

CITY OF MONROE CITY, MISSOURI

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2009

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, 2009  
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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, 2009, 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, 2009, 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

December 3, 2009

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2009

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Account Groups</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
<u>Assets:</u>							
Cash	\$561,587	\$771,331	\$ ----	\$ 2,295,741	\$ ----	\$ ----	\$ 3,628,659
Receivables (net of allowances for uncollectibles):							
Taxes	12,210	4,138	----	----	----	----	16,348
Accounts	3,267	----	----	502,449	----	----	505,716
Due from other governments	32,615	11,243	----	----	----	----	43,858
Inventory of supplies, at cost	17,355	----	----	394,751	----	----	412,106
Prepaid expenses	14,989	504	----	16,601	----	----	32,094
Restricted assets:							
Cash	66,187	----	----	32,100	----	----	98,287
Investments	----	----	112,093	322,124	----	----	434,217
Property, plant and equipment (net of accumulated depreciation)	----	----	----	9,311,272	9,204,475	----	18,515,747
Amount available in debt service fund	----	----	----	----	----	106,077	106,077
Amount to be provided for retirement of long-term debt	----	----	----	----	----	906,788	906,788
Unamortized loan fees	----	----	69,453	163,393	----	----	232,846
<u>Total Assets</u>	<u>\$708,210</u>	<u>\$787,216</u>	<u>\$181,546</u>	<u>\$13,038,431</u>	<u>\$9,204,475</u>	<u>\$1,012,865</u>	<u>\$24,932,743</u>

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2009

(CONTINUED)

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>		<u>Account Groups</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>Long-Term Debt</u>	<u>General</u>	<u>Long-Term Debt</u>	
<u>Liabilities:</u>									
Accounts payable	\$28,462	\$ 4,227	\$ ----	\$ 327,050	\$ ----	\$ ----	\$ ----	\$ ----	\$ 359,739
Accrued expenses	18,826	----	----	25,170	----	----	----	----	43,996
Deposits	----	----	----	32,100	----	----	----	----	32,100
Payable from restricted assets:									
Revenue bonds/capital lease	----	----	----	229,700	----	106,077	----	----	335,777
Accrued expenses	----	----	6,016	15,446	----	----	----	----	21,462
Revenue bonds payable	----	----	----	70,000	----	----	----	----	70,000
Capital lease obligations payable	----	----	----	2,142,435	----	906,788	----	----	3,049,223
<u>Total Liabilities</u>	<u>\$47,288</u>	<u>\$ 4,227</u>	<u>\$ 6,016</u>	<u>\$2,841,901</u>	<u>\$ ----</u>	<u>\$1,012,865</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$3,912,297</u>
<u>Fund Equity:</u>									
Contributed capital	\$ ----	\$ ----	\$ ----	\$3,688,509	\$ ----	\$ ----	\$ ----	\$ ----	\$3,688,509
Investment in general fixed assets	----	----	----	----	9,204,475	----	----	----	9,204,475
Retained earnings:									
Reserved for debt retirement	----	----	----	322,124	----	----	----	----	322,124
Unreserved	----	----	----	6,185,897	----	----	----	----	6,185,897

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2009

(CONTINUED)

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>		<u>Account Groups</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>			
Fund balances:									
Reserved	66,187	-----	175,530	-----	-----	-----			241,717
Unreserved:									
Undesignated	594,735	782,989	-----	-----	-----	-----			1,377,724
Total Fund Equity	<u>\$660,922</u>	<u>\$782,989</u>	<u>\$175,530</u>	<u>\$10,196,530</u>	<u>\$9,204,475</u>	<u>\$</u>			<u>\$21,020,446</u>
Total Liabilities and Fund Equity	<u>\$708,210</u>	<u>\$787,216</u>	<u>\$181,546</u>	<u>\$13,038,431</u>	<u>\$9,204,475</u>	<u>\$1,012,865</u>			<u>\$24,932,743</u>



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, 2009

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<u>Revenues:</u>				
Taxes	\$ 797,085	\$ 204,789	\$ ----	\$1,001,874
Licenses and permits	17,903	----	----	17,903
Intergovernmental revenue	142,723	6,063	----	148,786
Charges for services	13,253	----	----	13,253
Fines and forfeits	14,054	511	----	14,565
Miscellaneous revenues	<u>951,077</u>	<u>167,791</u>	<u>6,612</u>	<u>1,125,480</u>
<u>Total Revenues</u>	<u>\$1,936,095</u>	<u>\$ 379,154</u>	<u>\$ 6,612</u>	<u>\$2,321,861</u>
<u>Expenditures:</u>				
Current:				
City administration	\$ 416,185	\$ ----	\$ ----	\$ 416,185
Public safety	573,458	7,945	----	581,403
Humane officer	5,601	----	----	5,601
Inspection and zoning	9,184	----	----	9,184
Street Department	269,728	174,420	----	444,148
Culture and recreation	134,741	58,337	----	193,078
Airport	58,406	----	----	58,406
Cemetery	17,890	----	----	17,890
Capital outlay	92,259	46,873	----	139,132
Debt service	----	----	<u>118,294</u>	<u>118,294</u>
<u>Total Expenditures</u>	<u>\$1,577,452</u>	<u>\$ 287,575</u>	<u>\$ 118,294</u>	<u>\$1,983,321</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 358,643</u>	<u>\$ 91,579</u>	<u>\$(111,682)</u>	<u>\$ 338,540</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ----	\$ ----	\$ 115,895	\$ 115,895
Operating transfers out	<u>(385,034)</u>	<u>(200,000)</u>	----	<u>(585,034)</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (385,034)</u>	<u>\$(200,000)</u>	<u>\$ 115,895</u>	<u>\$ (469,139)</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ (26,391)</u>	<u>\$(108,421)</u>	<u>\$ 4,213</u>	<u>\$ (130,599)</u>
<u>Fund Balances, October 1</u>	<u>687,313</u>	<u>891,410</u>	<u>171,317</u>	<u>1,750,040</u>
<u>Fund Balances, September 30</u>	<u>\$ 660,922</u>	<u>\$ 782,989</u>	<u>\$ 175,530</u>	<u>\$1,619,441</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, 2009

	<u>General Funds</u>		
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 794,526	\$ 797,085	\$ 2,559
Licenses and permits	17,836	17,903	67
Intergovernmental revenue	133,394	142,723	9,329
Charges for services	13,131	13,253	122
Fines and forfeits	14,053	14,054	1
Miscellaneous revenues	934,039	951,077	17,038
<u>Total Revenues</u>	<u>\$1,906,979</u>	<u>\$1,936,095</u>	<u>\$29,116</u>
<u>Expenditures:</u>			
Current:			
City administration	\$ 421,218	\$ 416,185	\$ 5,033
Public safety	571,865	573,458	(1,593)
Humane officer	5,973	5,601	372
Inspection and zoning	9,152	9,184	(32)
Street Department	266,972	269,728	(2,756)
Culture and recreation	139,405	134,741	4,664
Airport	52,690	58,406	(5,716)
Cemetery	17,046	17,890	(844)
Capital outlay	92,263	92,259	4
<u>Total Expenditures</u>	<u>\$1,576,584</u>	<u>\$1,577,452</u>	<u>\$ (868)</u>
<u>Excess of Revenues Over (Under)</u>			
<u>Expenditures</u>	<u>\$ 330,395</u>	<u>\$ 358,643</u>	<u>\$28,248</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	(385,035)	(385,034)	1
<u>Total Other Sources (Uses)</u>	<u>\$ (385,035)</u>	<u>\$ (385,034)</u>	<u>\$ 1</u>
<u>Excess of Revenues and Other Sources</u>			
<u>Over (Under) Expenditures and Other</u>			
<u>Uses</u>	<u>\$ (54,640)</u>	<u>\$ (26,391)</u>	<u>\$28,249</u>
<u>Fund Balances, October 1</u>	<u>687,313</u>	<u>687,313</u>	<u>----</u>
<u>Fund Balances, September 30</u>	<u>\$ 632,673</u>	<u>\$ 660,922</u>	<u>\$28,249</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>
\$ 204,513	\$ 204,789	\$ 276
----	----	----
4,500	6,063	1,563
----	----	----
511	511	----
<u>165,337</u>	<u>167,791</u>	<u>2,454</u>
<u>\$ 374,861</u>	<u>\$ 379,154</u>	<u>\$ 4,293</u>
\$ ----	\$ ----	\$ ----
7,641	7,945	(304)
----	----	----
----	----	----
173,248	174,420	(1,172)
58,458	58,337	121
----	----	----
----	----	----
<u>54,441</u>	<u>46,873</u>	<u>7,568</u>
<u>\$ 293,788</u>	<u>\$ 287,575</u>	<u>\$ 6,213</u>
<u>\$ 81,073</u>	<u>\$ 91,579</u>	<u>\$10,506</u>
\$ ----	\$ ----	\$ ----
<u>(200,000)</u>	<u>(200,000)</u>	<u>----</u>
<u>\$(200,000)</u>	<u>\$(200,000)</u>	<u>\$ ----</u>
\$(118,927)	\$(108,421)	\$10,506
<u>891,410</u>	<u>891,410</u>	<u>----</u>
<u>\$ 772,483</u>	<u>\$ 782,989</u>	<u>\$10,506</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, 2009

