

CITY OF MONROE CITY, MISSOURI

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2010

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, 2010  
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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, 2010, 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, 2010, or the changes in its financial position or its cash flows, where applicable, for the year then ended.

Respectfully submitted,

*Luck, Humphreys and Associates*

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

November 30, 2010

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2010

	<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>General Fixed Assets</u>	<u>Long-Term Debt</u>		
<u>Assets:</u>							
Cash	\$502,062	\$851,978	\$ ---	\$ ---	\$ ---		\$ 4,048,535
Receivables (net of allowances for uncollectibles):							
Taxes	804	272	---	---	---		1,076
Accounts	---	---	---	---	---		468,097
Due from other governments	42,568	15,767	---	---	---		58,335
Inventory of supplies, at cost	11,734	---	---	---	---		421,302
Prepaid expenses	14,800	583	---	---	---		33,267
Restricted assets:							
Cash	55,194	---	---	---	---		85,894
Investments	---	---	112,093	---	---		388,961
Property, plant and equipment (net of accumulated depreciation)	---	---	---	9,370,446	---	18,360,220	
Amount available in debt service fund	---	---	---	---	106,486	106,486	
Amount to be provided for retirement of long-term debt	---	---	---	---	816,079	816,079	
Unamortized loan fees	---	---	---	---	---	211,805	
<u>Total Assets</u>	<u>\$627,162</u>	<u>\$868,600</u>	<u>\$175,353</u>	<u>\$9,370,446</u>	<u>\$922,565</u>		<u>\$25,000,057</u>

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2010

(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	\$47,338	\$ 2,915	\$ ----	\$ 321,728	\$ ----	\$ ----	\$ ----	\$ ----	\$ 371,981
Accrued expenses	20,731	----	----	27,614	----	----	----	----	48,345
Deposits	----	----	----	30,700	----	----	----	----	30,700
Payable from restricted assets:									
Revenue bonds/capital lease	----	----	----	237,195	----	106,486	----	----	343,681
Accrued expenses	----	----	5,607	14,166	----	----	----	----	19,773
Revenue bonds payable	----	----	----	50,000	----	----	----	----	50,000
Capital lease obligations payable	----	----	----	1,925,240	----	816,079	----	----	2,741,319
<u>Total Liabilities</u>	<u>\$68,069</u>	<u>\$ 2,915</u>	<u>\$ 5,607</u>	<u>\$2,606,643</u>	<u>\$ ----</u>	<u>\$922,565</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$3,605,799</u>
<u>Fund Equity:</u>									
Contributed capital	\$ ----	\$ ----	\$ ----	\$3,688,509	\$ ----	\$ ----	\$ ----	\$ ----	\$3,688,509
Investment in general fixed assets	----	----	----	----	9,370,446	----	----	----	9,370,446
Retained earnings:									
Reserved for debt retirement	----	----	----	276,868	----	----	----	----	276,868
Unreserved	----	----	----	6,463,911	----	----	----	----	6,463,911

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2010

(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>		
Fund balances:									
Reserved	55,194	----	169,746	----		----	----		224,940
Unreserved:									
Undesignated	503,899	865,685	----	----		----	----		1,369,584
Total Fund Equity	<u>\$559,093</u>	<u>\$865,685</u>	<u>\$169,746</u>	<u>\$10,429,288</u>		<u>\$9,370,446</u>	<u>\$</u>		<u>\$21,394,258</u>
Total Liabilities and Fund Equity	<u>\$627,162</u>	<u>\$868,600</u>	<u>\$175,353</u>	<u>\$13,035,931</u>		<u>\$9,370,446</u>	<u>\$922,565</u>		<u>\$25,000,057</u>

