

CITY OF MONROE CITY, MISSOURI

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2008

LUCK, HUMPHREYS AND ASSOCIATES, C.P.A., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

HANNIBAL, MISSOURI

CITY OF MONROE CITY, MISSOURI
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2008
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Aldermen
City of Monroe City, Missouri

We have audited the accompanying general purpose financial statements of the City of Monroe City, Missouri, as of and for the year ended September 30, 2008, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Monroe City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the City's governmental activities and business-type activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Monroe City, Missouri as of September 30, 2008, or the changes in its financial position or its cash flows, where applicable, for the year then ended.

Respectfully submitted,

Luck, Humphreys and Associates

LUCK, HUMPHREYS AND ASSOCIATES, C.P.A., P.C.
Certified Public Accountants

November 30, 2008

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2008

	<u>Governmental Fund Types</u>		<u>Proprietary</u>	<u>Account Groups</u>			<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Debt</u> <u>Service</u>	<u>Fund Types</u> <u>Enterprise</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>Long-Term</u> <u>Debt</u>	
<u>Assets:</u>							
Cash	\$596,140	\$887,180	\$ ---	\$ 1,783,863	\$ ---	\$ ---	\$ 3,267,183
Receivables (net of allowances for uncollectibles):							
Taxes	8,429	15,057	---	---	---	---	23,486
Accounts	1,605	---	---	674,698	---	---	676,303
Due from other governments	34,700	---	---	---	---	---	34,700
Inventory of supplies, at cost	33,419	---	---	209,404	---	---	242,823
Prepaid expenses	16,156	200	---	15,056	---	---	31,412
Restricted assets:							
Cash	53,163	---	7,806	31,400	---	---	92,369
Investments	---	---	108,797	342,873	---	---	451,670
Construction in progress	---	---	---	---	---	---	---
Property, plant and equipment (net of accumulated depreciation)	---	---	---	9,512,188	9,132,355	---	18,644,543
Amount available in debt service fund	---	---	---	---	---	95,980	95,980
Amount to be provided for retirement of long-term debt	---	---	---	---	---	1,002,670	1,002,670
Unamortized loan fees	---	---	75,337	177,525	---	---	252,862
<u>Total Assets</u>	<u>\$743,612</u>	<u>\$902,437</u>	<u>\$191,940</u>	<u>\$12,747,007</u>	<u>\$9,132,355</u>	<u>\$1,098,650</u>	<u>\$24,816,001</u>

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2008

(CONTINUED)

	Governmental Fund Types			Proprietary Fund Types	Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service		General		Long-Term Debt	
					Fixed Assets			
Liabilities:								
Accounts payable	\$33,324	\$11,027	\$ ----	\$ 379,758	\$ ----	\$ ----	\$ ----	\$ 424,109
Accrued expenses	22,975	----	----	20,946	----	----	----	43,921
Construction costs payable	----	----	----	----	----	----	----	----
Deposits	----	----	----	31,400	----	----	----	31,400
Payable from restricted assets:								
Revenue bonds/capital lease	----	----	----	305,000	----	----	95,980	400,980
Accrued expenses	----	----	20,623	49,694	----	----	----	70,317
Revenue bonds payable	----	----	----	90,000	----	----	----	90,000
Capital lease obligations payable	----	----	----	2,266,350	----	----	1,002,670	3,269,020
Total Liabilities	<u>\$56,299</u>	<u>\$11,207</u>	<u>\$20,623</u>	<u>\$3,143,148</u>	<u>\$ ----</u>	<u>----</u>	<u>\$1,098,650</u>	<u>\$4,329,747</u>
Fund Equity:								
Contributed capital	\$ ----	\$ ----	\$ ----	\$3,688,509	\$ ----	\$ ----	\$ ----	\$3,688,509
Investment in general fixed assets	----	----	----	----	9,132,355	----	----	9,132,355
Retained earnings:								
Reserved for debt retirement	----	----	----	342,873	----	----	----	342,873
Unreserved	----	----	----	5,572,477	----	----	----	5,572,477

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2008

(CONTINUED)

	Governmental Fund Types			Proprietary Fund Types		Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Enterprise	General Fixed Assets	Long-Term Debt			
Fund balances:									
Reserved	53,163	----	171,317	----	----	----			224,480
Unreserved:									
Undesignated	634,150	891,410	----	----	----	----			1,525,560
Total Fund Equity	<u>\$687,313</u>	<u>\$891,410</u>	<u>\$171,317</u>	<u>\$ 9,603,859</u>	<u>\$9,132,355</u>	<u>\$ ----</u>			<u>\$20,486,254</u>
Total Liabilities and Fund Equity	<u>\$743,612</u>	<u>\$902,437</u>	<u>\$191,940</u>	<u>\$12,747,007</u>	<u>\$9,132,355</u>	<u>\$1,098,650</u>			<u>\$24,816,001</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<u>Revenues:</u>				
Taxes	\$ 876,542	\$216,943	\$ ----	\$1,093,485
Licenses and permits	20,457	----	----	20,457
Intergovernmental revenue	173,025	3,619	----	176,644
Charges for services	14,900	----	----	14,900
Fines and forfeits	11,650	651	----	12,301
Miscellaneous revenues	<u>1,209,973</u>	<u>238,179</u>	<u>14,284</u>	<u>1,462,436</u>
<u>Total Revenues</u>	<u>\$2,306,547</u>	<u>\$459,392</u>	<u>\$ 14,284</u>	<u>\$2,780,223</u>
<u>Expenditures:</u>				
Current:				
General government	\$ 431,394	\$ ----	\$ ----	\$ 431,394
Public safety	585,248	6,979	----	592,227
Humane officer	6,115	----	----	6,115
Inspection and zoning	9,750	----	----	9,750
Streets and alleys	277,526	1,180	----	278,706
Culture and recreation	142,174	53,479	----	195,653
Airport	81,716	----	----	81,716
Cemetery	16,563	----	----	16,563
Capital outlay	221,109	62,735	----	283,754
Debt service	----	----	142,057	142,057
<u>Total Expenditures</u>	<u>\$1,771,505</u>	<u>\$124,373</u>	<u>\$ 142,057</u>	<u>\$2,037,935</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 535,042</u>	<u>\$335,019</u>	<u>\$(127,773)</u>	<u>\$ 742,288</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ----	\$ ----	\$ 116,724	\$ 116,724
Operating transfers out	<u>(387,787)</u>	<u>----</u>	<u>----</u>	<u>(387,787)</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (387,787)</u>	<u>\$ ----</u>	<u>\$ 116,724</u>	<u>\$ (271,063)</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ 147,255</u>	<u>\$335,019</u>	<u>\$ (11,049)</u>	<u>\$ 471,225</u>
<u>Fund Balances, October 1</u>	<u>540,058</u>	<u>556,391</u>	<u>182,366</u>	<u>1,278,815</u>
<u>Fund Balances, September 30</u>	<u>\$ 687,313</u>	<u>\$891,410</u>	<u>\$ 171,317</u>	<u>\$1,750,040</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>General Funds</u>		
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 876,889	\$ 876,542	\$ (347)
Licenses and permits	20,607	20,457	(150)
Intergovernmental revenue	173,882	173,025	(857)
Charges for services	14,883	14,900	17
Fines and forfeits	14,746	11,650	(3,096)
Miscellaneous revenues	<u>1,201,570</u>	<u>1,209,973</u>	<u>8,403</u>
<u>Total Revenues</u>	<u>\$2,302,577</u>	<u>\$2,306,547</u>	<u>\$ 3,970</u>
<u>Expenditures:</u>			
Current:			
General government	\$ 431,867	\$ 431,394	\$ 473
Public safety	601,637	585,248	16,389
Humane officer	5,978	6,115	(137)
Inspection and zoning	9,617	9,750	(133)
Streets and alleys	284,824	277,526	7,298
Culture and recreation	137,851	142,174	(4,323)
Airport	89,669	81,716	7,953
Cemetery	17,395	16,563	832
Capital outlay	<u>239,230</u>	<u>221,019</u>	<u>18,211</u>
<u>Total Expenditures</u>	<u>\$1,818,068</u>	<u>\$1,771,505</u>	<u>\$46,563</u>
<u>Excess of Revenues Over (Under)</u>			
<u>Expenditures</u>	<u>\$ 484,509</u>	<u>\$ 535,042</u>	<u>\$50,533</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	<u>(387,787)</u>	<u>(387,787)</u>	<u>----</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (387,787)</u>	<u>\$ (387,787)</u>	<u>\$ ----</u>
<u>Excess of Revenues and Other Sources</u>			
<u>Over (Under) Expenditures and Other</u>			
<u>Uses</u>	\$ 96,722	\$ 147,255	\$50,533
<u>Fund Balances, October 1</u>	<u>540,058</u>	<u>540,058</u>	<u>----</u>
<u>Fund Balances, September 30</u>	<u>\$ 686,780</u>	<u>\$ 687,313</u>	<u>\$50,533</u>

The accompanying notes to financial statements are an integral part of this statement.

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$217,658	\$216,943	\$ (715)
----	----	----
3,619	3,619	----
----	----	----
645	651	6
<u>236,275</u>	<u>238,179</u>	<u>1,904</u>
<u>\$458,197</u>	<u>\$459,392</u>	<u>\$ 1,195</u>
\$ ----	\$ ----	\$ ----
6,896	6,979	(83)
----	----	----
----	----	----
76,897	1,180	75,717
52,199	53,479	(1,280)
----	----	----
----	----	----
<u>54,177</u>	<u>62,735</u>	<u>(8,558)</u>
<u>\$190,169</u>	<u>\$124,373</u>	<u>\$65,796</u>
<u>\$268,028</u>	<u>\$335,019</u>	<u>\$66,991</u>
\$ ----	\$ ----	\$ ----
----	----	----
<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
\$268,028	\$335,019	\$66,991
<u>556,391</u>	<u>556,391</u>	<u>----</u>
<u>\$824,419</u>	<u>\$891,410</u>	<u>\$66,991</u>

CITY OF MONROE CITY, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Enterprise Funds</u>
<u>Operating Revenues:</u>	
Charges for services	\$8,581,240
Other	34,959
<u>Total Operating Revenues</u>	<u>\$8,616,199</u>
<u>Operating Expenses:</u>	
Administration	\$1,520,772
Utility production/treatment	595,587
Utility purchases/interconnect	5,858,117
Utility distribution/collection	538,288
Depreciation	454,759
<u>Total Operating Expenses</u>	<u>\$8,967,523</u>
<u>Operating Income</u>	<u>\$ (351,324)</u>
<u>Non-Operating Revenues (Expenses):</u>	
Interest income	\$ 89,838
Pole rental income	4,180
DNR fees	(650)
Sales tax adjustment	(916)
Interest expense and fiscal charges	(111,929)
Amortization - origination fees	(12,803)
Bad debt recovery (expense)	(5,236)
Miscellaneous	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (37,516)</u>
<u>Net Income before Other Financing Sources (Uses)</u>	<u>\$ (388,840)</u>
<u>Other Financing Sources (Uses):</u>	
Operating transfers in	\$ 271,063
Operating transfers out	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 271,063</u>
<u>Net Income</u>	<u>\$ (117,777)</u>
<u>Retained Earnings, October 1</u>	<u>6,033,127</u>
<u>Retained Earnings, September 30</u>	<u>\$5,915,350</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Enterprise Funds</u>
<u>Operating Activities:</u>	
Net income (loss) from operations	\$ (351,324)
Adjustments to reconcile net income to net cash provided by operations:	
Depreciation	454,759
Other income	2,614
Operating transfers in (out)	271,063
Bad debt recovery (expense)	(5,236)
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	868
Inventories	165,951
Prepaid expenses	1,663
Increase (decrease) in:	
Accounts payable	(163,596)
Accrued expenses	(13,337)
Customer deposits	(1,200)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 362,225</u>
<u>Investing Activities:</u>	
Interest income	\$ 89,838
Restricted cash activity (net)	94,132
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 183,970</u>
<u>Capital and Related Financing Activities:</u>	
Loan issuance fees	\$ (70,075)
Additions to fixed assets	(57,023)
Interest expense and fiscal charges	(111,929)
Principal payments	(233,195)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$ (472,222)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ 73,973</u>
<u>Cash at Beginning of Year</u>	<u>1,709,890</u>
<u>Cash at End of Year</u>	<u>\$1,783,863</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

The accounting methods and procedures adopted by the City of Monroe City, Missouri, except for not complying with GASB No. 34, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's general purpose financial statements.