	<u>Enterprise Funds</u>
<u>Operating Revenues:</u>	
Charges for services	\$7,328,025
Other	<u>26,203</u>
<u>Total Operating Revenues</u>	<u>\$7,354,228</u>
<u>Operating Expenses:</u>	
Administration	\$1,244,746
Utility production/treatment	528,367
Utility purchases/interconnect	4,682,470
Utility distribution/collection	535,148
Depreciation	<u>459,540</u>
<u>Total Operating Expenses</u>	<u>\$7,450,271</u>
<u>Operating Income</u>	<u>\$ (96,043)</u>
<u>Non-Operating Revenues (Expenses):</u>	
Interest income	\$ 76,733
Pole rental income	4,180
DNR fees	(550)
Sales tax adjustment	3,858
Interest expense and fiscal charges	(68,054)
Amortization - origination fees	(14,132)
Bad debt recovery (expense)	5,163
Miscellaneous	<u>25,021</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 32,219</u>
<u>Net Income before Other Financing Sources (Uses)</u>	<u>\$ (63,824)</u>
<u>Other Financing Sources (Uses):</u>	
Operating transfers in	\$ 469,139
Operating transfers out	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 469,139</u>
<u>Net Income</u>	<u>\$ 405,315</u>
<u>Retained Earnings, October 1</u>	<u>6,102,706</u>
<u>Retained Earnings, September 30</u>	<u>\$6,508,021</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, 2009

	<u>Enterprise Funds</u>
<u>Operating Activities:</u>	
Net income (loss) from operations	\$ (96,043)
Adjustments to reconcile net income to net cash provided by operations:	
Depreciation	459,540
Other income	32,509
Operating transfers in (out)	469,139
Bad debt recovery (expense)	5,163
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	172,249
Inventories	2,011
Prepaid expenses	(1,545)
Increase (decrease) in:	
Accounts payable	(52,708)
Accrued expenses	(30,025)
Customer deposits	700
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 960,990</u>
<u>Investing Activities:</u>	
Interest income	\$ 76,733
Restricted cash activity (net)	20,049
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 96,782</u>
<u>Capital and Related Financing Activities:</u>	
Additions to fixed assets	\$ (258,625)
Interest expense and fiscal charges	(68,054)
Principal payments	(219,215)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$ (545,894)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ 511,878</u>
<u>Cash at Beginning of Year</u>	<u>1,783,863</u>
<u>Cash at End of Year</u>	<u>\$2,295,741</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, 2009

The accounting methods and procedures adopted by the City of Monroe City, Missouri, except the presentation of the government-wide financial statements and the management discussion and analysis as defined by 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, 2009.

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, 2009  
(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, 2009  
(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 used or are expected to use current expendable financial resources.



CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009  
(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 perpetual 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, 2009  
(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, 2009  
(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 2008 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, 2009 totaled \$33,243 and was allocated to the following funds:

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

General	\$13,412
Electric	5,005
Water	7,479
Sewer	3,848
Gas	<u>3,499</u>
	<u>\$33,243</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 \$3,722,452 and the bank balance was \$3,832,021. Of the bank balance, \$250,000 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, 2009 is \$61,814. 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, 2009  
(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, 2009 is \$372,401. 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	\$112,093
Enterprise -	
Electric	153,801
Water	<u>106,507</u>
	<u>\$372,401</u>

5. Property, Plant and Equipment:

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>10-1-08</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-09</u>
Total General Fixed Assets	<u>\$9,104,205</u>	<u>\$118,207</u>	<u>\$17,937</u>	<u>\$9,204,475</u>

A summary of proprietary fund type property, plant and equipment at September 30, 2009 follows:

	<u>Balance</u> <u>10-1-08</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-09</u>
Electric system	\$ 8,732,363	\$ 19,169	\$ ----	\$ 8,751,532
Water system	6,183,648	114,768	----	6,298,416
Sewerage system	1,801,514	118,788	----	1,920,302
Natural gas system	<u>1,404,652</u>	<u>5,900</u>	----	<u>1,410,552</u>
	\$18,122,177	\$ 258,625	\$ ----	\$18,380,802
Less: Accumulated depreciation	<u>8,609,989</u>	<u>459,541</u>	----	<u>9,069,530</u>
Net fixed assets	<u>\$ 9,512,188</u>	<u>\$(200,916)</u>	<u>\$ ----</u>	<u>\$ 9,311,272</u>
Construction in progress	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

(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, 2009:

	<u>Balance 10-1-08</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 9-30-09</u>
Revenue bonds	\$ 110,000	\$ ----	\$ 20,000	\$ 90,000
Capitalized Lease Certificates of Participation, Series 2008	<u>3,650,000</u>	<u>-----</u>	<u>285,000</u>	<u>3,365,000</u>
<u>Totals</u>	<u>\$3,760,000</u>	<u>\$ ----</u>	<u>\$305,000</u>	<u>\$3,455,000</u>

Bonds payable at September 30, 2009 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. \$ 90,000

Capitalized lease obligations at September 30, 2009 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. \$3,365,000

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

(CONTINUED)

6. Long-Term Debt: (Continued)

The annual requirements to amortize all bonded debt outstanding as of September 30, 2009 follow:

Revenue Bonds - Series 1992

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$90,000</u>	<u>\$12,445</u>	<u>\$102,445</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, 2009 was as follows:

Total assessed valuation	\$30,408,695
Constitutional debt limit percentage	<u>10%</u>
Constitutional debt limit	\$ 3,040,870
Add: Amount available in Debt Service Fund	106,076
Less: General obligation bonded debt	<u>(1,012,865)</u>
	<u>\$ 2,134,081</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009  
(CONTINUED)

6. Long-Term Debt: (Continued)

The annual requirements to amortize the capitalized lease certificates of participation as of September 30, 2009 is as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$3,365,000</u>	<u>\$578,155</u>	<u>\$3,943,155</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, 2009

(CONTINUED)

8. Litigation:

As of September 30, 2009, 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.

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, 2009 is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
Operating Revenues	\$4,471,939	\$ 618,648	\$ 383,580	\$7,354,228
Depreciation and Amortization Expense	229,014	171,674	52,368	20,616
Operating Income (Loss)	(74,146)	(121,775)	(96,920)	196,798
Net Income (Loss)	181,186	(4,243)	(98,764)	327,136
Property, Plant and Equipment:				
Additions	19,169	114,768	118,788	5,900
Deletions	---	---	---	---
Net Working Capital	912,397	103,824	294,255	1,301,700
Total Assets	5,418,510	4,975,548	1,045,648	1,598,725
Bonds and Other Long-Term Liabilities:				
Payable from operating revenues	1,265,845	876,590	70,000	---
Total Equity	3,731,574	3,979,131	931,781	1,554,044

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:

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

(CONTINUED)

11. Modified Accrual Basis to Generally Accepted Auditing: (Continued)

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
Increase (Decrease) to Income:				
Capital outlay	\$ 19,169	\$ 114,768	\$118,788	\$ 5,900
Debt service	117,705	81,510	20,000	----
Depreciation	(220,941)	(166,083)	(51,900)	(20,616)
Amortization	<u>(8,073)</u>	<u>(5,591)</u>	<u>(468)</u>	<u>----</u>
	<u>\$ (92,140)</u>	<u>\$ 35,786</u>	<u>\$ 86,420</u>	<u>\$(14,716)</u>

12. Contributed Capital:

Contributed capital on September 30, 2009 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>----</u>	<u>375,348</u>	<u>----</u>	<u>----</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 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.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

(CONTINUED)

13. Retirement Plans: (Continued)

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:

Public Safety	<u>\$1,593</u>
Inspection and Zoning	<u>\$ 32</u>
Street	<u>\$2,756</u>
Airport	<u>\$5,716</u>
Cemetery	<u>\$ 844</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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$171,095	\$176,000	\$ 4,905
Railroad and utility	4,521	4,522	1
Surtax	7,060	7,060	----
Financial institution	60	61	1
Penalties	1,850	1,836	(14)
Sales tax	316,201	314,217	(1,984)
Recovery of back taxes, net	----	(1,203)	(1,203)
Cigarette tax	18,500	18,250	(250)
Telephone franchise tax	17,200	18,372	1,172
Cable TV franchise tax	9,795	9,795	----
Municipal utilities franchise tax	<u>248,244</u>	<u>248,175</u>	<u>(69)</u>
<u>Total Taxes</u>	<u>\$794,526</u>	<u>\$797,085</u>	<u>\$ 2,559</u>
<u>Licenses and Permits:</u>			
Liquor licenses	\$ 3,050	\$ 3,050	\$ ----
Business licenses	5,825	5,850	25
Building permits	1,423	1,461	38
Animal licenses	250	250	----
City stickers	5,473	5,477	4
Street excavation permits	1,075	1,075	----
Planning and zoning fees	<u>740</u>	<u>740</u>	<u>----</u>
<u>Total Licenses and Permits</u>	<u>\$ 17,836</u>	<u>\$ 17,903</u>	<u>\$ 67</u>
<u>Intergovernmental Revenue:</u>			
Grant income	\$ 46,400	\$ 46,400	\$ ----
Motor vehicle taxes	<u>86,994</u>	<u>96,323</u>	<u>9,329</u>
<u>Total Intergovernmental Revenue</u>	<u>\$133,394</u>	<u>\$142,723</u>	<u>\$ 9,329</u>
<u>Charges for Services:</u>			
Fire calls	\$ ----	\$ ----	\$ ----
Swimming pool	12,786	12,908	122
Use of City equipment and personnel	----	----	----
Animal control and shelter fees	<u>345</u>	<u>345</u>	<u>----</u>
<u>Total Charges for Services</u>	<u>\$ 13,131</u>	<u>\$ 13,253</u>	<u>\$ 122</u>
<u>Fines and Forfeits:</u>			
Fines and court costs	<u>\$ 14,053</u>	<u>\$ 14,054</u>	<u>\$ 1</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Miscellaneous Revenues:</u>			
Interest	\$ 22,441	\$ 22,316	\$ (125)
Administrative fee income	821,558	821,420	(138)
Agent fees	37,200	37,398	198
Airport retail sales	33,532	33,525	(7)
Rent income	1,700	1,700	---
Sale of graves	6,200	6,200	---
Return check charges	640	680	40
Sales tax interest	---	---	---
Sale of fixed assets	1,891	1,891	---
Contributions	60	60	---
Transfer from Mosswood	7,267	7,267	---
Other	1,550	18,620	17,070
<u>Total Miscellaneous Revenues</u>	<u>\$ 934,039</u>	<u>\$ 951,077</u>	<u>\$17,038</u>
 <u>Total Revenues</u>	 <u>\$1,906,979</u>	 <u>\$1,936,095</u>	 <u>\$29,116</u>
 <u>Expenditures:</u>			
<u>City Administration:</u>			
Payroll	\$ 232,804	\$ 229,102	\$ 3,702
Payroll taxes	17,809	16,338	1,471
Employee benefits	43,426	43,326	100
Office expense	32,700	32,270	430
Advertising	4,155	3,950	205
Supplies and maintenance	20,970	21,647	(677)
Professional services	23,835	23,727	108
Assessor's fees	2,850	2,861	(11)
Telephone	5,725	5,552	173
Transportation and training	1,984	1,926	58
Insurance	12,284	12,573	(289)
Utilities - City Hall	5,151	5,069	82
Election expense	4,225	4,221	4
Assessments and memberships	1,780	1,779	1
Donations	8,110	8,108	2
Meals and mileage	275	275	---
Other	3,135	3,461	(326)
<u>Total City Administration</u>	<u>\$ 421,218</u>	<u>\$ 416,185</u>	<u>\$ 5,033</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Public Safety:</u>			
<u>Municipal Court:</u>			
Office expense	\$ 1,165	\$ 1,161	\$ 4
Incarceration fees	190	187	3
Professional services	9,325	5,636	3,689
Transportation and training	440	439	1
Other	----	----	----
<u>Total Municipal Court</u>	<u>\$ 11,120</u>	<u>\$ 7,423</u>	<u>\$ 3,697</u>
<u>Police Department:</u>			
Payroll	\$257,525	\$257,995	\$ (470)
Payroll taxes	22,041	21,946	95
Employee benefits	44,226	44,226	----
Employee clothing allowance	7,710	7,710	----
Office expense	2,590	2,444	146
Automobile expense	16,025	15,597	428
Supplies and maintenance	7,105	7,724	(619)
Drug enforcement	9,293	9,292	1
DARE expenses	2,055	2,052	3
Telephone	4,515	4,484	31
Insurance	8,970	9,288	(318)
Utilities	6,905	6,752	153
Transportation and training	1,060	1,138	(78)
Other	1,530	834	696
Dispatching fees	68,680	74,403	(5,723)
<u>Total Police Department</u>	<u>\$460,230</u>	<u>\$465,885</u>	<u>\$(5,655)</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Fire Department:</u>			
Payroll	\$ 38,110	\$ 37,740	\$ 370
Payroll taxes	3,785	3,755	30
Employee clothing allowance	----	----	----
Office expense	1,390	1,388	2
Truck expense	2,950	2,963	(13)
Fire prevention/investigation	2,675	2,673	2
Supplies and maintenance	17,970	18,682	(712)
Emergency preparedness	3,900	3,895	5
Telephone	2,425	2,403	22
Transportation and training	5,625	5,617	8
Insurance	15,315	15,424	(109)
Utilities	6,030	5,977	53
Other	340	(367)	707
<u>Total Fire Department</u>	<u>\$100,515</u>	<u>\$100,150</u>	<u>\$ 365</u>
<u>Total Public Safety</u>	<u>\$571,865</u>	<u>\$573,458</u>	<u>\$(1,593)</u>
<u>Humane Officer:</u>			
Payroll	\$ 2,200	\$ 2,200	\$ ----
Payroll taxes	168	168	----
Supplies and maintenance	1,100	2,068	(968)
Telephone	----	----	----
Insurance	305	310	(5)
Utilities	960	959	1
Animal transfers	1,240	----	1,240
Other	----	(104)	104
<u>Total Humane Officer</u>	<u>\$ 5,973</u>	<u>\$ 5,601</u>	<u>\$ 372</u>
<u>Inspection and Zoning Department:</u>			
Payroll	\$ 7,893	\$ 7,930	\$ (37)
Payroll taxes	604	607	(3)
Office expense	280	276	4
Advertising	375	371	4
Transportation and training	----	----	----
<u>Total Inspection and Zoning Department</u>	<u>\$ 9,152</u>	<u>\$ 9,184</u>	<u>\$ (32)</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, 2009

(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
<u>Parks Department:</u>			
Payroll	\$ 41,504	\$ 41,529	\$ (25)
Payroll taxes	3,176	3,175	1
Employee benefits	1,311	1,310	1
Office expense	245	244	1
Contract payments	23,568	25,357	(1,789)
Transportation and training	1,455	1,454	1
Supplies and maintenance	16,750	17,570	(820)
Telephone	266	247	19
Insurance	2,663	2,733	(70)
Utilities	17,555	17,267	288
Mosswood Golf Course expenses	30,912	30,903	9
Professional fees	----	(7,048)	7,048
Other	----	----	----
<u>Total Parks Department</u>	<u>\$139,405</u>	<u>\$134,741</u>	<u>\$ 4,664</u>
<u>Street Department:</u>			
Payroll	\$131,395	\$130,541	\$ 854
Payroll taxes	15,928	15,472	456
Employee benefits	32,118	32,118	----
Office expense	100	95	5
Uniforms	2,278	2,238	40
Fuel	16,900	21,237	(4,337)
Supplies and maintenance	21,953	21,986	(33)
Safety and compliance	3,045	2,877	168
Street maintenance materials	20,813	20,403	410
Paving	----	----	----
Telephone	1,007	1,008	(1)
Transportation and training	2,270	2,266	4
Insurance	11,520	11,890	(370)
Utilities	7,575	7,529	46
Other	70	68	2
<u>Total Street Department</u>	<u>\$266,972</u>	<u>\$269,728</u>	<u>\$(2,756)</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Airport:</u>			
Contract payments	\$ 11,000	\$ 10,500	\$ 500
Office expense	1,055	965	90
Supplies and maintenance	6,300	6,214	86
Purchases for resale	24,825	31,359	(6,534)
Telephone	1,305	1,271	34
Insurance	2,745	2,758	(13)
Utilities	5,460	5,339	121
Other	----	----	----
<u>Total Airport</u>	<u>\$ 52,690</u>	<u>\$ 58,406</u>	<u>\$ (5,716)</u>
<u>Cemetery:</u>			
Payroll	\$ 3,194	\$ 3,211	\$ (17)
Payroll taxes	244	244	----
Employee benefits	898	897	1
Contract payments	11,933	12,773	(840)
Supplies and maintenance	150	150	----
Insurance	47	48	(1)
Utilities	580	567	13
Other	----	----	----
<u>Total Cemetery</u>	<u>\$ 17,046</u>	<u>\$ 17,890</u>	<u>\$ (844)</u>
<u>Capital Outlay:</u>			
City administration	\$ 9,570	\$ 9,570	\$ ----
Municipal court	----	----	----
Police Department	14,770	14,769	1
Fire Department	----	----	----
Humane Officer	----	----	----
Parks Department	53,625	53,622	3
Street Department	7,417	7,417	----
Airport	883	883	----
Cemetery	5,998	5,998	----
<u>Total Capital Outlay</u>	<u>\$ 92,263</u>	<u>\$ 92,259</u>	<u>\$ 4</u>
<u>Total Expenditures</u>	<u>\$1,576,584</u>	<u>\$1,577,452</u>	<u>\$ (868)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 330,395</u>	<u>\$ 358,643</u>	<u>\$28,248</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, 2009  
(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>(385,035)</u>	<u>(385,034)</u>	<u>1</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$(385,035)</u>	<u>\$(385,034)</u>	<u>\$ 1</u>
 <u>Excess of Revenues and Other Sources Over</u> <u>(Under) Expenditures and Other Uses</u>	 \$ (54,640)	 \$ (26,391)	 \$28,249
 <u>Fund Balance, October 1</u>	 <u>687,313</u>	 <u>687,313</u>	 <u>----</u>
 <u>Fund Balance, September 30</u>	 <u>\$ 632,673</u>	 <u>\$ 660,922</u>	 <u>\$28,249</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, 2009

	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	\$163,141	\$163,298	\$315,041	\$94,319	\$ 389	\$ 5,294	\$29,849	\$771,331
Receivables (net of allowance for uncollectibles):								
Taxes	4,138	----	----	----	----	----	----	4,138
Due from other governments	----	----	11,243	----	----	----	----	11,243
Prepaid expenses	504	----	----	----	----	----	----	504
<u>Total Assets</u>	<u>\$167,783</u>	<u>\$163,298</u>	<u>\$326,284</u>	<u>\$94,319</u>	<u>\$ 389</u>	<u>\$ 5,294</u>	<u>\$29,849</u>	<u>\$787,216</u>
<u>Liabilities and Fund Equity:</u>								
<u>Liabilities:</u>								
Accounts payable	\$ 1,469	\$ 1,585	\$ 1,173	\$ ----	\$ ----	\$ ----	\$ ----	\$ 4,227
Accrued liabilities	----	----	----	----	----	----	----	----
<u>Total Liabilities</u>	<u>\$ 1,469</u>	<u>\$ 1,585</u>	<u>\$ 1,173</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 4,227</u>
<u>Fund Equity:</u>								
Reserved	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Unreserved:								
Undesignated	166,314	161,713	325,111	94,319	389	5,294	29,849	782,989
<u>Total Fund Equity</u>	<u>\$166,314</u>	<u>\$161,713</u>	<u>\$325,111</u>	<u>\$94,319</u>	<u>\$ 389</u>	<u>\$ 5,294</u>	<u>\$29,849</u>	<u>\$782,989</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$167,783</u>	<u>\$163,298</u>	<u>\$326,284</u>	<u>\$94,319</u>	<u>\$ 389</u>	<u>\$ 5,294</u>	<u>\$29,849</u>	<u>\$787,216</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, 2009