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



CITY OF MONROE CITY, MISSOURI  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<u>Revenues:</u>				
Taxes	\$ 737,080	\$ 201,530	\$ ---	\$ 938,610
Licenses and permits	12,688	---	---	12,688
Intergovernmental revenue	180,734	2,817	---	183,551
Charges for services	15,085	---	---	15,085
Fines and forfeits	13,853	552	---	14,405
Miscellaneous revenues	<u>817,382</u>	<u>169,158</u>	<u>6,592</u>	<u>993,132</u>
<u>Total Revenues</u>	<u>\$1,776,822</u>	<u>\$ 374,057</u>	<u>\$ 6,592</u>	<u>\$2,157,471</u>
<u>Expenditures:</u>				
Current:				
City administration	\$ 358,915	\$ ---	\$ ---	\$ 358,915
Public safety	522,945	9,602	---	532,547
Humane officer	4,777	---	---	4,777
Inspection and zoning	9,227	---	---	9,227
Street Department	262,423	752	---	263,175
Culture and recreation	134,310	61,299	---	195,609
Airport	49,034	---	---	49,034
Cemetery	19,057	---	---	19,057
Capital outlay	136,164	61,476	---	197,640
Debt service	---	---	<u>127,297</u>	<u>127,297</u>
<u>Total Expenditures</u>	<u>\$1,496,852</u>	<u>\$ 133,129</u>	<u>\$ 127,297</u>	<u>\$1,757,278</u>
<u>Excess of Revenues Over (Under)</u> <u>Expenditures</u>	<u>\$ 279,970</u>	<u>\$ 240,928</u>	<u>\$(120,705)</u>	<u>\$ 400,193</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ---	\$ ---	\$ 114,921	\$ 114,921
Operating transfers out	<u>(381,799)</u>	<u>(158,232)</u>	<u>---</u>	<u>(540,031)</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (381,799)</u>	<u>\$(158,232)</u>	<u>\$ 114,921</u>	<u>\$ (425,110)</u>
<u>Excess of Revenues and Other Sources</u> <u>Over (Under) Expenditures and Other</u> <u>Uses</u>	<u>\$ (101,829)</u>	<u>\$ 82,696</u>	<u>\$ (5,784)</u>	<u>\$ (24,917)</u>
<u>Fund Balances, October 1</u>	<u>660,922</u>	<u>782,989</u>	<u>175,530</u>	<u>1,619,441</u>
<u>Fund Balances, September 30</u>	<u>\$ 559,093</u>	<u>\$ 865,685</u>	<u>\$ 169,746</u>	<u>\$1,594,524</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, 2010

	<u>General Funds</u>		Variance - Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
<u>Revenues:</u>			
Taxes	\$ 722,245	\$ 737,080	\$ 14,835
Licenses and permits	12,687	12,688	1
Intergovernmental revenue	180,255	180,734	479
Charges for services	15,084	15,085	1
Fines and forfeits	13,853	13,853	----
Miscellaneous revenues	<u>834,115</u>	<u>817,382</u>	<u>(16,733)</u>
<u>Total Revenues</u>	<u>\$1,778,239</u>	<u>\$1,776,822</u>	<u>\$ (1,417)</u>
<u>Expenditures:</u>			
Current:			
City administration	\$ 347,735	\$ 358,915	\$(11,180)
Public safety	515,890	522,945	(7,055)
Humane officer	4,476	4,777	(301)
Inspection and zoning	9,202	9,227	(25)
Street Department	253,462	262,423	(8,961)
Culture and recreation	133,472	134,310	(838)
Airport	46,317	49,034	(2,717)
Cemetery	18,978	19,057	(79)
Capital outlay	<u>122,003</u>	<u>136,164</u>	<u>(14,161)</u>
<u>Total Expenditures</u>	<u>\$1,451,535</u>	<u>\$1,496,852</u>	<u>\$ (45,317)</u>
<u>Excess of Revenues Over (Under)</u>			
<u>Expenditures</u>	<u>\$ 326,704</u>	<u>\$ 279,970</u>	<u>\$ (46,734)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	<u>(381,800)</u>	<u>(381,799)</u>	<u>1</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (381,800)</u>	<u>\$ (381,799)</u>	<u>\$ 1</u>
<u>Excess of Revenues and Other Sources</u>			
<u>Over (Under) Expenditures and Other</u>			
<u>Uses</u>	<u>\$ (55,096)</u>	<u>\$ (101,829)</u>	<u>\$ (46,733)</u>
<u>Fund Balances, October 1</u>	<u>660,922</u>	<u>660,922</u>	<u>----</u>
<u>Fund Balances, September 30</u>	<u>\$ 605,826</u>	<u>\$ 559,093</u>	<u>\$ (46,733)</u>