1. Summary of Significant Accounting Policies:

The City of Monroe City, Missouri (the City) was incorporated as a town on April 6, 1889 by order of the Monroe County Court. The City operates under a Board of Aldermen - Mayor form of government and provides the following services as authorized by its charter: public safety, street, culture and recreation, public improvements, planning and zoning, electric, water, sewer and gas utilities, airport operations, cemetery and general administrative services.

The financial statements of the City are prepared in accordance with the pre-GASB No. 34 reporting model. Proprietary funds 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.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in the subsequent section of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2008.

A. Reporting Entity

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

The financial statements of the City include those of separately administered organizations that are financially controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of the following organizations are included in the accompanying financial statements: Special Fire Department Fund - Special Revenue Fund, Monroe City Public Library - Special Revenue Fund, and Monroe City, Missouri Community Foundation - Special Revenue Fund.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

Based on the foregoing criteria, the financial statements of the following organization are not included: Mosswood Golf Course.

B. Funds and Account Groups

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Fund Types - These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Fund - This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds.

Capital Projects Fund - This fund is established to account for financial resources to be used for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Proprietary Fund Types - These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Account Groups - In addition to the three broad types of governmental funds, the City also maintains two account groups as described below:

General Fixed Assets Account Group - This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Funds.

General Long-Term Debt Account Group - This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. Basis of Accounting and Measurement Focus

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.

Governmental fund types use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus). Under the modified basis of accounting, revenues are recorded when they are both measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (1) during the current event or (2) after the end of the period but in time to pay fund liabilities. The City considers revenues to be available if they are expected to be collected within 60 days of the end of the year. Generally, tax revenues (including taxpayer-assessed taxes), fees, and nontax revenues are recognized when received. Grants, entitlements, and shared revenues are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Property tax revenues are recognized when they are levied, with proper allowances made for estimated uncollectible accounts and delinquent accounts. Expenditures, if measurable, are recorded when they have been used or are expected to use current expendable financial resources.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

Proprietary fund types and fiduciary fund types use the accrual basis of accounting and the flow of all economic resources (measurement focus). The basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred.

D. Cash and Cash Equivalents

The City pools cash resources of its various funds into a common interest-bearing bank account to facilitate the management of cash and to maximize investment opportunities.

E. Receivables

All receivables and amounts due from other governments are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

F. Inventories

The City has not maintained inventory cost records. For the Enterprise Funds and the General Fund (Airport Fuel), a physical inventory as of the balance sheet date was taken and priced using the lower of cost (on a first in, first out (FIFO) basis) or market value. Inventories of all other governmental funds are deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

G. Restricted Assets

Enterprise Funds, because of certain 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 outstanding debt. These assets are stated at cost. The difference between cost and fair market value is not material.

H. Property, Plant and Equipment

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, sidewalks and

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

bridges, are not capitalized. Property, plant and equipment acquired or constructed for general governmental operations is recorded as an expenditure in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

Property, plant and equipment acquired for proprietary funds is capitalized in the respective funds to which it applies.

Property, plant and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

I. Unamortized Loan Fees

The cost of origination of revenue bonds, notes payable and capitalized leases is being amortized, on the interest method, over the life of the debt.

J. Retirement

The provision for retirement cost is recorded on an accrual basis, and the City's policy is to fund retirement costs as they accrue.

K. Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

L. Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and nontax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses of proprietary funds are recognized in essentially the same manner as used in commercial accounting.

M. Property Tax Revenue

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes become delinquent January 1 of the following year.

The tax levy per \$100 of the assessed valuation of tangible taxable property for calendar year 2007 for the purposes of local taxation was:

General Fund	\$0.59
Library Fund	<u>.20</u>
	<u>\$0.79</u>

Property taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Provision for uncollectible taxes has been recorded based on the uncollected personal property tax assessments from 1992 through 2004.

N. Vacation, Sick Leave, and Other Compensated Absences

City employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned. The amount accrued at September 30, 2008 totaled \$35,464 and was allocated to the following funds:

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

General	\$17,805
Electric	4,907
Water	5,756
Sewer	3,374
Gas	<u>3,622</u>
	<u>\$35,464</u>

O. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund transactions have not been eliminated from the total column of each financial statement.

2. Stewardship, Compliance, and Accountability:

Compliance with Bond Covenants - The City is in compliance with the terms of its revenue bond covenants and its capitalized lease obligations.

3. Deposits and Temporary Cash Investments:

At year-end, the City's deposits consisted of an interest bearing checking account in a local FDIC insured financial institution. The carrying amount of the City's deposits was \$3,351,022 and the bank balance was \$3,521,811. Of the bank balance, \$100,000 was covered by federal depository insurance, and the balance was collateralized with securities held by the pledging financial institution's agent in the City's name.

4. Restricted Assets:

A portion of the Enterprise Funds' investments consist of various sums in a money market fund which invests in treasury securities. The fair market value of these assets at September 30, 2008 is \$72,121. These accounts were created as a result of the covenants of the \$300,000 sewer revenue bonds and are restricted as to use.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

(CONTINUED)

4. Restricted Assets: (Continued)

The Debt Service Fund's investments and a portion of the Enterprise Fund's investments consist of a Federal Home Loan Bank note paying 6 percent and maturing February 12, 2021 and various sums in a money market fund which invests in treasury securities. The carrying value of the assets at September 30, 2008 is \$387,385. The difference between the carrying value and the fair market value is considered to be immaterial. These accounts were created as a result of the issuance of the \$4,900,000 City of Monroe City, Missouri Insured Lease Certificates of Participation, Series 2002, dated March 7, 2002 and the \$3,650,000 lease refunding Certificates of Participation Series 2008 dated February 20, 2008. These assets are allocated to the following funds:

Debt Service	\$116,603
Enterprise -	
Electric	159,990
Water	<u>110,792</u>
	<u>\$387,385</u>

5. Property, Plant and Equipment:

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>10-1-07</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-08</u>
Total General Fixed Assets	<u>\$8,867,277</u>	<u>\$265,078</u>	<u>\$ ----</u>	<u>\$9,132,355</u>

A summary of proprietary fund type property, plant and equipment at September 30, 2008 follows:

	<u>Balance</u> <u>10-1-07</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-08</u>
Electric system	\$ 8,730,783	\$ 1,580	\$ ----	\$ 8,732,363
Water system	5,473,577	710,071	----	6,183,648
Sewerage system	1,801,514	----	----	1,801,514
Natural gas system	<u>1,404,652</u>	<u>----</u>	<u>----</u>	<u>1,404,652</u>
	\$17,410,526	\$711,651	\$ ----	\$18,122,177
Less: Accumulated depreciation	<u>8,155,230</u>	<u>454,759</u>	<u>----</u>	<u>8,609,989</u>
Net fixed assets	<u>\$ 9,255,296</u>	<u>\$256,892</u>	<u>\$ ----</u>	<u>\$ 9,512,188</u>
Construction in progress	<u>\$ 654,629</u>	<u>\$ 55,442</u>	<u>\$710,071</u>	<u>\$ ----</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

6. Long-Term Debt:

The following is a summary of bonds payable and capitalized lease transactions of the City for the year ended September 30, 2008:

	<u>Balance</u> <u>10-1-07</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>9-30-08</u>
Revenue bonds	\$ 130,000	\$ ----	\$ 20,000	\$ 110,000
Capitalized Lease Certificates of Participation, Series 2002	3,955,000	----	3,955,000	----
Capitalized Lease Certificates of Participation, Series 2008	<u>----</u>	<u>3,650,000</u>	<u>----</u>	<u>3,650,000</u>
<u>Totals</u>	<u>\$4,085,000</u>	<u>\$3,650,000</u>	<u>\$3,975,000</u>	<u>\$3,760,000</u>

Bonds payable at September 30, 2008 are comprised of the following individual issues:

\$300,000.00 Sewer Revenue EIERA Bonds, dated June 16, 1992, due in annual installments of \$10,000.00 to \$25,000 through January 1, 2013, plus interest from 4.25 to 6.55 percent. \$ 110,000

Capitalized lease obligations at September 30, 2008 are comprised of the following:

\$3,650,000 refunding lease certificates of participation, dated February 20, 2008, due in annual installments of \$285,000 to \$360,000 through November 15, 2016, with a final payment of \$750,000 scheduled for November 1, 2017, plus interest from 2.25 to 3.6 percent. Obligation reflected on the Debt Service Fund (30.1 percent), Electric (41.8 percent) and Water (28.6 percent) Departments. \$3,650,000

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

6. Long-Term Debt: (Continued)

The annual requirements to amortize all bonded debt outstanding as of September 30, 2008 follow:

Revenue Bonds - Series 1992

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 20,000	\$ 6,550	\$ 26,550
2010	20,000	5,240	25,240
2011	20,000	3,930	23,930
2012	25,000	2,456	27,456
2013	<u>25,000</u>	<u>819</u>	<u>25,819</u>
<u>Totals</u>	<u>\$110,000</u>	<u>\$18,995</u>	<u>\$128,995</u>

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 10 percent of the assessed valuation of a district (excluding state-assessed railroad and utilities). The legal debt margin of the City at September 30, 2008 was as follows:

Total assessed valuation	\$29,479,169
Constitutional debt limit percentage	<u>10%</u>
Constitutional debt limit	\$ 2,947,917
Add: Amount available in Debt Service Fund	116,603
Less: General obligation bonded debt	<u>(1,098,650)</u>
	<u>\$ 1,965,870</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

6. Long-Term Debt: (Continued)

The annual requirements to amortize the capitalized lease certificates of participation as of September 30, 2008 is as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 285,000	\$135,417	\$ 420,417
2010	300,000	102,133	402,133
2011	305,000	94,644	399,644
2012	310,000	86,493	396,493
2013	320,000	77,590	397,590
2014	330,000	67,835	397,835
2015	340,000	57,110	397,110
2016	350,000	45,550	395,550
2017	360,000	33,300	393,300
2018	<u>750,000</u>	<u>13,500</u>	<u>763,500</u>
<u>Totals</u>	<u>\$3,650,000</u>	<u>\$713,572</u>	<u>\$4,363,572</u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

The City has adopted the policy of acquiring certain fixed assets through the use of lease-purchase agreements. For the lease-purchases backed by the full faith and credit of the City, debt service is accounted for in the Debt Service Fund. Assets acquired through lease-purchase for the Electric, Water, and Sewer Departments are accounted for in the Enterprise Fund.

7. Interfund Transactions:

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The Governmental and Proprietary Type Funds financial statements generally reflect such transactions as operating transfers.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

8. Litigation:

As of September 30, 2008, there were no lawsuits pending or claims outstanding against the City that would have a material effect on the financial statements.