	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	\$63,064	\$ ----	\$141,725	\$ ----	\$ ----	\$ ----	\$ ----	\$204,789
Licenses and permits	----	----	----	----	----	----	----	----
Intergovernmental revenue	6,063	----	----	----	----	----	----	6,063
Charges for services	----	----	----	----	----	----	----	----
Fines and forfeits	511	----	----	----	----	----	----	511
Miscellaneous revenues	5,876	97,266	8,812	54,535	----	282	1,020	167,791
<u>Total Revenues</u>	<u>\$75,514</u>	<u>\$97,266</u>	<u>\$150,537</u>	<u>\$54,535</u>	<u>\$ ----</u>	<u>\$ 282</u>	<u>\$ 1,020</u>	<u>\$379,154</u>
<u>Expenditures:</u>								
Current:								
Public safety	\$ ----	\$ 7,590	\$ ----	\$ ----	\$ ----	\$ 355	\$ ----	\$ 7,945
Street improvements	----	----	174,420	----	----	----	----	174,420
Culture and recreation	58,337	----	----	----	----	----	----	58,337
Capital outlay	4,198	42,485	----	190	----	----	----	46,873
<u>Total Expenditures</u>	<u>\$62,535</u>	<u>\$50,075</u>	<u>\$174,420</u>	<u>\$ 190</u>	<u>\$ ----</u>	<u>\$ 355</u>	<u>\$ ----</u>	<u>\$287,575</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$12,979</u>	<u>\$47,191</u>	<u>\$ (23,883)</u>	<u>\$54,345</u>	<u>\$ ----</u>	<u>\$ (73)</u>	<u>\$ 1,020</u>	<u>\$ 91,579</u>

CITY OF MONROE CITY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2009

(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>								
<u>(Uses):</u>								
Operating transfers in	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Operating transfers out	----	----	----	(200,000)	----	----	----	(200,000)
<u>Total Other Financing Sources</u>								
<u>(Uses)</u>	\$ ----	\$ ----	\$ ----	\$(200,000)	\$ ----	\$ ----	\$ ----	\$(200,000)
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	\$ 12,979	\$ 47,191	\$ (23,883)	\$(145,655)	\$ ----	\$ (73)	\$ 1,020	\$(108,421)
<u>Fund Balances, October 1</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>Fund Balances, September 30</u>	<u>\$166,314</u>	<u>\$161,713</u>	<u>\$325,111</u>	<u>\$ 94,319</u>	<u>\$ 389</u>	<u>\$ 5,294</u>	<u>\$29,849</u>	<u>\$ 782,989</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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$57,854	\$59,548	\$ 1,694
Recovery of taxes previously written off	----	(411)	(411)
Surtax	2,394	2,394	----
Railroad and utility	<u>1,533</u>	<u>1,533</u>	<u>----</u>
<u>Total Taxes</u>	<u>\$61,781</u>	<u>\$63,064</u>	<u>\$ 1,283</u>
<u>Intergovernmental Revenues:</u>			
State aid	<u>\$ 4,500</u>	<u>\$ 6,063</u>	<u>\$ 1,563</u>
<u>Fines and Forfeits:</u>			
Overdue book fines	<u>\$ 511</u>	<u>\$ 511</u>	<u>\$ ----</u>
<u>Miscellaneous Revenues:</u>			
Interest	\$ 5,500	\$ 5,503	\$ 3
Basement rent	----	----	----
Contributions	91	91	----
Other	<u>250</u>	<u>282</u>	<u>32</u>
<u>Total Miscellaneous Revenues</u>	<u>\$ 5,841</u>	<u>\$ 5,876</u>	<u>\$ 35</u>
<u>Total Revenues</u>	<u>\$72,633</u>	<u>\$75,514</u>	<u>\$ 2,881</u>
<u>Expenditures:</u>			
<u>Library:</u>			
Payroll	\$30,145	\$29,287	\$ 858
Payroll taxes	2,306	2,232	74
Employee benefits	5,917	5,916	1
Office expense	1,050	2,570	(1,520)
Books and periodicals	8,050	8,676	(626)
Supplies and maintenance	5,945	4,953	992
Telephone	671	676	(5)
Transportation and training	59	59	----
Insurance	1,835	1,530	305
Utilities	2,480	2,438	42
Other	----	----	----
<u>Total Library</u>	<u>\$58,458</u>	<u>\$58,337</u>	<u>\$ 121</u>
<u>Capital Outlay</u>	<u>\$ 4,198</u>	<u>\$ 4,198</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Total Expenditures</u>	<u>\$ 62,656</u>	<u>\$ 62,535</u>	<u>\$ 121</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 9,977</u>	<u>\$ 12,979</u>	<u>\$ 3,002</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>\$ 9,977</u>	<u>\$ 12,979</u>	<u>\$ 3,002</u>
<u>Fund Balance, October 1</u>	<u>153,335</u>	<u>153,335</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u><u>\$163,312</u></u>	<u><u>\$166,314</u></u>	<u><u>\$ 3,002</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 - FIRE DEPARTMENT - SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Miscellaneous Revenues:</u>			
Memberships	\$ 91,774	\$ 91,868	\$ 94
Interest	5,300	5,373	73
Contributions	25	25	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 97,099</u>	<u>\$ 97,266</u>	<u>\$ 167</u>
<u>Total Revenues</u>	<u>\$ 97,099</u>	<u>\$ 97,266</u>	<u>\$ 167</u>
<u>Expenditures:</u>			
Capital Outlay	\$ 41,493	\$ 42,485	\$ (992)
Public safety	7,281	7,590	(309)
<u>Total Expenditures</u>	<u>\$ 48,774</u>	<u>\$ 50,075</u>	<u>\$(1,301)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 48,325</u>	<u>\$ 47,191</u>	<u>\$(1,134)</u>
<u>Fund Balance, October 1</u>	<u>114,522</u>	<u>114,522</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$162,847</u>	<u>\$161,713</u>	<u>\$(1,134)</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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Sales tax	<u>\$142,732</u>	<u>\$141,725</u>	<u>\$ (1,007)</u>
<u>Miscellaneous Revenues:</u>			
Interest	<u>\$ 8,700</u>	<u>\$ 8,812</u>	<u>\$ 112</u>
Miscellaneous	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Miscellaneous Revenues</u>	<u>\$ 8,700</u>	<u>\$ 8,812</u>	<u>\$ 112</u>
<u>Total Revenues</u>	<u>\$151,432</u>	<u>\$150,537</u>	<u>\$ (895)</u>
<u>Expenditures:</u>			
Street Department - paving	<u>\$165,925</u>	<u>\$165,925</u>	<u>\$ ----</u>
Sidewalk program	<u>7,323</u>	<u>8,495</u>	<u>(1,172)</u>
<u>Total Expenditures</u>	<u>\$173,248</u>	<u>\$174,420</u>	<u>\$ (1,172)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ (21,816)</u>	<u>\$ (23,883)</u>	<u>\$ (2,067)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers out	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ (21,816)</u>	<u>\$ (23,883)</u>	<u>\$ (2,067)</u>
<u>Fund Balance, October 1</u>	<u>348,994</u>	<u>348,994</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$327,178</u>	<u>\$325,111</u>	<u>\$ (2,067)</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, 2009

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Intergovernmental Revenue:</u>			
Grant income	\$ ----	\$ ----	\$ ----
<u>Miscellaneous Revenues:</u>			
Rent income	\$ 45,053	\$ 46,106	\$ 1,053
Interest	8,359	8,429	70
Contributions	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 53,412</u>	<u>\$ 54,535</u>	<u>\$ 1,123</u>
<u>Total Revenues</u>	<u>\$ 53,412</u>	<u>\$ 54,535</u>	<u>\$ 1,123</u>
<u>Expenditures:</u>			
Capital outlay	\$ 8,750	\$ 190	\$ 8,560
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 44,662</u>	<u>\$ 54,345</u>	<u>\$ 9,683</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in (out)	\$(200,000)	\$(200,000)	\$ ----
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$(155,338)</u>	<u>\$(145,655)</u>	<u>\$ 9,683</u>
<u>Fund Balance, October 1</u>	<u>239,974</u>	<u>239,974</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$ 84,636</u>	<u>\$ 94,319</u>	<u>\$ 9,683</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, 2009

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Miscellaneous Revenues:</u>			
Contributions	\$ 110	\$ 110	\$ ----
Interest	<u>175</u>	<u>172</u>	<u>(3)</u>
<u>Total Miscellaneous Revenues</u>	<u>\$ 285</u>	<u>\$ 282</u>	<u>\$ (3)</u>
 <u>Total Revenues</u>	 <u>\$ 285</u>	 <u>\$ 282</u>	 <u>\$ (3)</u>
 <u>Expenditures:</u>			
Contributions	\$ 360	\$ 355	\$ 5
 <u>Excess of Revenues Over (Under) Expenditures</u>	 \$ (75)	 \$ (73)	 \$ 2
 <u>Fund Balance, October 1</u>	 <u>5,367</u>	 <u>5,367</u>	 <u>----</u>
 <u>Fund Balance, September 30</u>	 <u>\$5,292</u>	 <u>\$5,294</u>	 <u>\$ 2</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, 2009