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

Special Revenue Funds		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 200,871	\$201,530	\$ 659
----	----	----
2,816	2,817	1
----	----	----
540	552	12
<u>169,303</u>	<u>169,158</u>	<u>(145)</u>
<u>\$ 373,530</u>	<u>\$374,057</u>	<u>\$ 527</u>
\$ ----	\$ ----	\$ ----
9,861	9,602	259
----	----	----
----	----	----
----	752	(752)
60,535	61,299	(764)
----	----	----
----	----	----
<u>62,245</u>	<u>61,476</u>	<u>769</u>
<u>\$ 132,641</u>	<u>\$133,129</u>	<u>\$ (488)</u>
<u>\$ 240,889</u>	<u>\$240,928</u>	<u>\$ 39</u>
\$ ----	\$ ----	\$ ----
<u>(158,232)</u>	<u>158,232</u>	<u>----</u>
<u>\$(158,232)</u>	<u>\$158,232</u>	<u>\$ ----</u>
\$ 82,657	\$ 82,696	\$ 39
782,989	782,989	----
<u>\$ 865,646</u>	<u>\$865,685</u>	<u>\$ 39</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, 2010

	<u>Enterprise Funds</u>
<u>Operating Revenues:</u>	
Charges for services	\$6,134,038
Other	<u>37,567</u>
<u>Total Operating Revenues</u>	<u>\$6,171,605</u>
<u>Operating Expenses:</u>	
Administration	\$1,090,811
Utility production/treatment	506,781
Utility purchases/interconnect	3,707,550
Utility distribution/collection	498,156
Depreciation	<u>459,094</u>
<u>Total Operating Expenses</u>	<u>\$6,262,392</u>
<u>Operating Income</u>	<u>\$ (90,787)</u>
<u>Non-Operating Revenues (Expenses):</u>	
Interest income	\$ 87,906
Pole rental income	4,180
DNR fees	(450)
Sales tax adjustment	243
Interest expense and fiscal charges	(76,471)
Amortization - origination fees	(14,848)
Bad debt recovery (expense)	(29,748)
Miscellaneous	<u>(27,376)</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (56,564)</u>
<u>Net Income before Other Financing Sources (Uses)</u>	<u>\$ (147,351)</u>
<u>Other Financing Sources (Uses):</u>	
Operating transfers in	\$ 425,109
Operating transfers out	<u>---</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 425,109</u>
<u>Net Income</u>	<u>\$ 277,758</u>
<u>Retained Earnings, October 1</u>	<u>6,463,021</u>
<u>Retained Earnings, September 30</u>	<u>\$6,740,779</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, 2010

	<u>Enterprise Funds</u>
<u>Operating Activities:</u>	
Net income (loss) from operations	\$ (90,787)
Adjustments to reconcile net income to net cash provided by operations:	
Depreciation	459,094
Other income	(23,403)
Operating transfers in (out)	425,109
Bad debt recovery (expense)	(29,748)
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	34,353
Inventories	(14,817)
Prepaid expenses	(1,283)
Increase (decrease) in:	
Accounts payable	(5,321)
Accrued expenses	1,163
Customer deposits	(1,400)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 752,960</u>
<u>Investing Activities:</u>	
Interest income	\$ 87,906
Restricted cash activity (net)	1,656
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 89,562</u>
<u>Capital and Related Financing Activities:</u>	
Additions to fixed assets	\$ (137,597)
Interest expense and fiscal charges	(76,471)
Principal payments	(229,700)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$ (443,768)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ 398,754</u>
<u>Cash at Beginning of Year</u>	<u>2,295,741</u>
<u>Cash at End of Year</u>	<u>\$2,694,495</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, 2010

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, 2010.

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, 2010

(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, 2010  
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

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

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

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

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

C. Basis of Accounting and Measurement Focus

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

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



CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010  
(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, 2010  
(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, 2010  
(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 2009 for the purposes of local taxation was:

General Fund	\$0.5900
Library Fund	<u>0.1993</u>
	<u>\$0.7893</u>

Property taxes are recorded as revenue using the modified accrual basis of accounting and include amounts collected through November, 2010.