9. Commitments and Contingent Liabilities:

The City has in the past participated in various federally assisted grant programs, principal of which is the Community Development Block Grant. These programs are subject to program compliance audits by the grantor or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

During the year ended September 30, 1996, the City received an Economic Development Administration grant for construction of a building in their new industrial park. The terms of this grant require total repayment of the proceeds should this building be sold. The lessee of this building has the option to purchase the building throughout the life of the lease. Should the lessee exercise this option, the City would become liable for a portion of the grant repayment.

10. Segment Information on Enterprise Funds:

The City maintains four Enterprise Funds which provide electric, water, sewer and natural gas services. Segment information for the year ended September 30, 2008 is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
Operating Revenues	\$5,294,154	\$ 627,115	\$ 339,490	\$2,355,440
Depreciation and Amortization Expense	228,297	167,826	50,823	20,616
Operating Income (Loss)	(158,881)	(162,569)	(88,001)	58,127
Net Income (Loss)	(34,448)	(86,248)	(81,227)	84,146
Property, Plant and Equipment:				
Additions	1,580	710,071	----	----
Deletions	----	----	----	----
Net Working Capital	497,634	38,800	461,476	929,713
Total Assets	5,298,624	5,011,288	1,158,065	1,279,030
Bonds and Other Long-Term Liabilities:				
Payable from operating revenues	1,338,230	928,120	----	----
Total Equity	3,460,430	3,923,768	1,022,888	1,196,773

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

11. Modified Accrual Basis to Generally Accepted Auditing:

Budget Adjustment - Enterprise Funds - The City prepares budgets for its Enterprise Funds on a modified accrual basis (whereby capital outlay and debt principle are budgeted as expenditures and depreciation is not booked) and reports such funds using the accrual basis of accounting as prescribed by generally accepted accounting principles (GAAP). Following is a detail, by fund, of the adjustment required to convert the budgetary basis financial statements to the accrual basis:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
Increase (Decrease) to Income:				
Capital outlay	\$ 1,580	\$ 710,071	\$ ----	\$ ----
Debt service	125,965	87,230	20,000	----
Depreciation	(221,009)	(162,779)	(50,355)	(20,616)
Amortization	<u>(7,288)</u>	<u>(5,047)</u>	<u>(468)</u>	<u>----</u>
	<u>\$ 100,752</u>	<u>\$ 629,475</u>	<u>\$(30,823)</u>	<u>\$(20,616)</u>

12. Contributed Capital:

Contributed capital on September 30, 2008 consists of:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
City, state and federal contributions	\$39,616	\$2,351,004	\$388,459	\$226,929
Electric Fund contributions	----	256,064	51,089	----
Natural Gas Fund contributions	----	<u>375,348</u>	----	----
	<u>\$39,616</u>	<u>\$2,982,416</u>	<u>\$439,548</u>	<u>\$226,929</u>

The City has elected not to amortize contributed capital in conjunction with property, plant and equipment acquired with such funds. Such amortization is reported as depreciation and deducted from unappropriated, unreserved retained earnings.

13. Retirement Plans:

Deferred Compensation Plan - The City government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008
(CONTINUED)

13. Retirement Plans: (Continued)

the employee or other beneficiary) solely the property and rights of the government subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of general creditors of the government in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the government's legal counsel that the government has no liability for losses under the plan, but does have the duty of care that would be required of an ordinary prudent investor.

Pension Plan - The City of Monroe City retirement plan is a single employer defined contribution pension plan established by the City of Monroe City to provide benefits at retirement for all of its employees. Plan members are required to contribute at least 4 percent of their wages to a matching deferred compensation plan. The City is required to contribute 4 percent to match the employee's contribution. Plan provisions and contribution requirements are established, and may be amended by, the Board of Aldermen. The City has contracted with Security Financial Resources, Inc. to provide administration of the plan. Retirement plan financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period in which the contributions become due.

14. Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disaster. These risks are covered through the purchase of commercial insurance with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage to the prior year.

15. Unfavorable Fund Variances:

Departments within the General Fund which incurred unfavorable expenditure variance when compared to the budget include the following:

Humane Officer	<u>\$ 137</u>
Inspection and Zoning	<u>\$ 133</u>
Parks	<u>\$4,323</u>

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$170,161	\$171,891	\$ 1,730
Railroad and utility	4,472	4,472	----
Surtax	6,965	6,965	----
Financial institution	15	15	----
Penalties	1,846	1,867	21
Sales tax	343,778	341,503	(2,275)
Recovery of back taxes, net	----	(905)	(905)
Cigarette tax	19,758	19,759	1
Telephone franchise tax	42,384	43,472	1,088
Cable TV franchise tax	9,706	9,707	1
Municipal utilities franchise tax	<u>277,804</u>	<u>277,796</u>	<u>(8)</u>
<u>Total Taxes</u>	<u>\$876,889</u>	<u>\$876,542</u>	<u>\$ (347)</u>
<u>Licenses and Permits:</u>			
Liquor licenses	\$ 3,575	\$ 3,575	\$ ----
Business licenses	5,875	5,875	----
Building permits	1,886	1,736	(150)
Animal licenses	415	415	----
City stickers	5,746	5,746	----
Street excavation permits	2,000	2,000	----
Planning and zoning fees	<u>1,110</u>	<u>1,110</u>	<u>----</u>
<u>Total Licenses and Permits</u>	<u>\$ 20,607</u>	<u>\$ 20,457</u>	<u>\$ (150)</u>
<u>Intergovernmental Revenue:</u>			
Grant income	\$ 72,132	\$ 72,133	\$ 1
Motor vehicle taxes	<u>101,750</u>	<u>100,892</u>	<u>(858)</u>
<u>Total Intergovernmental Revenue</u>	<u>\$173,882</u>	<u>\$173,025</u>	<u>\$ (857)</u>
<u>Charges for Services:</u>			
Fire calls	\$ ----	\$ ----	\$ ----
Swimming pool	14,483	14,475	(8)
Use of City equipment and personnel	----	----	----
Animal control and shelter fees	<u>400</u>	<u>425</u>	<u>25</u>
<u>Total Charges for Services</u>	<u>\$ 14,883</u>	<u>\$ 14,900</u>	<u>\$ 17</u>
<u>Fines and Forfeits:</u>			
Fines and court costs	<u>\$ 14,746</u>	<u>\$ 11,650</u>	<u>\$(3,096)</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Miscellaneous Revenues:</u>			
Interest	\$ 23,104	\$ 21,526	\$(1,578)
Administrative fee income	1,061,280	1,061,260	(20)
Agent fees	34,570	35,136	566
Airport retail sales	57,072	59,061	1,989
Rent income	2,200	2,200	---
Sale of graves	5,800	5,800	---
Return check charges	380	400	20
Sales tax interest	---	669	669
Sale of fixed assets	1,524	---	(1,524)
Contributions	---	---	---
Transfer from Mosswood	7,267	7,267	---
Other	8,373	16,654	8,281
<u>Total Miscellaneous Revenues</u>	<u>\$1,201,570</u>	<u>\$1,209,973</u>	<u>\$ 8,403</u>
<u>Total Revenues</u>	<u>\$2,302,577</u>	<u>\$2,306,547</u>	<u>\$ 3,970</u>
<u>Expenditures:</u>			
<u>General Government:</u>			
Payroll	\$ 253,213	\$ 249,515	\$ 3,698
Payroll taxes	17,429	18,231	(802)
Health insurance	35,216	35,807	(591)
Savings plan	8,506	8,586	(80)
Office expense	30,833	31,820	(987)
Advertising	4,409	4,633	(224)
Supplies and maintenance	14,776	15,416	(640)
Professional services	27,965	27,752	213
Assessor's fees	2,801	2,849	(48)
Telephone	5,740	5,727	13
Transportation and training	1,854	2,013	(159)
Insurance	11,986	12,347	(361)
Utilities - City Hall	5,985	5,984	1
Election expense	2,607	2,607	---
Assessments and memberships	445	445	---
Donations	6,438	5,687	751
Meals and mileage	505	588	(83)
Other	1,159	1,387	(228)
<u>Total General Government</u>	<u>\$ 431,867</u>	<u>\$ 431,394</u>	<u>\$ 473</u>

CITY OF MONROE CITY, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Public Safety:</u>			
<u>Municipal Court:</u>			
Payroll	\$ 1,750	\$ 1,750	\$ ----
Payroll taxes	134	134	----
Office expense	1,219	1,219	----
Incarceration fees	225	225	----
Professional services	10,999	9,779	1,220
Transportation and training	532	531	1
Other	----	----	----
<u>Total Municipal Court</u>	<u>\$ 14,859</u>	<u>\$ 13,638</u>	<u>\$ 1,221</u>
 <u>Police Department:</u>			
Payroll	\$271,831	\$265,160	\$ 6,671
Payroll taxes	20,000	20,685	(685)
Health insurance	37,812	38,385	(573)
Savings plan	5,997	6,044	(47)
Employee clothing allowance	4,980	2,460	2,520
Office expense	3,592	3,450	142
Automobile expense	16,363	16,723	(360)
Supplies and maintenance	16,603	15,875	728
Drug enforcement	9,327	9,327	----
DARE expenses	2,086	2,085	1
Telephone	4,496	4,492	4
Insurance	14,746	15,280	(534)
Utilities	7,931	7,902	29
Transportation and training	382	382	----
Other	854	803	51
Dispatching fees	<u>68,680</u>	<u>62,957</u>	<u>5,723</u>
<u>Total Police Department</u>	<u>\$485,680</u>	<u>\$472,010</u>	<u>\$13,670</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Fire Department:</u>			
Payroll	\$ 31,000	\$ 30,845	\$ 155
Payroll taxes	2,372	2,384	(12)
Employee clothing allowance	741	740	1
Office expense	450	449	1
Truck expense	4,022	3,654	368
Fire prevention/investigation	1,425	1,091	334
Supplies and maintenance	20,472	20,124	348
Emergency preparedness	5,899	5,437	462
Telephone	2,490	2,487	3
Transportation and training	2,612	2,611	1
Insurance	21,766	22,061	(295)
Utilities	7,154	7,023	131
Other	695	694	1
<u>Total Fire Department</u>	<u>\$101,098</u>	<u>\$ 99,600</u>	<u>\$ 1,498</u>
<u>Total Public Safety</u>	<u>\$601,637</u>	<u>\$585,248</u>	<u>\$16,389</u>
<u>Humane Officer:</u>			
Payroll	\$ 2,340	\$ 2,260	\$ 80
Payroll taxes	179	179	---
Health insurance	---	---	---
Savings plan	---	---	---
Truck expense	---	---	---
Supplies and maintenance	1,159	1,368	(209)
Telephone	---	---	---
Insurance	377	388	(11)
Utilities	313	315	(2)
Animal transfers	1,610	1,605	5
Other	---	---	---
<u>Total Humane Officer</u>	<u>\$ 5,978</u>	<u>\$ 6,115</u>	<u>\$ (137)</u>
<u>Inspection and Zoning Department:</u>			
Payroll	\$ 7,944	\$ 8,068	\$ (124)
Payroll taxes	608	617	(9)
Office expense	286	286	---
Advertising	569	569	---
Transportation and training	210	210	---
<u>Total Inspection and Zoning Department</u>	<u>\$ 9,617</u>	<u>\$ 9,750</u>	<u>\$ (133)</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
<u>Parks Department:</u>			
Payroll	\$ 45,288	\$ 45,123	\$ 165
Payroll taxes	3,463	3,464	(1)
Health insurance	1,469	1,494	(25)
Savings plan	276	275	1
Contract payments	25,498	23,798	1,700
Transportation and training	525	525	---
Supplies and maintenance	11,856	12,860	(1,004)
Telephone	237	243	(6)
Insurance	2,274	2,362	(88)
Utilities	15,953	15,843	110
Mosswood Golf Course expenses	31,000	29,127	1,873
Professional fees	---	7,048	(7,048)
Other	12	12	---
<u>Total Parks Department</u>	<u>\$137,851</u>	<u>\$142,174</u>	<u>\$(4,323)</u>
<u>Street Department:</u>			
Payroll	\$145,262	\$142,304	\$ 2,958
Payroll taxes	10,662	10,597	65
Health insurance	27,011	27,553	(542)
Savings plan	5,505	5,505	---
Office expense	25	25	---
Uniforms	2,449	2,413	36
Fuel	22,187	17,579	4,608
Supplies and maintenance	20,780	19,300	1,480
Safety and compliance	2,694	2,869	(175)
Street maintenance materials	25,048	25,673	(625)
Paving	---	---	---
Telephone	1,002	1,002	---
Transportation and training	2,338	2,273	65
Insurance	11,667	12,190	(523)
Utilities	8,063	8,112	(49)
Other	131	131	---
<u>Total Street Department</u>	<u>\$284,824</u>	<u>\$277,526</u>	<u>\$ 7,298</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Airport:</u>			
Contract payments	\$ 10,800	\$ 10,800	\$ ----
Office expense	2,275	2,291	(16)
Supplies and maintenance	1,887	1,919	(32)
Purchases for resale	64,863	56,740	8,123
Telephone	1,326	1,329	(3)
Insurance	2,834	2,854	(20)
Utilities	5,684	5,783	(99)
Other	----	----	----
<u>Total Airport</u>	<u>\$ 89,669</u>	<u>\$ 81,716</u>	<u>\$ 7,953</u>
<u>Cemetery:</u>			
Payroll	\$ 4,600	\$ 4,470	\$ 130
Payroll taxes	352	352	----
Health insurance	1,004	1,022	(18)
Savings plan	184	184	----
Contract payments	10,616	9,960	656
Supplies and maintenance	6	5	1
Insurance	----	2	(2)
Utilities	633	568	65
Other	----	----	----
<u>Total Cemetery</u>	<u>\$ 17,395</u>	<u>\$ 16,563</u>	<u>\$ 832</u>
<u>Capital Outlay:</u>			
General government	\$ 24,446	\$ 24,446	\$ ----
Municipal court	----	----	----
Police Department	18,198	----	18,198
Fire Department	45,072	45,778	(706)
Humane Officer	----	----	----
Parks Department	128,247	127,528	719
Street Department	23,267	23,267	----
Airport	----	----	----
Cemetery	----	----	----
<u>Total Capital Outlay</u>	<u>\$ 239,230</u>	<u>\$ 221,019</u>	<u>\$18,211</u>
<u>Total Expenditures</u>	<u>\$1,818,068</u>	<u>\$1,771,505</u>	<u>\$46,563</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 484,509</u>	<u>\$ 535,042</u>	<u>\$50,533</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	<u>(387,787)</u>	<u>(387,787)</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$(387,787)</u>	<u>\$(387,787)</u>	<u>\$ ----</u>
 <u>Excess of Revenues and Other Sources Over</u> <u>(Under) Expenditures and Other Uses</u>	 \$ 96,722	 \$ 147,255	 \$50,533
 <u>Fund Balance, October 1</u>	 <u>540,058</u>	 <u>540,058</u>	 <u>----</u>
 <u>Fund Balance, September 30</u>	 <u>\$ 636,780</u>	 <u>\$ 687,313</u>	 <u>\$50,533</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2008