	Electric Department	Water Department	Sewer Department	Natural Gas Department	Totals (Memorandum Only)
<b>Assets:</b>					
Cash	\$ 732,490	\$ 61,280	\$ 286,803	\$1,215,168	\$ 2,295,741
Receivables (net of allowance for uncollectibles):					
Accounts	368,405	29,965	40,523	63,556	502,449
Inventory of supplies, at cost	211,392	118,481	9,160	55,718	394,751
Prepaid expenses	9,201	3,925	1,636	1,839	16,601
<b>Total Current Assets</b>	<b>\$1,321,488</b>	<b>\$ 213,651</b>	<b>\$ 338,122</b>	<b>\$1,336,281</b>	<b>\$ 3,209,542</b>
Restricted assets:					
Cash	\$ 12,000	\$ 10,000	\$ ----	\$ 10,100	\$ 32,100
Investments	153,802	106,507	61,815	----	322,124
Fixed assets (net of accumulated depreciation - Note 2)	3,835,924	4,579,397	643,607	252,344	9,311,272
Unamortized loan/issuance fees	95,296	65,993	2,104	----	163,393
<b>Total Assets</b>	<b>\$5,418,510</b>	<b>\$4,975,548</b>	<b>\$1,045,648</b>	<b>\$1,598,725</b>	<b>\$13,038,431</b>
<b>Liabilities and Fund Equity:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 270,280	\$ 9,289	\$ 17,370	\$ 30,111	\$ 327,050
Accrued liabilities	6,656	9,021	5,023	4,470	25,170
Construction costs payable	----	----	----	----	----
Current portion of:					
Capitalized lease payable	----	----	----	----	----
Capitalized lease certificates of participation	123,900	85,800	----	----	209,700
Payable from restricted assets:					
Revenue bonds payable	----	----	20,000	----	20,000
Accrued interest	8,255	5,717	1,474	----	15,446
<b>Total Current Liabilities</b>	<b>\$ 409,091</b>	<b>\$ 109,827</b>	<b>\$ 43,867</b>	<b>\$ 34,581</b>	<b>\$ 597,366</b>
<b>Noncurrent Liabilities:</b>					
Deposits	\$ 12,000	\$ 10,000	\$ ----	\$ 10,100	\$ 32,100
Revenue bonds payable	----	----	70,000	----	70,000
Capitalized lease certificates of participation	1,265,845	876,590	----	----	2,142,435
<b>Total Liabilities</b>	<b>\$1,686,936</b>	<b>\$ 996,417</b>	<b>\$ 113,867</b>	<b>\$ 44,681</b>	<b>\$ 2,841,901</b>

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

SEPTEMBER 30, 2009

(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	153,802	106,507	61,815	----	322,124
Unreserved	<u>3,538,155</u>	<u>890,209</u>	<u>430,418</u>	<u>1,327,115</u>	<u>6,185,897</u>
<u>Total Fund Equity</u>	<u>\$3,731,574</u>	<u>\$3,979,131</u>	<u>\$ 931,781</u>	<u>\$1,554,044</u>	<u>\$10,196,530</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$5,418,510</u>	<u>\$4,975,548</u>	<u>\$1,045,648</u>	<u>\$1,598,725</u>	<u>\$13,038,431</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, 2009

	<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	\$4,458,889	\$ 609,038	\$382,641	\$1,877,457	\$7,328,025
Other revenues	<u>13,050</u>	<u>9,610</u>	<u>939</u>	<u>2,604</u>	<u>26,203</u>
<u>Total Operating Revenues</u>	<u>\$4,471,939</u>	<u>\$ 618,648</u>	<u>\$383,580</u>	<u>\$1,880,061</u>	<u>\$7,354,228</u>
<u>Operating Expenses:</u>					
Administration	\$ 614,572	\$ 170,728	\$147,089	\$ 312,357	\$1,244,746
Utility production/treatment	25,126	311,664	191,577	----	528,367
Utility purchases/interconnect	3,435,162	----	----	1,247,308	4,682,470
Utility distribution/collection	250,284	91,948	89,934	102,982	535,148
Depreciation	<u>220,941</u>	<u>166,083</u>	<u>51,900</u>	<u>20,616</u>	<u>459,540</u>
<u>Total Operating Expenses</u>	<u>\$4,546,085</u>	<u>\$ 740,423</u>	<u>\$480,500</u>	<u>\$1,683,263</u>	<u>\$7,450,271</u>
<u>Operating Income (Loss)</u>	<u>\$ (74,146)</u>	<u>\$ (121,775)</u>	<u>\$ (96,920)</u>	<u>\$ 196,798</u>	<u>\$ (96,043)</u>
<u>Non-Operating Revenues</u>					
<u>(Expenses):</u>					
Interest income	\$ 27,446	\$ 6,282	\$ 12,327	\$ 30,678	\$ 76,733
Pole rental income	4,180	----	----	----	4,180
DNR fees	----	----	(550)	----	(550)
Sales tax adjustment	2,988	52	----	818	3,858
Interest expense and fiscal charges	(36,503)	(25,298)	(6,253)	----	(68,054)
Amortization - origination fees	(8,073)	(5,591)	(468)	----	(14,132)
Bad debt recovery (expense)	6,275	1,967	(1,921)	(1,158)	5,163
Demolition	----	----	(4,979)	----	(4,979)
Grant revenue	----	30,000	----	----	30,000
<u>Total Non-Operating Revenues</u>					
<u>(Expenses)</u>	<u>\$ (3,687)</u>	<u>\$ 7,412</u>	<u>\$ (1,844)</u>	<u>\$ 30,338</u>	<u>\$ 32,219</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ (77,833)</u>	<u>\$ (114,363)</u>	<u>\$ (98,764)</u>	<u>\$ 227,136</u>	<u>\$ (63,824)</u>
<u>Other Financing Sources (Uses):</u>					
Operating transfers in	\$ 259,019	\$ 110,120	\$ ----	\$ 100,000	\$ 469,139
Operating transfers (out)	----	----	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 259,019</u>	<u>\$ 110,120</u>	<u>\$ ----</u>	<u>\$ 100,000</u>	<u>\$ 469,139</u>
<u>Net Income (Loss)</u>	<u>\$ 181,186</u>	<u>\$ (4,243)</u>	<u>\$ (98,764)</u>	<u>\$ 327,136</u>	<u>\$ 405,315</u>
<u>Retained Earnings, October 1</u>	<u>3,510,771</u>	<u>1,000,959</u>	<u>590,997</u>	<u>999,979</u>	<u>6,102,706</u>
<u>Retained Earnings, September 30</u>	<u>\$3,691,957</u>	<u>\$ 996,716</u>	<u>\$492,233</u>	<u>\$1,327,115</u>	<u>\$6,508,021</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, 2009

	<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	\$ (74,146)	\$(121,775)	\$ (96,920)	\$ 196,798	\$ (96,043)
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	220,941	166,083	51,900	20,616	459,540
Other income (expense)	7,168	30,052	(5,529)	818	32,509
Operating transfers in (out)	259,019	110,120	---	100,000	469,139
Bad debt recovery (expense)	6,275	1,967	(1,921)	(1,158)	5,163
Changes in operating assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	101,041	31,589	(4,366)	43,985	172,249
Inventories	3,250	(1,520)	281	---	2,011
Prepaid expenses	(544)	(704)	(299)	2	(1,545)
Increase (decrease) in:					
Accounts payable	(13,779)	2,056	(1,938)	(39,047)	(52,708)
Accrued expenses	(19,373)	(11,651)	626	373	(30,025)
Customer deposits	(400)	---	---	1,100	700
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 489,452</u>	<u>\$ 206,217</u>	<u>\$ (58,166)</u>	<u>\$ 323,487</u>	<u>\$ 960,990</u>
<u>Investing Activities:</u>					
Interest income	\$ 27,446	\$ 6,282	\$ 12,327	\$ 30,678	\$ 76,733
Restricted cash activity (net)	6,558	4,285	10,306	(1,100)	20,049
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 34,004</u>	<u>\$ 10,567</u>	<u>\$ 22,633</u>	<u>\$ 29,578</u>	<u>\$ 96,782</u>
<u>Capital and Related Financing Activities:</u>					
Loan issuance fees	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Additions to fixed assets	(19,169)	(114,768)	(118,788)	(5,900)	(258,625)
Interest expense and fiscal charges	(36,503)	(25,298)	(6,253)	---	(68,054)
Principal payments	(117,705)	(81,510)	(20,000)	---	(219,215)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$(173,377)</u>	<u>\$(221,576)</u>	<u>\$(145,041)</u>	<u>\$ (5,900)</u>	<u>\$ (545,894)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ 350,079</u>	<u>\$ (4,792)</u>	<u>\$(180,574)</u>	<u>\$ 347,165</u>	<u>\$ 511,878</u>
<u>Cash at Beginning of Year</u>	<u>382,411</u>	<u>66,072</u>	<u>467,377</u>	<u>868,003</u>	<u>1,783,863</u>
<u>Cash at End of Year</u>	<u>\$ 732,490</u>	<u>\$ 61,280</u>	<u>\$ 286,803</u>	<u>\$1,215,168</u>	<u>\$2,295,741</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, 2009