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, 2010 totaled \$35,668 and was allocated to the following funds:

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

General	\$14,328
Electric	5,609
Water	7,701
Sewer	4,498
Gas	<u>3,532</u>
	<u>\$35,668</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 \$4,132,885 and the bank balance was \$4,192,606. 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, 2010 is \$16,560. 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, 2010

(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, 2010 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>10-1-09</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-10</u>
Total General Fixed Assets	<u>\$9,204,475</u>	<u>\$193,372</u>	<u>\$27,401</u>	<u>\$9,370,446</u>

A summary of proprietary fund type property, plant and equipment at September 30, 2010 follows:

	<u>Balance</u> <u>10-1-09</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-10</u>
Electric system	\$ 8,751,532	\$ ----	\$ ----	\$ 8,751,532
Water system	6,298,416	94,953	----	6,393,369
Sewerage system	1,920,302	35,732	----	1,956,034
Natural gas system	<u>1,410,552</u>	<u>----</u>	<u>----</u>	<u>1,410,552</u>
	<u>\$18,380,802</u>	<u>\$ 130,685</u>	<u>\$ ----</u>	<u>\$18,511,487</u>
Less: Accumulated depreciation	<u>9,069,530</u>	<u>459,094</u>	<u>----</u>	<u>9,528,624</u>
Net fixed assets	<u>\$ 9,311,272</u>	<u>\$(328,409)</u>	<u>\$ ----</u>	<u>\$ 8,982,863</u>
Construction in progress	<u>\$ ----</u>	<u>\$ 6,912</u>	<u>\$ ----</u>	<u>\$ 6,912</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(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, 2010:

	<u>Balance</u> <u>10-1-09</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>9-30-10</u>
Revenue bonds	\$ 90,000	\$ ----	\$ 20,000	\$ 70,000
Capitalized Lease Certificates of Participation, Series 2008	<u>3,365,000</u>	<u>-----</u>	<u>300,000</u>	<u>3,065,000</u>
<u>Totals</u>	<u>\$3,455,000</u>	<u>\$ ----</u>	<u>\$320,000</u>	<u>\$3,135,000</u>

Bonds payable at September 30, 2010 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. \$ 70,000

Capitalized lease obligations at September 30, 2010 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 (41.3 percent) and Water (28.6 percent) Departments. \$3,065,000

The annual requirements to amortize all bonded debt outstanding as of September 30, 2010 follow:

Revenue Bonds - Series 1992

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$70,000</u>	<u>\$7,205</u>	<u>\$77,205</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(CONTINUED)

6. Long-Term Debt: (Continued)

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, 2010 was as follows:

Total assessed valuation	\$30,742,492
Constitutional debt limit percentage	<u>10%</u>
Constitutional debt limit	\$ 3,074,249
Add: Amount available in Debt Service Fund	106,486
Less: General obligation bonded debt	<u>(922,565)</u>
	<u>\$ 2,258,170</u>

The annual requirements to amortize the capitalized lease certificates of participation as of September 30, 2010 is as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$3,065,000</u>	<u>\$476,022</u>	<u>\$3,541,022</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.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(CONTINUED)

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.

8. Litigation:

As of September 30, 2010, 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, 2010 is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
Operating Revenues	\$3,757,701	\$ 631,423	\$408,229	\$6,171,605
Depreciation and Amortization Expense	220,941	166,083	52,678	19,392
Operating Income (Loss)	(37,024)	(112,129)	(67,188)	125,554
Net Income (Loss)	116,314	37,081	(56,714)	181,077
Property, Plant and Equipment:				
Additions	94,953	35,732	---	---
Deletions	---	---	---	---
Net Working Capital	1,128,183	130,690	228,299	1,502,169
Total Assets	5,369,456	4,954,381	931,238	1,780,856
Bonds and Other Long-Term Liabilities:				
Payable from operating revenues	1,135,880	789,360	---	---
Total Equity	3,847,888	4,016,212	830,067	1,735,121



CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(CONTINUED)

11. Modified Accrual Basis to Generally Accepted Auditing:

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

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
Increase (Decrease) to Income:				
Capital outlay	\$ ----	\$ 94,953	\$ 35,732	\$ ----
Debt service	123,900	85,800	20,000	----
Depreciation	(220,941)	(166,083)	(52,678)	(19,392)
Amortization	<u>(8,497)</u>	<u>(5,884)</u>	<u>(467)</u>	<u>----</u>
	<u><u>\$(105,538)</u></u>	<u><u>\$ 8,786</u></u>	<u><u>\$ 2,587</u></u>	<u><u>\$(19,392)</u></u>

12. Contributed Capital:

Contributed capital on September 30, 2010 consists of:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
City, state and federal contributions	\$39,617	\$2,351,003	\$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><u>\$39,617</u></u>	<u><u>\$2,982,415</u></u>	<u><u>\$439,548</u></u>	<u><u>\$226,929</u></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.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(CONTINUED)

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.