	Library Fund	Fire Department Fund	Sales Tax Fund	Industrial Development Fund	Monroe City, Missouri Community Foundation	D.A.R.E.	St. Jude Cemetery Endowment Fund	Totals (Memorandum Only)
<u>Assets:</u>								
Cash	\$152,476	\$114,791	\$336,794	\$248,534	\$ 389	\$ 5,367	\$28,829	\$887,180
Receivables (net of allowance for uncollectibles):								
Taxes	2,857	----	12,200	----	----	----	----	15,057
Other	----	----	----	----	----	----	----	----
Prepaid expenses	200	----	----	----	----	----	----	200
<u>Total Assets</u>	<u>\$155,533</u>	<u>\$114,791</u>	<u>\$348,994</u>	<u>\$248,534</u>	<u>\$ 389</u>	<u>\$ 5,367</u>	<u>\$28,829</u>	<u>\$902,437</u>
<u>Liabilities and Fund Equity:</u>								
<u>Liabilities:</u>								
Accounts payable	\$ 2,198	\$ 269	\$ ----	\$ 8,560	\$ ----	\$ ----	\$ ----	\$ 11,027
Accrued liabilities	----	----	----	----	----	----	----	----
<u>Total Liabilities</u>	<u>\$ 2,198</u>	<u>\$ 269</u>	<u>\$ ----</u>	<u>\$ 8,560</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 11,027</u>
<u>Fund Equity:</u>								
Reserved	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Unreserved:								
Undesignated	153,335	114,522	348,994	239,974	389	5,367	28,829	891,410
<u>Total Fund Equity</u>	<u>\$153,335</u>	<u>\$114,522</u>	<u>\$348,994</u>	<u>\$239,974</u>	<u>\$ 389</u>	<u>\$ 5,367</u>	<u>\$28,829</u>	<u>\$891,410</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$155,533</u>	<u>\$114,791</u>	<u>\$348,994</u>	<u>\$248,534</u>	<u>\$ 389</u>	<u>\$ 5,367</u>	<u>\$28,829</u>	<u>\$902,437</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2008

	Library Fund	Fire Department Fund	Sales Tax Fund	Industrial Development Fund	Monroe City, Missouri Community Foundation	D.A.R.E.	St. Jude Cemetery Endowment Fund	Totals (Memorandum Only)
<u>Revenues:</u>								
Taxes	\$61,826	\$ ---	\$155,117	\$ ---	\$ ---	\$ ---	\$ ---	\$216,943
Licenses and permits	---	---	---	---	---	---	---	---
Intergovernmental revenue	3,619	---	---	---	---	---	---	3,619
Charges for services	---	---	---	---	---	---	---	---
Fines and forfeits	651	---	---	---	---	---	---	651
Miscellaneous revenues	6,684	93,545	9,139	127,058	---	1,753	---	238,179
Total Revenues	\$72,780	\$93,545	\$164,256	\$127,058	\$ ---	\$1,753	\$ ---	\$459,392
<u>Expenditures:</u>								
Current:								
General government	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Public safety	---	6,669	---	---	---	310	---	6,979
Streets and alleys	---	---	1,180	---	---	---	---	1,180
Culture and recreation	53,479	---	---	---	---	---	---	53,479
Airport	---	---	---	---	---	---	---	---
Cemetery	---	---	---	---	---	---	---	---
Capital outlay	2,107	18,586	---	42,042	---	---	---	62,735
Total Expenditures	\$55,586	\$25,255	\$1,180	\$42,042	\$ ---	\$310	\$ ---	\$124,373
Excess of Revenues Over (Under) Expenditures	\$17,194	\$68,290	\$163,076	\$85,016	\$ ---	\$1,443	\$ ---	\$335,019

CITY OF MONROE CITY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2008

(CONTINUED)

	<u>Library Fund</u>	<u>Fire Department Fund</u>	<u>Sales Tax Fund</u>	<u>Industrial Development Fund</u>	<u>Monroe City, Missouri Community Foundation</u>	<u>D.A.R.E.</u>	<u>St. Jude Cemetery Endowment Fund</u>	<u>Totals (Memorandum Only)</u>
<u>Other Financing Sources</u>								
(Uses):								
Operating transfers in	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Operating transfers out	----	----	----	----	----	----	----	----
<u>Total Other Financing Sources</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
(Uses)								
Excess of Revenues and Other								
Sources Over (Under)	\$ 17,194	\$ 68,290	\$ 163,076	\$ 85,016	\$ ----	\$ 1,443	\$ ----	\$ 335,019
<u>Expenditures and Other Uses</u>								
Fund Balances, October 1	<u>136,141</u>	<u>46,232</u>	<u>185,918</u>	<u>154,958</u>	<u>389</u>	<u>3,924</u>	<u>28,829</u>	<u>556,391</u>
Fund Balances, September 30	<u>\$153,335</u>	<u>\$114,522</u>	<u>\$348,994</u>	<u>\$239,974</u>	<u>\$ 389</u>	<u>\$ 5,367</u>	<u>\$28,829</u>	<u>\$891,410</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - LIBRARY - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$57,666	\$58,254	\$ 588
Recovery of taxes previously written off	----	(306)	(306)
Surtax	2,361	2,362	1
Railroad and utility	<u>1,516</u>	<u>1,516</u>	----
<u>Total Taxes</u>	<u>\$61,543</u>	<u>\$61,826</u>	<u>\$ 283</u>
<u>Intergovernmental Revenues:</u>			
State aid	<u>\$ 3,619</u>	<u>\$ 3,619</u>	<u>\$ ----</u>
<u>Fines and Forfeits:</u>			
Overdue book fines	<u>\$ 645</u>	<u>\$ 651</u>	<u>\$ 6</u>
<u>Miscellaneous Revenues:</u>			
Interest	\$ 5,519	\$ 5,464	\$ (55)
Basement rent	----	----	----
Contributions	248	248	----
Other	<u>961</u>	<u>972</u>	<u>11</u>
<u>Total Miscellaneous Revenues</u>	<u>\$ 6,728</u>	<u>\$ 6,684</u>	<u>\$ (44)</u>
<u>Total Revenues</u>	<u>\$72,535</u>	<u>\$72,780</u>	<u>\$ 245</u>
<u>Expenditures:</u>			
<u>Library:</u>			
Payroll	\$27,638	\$27,949	\$ (311)
Payroll taxes	2,107	2,130	(23)
Health insurance	4,835	4,918	(83)
Savings plan	867	871	(4)
Office expense	2,216	2,195	21
Books and periodicals	5,179	4,963	216
Supplies and maintenance	3,762	4,795	(1,033)
Telephone	658	659	(1)
Transportation and training	208	216	(8)
Insurance	1,710	1,791	(81)
Utilities	2,884	2,858	26
Other	<u>135</u>	<u>134</u>	<u>1</u>
<u>Total Library</u>	<u>\$52,199</u>	<u>\$53,479</u>	<u>\$(1,280)</u>
<u>Capital Outlay</u>	<u>\$ 2,107</u>	<u>\$ 2,107</u>	<u>\$ ----</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LIBRARY - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Total Expenditures</u>	<u>\$ 54,306</u>	<u>\$ 55,586</u>	<u>\$(1,280)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 18,229</u>	<u>\$ 17,194</u>	<u>\$(1,035)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in (out)	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ 18,229</u>	<u>\$ 17,194</u>	<u>\$(1,035)</u>
<u>Fund Balance, October 1</u>	<u>136,141</u>	<u>136,141</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$154,370</u>	<u>\$153,335</u>	<u>\$(1,035)</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE DEPARTMENT - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Miscellaneous Revenues:</u>			
Memberships	\$ 69,680	\$ 89,680	\$ ----
Interest	3,796	3,765	(31)
Contributions	100	100	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 93,576</u>	<u>\$ 93,545</u>	<u>\$ (31)</u>
<u>Total Revenues</u>	<u>\$ 93,576</u>	<u>\$ 93,545</u>	<u>\$ (31)</u>
<u>Expenditures:</u>			
Capital Outlay	\$ 18,587	\$ 18,586	\$ 1
Public safety	6,586	6,669	(83)
<u>Total Expenditures</u>	<u>\$ 25,173</u>	<u>\$ 25,255</u>	<u>\$ (82)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 68,403</u>	<u>\$ 68,290</u>	<u>\$ (113)</u>
<u>Fund Balance, October 1</u>	<u>46,232</u>	<u>46,232</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u><u>\$114,635</u></u>	<u><u>\$114,522</u></u>	<u><u>\$ (113)</u></u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SALES TAX - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Sales tax	\$156,115	\$155,117	\$ (998)
<u>Miscellaneous Revenues:</u>			
Interest	\$ 8,879	\$ 9,139	\$ 260
Miscellaneous	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 8,879</u>	<u>\$ 9,139</u>	<u>\$ 260</u>
<u>Total Revenues</u>	<u>\$164,994</u>	<u>\$164,256</u>	<u>\$ (738)</u>
<u>Expenditures:</u>			
Street Department - paving	\$ 75,717	\$ ----	\$75,717
Sidewalk program	1,180	1,180	----
<u>Total Expenditures</u>	<u>\$ 76,897</u>	<u>\$ 1,180</u>	<u>\$75,717</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 88,097</u>	<u>\$163,076</u>	<u>\$74,979</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers out	\$ ----	\$ ----	\$ ----
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ 88,097</u>	<u>\$163,076</u>	<u>\$74,979</u>
<u>Fund Balance, October 1</u>	<u>185,918</u>	<u>185,918</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$274,015</u>	<u>\$348,994</u>	<u>\$74,979</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - INDUSTRIAL DEVELOPMENT - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Intergovernmental Revenue:</u>			
Grant income	\$ ----	\$ ----	\$ ----
<u>Miscellaneous Revenues:</u>			
Rent income	\$118,614	\$120,364	\$ 1,750
Interest	6,725	6,694	(31)
Contributions	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$125,339</u>	<u>\$127,058</u>	<u>\$ 1,719</u>
<u>Total Revenues</u>	<u>\$125,339</u>	<u>\$127,058</u>	<u>\$ 1,719</u>
<u>Expenditures:</u>			
Capital outlay	\$ 33,483	\$ 42,042	\$(8,559)
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 91,856</u>	<u>\$ 85,016</u>	<u>\$(6,840)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in (out)	\$ ----	\$ ----	\$ ----
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ 91,856</u>	<u>\$ 85,016</u>	<u>\$(6,840)</u>
<u>Fund Balance, October 1</u>	<u>154,958</u>	<u>154,958</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$246,814</u>	<u>\$239,974</u>	<u>\$(6,840)</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - D.A.R.E FUND - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Miscellaneous Revenues:</u>			
Contributions	\$1,576	\$1,577	\$ 1
Interest	<u>177</u>	<u>176</u>	<u>(1)</u>
<u>Total Miscellaneous Revenues</u>	<u>\$1,753</u>	<u>\$1,753</u>	<u>\$ ----</u>
<u>Total Revenues</u>	<u>\$1,753</u>	<u>\$1,753</u>	<u>\$ ----</u>
<u>Expenditures:</u>			
Contributions	\$ 310	\$ 310	\$ ----
<u>Excess of Revenues Over (Under) Expenditures</u>	\$1,443	\$1,443	\$ ----
<u>Fund Balance, October 1</u>	<u>3,924</u>	<u>3,924</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$5,367</u>	<u>\$5,367</u>	<u>\$ ----</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