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
City customers	\$4,578,260	\$4,440,989	\$(137,271)
Security lights	4,515	4,545	30
Penalties	11,535	9,450	(2,085)
Vendor	671	806	135
Service fees	2,850	2,929	79
Construction meter	85	170	85
<u>Total Charges for Services</u>	<u>\$4,597,916</u>	<u>\$4,458,889</u>	<u>\$(139,027)</u>
<u>Other</u>	<u>\$ 9,940</u>	<u>\$ 13,050</u>	<u>\$ 3,110</u>
<u>Total Operating Revenues</u>	<u>\$4,607,856</u>	<u>\$4,471,939</u>	<u>\$(135,917)</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 200	\$ 192	\$ 8
Insurance	34,860	34,315	545
Franchise tax	130,201	130,131	70
Assessments and memberships	2,080	2,079	1
Administrative fee expense	448,000	447,855	145
Miscellaneous	----	----	----
<u>Total Administration</u>	<u>\$ 615,341</u>	<u>\$ 614,572</u>	<u>\$ 769</u>
<u>Electric Production:</u>			
Payroll	\$ ----	\$ ----	\$ ----
Payroll taxes	----	----	----
Health insurance	----	----	----
Savings plan	----	----	----
Truck expense	----	----	----
Equipment, supplies and maintenance	2,474	2,474	----
Fuel used to generate electricity	12,061	13,663	(1,602)
Telephone	----	----	----
Transportation and training	----	----	----
Utilities	9,105	8,989	116
Safety and compliance	----	----	----
Other	----	----	----
<u>Total Electric Production</u>	<u>\$ 23,640</u>	<u>\$ 25,126</u>	<u>\$ (1,486)</u>
<u>Interconnect:</u>			
Power purchases	\$3,446,970	\$3,434,412	\$ 12,558
Railroad easement	750	750	----
<u>Total Interconnect</u>	<u>\$3,447,720</u>	<u>\$3,435,162</u>	<u>\$ 12,558</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, 2009

(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Electric Distribution:</u>			
Payroll	\$ 154,921	\$ 155,055	\$ (134)
Payroll taxes	11,851	11,506	345
Health/life insurance	23,494	23,494	----
Savings plan	5,708	5,708	----
Truck and equipment expense	8,900	9,752	(852)
Equipment, supplies and maintenance	13,737	18,955	(5,218)
Distribution materials	17,560	15,290	2,270
Telephone	1,845	1,826	19
Utilities	2,430	2,418	12
Transportation and training	2,940	2,935	5
Safety and compliance	3,525	3,315	210
Other	30	30	----
<u>Total Electric Distribution</u>	<u>\$ 246,941</u>	<u>\$ 250,284</u>	<u>\$ (3,343)</u>
 <u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Electric production	----	----	----
Electric distribution	19,170	19,169	1
<u>Total Capital Outlay</u>	<u>\$ 19,170</u>	<u>\$ 19,169</u>	<u>\$ 1</u>
 <u>Total Operating Expenses</u>	 <u>\$4,352,812</u>	 <u>\$4,344,313</u>	 <u>\$ 8,499</u>
 <u>Operating Income</u>	 <u>\$ 255,044</u>	 <u>\$ 127,626</u>	 <u>\$(127,418)</u>
 <u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 18,250	\$ 27,446	\$ 9,196
Pole rental income	4,180	4,180	----
Sales tax adjustment	----	2,988	2,988
Interest expense and fiscal charges	----	(36,503)	(36,503)
Principal payments	----	(117,705)	(117,705)
Bad debt recovery (expense)	(3,518)	6,275	9,793
Grant revenue	----	----	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 18,912</u>	<u>\$ (113,319)</u>	<u>\$(132,231)</u>
 <u>Net Income Before Other Financing Sources</u>			
<u>(Uses)</u>	<u>\$ 273,956</u>	<u>\$ 14,307</u>	<u>\$(259,649)</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Other Financing Sources (Uses)</u>			
Operating transfers in	\$ 100,000	\$ 259,019	\$ 159,019
Operating transfers (out)	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 100,000</u>	<u>\$ 259,019</u>	<u>\$ 159,019</u>
<u>Net Income (Modified Cash Basis)</u>	\$ 373,956	\$ 273,326	\$ (100,630)
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	----	(92,140)	(92,140)
<u>Retained Earnings, October 1</u>	<u>3,510,771</u>	<u>3,510,771</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$3,884,727</u>	<u>\$3,691,957</u>	<u>\$ (192,770)</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, 2009

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
City customers	\$538,251	\$533,843	\$(4,408)
Water districts and others	65,688	72,106	6,418
Penalties	3,498	2,509	(989)
Water taps	580	580	----
<u>Total Charges for Services</u>	<u>\$608,017</u>	<u>\$609,038</u>	<u>\$ 1,021</u>
<u>Other</u>	<u>\$ 6,728</u>	<u>\$ 9,610</u>	<u>\$ 2,882</u>
<u>Total Operating Revenues</u>	<u>\$614,745</u>	<u>\$618,648</u>	<u>\$ 3,903</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 100	\$ 98	\$ 2
Insurance	13,040	12,334	706
Franchise tax	16,060	16,059	1
Assessments and memberships	585	581	4
Administrative fee expense	141,660	141,656	4
Miscellaneous	----	----	----
<u>Total Administration</u>	<u>\$171,445</u>	<u>\$170,728</u>	<u>\$ 717</u>
<u>Water Production:</u>			
Payroll	\$ 90,504	\$ 91,674	\$(1,170)
Payroll taxes	6,924	6,858	66
Health/life insurance	13,143	13,143	----
Savings plan	3,193	3,193	----
Truck expense	955	963	(8)
Equipment, supplies and maintenance	24,151	25,822	(1,671)
Chemicals	123,260	121,734	1,526
Telephone	2,925	2,913	12
Transportation and training	1,515	1,509	6
Utilities	43,720	43,702	18
Safety and compliance	155	153	2
Miscellaneous	50	----	50
<u>Total Water Production</u>	<u>\$310,495</u>	<u>\$311,664</u>	<u>\$(1,169)</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Water Distribution:</u>			
Payroll	\$ 59,293	\$ 60,393	\$ (1,100)
Payroll taxes	4,536	4,493	43
Health insurance	8,386	8,386	----
Savings plan	2,151	2,151	----
Truck and equipment expense	3,910	4,065	(155)
Equipment, supplies and maintenance	7,335	8,027	(692)
Telephone	570	572	(2)
Transportation and training	1,322	1,076	246
Utilities	2,613	2,593	20
Safety and compliance	270	183	87
Miscellaneous	10	9	1
<u>Total Water Distribution</u>	<u>\$ 90,396</u>	<u>\$ 91,948</u>	<u>\$ (1,552)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Water production	23,193	23,193	----
Water distribution	91,575	91,575	----
<u>Total Capital Outlay</u>	<u>\$114,768</u>	<u>\$ 114,768</u>	<u>\$ ----</u>
<u>Total Operating Expenses</u>	<u>\$687,104</u>	<u>\$ 689,108</u>	<u>\$ (2,004)</u>
<u>Operating Income (Loss)</u>	<u>\$ (72,359)</u>	<u>\$ (70,460)</u>	<u>\$ 1,899</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 10	\$ 6,282	\$ 6,272
Sales tax adjustment	----	52	52
Interest expense and fiscal charges	----	(25,298)	(25,298)
Principal payments	----	(81,510)	(81,510)
Bad debt recovery (expense)	(1,667)	1,967	3,634
Grant revenue	30,000	30,000	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 28,343</u>	<u>\$ (68,507)</u>	<u>\$ (96,850)</u>
<u>Net Income Before Other Financing Sources (Uses)</u>	<u>\$ (44,016)</u>	<u>\$ (138,967)</u>	<u>\$ (94,951)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ 110,120	\$110,120
Operating transfers out	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ 110,120</u>	<u>\$110,120</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Net Income (Modified Cash Basis)</u>	\$ (44,016)	\$ (28,847)	\$15,169
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	----	24,604	24,604
<u>Retained Earnings, October 1</u>	<u>1,000,959</u>	<u>1,000,959</u>	----
<u>Retained Earnings, September 30</u>	<u>\$ 956,943</u>	<u>\$ 996,716</u>	<u>\$39,773</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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
Sewer service charges	\$ 26,893	\$273,722	\$ 4,791
Penalties	2,572	2,178	(394)
Sewer permits	200	200	----
Sanitation	<u>106,535</u>	<u>106,541</u>	<u>6</u>
<u>Total Charges for Services</u>	<u>\$378,238</u>	<u>\$382,641</u>	<u>\$ 4,403</u>
<u>Other</u>	<u>\$ 920</u>	<u>\$ 939</u>	<u>\$ 19</u>
<u>Total Operating Revenues</u>	<u>\$379,158</u>	<u>\$383,580</u>	<u>\$ 4,422</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 100	\$ 97	\$ 3
Insurance	6,725	6,223	502
Franchise tax	7,985	7,984	1
Assessments and memberships	390	385	5
Sanitation charges and related costs	101,217	101,077	140
Administrative fee expense	25,555	25,552	3
Miscellaneous	<u>10</u>	<u>5,771</u>	<u>(5,761)</u>
<u>Total Administration</u>	<u>\$141,982</u>	<u>\$147,089</u>	<u>\$(5,107)</u>
<u>Sewage Treatment:</u>			
Payroll	\$ 72,254	\$ 72,965	\$ (711)
Payroll taxes	5,527	5,501	26
Health/life insurance	13,133	13,133	----
Savings plan	2,016	2,016	----
Truck expense	1,320	1,069	251
Equipment, supplies and maintenance	5,093	4,868	225
Telephone	550	550	----
Transportation and training	1,130	1,125	5
Utilities	85,255	84,877	378
Safety and compliance	195	195	----
Testing and reporting	5,200	5,278	(78)
Miscellaneous	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Sewage Treatment</u>	<u>\$191,673</u>	<u>\$191,577</u>	<u>\$ 96</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Sewage Collection:</u>			
Payroll	\$ 59,285	\$ 59,755	\$ (470)
Payroll taxes	4,535	4,493	42
Health/life insurance	8,030	8,029	1
Savings plan	2,152	2,151	1
Truck and equipment expense	3,120	3,275	(155)
Equipment, supplies and maintenance	8,085	7,860	225
Telephone	570	572	(2)
Transportation and training	1,260	1,014	246
Utilities	2,615	2,593	22
Safety and compliance	240	183	57
Miscellaneous	10	9	1
<u>Total Sewage Collection</u>	<u>\$ 89,902</u>	<u>\$ 89,934</u>	<u>\$ (32)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Sewage treatment	----	----	----
Sewage collection	118,789	118,788	1
<u>Total Capital Outlay</u>	<u>\$ 118,789</u>	<u>\$ 118,788</u>	<u>\$ 1</u>
<u>Total Operating Expenses</u>	<u>\$ 542,346</u>	<u>\$ 547,388</u>	<u>\$ (5,042)</u>
<u>Operating Income</u>	<u>\$(163,188)</u>	<u>\$(163,808)</u>	<u>\$ (620)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 12,559	\$ 12,327	\$ (232)
DNR Fees	(550)	(550)	----
Interest expense and fiscal charges	(1,700)	(6,253)	(4,553)
Principal payments	(20,000)	(20,000)	----
Bad debt recovery (expense)	(1,468)	(1,921)	(453)
Demolition	(4,930)	(4,979)	(49)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (16,089)</u>	<u>\$ (21,376)</u>	<u>\$ (5,287)</u>
<u>Net Income Before Other Financing Sources</u>			
(Uses)	<u>\$(179,277)</u>	<u>\$(185,184)</u>	<u>\$ (5,907)</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Net Income (Modified Cash Basis)</u>	<u>\$(179,277)</u>	<u>\$(185,184)</u>	<u>\$ (5,907)</u>
<u>Modified Accrual to GAAP Adjustment (Note 9)</u>	<u>-----</u>	<u>86,420</u>	<u>86,420</u>
<u>Retained Earnings, October 1</u>	<u>590,997</u>	<u>590,997</u>	<u>-----</u>
<u>Retained Earnings, September 30</u>	<u>\$ 411,720</u>	<u>\$ 492,233</u>	<u>\$80,513</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, 2009