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.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010  
(CONTINUED)

15. Unfavorable Fund Variances:

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

City Administration	<u>\$11,180</u>
Public Safety	<u>\$ 7,055</u>
Humane Officer	<u>\$ 301</u>
Inspection and Zoning	<u>\$ 25</u>
Street	<u>\$ 8,961</u>
Culture and Recreation	<u>\$ 838</u>
Airport	<u>\$ 2,717</u>
Cemetery	<u>\$ 79</u>
Capital Outlay	<u>\$14,161</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$170,378	\$170,379	\$ 1
Railroad and utility	4,560	4,560	----
Surtax	6,885	6,886	1
Financial institution	916	916	----
Penalties	1,667	1,667	----
Sales tax	305,871	315,348	9,477
Recovery of back taxes, net	----	(11,405)	(11,405)
Cigarette tax	17,471	17,472	1
Telephone franchise tax	20,034	20,034	----
Cable TV franchise tax	10,401	10,402	1
Municipal utilities franchise tax	<u>184,062</u>	<u>200,821</u>	<u>16,759</u>
<u>Total Taxes</u>	<u>\$722,245</u>	<u>\$737,080</u>	<u>\$ 14,835</u>
<u>Licenses and Permits:</u>			
Liquor licenses	\$ 3,012	\$ 3,013	\$ 1
Business licenses	5,525	5,525	----
Building permits	1,687	1,687	----
Animal licenses	255	255	----
City stickers	143	143	----
Street excavation permits	1,575	1,575	----
Planning and zoning fees	<u>490</u>	<u>490</u>	<u>----</u>
<u>Total Licenses and Permits</u>	<u>\$ 12,687</u>	<u>\$ 12,688</u>	<u>\$ 1</u>
<u>Intergovernmental Revenue:</u>			
Grant income	\$ 82,516	\$ 82,516	\$ ----
Motor vehicle taxes	<u>97,739</u>	<u>98,218</u>	<u>479</u>
<u>Total Intergovernmental Revenue</u>	<u>\$180,255</u>	<u>\$180,734</u>	<u>\$ 479</u>
<u>Charges for Services:</u>			
Fire calls	\$ ----	\$ ----	\$ ----
Swimming pool	14,889	14,890	1
Use of City equipment and personnel	----	----	----
Animal control and shelter fees	<u>195</u>	<u>195</u>	<u>----</u>
<u>Total Charges for Services</u>	<u>\$ 15,084</u>	<u>\$ 15,085</u>	<u>\$ 1</u>
<u>Fines and Forfeits:</u>			
Fines and court costs	<u>\$ 13,853</u>	<u>\$ 13,853</u>	<u>\$ ----</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Miscellaneous Revenues:</u>			
Interest	\$ 20,000	\$ 19,745	\$ (255)
Administrative fee income	729,230	712,471	(16,759)
Agent fees	37,519	37,520	1
Airport retail sales	31,565	31,844	279
Rent income	1,400	1,400	---
Sale of graves	3,000	3,000	---
Return check charges	430	430	---
Sale of fixed assets	2,547	2,547	---
Contributions	180	180	---
Transfer from Mosswood	7,267	7,267	---
Other	977	978	1
<u>Total Miscellaneous Revenues</u>	<u>\$ 834,115</u>	<u>\$ 817,382</u>	<u>\$(16,733)</u>
<u>Total Revenues</u>	<u>\$1,778,239</u>	<u>\$1,776,822</u>	<u>\$ (1,417)</u>
<u>Expenditures:</u>			
<u>City Administration:</u>			
Payroll	\$ 178,389	\$ 177,954	\$ 435
Payroll taxes	23,563	22,247	1,316
Employee benefits	31,779	31,833	(54)
Office expense	25,000	25,380	(380)
Advertising	5,068	5,619	(551)
Supplies and maintenance	17,589	16,408	1,181
Professional services	30,640	31,770	(1,130)
Assessor's fees	2,861	---	2,861
Telephone	3,163	3,158	5
Transportation and training	379	277	102
Insurance	11,488	11,524	(36)
Utilities - City Hall	4,865	4,866	(1)
Election expense	2,704	2,703	1
Assessments and memberships	1,032	1,032	---
Donations	6,400	6,400	---
Meals and mileage	14	14	---
Other	2,801	17,730	(14,929)
<u>Total City Administration</u>	<u>\$ 347,735</u>	<u>\$ 358,915</u>	<u>\$(11,180)</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Public Safety:</u>			
<u>Municipal Court:</u>			
Office expense	\$ 1,021	\$ 1,020	\$ 1
Incarceration fees	---	37	(37)
Professional services	9,601	9,601	---
Transportation and training	125	125	---
Other	---	---	---
<u>Total Municipal Court</u>	<u>\$ 10,747</u>	<u>\$ 10,783</u>	<u>\$ (36)</u>
<u>Police Department:</u>			
Payroll	\$231,446	\$232,510	\$(1,064)
Payroll taxes	25,201	25,018	183
Employee benefits	35,183	37,744	(2,561)
Employee clothing allowance	1,548	1,547	1
Office expense	4,620	4,534	86
Automobile expense	12,000	11,916	84
Supplies and maintenance	8,662	8,461	201
Drug enforcement	9,292	9,292	---
DARE expenses	1,634	1,633	1
Telephone	4,286	4,337	(51)
Insurance	12,160	12,219	(59)
Utilities	6,648	6,579	69
Transportation and training	579	518	61
Other	137	136	1
Dispatching fees	68,680	68,680	---
