Agency			
US Environemental Protection Agency	66.606	XP-98727801	\$ 768,966.60
Total Federal Programs			\$ 769,865.37

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

**NOTE B - MATCHING CONTRIBUTIONS**

In accordance with terms of the Local Law Enforcement Grant (LLEBG) Program, the city has expended matching contributions totaling \$898.77 during the year ended March 31, 2005.

See accompanying notes to the financial statements.