SEPTEMBER 30, 2008

	Electric Department	Water Department	Sewer Department	Natural Gas Department	Totals (Memorandum Only)
<u>Assets:</u>					
Cash	\$ 382,411	\$ 66,072	\$ 467,377	\$ 868,003	\$ 1,783,863
Receivables (net of allowance for uncollectibles):					
Accounts	469,446	61,554	36,157	107,541	674,698
Inventory of supplies, at cost	124,684	57,353	1,782	25,585	209,404
Prepaid expenses	8,657	3,221	1,337	1,841	15,056
<u>Total Current Assets</u>	<u>\$ 985,198</u>	<u>\$ 188,200</u>	<u>\$ 506,653</u>	<u>\$1,002,970</u>	<u>\$ 2,683,021</u>
Restricted assets:					
Cash	\$ 12,400	\$ 10,000	\$ ---	\$ 9,000	\$ 31,400
Investments	159,960	110,792	72,121	---	342,873
Fixed assets (net of accumulated depreciation - Note 2)	4,037,696	4,630,713	576,719	267,060	9,512,188
Unamortized loan/issuance fees	103,370	71,583	2,572	---	177,525
<u>Total Assets</u>	<u>\$5,298,624</u>	<u>\$5,011,288</u>	<u>\$1,158,065</u>	<u>\$1,279,030</u>	<u>\$12,747,007</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 284,059	\$ 7,233	\$ 19,308	\$ 69,158	\$ 379,758
Accrued liabilities	5,988	6,791	4,068	4,099	20,946
Construction costs payable	---	---	---	---	---
Current portion of:					
Capitalized lease payable	---	---	---	---	---
Capitalized lease certificates of participation	169,220	115,780	---	---	285,000
Payable from restricted assets:					
Revenue bonds payable	---	---	20,000	---	20,000
Accrued interest	28,297	19,596	1,801	---	49,694
<u>Total Current Liabilities</u>	<u>\$ 487,564</u>	<u>\$ 149,400</u>	<u>\$ 45,177</u>	<u>\$ 73,257</u>	<u>\$ 755,398</u>
<u>Noncurrent Liabilities:</u>					
Deposits	\$ 12,400	\$ 10,000	\$ ---	\$ 9,000	\$ 31,400
Revenue bonds payable	---	---	90,000	---	90,000
Capitalized lease certificates of participation	1,338,230	928,120	---	---	2,266,350
<u>Total Liabilities</u>	<u>\$1,838,194</u>	<u>\$1,087,520</u>	<u>\$ 135,177</u>	<u>\$ 82,257</u>	<u>\$ 3,143,148</u>

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

SEPTEMBER 30, 2008

(CONTINUED)