<u>Total Police Department</u>	<u>\$422,076</u>	<u>\$425,124</u>	<u>\$(3,048)</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Fire Department:</u>			
Payroll	\$ 29,500	\$ 29,740	\$ (240)
Payroll taxes	2,711	2,729	(18)
Employee clothing allowance	120	120	---
Office expense	938	937	1
Truck expense	2,700	2,987	(287)
Fire prevention/investigation	2,050	2,443	(393)
Supplies and maintenance	13,400	15,450	(2,050)
Emergency preparedness	2,686	3,686	(1,000)
Telephone	2,304	2,310	(6)
Transportation and training	4,227	4,227	---
Insurance	15,909	15,926	(17)
Utilities	5,717	5,678	39
Other	805	805	---
<u>Total Fire Department</u>	<u>\$ 83,067</u>	<u>\$ 87,038</u>	<u>\$(3,971)</u>
<u>Total Public Safety</u>	<u>\$515,890</u>	<u>\$522,945</u>	<u>\$(7,055)</u>
<u>Humane Officer:</u>			
Payroll	\$ 2,260	\$ 2,260	\$ ---
Payroll taxes	173	173	---
Supplies and maintenance	325	394	(69)
Telephone	---	---	---
Insurance	283	284	(1)
Utilities	815	866	(51)
Animal transfers	620	800	(180)
Other	---	---	---
<u>Total Humane Officer</u>	<u>\$ 4,476</u>	<u>\$ 4,777</u>	<u>\$ (301)</u>
<u>Inspection and Zoning Department:</u>			
Payroll	\$ 8,020	\$ 8,044	\$ (24)
Payroll taxes	614	615	(1)
Office expense	188	188	---
Advertising	380	380	---
Transportation and training	---	---	---
<u>Total Inspection and Zoning Department</u>	<u>\$ 9,202</u>	<u>\$ 9,227</u>	<u>\$ (25)</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Parks Department:</u>			
Payroll	\$ 36,983	\$ 37,010	\$ (27)
Payroll taxes	2,830	2,829	1
Employee benefits	1,522	1,521	1
Office expense	5	5	---
Contract payments	22,031	21,837	194
Transportation and training	800	798	2
Supplies and maintenance	13,998	13,316	682
Telephone	254	297	(43)
Insurance	2,452	2,464	(12)
Utilities	18,783	18,924	(141)
Mosswood Golf Course expenses	33,814	35,309	(1,495)
Professional fees	---	---	---
Other	---	---	---
<u>Total Parks Department</u>	<u>\$133,472</u>	<u>\$134,310</u>	<u>\$ (838)</u>
<u>Street Department:</u>			
Payroll	\$121,750	\$123,370	\$(1,620)
Payroll taxes	8,905	8,905	---
Employee benefits	26,472	26,632	(160)
Office expense	93	92	1
Uniforms	1,205	1,180	25
Fuel	20,000	25,908	(5,908)
Supplies and maintenance	19,423	20,537	(1,114)
Safety and compliance	2,505	2,137	368
Street maintenance materials	33,172	34,166	(994)
Paving	---	---	---
Telephone	1,071	1,074	(3)
Transportation and training	671	197	474
Insurance	10,833	10,890	(57)
Utilities	7,362	7,335	27
Other	---	---	---
<u>Total Street Department</u>	<u>\$253,462</u>	<u>\$262,423</u>	<u>\$(8,961)</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Airport:</u>			
Contract payments	\$ 7,475	\$ 7,475	\$ ----
Office expense	782	861	(79)
Supplies and maintenance	1,217	1,251	(34)
Purchases for resale	28,465	31,152	(2,687)
Telephone	1,061	1,067	(6)
Insurance	2,729	2,731	(2)
Utilities	4,588	4,497	91
Other	----	----	----
<u>Total Airport</u>	<u>\$ 46,317</u>	<u>\$ 49,034</u>	<u>\$ (2,717)</u>
<u>Cemetery:</u>			
Payroll	\$ 4,573	\$ 4,591	\$ (18)
Payroll taxes	351	350	1
Employee benefits	1,028	1,027	1
Contract payments	12,420	12,480	(60)
Supplies and maintenance	37	36	1
Insurance	----	----	----
Utilities	569	573	(4)
Other	----	----	----
<u>Total Cemetery</u>	<u>\$ 18,978</u>	<u>\$ 19,057</u>	<u>\$ (79)</u>
<u>Capital Outlay:</u>			
City administration	\$ ----	\$ ----	\$ ----
Municipal court	----	----	----
Police Department	15,450	28,611	(13,161)
Fire Department	----	----	----
Humane Officer	----	----	----
Parks Department	5,921	5,921	----
Street Department	----	----	----
Airport	100,632	101,632	(1,000)
Cemetery	----	----	----
<u>Total Capital Outlay</u>	<u>\$ 122,003</u>	<u>\$ 136,164</u>	<u>\$ (14,161)</u>
<u>Total Expenditures</u>	<u>\$1,451,535</u>	<u>\$1,496,852</u>	<u>\$ (45,317)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 326,704</u>	<u>\$ 279,970</u>	<u>\$ (46,734)</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	<u>(381,800)</u>	<u>(381,799)</u>	<u>1</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$(381,800)</u>	<u>\$ 381,799</u>	<u>\$ 1</u>
 <u>Excess of Revenues and Other Sources Over</u> <u>(Under) Expenditures and Other Uses</u>	 \$ (55,096)	 \$(101,829)	 \$(46,733)
 <u>Fund Balance, October 1</u>	 <u>660,922</u>	 <u>660,922</u>	 <u>----</u>
 <u>Fund Balance, September 30</u>	 <u>\$ 605,826</u>	 <u>\$ 559,093</u>	 <u>\$(46,733)</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, 2010