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
Natural gas sales	\$1,751,400	\$1,726,778	\$ (26,622)
Wheeling charges	147,032	137,639	(9,393)
Penalties	7,561	6,993	(568)
Installations	3,068	6,047	2,979
<u>Total Charges for Services</u>	<u>\$1,909,061</u>	<u>\$1,877,457</u>	<u>\$ (31,604)</u>
<u>Other</u>	<u>\$ 4,500</u>	<u>\$ 2,604</u>	<u>\$ (1,896)</u>
<u>Total Operating Revenues</u>	<u>\$1,913,561</u>	<u>\$1,880,061</u>	<u>\$ (33,500)</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 200	\$ 192	\$ 8
Insurance	11,075	10,868	207
Franchise tax	93,915	93,910	5
Assessments and memberships	950	938	12
Administrative fee expense	206,455	206,449	6
Miscellaneous	----	----	----
<u>Total Administration</u>	<u>\$ 312,595</u>	<u>\$ 312,357</u>	<u>\$ 238</u>
<u>Natural Gas Purchases</u>	<u>\$1,410,000</u>	<u>\$1,247,308</u>	<u>\$162,692</u>
<u>Natural Gas Distribution:</u>			
Payroll	\$ 59,310	\$ 59,673	\$ (363)
Payroll taxes	4,537	4,495	42
Health/life insurance	8,389	8,389	----
Savings plan	2,153	2,153	----
Truck and equipment expense	3,215	3,275	(60)
Equipment, supplies and maintenance	18,098	18,036	62
Telephone	570	572	(2)
Transportation and training	2,740	2,494	246
Utilities	2,615	2,594	21
Safety and compliance	1,630	1,046	584
Miscellaneous	260	255	5
<u>Total Natural Gas Distribution</u>	<u>\$ 103,517</u>	<u>\$ 102,982</u>	<u>\$ 535</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, 2009  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Natural gas distribution	<u>5,900</u>	<u>5,900</u>	<u>----</u>
<u>Total Capital Outlay</u>	<u>\$ 5,900</u>	<u>\$ 5,900</u>	<u>\$ ----</u>
<u>Total Operating Expenses</u>	<u>\$1,832,012</u>	<u>\$1,668,547</u>	<u>\$163,465</u>
<u>Operating Income (Loss)</u>	<u>\$ 81,549</u>	<u>\$ 211,514</u>	<u>\$129,965</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 30,500	\$ 30,678	\$ 178
Sales tax adjustments	----	818	818
Interest expense and fiscal charges	----	----	----
Principal payments	----	----	----
Bad debt recovery (expense)	<u>(4,527)</u>	<u>(1,158)</u>	<u>3,369</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 25,973</u>	<u>\$ 30,338</u>	<u>\$ 4,365</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ 107,522</u>	<u>\$ 241,852</u>	<u>\$134,330</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ 100,000	\$ 100,000	\$ ----
Operating transfers (out)	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ ----</u>
<u>Net Income (Loss) (Modified Cash Basis)</u>	<u>\$ 207,522</u>	<u>\$ 341,852</u>	<u>\$134,330</u>
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	<u>----</u>	<u>(14,716)</u>	<u>(14,716)</u>
<u>Retained Earnings, October 1</u>	<u>999,979</u>	<u>999,979</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$1,207,501</u>	<u>\$1,327,115</u>	<u>\$119,614</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, 2009

<u>Function and Activity:</u>	<u>Balance</u> <u>10-1-08</u>	<u>Additions</u>	<u>Sales/</u> <u>Retirements</u>	<u>Balance</u> <u>9-30-09</u>
<u>General Government:</u>				
City administration	<u>\$2,227,433</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$2,227,433</u>
<u>Public Safety:</u>				
Police	\$ 362,176	\$ 14,200	\$17,937	\$ 358,439
Fire	1,530,360	41,492	----	1,571,852
Humane Officer	28,402	----	----	28,402
<u>Total Public Safety</u>	<u>\$1,920,938</u>	<u>\$ 55,692</u>	<u>\$17,937</u>	<u>\$1,958,693</u>
<u>Street Department</u>	<u>\$ 978,985</u>	<u>\$ 4,695</u>	<u>\$ ----</u>	<u>\$ 983,680</u>
<u>Culture and Recreation:</u>				
Parks	\$ 915,314	\$ 53,622	\$ ----	\$ 968,936
Library	151,032	4,198	----	155,230
Mosswood Golf Course	386,298	----	----	386,298
<u>Total Culture and Recreation</u>	<u>\$1,452,644</u>	<u>\$ 57,820</u>	<u>\$ ----</u>	<u>\$1,510,464</u>
<u>Airport</u>	<u>\$1,645,897</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,645,897</u>
<u>St. Jude's Cemetery</u>	<u>\$ 107,914</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 107,914</u>
<u>Industrial Building</u>	<u>\$ 770,394</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 770,394</u>
<u>Total General Fixed Assets</u>	<u>\$9,104,205</u>	<u>\$118,207</u>	<u>\$17,937</u>	<u>\$9,204,475</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, 2009

		COST		
		BALANCE 09-30-08	ADDITIONS	BALANCE 09-30-09
<b>ELECTRIC DEPARTMENT</b>				
Land		\$12,278.36	—	\$12,278.36
Production		6,077,687.96	—	6,077,687.96
Interconnect		248,188.13	—	248,188.13
Distribution		2,350,045.77	19,169.22	2,369,214.99
Office Equipment		44,162.67	—	44,162.67
<b>TOTAL ELECTRIC DEPARTMENT</b>		<b>\$8,732,362.89</b>	<b>\$19,169.22</b>	<b>\$8,751,532.11</b>
<b>NATURAL GAS DEPARTMENT</b>				
Land		\$14,691.00	—	\$14,691.00
Natural Gas System		1,348,162.78	5,900.00	1,354,062.78
Office Equipment		41,798.32	—	41,798.32
<b>TOTAL NATURAL GAS DEPARTMENT</b>		<b>\$1,404,652.10</b>	<b>\$5,900.00</b>	<b>\$1,410,552.10</b>
<b>WATER DEPARTMENT</b>				
Production System		\$2,721,668.45	\$23,192.74	\$2,744,861.19
Distribution System		3,451,906.62	\$91,574.87	3,543,481.49
Office Equipment		10,072.71	—	10,072.71
<b>TOTAL WATER DEPARTMENT</b>		<b>\$6,183,647.78</b>	<b>\$114,767.61</b>	<b>\$6,298,415.39</b>
<b>SEWER DEPARTMENT</b>				
Treatment System		\$549,468.86	—	\$549,468.86
Collection System		1,250,619.34	118,788.36	1,369,407.70
Office Equipment		1426.08	—	1,426.08
<b>TOTAL SEWER DEPARTMENT</b>		<b>\$1,801,514.28</b>	<b>\$118,788.36</b>	<b>\$1,920,302.64</b>
<b>TOTAL PROPRIETARY FUND TYPES</b>		<b>\$18,122,177.05</b>	<b>\$258,625.19</b>	<b>\$18,380,802.24</b>

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

# ACCUMULATED DEPRECIATION

BALANCE 09-30-08	ADDITIONS	RETIREMENTS	BALANCE 09-30-09
\$0.00	—	—	\$0.00
3,379,015.74	158,232.68	—	3,537,248.42
209,650.37	5,264.19	—	214,914.56
1,072,032.47	56,963.41	—	1,128,995.88
33,968.12	481.12	—	34,449.24
<u>\$4,694,666.70</u>	<u>\$220,941.40</u>	<u>\$0.00</u>	<u>\$4,915,608.10</u>
\$0.00	—	—	\$0.00
1,103,741.46	19,882.45	—	1,123,623.91
33,850.85	733.20	—	34,584.05
<u>\$1,137,592.31</u>	<u>\$20,615.65</u>	<u>\$0.00</u>	<u>\$1,158,207.96</u>
\$949,785.23	\$74,390.56	—	\$1,024,175.79
593,076.36	91,692.92	—	684,769.28
10,073.00	0.00	—	10,073.00
<u>\$1,552,934.59</u>	<u>\$166,083.48</u>	<u>\$0.00</u>	<u>\$1,719,018.07</u>
\$443,278.60	\$14,154.16	—	\$457,432.76
780,091.06	37,745.99	—	817,837.05
1426.08	—	—	1426.08
<u>\$1,224,795.74</u>	<u>\$51,900.15</u>	<u>\$0.00</u>	<u>\$1,276,695.89</u>
<u>\$8,609,989.34</u>	<u>\$459,540.68</u>	<u>\$0.00</u>	<u>\$9,069,530.02</u>