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Natural Gas Department</u>	<u>Totals (Memorandum Only)</u>
<u>Fund Equity:</u>					
Contributed capital	\$ 39,617	\$2,982,415	\$ 439,548	\$ 226,929	\$ 3,688,509
Retained earnings:					
Reserved for debt					
retirement	159,960	110,792	72,121	----	342,873
Unreserved	<u>3,260,853</u>	<u>830,561</u>	<u>511,219</u>	<u>969,844</u>	<u>5,572,477</u>
<u>Total Fund Equity</u>	<u>\$3,460,430</u>	<u>\$3,923,768</u>	<u>\$1,022,888</u>	<u>\$1,196,773</u>	<u>\$ 9,603,859</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$5,298,624</u>	<u>\$5,011,288</u>	<u>\$1,158,065</u>	<u>\$1,279,030</u>	<u>\$12,747,007</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Natural Gas Department</u>	<u>Totals (Memorandum Only)</u>
<u>Operating Revenues:</u>					
Charges for services	\$5,276,842	\$ 620,067	\$338,700	\$2,345,631	\$8,581,240
Other revenues	<u>17,312</u>	<u>7,048</u>	<u>790</u>	<u>9,809</u>	<u>34,959</u>
<u>Total Operating Revenues</u>	<u>\$5,294,154</u>	<u>\$ 627,115</u>	<u>\$339,490</u>	<u>\$2,355,440</u>	<u>\$8,616,199</u>
<u>Operating Expenses:</u>					
Administration	\$ 758,818	\$ 198,530	\$150,319	\$ 413,105	\$1,520,772
Utility production/treatment	122,512	280,995	192,080	---	595,587
Utility purchases/interconnect	4,148,038	---	---	1,710,079	5,858,117
Utility distribution/collection	202,658	147,380	34,737	153,513	538,288
Depreciation	<u>221,009</u>	<u>162,779</u>	<u>50,355</u>	<u>20,616</u>	<u>454,759</u>
<u>Total Operating Expenses</u>	<u>\$5,453,035</u>	<u>\$ 789,684</u>	<u>\$427,491</u>	<u>\$2,297,313</u>	<u>\$8,967,523</u>
<u>Operating Income (Loss)</u>	<u>\$ (158,881)</u>	<u>\$ (162,569)</u>	<u>\$ (88,001)</u>	<u>\$ 58,127</u>	<u>\$ (351,324)</u>
<u>Non-Operating Revenues</u>					
<u>(Expenses):</u>					
Interest income	\$ 32,339	\$ 14,035	\$ 16,360	\$ 27,104	\$ 89,838
Pole rental income	4,180	---	---	---	4,180
DNR fees	---	---	(650)	---	(650)
Sales tax adjustment	(1,047)	131	---	---	(916)
Interest expense and fiscal charges	(61,664)	(42,702)	(7,563)	---	(111,929)
Amortization - origination fees	(7,288)	(5,047)	(468)	---	(12,803)
Bad debt recovery (expense)	<u>(2,243)</u>	<u>(1,003)</u>	<u>(905)</u>	<u>(1,085)</u>	<u>(5,236)</u>
<u>Total Non-Operating Revenues</u>					
<u>(Expenses)</u>	<u>\$ (35,723)</u>	<u>\$ (34,586)</u>	<u>\$ 6,774</u>	<u>\$ 26,019</u>	<u>\$ (37,516)</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ (194,604)</u>	<u>\$ (197,155)</u>	<u>\$ (81,227)</u>	<u>\$ 84,146</u>	<u>\$ (388,840)</u>
<u>Other Financing Sources (Uses):</u>					
Operating transfers in	\$ 160,156	\$ 110,907	\$ ---	\$ ---	\$ 271,063
Operating transfers (out)	---	---	---	---	---
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 160,156</u>	<u>\$ 110,907</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 271,063</u>
<u>Net Income (Loss)</u>	<u>\$ (34,448)</u>	<u>\$ (86,248)</u>	<u>\$ (81,227)</u>	<u>\$ 84,146</u>	<u>\$ (117,777)</u>
<u>Retained Earnings, October 1</u>	<u>3,455,261</u>	<u>1,027,601</u>	<u>664,567</u>	<u>885,698</u>	<u>6,033,127</u>
<u>Retained Earnings, September 30</u>	<u>\$3,420,813</u>	<u>\$ 941,353</u>	<u>\$583,340</u>	<u>\$ 969,844</u>	<u>\$5,915,350</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Natural Gas Department</u>	<u>Totals (Memorandum Only)</u>
<u>Operating Activities:</u>					
Net income (loss) from operations	\$(158,881)	\$(162,569)	\$ (88,001)	\$ 58,127	\$ (351,324)
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	221,009	162,779	50,355	20,616	454,759
Other income (expense)	3,133	131	(650)	----	2,614
Operating transfers in (out)	160,156	110,907	----	----	271,063
Bad debt recovery (expense)	(2,243)	(1,003)	(905)	(1,085)	(5,236)
Changes in operating assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(8,435)	8,164	3,336	(2,197)	868
Inventories	76,992	52,347	7,012	29,600	165,951
Prepaid expenses	783	737	143	----	1,663
Increase (decrease) in:					
Accounts payable	(118,369)	(46,340)	1,249	(136)	(163,596)
Accrued expenses	(3,949)	(5,154)	(1,858)	(2,376)	(13,337)
Customer deposits	----	(400)	----	(800)	(1,200)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 170,196</u>	<u>\$ 119,599</u>	<u>\$ (29,319)</u>	<u>\$101,749</u>	<u>\$ 362,225</u>
<u>Investing Activities:</u>					
Interest income	\$ 32,339	\$ 14,035	\$ 16,360	\$ 27,104	\$ 89,838
Restricted cash activity (net)	48,825	34,190	10,317	800	94,132
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 81,164</u>	<u>\$ 48,225</u>	<u>\$ 26,677</u>	<u>\$ 27,904</u>	<u>\$ 183,970</u>
<u>Capital and Related Financing Activities:</u>					
Loan issuance fees	\$ (41,403)	\$ (28,672)	\$ ----	\$ ----	\$ (70,075)
Additions to fixed assets	(1,580)	(55,443)	----	----	(57,023)
Interest expense and fiscal charges	(61,664)	(42,702)	(7,563)	----	(111,929)
Principal payments	(125,965)	(87,230)	(20,000)	----	(233,195)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$(230,612)</u>	<u>\$(214,047)</u>	<u>\$ (27,563)</u>	<u>\$ ----</u>	<u>\$ (472,222)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ 20,748</u>	<u>\$ (46,223)</u>	<u>\$ (30,205)</u>	<u>\$129,653</u>	<u>\$ 73,973</u>
<u>Cash at Beginning of Year</u>	<u>361,663</u>	<u>112,295</u>	<u>497,582</u>	<u>738,350</u>	<u>1,709,890</u>
<u>Cash at End of Year</u>	<u>\$ 382,411</u>	<u>\$ 66,072</u>	<u>\$467,377</u>	<u>\$868,003</u>	<u>\$1,783,863</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
ELECTRIC DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
City customers	\$5,236,787	\$5,245,415	\$ 8,628
Security lights	4,032	4,069	37
Penalties	23,604	23,851	247
Vendor	745	776	31
Service fees	2,517	2,561	44
Construction meter	170	170	---
<u>Total Charges for Services</u>	<u>\$5,267,855</u>	<u>\$5,276,842</u>	<u>\$ 8,987</u>
<u>Other</u>	<u>\$ 7,885</u>	<u>\$ 17,312</u>	<u>\$ 9,427</u>
<u>Total Operating Revenues</u>	<u>\$5,275,740</u>	<u>\$5,294,154</u>	<u>\$ 18,414</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 764	\$ 240	\$ 524
Insurance	35,268	36,050	(782)
Franchise tax	145,390	145,389	1
Assessments and memberships	2,013	2,012	1
Administrative fee expense	575,127	575,127	---
Miscellaneous	1	---	1
<u>Total Administration</u>	<u>\$ 758,563</u>	<u>\$ 758,818</u>	<u>\$ (255)</u>
<u>Electric Production:</u>			
Payroll	\$ 73,627	\$ 73,695	\$ (68)
Payroll taxes	5,633	5,670	(37)
Health insurance	11,164	10,811	353
Savings plan	2,796	2,900	(104)
Truck expense	5,990	1,940	4,050
Equipment, supplies and maintenance	11,737	13,057	(1,320)
Fuel used to generate electricity	17,143	---	17,143
Telephone	915	999	(84)
Transportation and training	1,075	798	277
Utilities	11,855	11,867	(12)
Safety and compliance	750	659	91
Other	125	116	9
<u>Total Electric Production</u>	<u>\$ 142,810</u>	<u>\$ 122,512</u>	<u>\$ 20,298</u>
<u>Interconnect:</u>			
Power purchases	\$4,268,133	\$4,147,312	\$120,821
Railroad easement	726	726	---
<u>Total Interconnect</u>	<u>\$4,268,859</u>	<u>\$4,148,038</u>	<u>\$120,821</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
ELECTRIC DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Electric Distribution:</u>			
Payroll	\$ 73,627	\$ 73,692	\$ (65)
Payroll taxes	5,633	5,669	(36)
Health insurance	11,164	10,811	353
Savings plan	2,796	2,900	(104)
Truck and equipment expense	5,990	12,219	(6,229)
Equipment, supplies and maintenance	8,124	5,085	3,039
Distribution materials	8,344	87,143	(78,799)
Telephone	915	835	80
Utilities	2,700	2,496	204
Transportation and training	1,075	1,324	249
Safety and compliance	750	438	312
Other	125	46	79
<u>Total Electric Distribution</u>	<u>\$ 121,243</u>	<u>\$ 202,658</u>	<u>\$ (81,415)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Electric production	790	790	----
Electric distribution	790	790	----
<u>Total Capital Outlay</u>	<u>\$ 1,580</u>	<u>\$ 1,580</u>	<u>\$ ----</u>
<u>Total Operating Expenses</u>	<u>\$5,293,055</u>	<u>\$5,233,606</u>	<u>\$ 594,619</u>
<u>Operating Income</u>	<u>\$ (17,315)</u>	<u>\$ 60,548</u>	<u>\$ 77,863</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 12,481	\$ 32,339	\$ 19,858
Pole rental income	4,180	4,180	----
Sales tax adjustment	----	(1,047)	(1,047)
Interest expense and fiscal charges	----	(61,664)	(61,664)
Principal payments	----	(125,965)	(125,965)
Bad debt recovery (expense)	(1,886)	(2,243)	(357)
Grant revenue	----	----	----
Storm damage	----	----	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 14,775</u>	<u>\$ (154,400)</u>	<u>\$(169,175)</u>
<u>Net Income Before Other Financing Sources</u>			
<u>(Uses)</u>	<u>\$ (2,540)</u>	<u>\$ (93,852)</u>	<u>\$ (91,312)</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
ELECTRIC DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>			
Operating transfers in	\$ ----	\$ 160,156	\$ 160,156
Operating transfers (out)	<u>-----</u>	<u>-----</u>	<u>-----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ -----</u>	<u>\$ 160,156</u>	<u>\$ 160,156</u>
<u>Net Income (Modified Cash Basis)</u>	\$ (2,540)	\$ 66,304	\$ 68,844
<u>Modified Accrual to GAAP Adjustment</u> <u>(Note 11)</u>	----	(100,752)	(100,752)
<u>Retained Earnings, October 1</u>	<u>3,455,261</u>	<u>3,455,261</u>	<u>-----</u>
<u>Retained Earnings, September 30</u>	<u>\$3,452,721</u>	<u>\$3,420,813</u>	<u>\$ (31,908)</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
WATER DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
City customers	\$584,915	\$576,977	\$ (7,938)
Water districts and others	36,616	35,130	(1,486)
Penalties	6,854	7,195	341
Water taps	765	765	----
<u>Total Charges for Services</u>	<u>\$629,150</u>	<u>\$620,067</u>	<u>\$ (9,083)</u>
<u>Other</u>	<u>\$ 7,868</u>	<u>\$ 7,048</u>	<u>\$ (820)</u>
<u>Total Operating Revenues</u>	<u>\$637,018</u>	<u>\$627,115</u>	<u>\$ (9,903)</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 97	\$ 123	\$ (26)
Insurance	15,534	12,473	3,061
Franchise tax	17,422	17,416	6
Assessments and memberships	540	540	----
Administrative fee expense	167,142	167,128	14
Miscellaneous	----	850	(850)
<u>Total Administration</u>	<u>\$200,735</u>	<u>\$198,530</u>	<u>\$ 2,205</u>
<u>Water Production:</u>			
Payroll	\$ 90,171	\$ 87,656	\$ 2,515
Payroll taxes	7,081	7,114	(33)
Health insurance	12,032	12,240	(208)
Savings plan	3,233	3,233	----
Truck expense	1,300	1,207	93
Equipment, supplies and maintenance	35,174	31,440	3,734
Chemicals	96,199	89,099	7,100
Telephone	2,873	2,873	----
Transportation and training	1,784	1,669	115
Utilities	43,875	43,812	63
Safety and compliance	652	652	----
Miscellaneous	----	----	----
<u>Total Water Production</u>	<u>\$294,374</u>	<u>\$280,995</u>	<u>\$13,379</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
WATER DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Water Distribution:</u>			
Payroll	\$ 70,281	\$ 67,295	\$ 2,986
Payroll taxes	5,346	5,314	32
Health insurance	8,814	8,964	(150)
Savings plan	2,562	2,552	10
Truck and equipment expense	5,206	4,741	465
Equipment, supplies and maintenance	8,724	51,608	(42,884)
Telephone	786	767	19
Transportation and training	952	1,117	(165)
Utilities	4,116	4,205	(89)
Safety and compliance	734	817	(83)
Miscellaneous	----	----	----
<u>Total Water Distribution</u>	<u>\$107,521</u>	<u>\$ 147,380</u>	<u>\$ (39,859)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Water production	----	----	----
Water distribution	83,693	710,071	(626,378)
<u>Total Capital Outlay</u>	<u>\$ 83,693</u>	<u>\$ 710,071</u>	<u>\$(626,378)</u>
<u>Total Operating Expenses</u>	<u>\$686,323</u>	<u>\$1,336,976</u>	<u>\$(650,653)</u>
<u>Operating Income (Loss)</u>	<u>\$ (49,305)</u>	<u>\$ (709,861)</u>	<u>\$(660,556)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 448	\$ 14,035	\$ 13,587
Sales tax adjustment	----	131	131
Interest expense and fiscal charges	----	(42,702)	(42,702)
Principal payments	----	(87,230)	(87,230)
Bad debt recovery (expense)	(2,137)	(1,003)	1,134
Grant revenue	----	----	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (1,689)</u>	<u>\$ (116,769)</u>	<u>\$(115,080)</u>
<u>Net Income Before Other Financing Sources</u>			
<u>(Uses)</u>	<u>\$ (50,994)</u>	<u>\$ (826,630)</u>	<u>\$(775,636)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ 110,907	\$ 110,907
Operating transfers out	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ 110,907</u>	<u>\$ 110,907</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
WATER DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Net Income (Modified Cash Basis)</u>	\$ (50,994)	\$ (715,723)	\$(664,729)
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	----	629,475	629,475
<u>Retained Earnings, October 1</u>	<u>1,027,601</u>	<u>1,027,601</u>	----
<u>Retained Earnings, September 30</u>	<u>\$ 976,607</u>	<u>\$ 941,353</u>	<u>\$ (35,254)</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
SEWER DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
Sewer service charges	\$228,696	\$225,199	\$(3,497)
Penalties	4,306	4,235	(71)
Sewer permits	200	200	----
Sanitation	109,704	109,066	(638)
<u>Total Charges for Services</u>	<u>\$342,906</u>	<u>\$338,700</u>	<u>\$(4,206)</u>
<u>Other</u>	<u>\$ 1,073</u>	<u>\$ 790</u>	<u>\$ (283)</u>
<u>Total Operating Revenues</u>	<u>\$343,979</u>	<u>\$339,490</u>	<u>\$(4,489)</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 97	\$ 123	\$ (26)
Insurance	5,278	5,623	(345)
Franchise tax	6,791	6,788	3
Assessments and memberships	409	409	----
Sanitation charges and related costs	104,671	105,224	(553)
Administrative fee expense	27,485	27,478	7
Miscellaneous	----	4,674	(4,674)
<u>Total Administration</u>	<u>\$144,731</u>	<u>\$150,319</u>	<u>\$(5,588)</u>
<u>Sewage Treatment:</u>			
Payroll	\$ 73,640	\$ 71,791	\$ 1,849
Payroll taxes	5,614	5,572	42
Health insurance	12,241	12,449	(208)
Savings plan	2,045	2,045	----
Truck expense	2,168	1,951	217
Equipment, supplies and maintenance	5,222	5,842	(620)
Telephone	342	343	(1)
Transportation and training	1,517	1,447	70
Utilities	82,251	83,427	(1,176)
Safety and compliance	257	257	----
Testing and reporting	6,950	6,956	(6)
Miscellaneous	----	----	----
<u>Total Sewage Treatment</u>	<u>\$192,247</u>	<u>\$192,080</u>	<u>\$ 167</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
SEWER DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Sewage Collection:</u>			
Payroll	\$ 15,638	\$ 15,291	\$ 347
Payroll taxes	1,190	1,181	9
Health insurance	1,802	1,821	(19)
Savings plan	568	568	---
Truck and equipment expense	1,137	1,136	1
Equipment, supplies and maintenance	3,440	12,726	(9,286)
Telephone	171	203	(32)
Transportation and training	229	558	(329)
Utilities	915	1,036	(121)
Safety and compliance	163	217	(54)
Miscellaneous	---	---	---
<u>Total Sewage Collection</u>	<u>\$ 25,253</u>	<u>\$ 34,737</u>	<u>\$ (9,484)</u>
<u>Capital Outlay:</u>			
Administration	\$ ---	\$ ---	\$ ---
Sewage treatment	495	---	495
Sewage collection	4,482	---	4,482
<u>Total Capital Outlay</u>	<u>\$ 4,977</u>	<u>\$ ---</u>	<u>\$ 4,977</u>
<u>Total Operating Expenses</u>	<u>\$367,208</u>	<u>\$377,136</u>	<u>\$ (9,928)</u>
<u>Operating Income</u>	<u>\$ (23,229)</u>	<u>\$ (37,646)</u>	<u>\$ (14,417)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 16,546	\$ 16,360	\$ (186)
DNR Fees	(650)	(650)	---
Interest expense and fiscal charges	(1,949)	(7,563)	(5,614)
Principal payments	(20,000)	(20,000)	---
Bad debt recovery (expense)	(1,453)	(905)	548
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (7,506)</u>	<u>\$ (12,758)</u>	<u>\$ (5,252)</u>
<u>Net Income Before Other Financing Sources</u>			
<u>(Uses)</u>	<u>\$ (30,735)</u>	<u>\$ (50,404)</u>	<u>\$ (19,669)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ---	\$ ---	\$ ---
Operating transfers out	---	---	---
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
SEWER DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
<u>Net Income (Modified Cash Basis)</u>	\$ (30,735)	\$ (50,404)	\$(19,669)
<u>Modified Accrual to GAAP Adjustment</u> <u>(Note 9)</u>	----	(30,823)	(30,823)
<u>Retained Earnings, October 1</u>	<u>664,567</u>	<u>664,567</u>	----
<u>Retained Earnings, September 30</u>	<u>\$633,832</u>	<u>\$583,340</u>	<u>\$(50,492)</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
NATURAL GAS DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
Natural gas sales	\$2,178,597	\$2,177,777	\$ (820)
Wheeling charges	156,555	158,662	2,107
Penalties	9,126	8,897	(229)
Installations	295	295	----
<u>Total Charges for Services</u>	<u>\$2,344,573</u>	<u>\$2,345,631</u>	<u>\$ 1,058</u>
<u>Other</u>	<u>\$ 8,060</u>	<u>\$ 9,809</u>	<u>\$ 1,749</u>
<u>Total Operating Revenues</u>	<u>\$2,352,633</u>	<u>\$2,355,440</u>	<u>\$ 2,807</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 191	\$ 240	\$ (49)
Insurance	11,954	12,156	(202)
Franchise tax	151,242	151,241	1
Assessments and memberships	907	906	1
Administrative fee expense	248,490	248,490	----
Miscellaneous	----	72	(72)
<u>Total Administration</u>	<u>\$ 412,784</u>	<u>\$ 413,105</u>	<u>\$ (321)</u>
<u>Natural Gas Purchases</u>	<u>\$1,704,835</u>	<u>\$1,710,079</u>	<u>\$ (5,244)</u>
<u>Natural Gas Distribution:</u>			
Payroll	\$ 70,281	\$ 67,460	\$ 2,821
Payroll taxes	5,346	5,314	32
Health insurance	8,814	8,964	(150)
Savings plan	2,552	2,552	----
Truck and equipment expense	5,001	4,913	88
Equipment, supplies and maintenance	27,285	54,365	(27,080)
Telephone	767	749	18
Transportation and training	2,377	2,567	(190)
Utilities	4,116	4,081	35
Safety and compliance	1,965	2,548	(583)
Miscellaneous	----	----	----
<u>Total Natural Gas Distribution</u>	<u>\$ 128,504</u>	<u>\$ 153,513</u>	<u>\$(25,009)</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
BUDGET (BUDGETARY BASIS) AND ACTUAL
NATURAL GAS DEPARTMENT - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Natural gas distribution	<u>3,874</u>	<u>----</u>	<u>3,874</u>
<u>Total Capital Outlay</u>	<u>\$ 3,874</u>	<u>\$ ----</u>	<u>\$ 3,874</u>
<u>Total Operating Expenses</u>	<u>\$2,249,997</u>	<u>\$2,276,697</u>	<u>\$(26,700)</u>
<u>Operating Income (Loss)</u>	<u>\$ 102,636</u>	<u>\$ 78,743</u>	<u>\$(23,893)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 27,214	\$ 27,104	\$ (110)
Sales tax adjustments	----	----	----
Interest expense and fiscal charges	----	----	----
Principal payments	----	----	----
Bad debt recovery (expense)	<u>(2,077)</u>	<u>(1,085)</u>	<u>992</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 25,137</u>	<u>\$ 26,019</u>	<u>\$ 882</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ 127,773</u>	<u>\$ 104,762</u>	<u>\$(23,011)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers (out)	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
<u>Net Income (Loss) (Modified Cash Basis)</u>	<u>\$ 127,773</u>	<u>\$ 104,762</u>	<u>\$(23,011)</u>
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	<u>----</u>	<u>(20,616)</u>	<u>(20,616)</u>
<u>Retained Earnings, October 1</u>	<u>885,698</u>	<u>885,698</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$1,013,471</u>	<u>\$ 969,844</u>	<u>\$(43,627)</u>