	<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>Assets:</u>								
Cash	\$173,578	\$197,279	\$349,272	\$95,075	\$ 389	\$ 6,536	\$29,849	\$851,978
Receivables:								
Taxes	272	---	---	---	---	---	---	272
Due from other governments	---	---	15,767	---	---	---	---	15,767
Prepaid expenses	583	---	---	---	---	---	---	583
<u>Total Assets</u>	<u>\$174,433</u>	<u>\$197,279</u>	<u>\$365,039</u>	<u>\$95,075</u>	<u>\$ 389</u>	<u>\$ 6,536</u>	<u>\$29,849</u>	<u>\$868,600</u>
<u>Liabilities and Fund Equity:</u>								
<u>Liabilities:</u>								
Accounts payable	\$ 2,579	\$ 336	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,915
Accrued liabilities	---	---	---	---	---	---	---	---
<u>Total Liabilities</u>	<u>\$ 2,579</u>	<u>\$ 336</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 2,915</u>
<u>Fund Equity:</u>								
Reserved	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Undesignated	171,854	196,943	365,039	95,075	389	6,536	29,849	865,685
<u>Total Fund Equity</u>	<u>\$171,854</u>	<u>\$196,943</u>	<u>\$365,039</u>	<u>\$95,075</u>	<u>\$ 389</u>	<u>\$ 6,536</u>	<u>\$29,849</u>	<u>\$865,685</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$174,433</u>	<u>\$197,279</u>	<u>\$365,039</u>	<u>\$95,075</u>	<u>\$ 389</u>	<u>\$ 6,536</u>	<u>\$29,849</u>	<u>\$868,600</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, 2010