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
ELECTRIC DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gross KWHRS generated at plant	58,719	0.01%
KWHRS purchased	48,933,500	<u>99.99%</u>
Total KWHRS generated and purchased	48,992,219	<u>100.00%</u>
KWHRS distributed from plant	<u>46,620,700</u>	<u>0.95%</u>
Power plant loss	<u>2,371,519</u>	<u>0.05%</u>
KWHRS distributed from plant	46,620,700	
KWHRS billed to customers	45,481,539	
KWHRS used by power plant and street lights	354,655	
Total KWHRS accounted for	<u>45,836,194</u>	
Unaccounted KWHRS distributed	<u>784,506</u>	
Total KWHRS generated and purchased	48,992,219	
Total KWHRS accounted for	<u>45,836,194</u>	
Total KWHRS unaccounted for	<u>3,153,025</u>	<u>0.06%</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	\$ 10,243	\$0.174
Lubricating oil	396	0.007
Natural gas	<u>----</u>	<u>----</u>
Total fuel cost per generated KWHR	\$ 10,639	<u>\$0.181</u>
Purchased	<u>3,434,412</u>	<u>\$0.070</u>
<u>Combined Cost per KWHR Generated and Purchased</u>	<u>\$3,445,051</u>	<u>\$0.070</u>



CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
ELECTRIC DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009  
(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	1,090	\$1,206,288	10,984,274	\$ 0.110
Commercial	254	1,167,441	10,626,325	0.110
Industrial	4	2,067,261	23,870,940	0.087
	<u>1,348</u>	<u>\$4,440,990</u>	<u>45,481,539</u>	<u>\$ 0.098</u>
			<u>Total KWHRS Sold per Customer</u>	<u>Average Annual Bill</u>
Residential			10,077	\$ 1,107
Commercial			41,836	\$ 4,596
Industrial			5,967,735	\$516,815
<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			\$ 0.012	
Production			0.001	
Interconnect			0.070	
Distribution			0.004	
Depreciation			0.004	
<u>Total Operating Expenses</u>				<u>0.091</u>
<u>Operating Income (Loss)</u>				\$ (0.000)
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 0.001	
Expenses			(0.003)	
<u>Total Non-Operating Revenues</u>				
<u>(Expenses)</u>				<u>(0.002)</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, 2009  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>		
<u>Generation and Usage Statistics:</u>				
Gallons of water pumped	93,453,000	100.00%		
Gallons of water sold to customers	<u>89,114,000</u>	<u>95.30%</u>		
Total gallons unaccounted for	<u>4,339,000</u>	<u>4.70%</u>		
	<u>Total Cost</u>	<u>Cost per 1,000 Gallons</u>		
<u>Chemical Cost per 1,000 Gallons Pumped</u>	<u>\$ 121,734</u>	<u>\$1.3020</u>		
	<u>Gallons Sold</u>	<u>Charge per 1,000 Gallons Sold</u>		
<u>Customer Statistics:</u>				
Residential	45,112,000	\$ 7.616		
Commercial	20,347,000	\$ 6.818		
Industrial	8,183,000	\$ 6.299		
Water Districts	<u>15,472,000</u>	\$ 4.660		
	<u>89,114,000</u>	\$ 6.799		
	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Total Gallons Sold per Customer</u>	<u>Average Annual Bill</u>
Residential	1,024	\$343,571	44,055	\$ 336
Commercial	169	138,727	120,396	\$ 821
Industrial	4	51,544	2,045,750	\$ 12,886
Water districts	<u>2</u>	<u>72,106</u>	<u>7,736,000</u>	<u>\$ 36,053</u>
	<u>1,199</u>	<u>\$605,948</u>		

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
WATER DEPARTMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

(UNAUDITED)

(CONTINUED)

Statement of Revenues and Expenses per 1,000 Gallons

Pumped:

Operating Revenues:

Charges for services	\$ 6.517	
Other	<u>0.102</u>	

<u>Total Operating Revenues</u>		\$ 6.619
---------------------------------	--	----------

Operating Expenses:

Administration	\$ 1.826	
Production	3.335	
Distribution	0.983	
Depreciation	<u>1.777</u>	

<u>Total Operating Expenses</u>		<u>(7.920)</u>
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<u>Operating Income (Loss)</u>		\$ (1.302)
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Non-Operating Revenues (Expenses):

Revenues	\$ 0.409	
Expenses	<u>(0.330)</u>	

<u>Total Non-Operating Revenues (Expenses)</u>		<u>0.079</u>
--	--	--------------

<u>Net Income (Loss)</u>		<u><u>\$ (1.223)</u></u>
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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, 2009  
(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	1,011	\$175,257	45,363	\$ 3.863
Commercial	149	67,373	17,315	\$ 3.891
Industrial	4	31,092	7,945	\$ 3.913
	<u>1,164</u>	<u>\$273,722</u>	<u>70,623</u>	<u>\$ 3.876</u>
			<u>Total Gallons Billed per Customer</u>	<u>Average Annual Bill</u>
Residential			44,869	\$ 173
Commercial			116,208	\$ 452
Industrial			1,986,250	\$ 7,773
<u>Statement of Revenues and Expenses per 1,000 Gallons Billed:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 5.418	
Other			<u>0.013</u>	
<u>Total Operating Revenues</u>				\$ 5.431
<u>Operating Expenses:</u>				
Administration			\$ 2.082	
Treatment			2.712	
Collection			1.273	
Depreciation			<u>0.734</u>	
<u>Total Operating Expenses</u>				<u>6.801</u>
<u>Operating Income (Loss)</u>				<u>\$(1.370)</u>
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 0.174	
Expenses			<u>(0.200)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>				<u>(0.026)</u>
<u>Net Income</u>				<u>\$(1.396)</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, 2009  
(UNAUDITED)

			<u>Quantity</u>	<u>Percent</u>
<u>Purchase and Usage Statistics:</u>				
Total MCFS of gas transported by Panhandle Eastern			310,805	
Deduct Perry and Pace			161,654	
Total MCFS of gas available for Monroe City			<u>149,151</u>	<u>100.00%</u>
Total MCFS transported			149,151	100.00%
MCFS of gas sold to customers			<u>145,073</u>	<u>97.27%</u>
MCFS unaccounted or			<u>4,078</u>	<u>2.73%</u>
	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>MCFS Sold</u>	<u>Charges per MCF Sold</u>
<u>Customer Statistics:</u>				
Residential	959	\$ 875,674	67,441	\$ 12.984
Commercial	159	381,714	31,603	\$ 12.078
Industrial	<u>3</u>	<u>469,390</u>	<u>46,029</u>	<u>\$ 10.198</u>
	<u>1,121</u>	<u>\$1,726,778</u>	<u>145,073</u>	<u>\$ 11.903</u>
			<u>Total MCF's Sold per Customer</u>	<u>Average Annual Bill</u>
Residential			70.324	\$ 913
Commercial			198.761	\$ 240
Industrial			15,343.000	\$156,463

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
NATURAL GAS DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009  
(UNAUDITED)  
(CONTINUED)

Statement of Revenues and Expenses per MCF Billed:

<u>Operating Revenues:</u>		
Charges for services	\$12.941	
Other	<u>0.018</u>	
<u>Total Operating Revenues</u>		\$12.959
 <u>Operating Expenses:</u>		
Administration	\$ 2.153	
Purchased gas	8.598	
Distribution	0.710	
Depreciation	<u>0.142</u>	
<u>Total Operating Expenses</u>		<u>11.603</u>
<u>Operating Income (Loss)</u>		\$ 1.356
 <u>Non-Operating Revenues (Expenses):</u>		
Revenues	\$ 0.217	
Expenses	<u>(0.008)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>		<u>0.209</u>
<u>Net Income (Loss)</u>		<u>\$ 1.565</u>

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, 2009  
(UNAUDITED)

Water Production Costs:

Payroll	\$ 91,673.57	
Payroll tax	6,857.80	
Health insurance	13,143.13	
Savings plan	3,192.54	
Truck expense	963.09	
Equipment, supplies and maintenance	25,822.19	
Chemicals	121,733.65	
Telephone	2,914.74	
Transportation and training	1,508.14	
Utilities	43,702.13	
Safety and compliance	153.22	
Miscellaneous	----	
<u>Total Water Production</u>		\$ 31,664.20
<u>Water Production Depreciation</u>		<u>74,390.56</u>
<u>Total Allowable Costs</u>		<u>\$386,054.76</u>
<u>Total Gallons of Water Metered - Fiscal Year Ended</u> <u>September 30, 2009</u>		<u>89,114,000</u>
<u>Total Allowable Cost per 1,000 Gallons of Metered Water</u>		\$ 4.33
<u>Add-On Amount per Water Contract</u>		<u>.70</u>
<u>Revised Price of Water Sold to Water Districts</u>		<u>\$ 5.03</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 2008

<u>Assessed Valuation:</u>		
Monroe County		\$22,483,868
Marion County		6,588,197
Ralls County		<u>1,336,630</u>
<u>Total Assessed Valuation</u>		<u>\$30,408,695</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.**

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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, 2009 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

December 3, 2009