The notes to financial statements are an integral part of this statement.

SUPPLEMENTARY INFORMATION

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	<u>Balance</u> <u>10-1-07</u>	<u>Additions</u>	<u>Sales/</u> <u>Retirements</u>	<u>Balance</u> <u>9-30-08</u>
<u>Function and Activity:</u>				
<u>General Government:</u>				
City administration	<u>\$2,202,989</u>	<u>\$ 24,446</u>	<u>\$ ----</u>	<u>\$2,227,435</u>
<u>Public Safety:</u>				
Police	\$ 343,979	\$ ----	\$ ----	\$ 343,979
Fire	1,475,210	45,778	----	1,520,988
Humane Officer	<u>28,402</u>	<u>----</u>	<u>----</u>	<u>28,402</u>
<u>Total Public Safety</u>	<u>\$1,847,591</u>	<u>\$ 45,778</u>	<u>\$ ----</u>	<u>\$1,893,369</u>
<u>Street Department</u>	<u>\$ 965,484</u>	<u>\$ 23,267</u>	<u>\$ ----</u>	<u>\$ 988,751</u>
<u>Culture and Recreation:</u>				
Parks	\$ 789,680	\$127,528	\$ ----	\$ 917,208
Library	151,032	2,017	----	153,049
Mosswood Golf Course	<u>386,298</u>	<u>----</u>	<u>----</u>	<u>386,298</u>
<u>Total Culture and Recreation</u>	<u>\$1,327,010</u>	<u>\$129,545</u>	<u>\$ ----</u>	<u>\$1,456,555</u>
<u>Airport</u>	<u>\$1,645,896</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,645,896</u>
<u>St. Jude's Cemetery</u>	<u>\$ 107,913</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 107,913</u>
<u>Industrial Building</u>	<u>\$ 770,394</u>	<u>\$ 42,042</u>	<u>\$ ----</u>	<u>\$ 812,436</u>
<u>Total General Fixed Assets</u>	<u>\$8,867,277</u>	<u>\$265,078</u>	<u>\$ ----</u>	<u>\$9,132,355</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
STATEMENT OF CHANGES IN FIXED ASSETS AND
ACCUMULATED DEPRECIATION - ALL PROPRIETARY FUND TYPES
YEAR ENDED SEPTEMBER 30, 2008

	COST			BALANCE 09-30-08
	BALANCE 09-30-07	ADDITIONS	RETIREMENTS	
ELECTRIC DEPARTMENT				
Land	\$12,278.36	---	---	\$12,278.36
Production	6,076,897.96	790.00	---	6,077,687.96
Interconnect	248,188.13	---	---	248,188.13
Distribution	2,349,255.77	790.00	---	2,350,045.77
Office Equipment	44,162.67	---	---	44,162.67
TOTAL ELECTRIC DEPARTMENT	\$8,730,782.89	\$1,580.00	\$0.00	\$8,732,362.89
NATURAL GAS DEPARTMENT				
Land	\$14,691.00	---	---	\$14,691.00
Natural Gas System	1,345,157.78	---	---	1,345,157.78
Office Equipment	44,803.32	---	---	44,803.32
TOTAL NATURAL GAS DEPARTMENT	\$1,404,652.10	\$0.00	\$0.00	\$1,404,652.10
WATER DEPARTMENT				
Production System	\$2,721,668.45	---	---	\$2,721,668.45
Distribution System	2,741,836.04	\$710,070.58	---	3,451,906.62
Office Equipment	10,072.71	---	---	10,072.71
TOTAL WATER DEPARTMENT	\$5,473,577.20	\$710,070.58	\$0.00	\$6,183,647.78
SEWER DEPARTMENT				
Treatment System	\$549,468.86	---	---	\$549,468.86
Collection System	1,250,619.34	---	---	1,250,619.34
Office Equipment	1426.08	---	---	1,426.08
TOTAL SEWER DEPARTMENT	\$1,801,514.28	\$0.00	\$0.00	\$1,801,514.28
TOTAL PROPRIETARY FUND TYPES	\$17,410,526.47	\$711,650.58	\$0.00	\$18,122,177.05

The accompanying notes to financial statements are an integral part of this statement.

ACCUMULATED DEPRECIATION

BALANCE 09-30-07	ADDITIONS	RETIREMENTS	BALANCE 09-30-08
\$0.00	---	---	\$0.00
3,220,783.06	158,232.68	---	3,379,015.74
204,386.18	5,264.19	---	209,650.37
1,015,001.18	57,031.29	---	1,072,032.47
33,487.00	481.12	---	33,968.12
<u>\$4,473,657.42</u>	<u>\$221,009.28</u>	<u>\$0.00</u>	<u>\$4,694,666.70</u>
\$0.00	---	---	\$0.00
1,083,859.01	19,882.45	---	1,103,741.46
33,117.65	733.20	---	33,850.85
<u>\$1,116,976.66</u>	<u>\$20,615.65</u>	<u>\$0.00</u>	<u>\$1,137,592.31</u>
\$876,409.93	73,375.30	---	\$949,785.23
503,672.81	89,403.55	---	593,076.36
10,073.00	---	---	10,073.00
<u>\$1,390,155.74</u>	<u>\$162,778.85</u>	<u>\$0.00</u>	<u>\$1,552,934.59</u>
\$427,699.44	\$15,579.16	---	\$443,278.60
745,314.78	34,776.28	---	780,091.06
1426.08	---	---	1426.08
<u>\$1,174,440.30</u>	<u>\$50,355.44</u>	<u>\$0.00</u>	<u>\$1,224,795.74</u>
<u>\$8,155,230.12</u>	<u>\$454,759.22</u>	<u>\$0.00</u>	<u>\$8,609,989.34</u>

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
ELECTRIC DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gross KWHRS generated at plant	60,361	0.10%
KWHRS purchased	57,815,400	<u>99.90%</u>
Total KWHRS generated and purchased	57,875,761	<u>100.00%</u>
KWHRS distributed from plant	<u>58,402,900</u>	<u>100.09%</u>
Power plant gain	<u>527,139</u>	<u>0.09%</u>
KWHRS distributed from plant	58,402,900	
KWHRS billed to customers	55,222,442	
KWHRS used by power plant and street lights	<u>338,965</u>	
Total KWHRS accounted for	<u>55,561,407</u>	
Unaccounted KWHRS distributed	<u>2,841,493</u>	
Total KWHRS generated and purchased	57,875,761	
Total KWHRS accounted for	<u>55,561,407</u>	
Total KWHRS unaccounted for	<u>2,314,354</u>	<u>4.00%</u>
	<u>Total Cost</u>	<u>Cost per KWHR</u>
<u>Cost per KWHR Generated and Purchased:</u>		
<u>Generated at plant:</u>		
Diesel fuel	\$ 9,973	\$0.165
Lubricating oil	593	0.010
Natural gas	<u>----</u>	<u>----</u>
Total fuel cost per generated KWHR	\$ 10,566	<u>\$0.175</u>
Purchased	<u>4,225,628</u>	<u>\$0.073</u>
<u>Combined Cost per KWHR Generated and Purchased</u>	<u>\$4,236,194</u>	<u>\$0.073</u>

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
ELECTRIC DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)
(CONTINUED)

	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>KWHRS Billed</u>	<u>Charge per KWHR Sold</u>
<u>Customer Statistics:</u>				
Residential	1,110	\$1,287,297	11,550,338	\$ 0.111
Commercial	252	1,240,390	11,177,778	0.111
Industrial	4	2,726,349	32,494,326	0.083
	<u>1,366</u>	<u>\$5,254,036</u>	<u>55,222,442</u>	<u>\$ 0.095</u>
			<u>Total KWHRS Sold per Customer</u>	<u>Average Annual Bill</u>
Residential			10,405	\$ 1,160
Commercial			44,356	\$ 4,922
Industrial			8,123,581	\$681,587
<u>Statement of Revenues and Expenses per</u>				
<u>KWHR Generated and Purchased:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 0.091	
Other			----	
<u>Total Operating Revenues</u>				\$ 0.091
<u>Operating Expenses:</u>				
Administration			\$ 0.013	
Production			0.002	
Interconnect			0.071	
Distribution			0.003	
Depreciation			<u>0.003</u>	
<u>Total Operating Expenses</u>				<u>0.092</u>
<u>Operating Income (Loss)</u>				\$ (0.001)
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ ----	
Expenses			<u>(0.001)</u>	
<u>Total Non-Operating Revenues</u>				<u>(0.001)</u>
<u>(Expenses)</u>				
<u>Net Income (Loss)</u>				<u>\$ (0.002)</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
WATER DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>		
<u>Generation and Usage Statistics:</u>				
Gallons of water pumped	98,202,000	100.00%		
Gallons of water sold to customers	<u>89,482,000</u>	<u>91.10%</u>		
Total gallons unaccounted for	<u>8,720,000</u>	<u>8.90%</u>		
	<u>Total Cost</u>	<u>Cost per 1,000 Gallons</u>		
<u>Chemical Cost per 1,000 Gallons Pumped</u>	<u>\$ 89,099</u>	<u>\$0.9070</u>		
	<u>Gallons Sold</u>	<u>Charge per 1,000 Gallons Sold</u>		
<u>Customer Statistics:</u>				
Residential	46,701,000	\$ 7.523		
Commercial	20,748,000	\$ 6.805		
Industrial	13,338,000	\$ 6.264		
Water Districts	<u>8,695,000</u>	\$ 4.040		
	<u>89,482,000</u>	\$ 6.830		
	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Total Gallons Sold per Customer</u>	<u>Average Annual Bill</u>
Residential	1,037	\$351,333	45,035	\$ 339
Commercial	169	141,201	122,769	\$ 836
Industrial	4	83,552	3,334,500	\$ 20,888
Water districts	<u>2</u>	<u>35,130</u>	<u>4,347,500</u>	<u>\$ 17,565</u>
	<u>1,212</u>	<u>\$611,216</u>		

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
WATER DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

(UNAUDITED)

(CONTINUED)

Statement of Revenues and Expenses per 1,000 Gallons

Pumped:

Operating Revenues:

Charges for services

\$ 6.314

Other

0.071

Total Operating Revenues

\$ 6.385

Operating Expenses:

Administration

\$ 2.022

Production

2.861

Distribution

1.501

Depreciation

1.657

Total Operating Expenses

8.041

Operating Income (Loss)

\$(1.656)

Non-Operating Revenues (Expenses):

Revenues

\$ 0.144

Expenses

(0.496)

Total Non-Operating Revenues (Expenses)

(0.352)

Net Income (Loss)

\$(2.008)

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
SEWER DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Gallons Billed (1,000's)</u>	<u>Cost per 1,000 Gallons Sold</u>
<u>Customer Statistics:</u>				
Residential	1,024	\$134,407	46,059	\$ 2.918
Commercial	149	52,857	18,098	\$ 2.921
Industrial	<u>4</u>	<u>38,014</u>	<u>13,338</u>	\$ 2.850
	<u>1,177</u>	<u>\$225,278</u>	<u>77,495</u>	\$ 2.907
			<u>Total Gallons Billed per Customer</u>	<u>Average Annual Bill</u>
Residential			46,976	\$ 131
Commercial			121,463	\$ 355
Industrial			3,334,500	\$ 9,504
<u>Statement of Revenues and Expenses per 1,000 Gallons Billed:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 4.371	
Other			<u>0.010</u>	
<u>Total Operating Revenues</u>				\$ 4.381
<u>Operating Expenses:</u>				
Administration			\$ 1.940	
Treatment			2.479	
Collection			0.448	
Depreciation			<u>0.650</u>	
<u>Total Operating Expenses</u>				<u>5.517</u>
<u>Operating Income (Loss)</u>				\$(1.136)
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 0.211	
Expenses			<u>(0.124)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>				<u>0.087</u>
<u>Net Income</u>				<u>\$(1.049)</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
NATURAL GAS DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

			<u>Quantity</u>	<u>Percent</u>
<u>Purchase and Usage Statistics:</u>				
Total MCFS of gas transported by				
Panhandle Eastern			378,836	
Deduct Perry and Pace			<u>183,804</u>	
Total MCFS of gas available for				
Monroe City			<u>195,032</u>	<u>100.00%</u>
Total MCFS transported			195,032	100.00%
MCFS of gas sold to customers			<u>187,407</u>	<u>96.09%</u>
MCFS unaccounted or			<u>7,625</u>	<u>3.91%</u>
	<u>Number of</u>	<u>Charges -</u>	<u>MCFS Sold</u>	<u>Charges per</u>
	<u>Customers</u>	<u>Unadjusted</u>		<u>MCF Sold</u>
<u>Customer Statistics:</u>				
Residential	972	\$ 952,929	73,866	\$12.901
Commercial	162	442,075	36,442	\$12.131
Industrial	<u>3</u>	<u>779,334</u>	<u>77,099</u>	\$10.108
	<u>1,137</u>	<u>\$2,174,338</u>	<u>187,407</u>	\$11.602
			<u>Total MCF's</u>	<u>Average</u>
			<u>Sold per</u>	<u>Annual Bill</u>
			<u>Customer</u>	
Residential			64.966	\$ 980
Commercial			224,951	\$ 2,729
Industrial			25,699.667	\$259,778

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
NATURAL GAS DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)
(CONTINUED)

Statement of Revenues and Expenses per MCF Billed:

Operating Revenues:

Charges for services	\$12.516	
Other	<u>0.052</u>	
<u>Total Operating Revenues</u>		\$12.568

Operating Expenses:

Administration	\$ 2.204	
Purchased gas	9.125	
Distribution	0.819	
Depreciation	<u>0.110</u>	
<u>Total Operating Expenses</u>		<u>12.258</u>

Operating Income (Loss) \$ 0.310

Non-Operating Revenues (Expenses):

Revenues	\$ 0.145	
Expenses	<u>(0.006)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>		<u>0.139</u>

Net Income (Loss) \$ 0.449

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF RURAL WATER RATE CALCULATION
WATER DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(UNAUDITED)

Water Production Costs:

Payroll	\$87,655.58	
Payroll tax	7,114.07	
Health insurance	12,240.48	
Savings plan	3,232.61	
Truck expense	1,207.21	
Equipment, supplies and maintenance	31,440.06	
Chemicals	89,099.37	
Telephone	2,873.11	
Transportation and training	1,669.33	
Utilities	43,812.00	
Safety and compliance	651.74	
Miscellaneous		
<u>Total Water Production</u>		\$280,995.56
<u>Water Production Depreciation</u>		<u>73,375.30</u>
<u>Total Allowable Costs</u>		<u>\$354,370.86</u>
<u>Total Gallons of Water Metered - Fiscal Year Ended</u> <u>September 30, 2008</u>		<u>89,482,000</u>
<u>Total Allowable Cost per 1,000 Gallons of Metered Water</u>		\$ 3.96
<u>Add-On Amount per Water Contract</u>		<u>.70</u>
<u>Revised Price of Water Sold to Water Districts</u>		<u>\$ 4.66</u>

The notes to financial statements are an integral part of this statement.

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF ASSESSED VALUATION AND TAX RATE
TAX YEAR 2007

<u>Assessed Valuation:</u>	
Monroe County	\$21,694,247
Marion County	6,526,552
Ralls County	<u>1,258,370</u>
<u>Total Assessed Valuation</u>	<u>\$29,479,169</u>
<u>Tax Rate per \$100 of Assessed Valuation:</u>	
General Fund	\$0.59
Library Fund	<u>0.20</u>
Total tax levy	<u>\$0.79</u>

Assessed valuations are made each year by the County Assessor on real and personal properties owned by the taxpayers.

The notes to financial statements are an integral part of this statement.

LUCK, HUMPHREYS AND ASSOCIATES, C.P.A., P.C.

GARY C. LUCK, C.P.A.

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INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Honorable Mayor and Board of Aldermen
City of Monroe City, Missouri

In planning and performing our audit of the financial statements of the City of Monroe City, Missouri as of and for the year ended September 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

Inadequate Separation of Duties

A fundamental concept in a good system of internal control is separation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. If the separation of duties is inadequate, there is a resulting danger that intentional fraud or unintentional errors could occur and not be detected.

Auditor Prepares the Financial Statements

Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the notes to financial statements, in conformity with U.S. generally accepted accounting principles.

At times, management may choose to outsource certain accounting functions due to cost or training considerations. Such accounting functions and service providers must be governed by the control policies and procedures of the entity. Management is as responsible for outsourced functions performed by a service provider as it would be for such functions performed internally. Specifically, management is responsible for management decisions and functions; for designating an individual with suitable skill, knowledge, or experience to oversee any outsourced services; and for evaluating the adequacy and results of those services and accepting responsibility for them.

As part of the audit, management requested us to prepare a draft of your financial statements, including the related notes to financial statements. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, because management does not have a working knowledge of generally accepted accounting principles, there is the possibility of a material misstatement occurring and not being detected. A system of internal control over financial reporting does not consist solely of controls over the proper recording of transactions in the general ledger. Rather, it includes controls over financial statement preparation, including footnote disclosures. The absence of this control procedure is considered a significant deficiency. This is a common problem for small governmental organizations.

The existence of significant deficiencies or material weaknesses may already be known to management, and may represent a conscious decision by management or those charged with governance to accept that degree of risk because of cost or other considerations. Management is responsible for making decisions concerning costs and the related benefits. We are responsible for communicating significant deficiencies and material weaknesses in accordance with professional standards, regardless of management's decisions.

This report is intended for the information of the management, Mayor and Board of Aldermen. This restriction is not intended to limit the distribution, which is a matter of public record.

Respectfully submitted,

Luck, Humphreys and Associates

LUCK, HUMPHREYS AND ASSOCIATES, C.P.A., P.C.
Certified Public Accountants
Hannibal, Missouri 63401

November 30, 2008