	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	\$57,633	\$ ----	\$143,897	\$ ----	\$ ----	\$ ----	\$ ----	\$201,530
Licenses and permits	----	----	----	----	----	----	----	----
Intergovernmental revenue	2,817	----	----	----	----	----	----	2,817
Charges for services	----	----	----	----	----	----	----	----
Fines and forfeits	552	----	----	----	----	----	----	552
Miscellaneous revenues	5,837	98,799	10,040	52,791	----	1,691	----	169,158
<u>Total Revenues</u>	<u>\$66,839</u>	<u>\$98,799</u>	<u>\$153,937</u>	<u>\$52,791</u>	<u>\$ ----</u>	<u>\$ 1,691</u>	<u>\$ ----</u>	<u>\$374,057</u>
<u>Expenditures:</u>								
Current:								
Public safety	\$ ----	\$ 9,153	\$ ----	\$ ----	\$ ----	\$ 449	\$ ----	\$ 9,602
Street improvements	----	----	752	----	----	----	----	752
Culture and recreation	61,299	----	----	----	----	----	----	61,299
Capital outlay	----	54,416	5,025	2,035	----	----	----	61,476
<u>Total Expenditures</u>	<u>\$61,299</u>	<u>\$63,569</u>	<u>\$ 5,777</u>	<u>\$ 2,035</u>	<u>\$ ----</u>	<u>\$ 449</u>	<u>\$ ----</u>	<u>\$133,129</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 5,540</u>	<u>\$35,230</u>	<u>\$148,160</u>	<u>\$50,756</u>	<u>\$ ----</u>	<u>\$ 1,242</u>	<u>\$ ----</u>	<u>\$240,928</u>

CITY OF MONROE CITY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2010

(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	-----	-----	(108,232)	(50,000)	-----	-----	-----	(158,232)
<u>Total Other Financing Sources</u>								
<u>(Uses)</u>	\$ ----	\$ ----	\$ (108,232)	\$ (50,000)	\$ ----	\$ ----	\$ ----	\$ (158,232)
<u>Excess of Revenues and Other Sources Over (Under)</u>	\$ 5,540	\$ 35,230	\$ 39,928	\$ 756	\$ ----	\$ 1,242	\$ ----	\$ 82,696
<u>Expenditures and Other Uses</u>								
<u>Fund Balances, October 1</u>	166,314	161,713	325,111	94,319	389	5,294	29,849	782,989
<u>Fund Balances, September 30</u>	\$ 171,854	\$ 196,943	\$ 365,039	\$ 95,075	\$ 389	\$ 6,536	\$ 29,849	\$ 865,685

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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$57,619	\$57,619	\$ ----
Recovery of taxes previously written off	----	(3,867)	(3,867)
Surtax	2,334	2,335	1
Railroad and utility	1,546	1,546	----
<u>Total Taxes</u>	<u>\$61,499</u>	<u>\$57,633</u>	<u>\$ (3,866)</u>
<u>Intergovernmental Revenues:</u>			
State aid	\$ 2,816	\$ 2,817	\$ 1
<u>Fines and Forfeits:</u>			
Overdue book fines	\$ 540	\$ 552	\$ 12
<u>Miscellaneous Revenues:</u>			
Interest	\$ 5,490	\$ 5,454	\$ (36)
Basement rent	----	----	----
Contributions	20	20	----
Other	370	363	(7)
<u>Total Miscellaneous Revenues</u>	<u>\$ 5,880</u>	<u>\$ 5,837</u>	<u>\$ (43)</u>
<u>Total Revenues</u>	<u>\$70,735</u>	<u>\$66,839</u>	<u>\$ (3,896)</u>
<u>Expenditures:</u>			
<u>Library:</u>			
Payroll	\$28,500	\$28,476	\$ 24
Payroll taxes	2,180	2,170	10
Employee benefits	5,818	5,816	2
Office expense	1,800	2,628	(828)
Books and periodicals	10,658	10,710	(52)
Supplies and maintenance	6,160	6,305	(145)
Telephone	803	811	(8)
Transportation and training	200	45	155
Insurance	2,074	1,994	80
Utilities	2,342	2,344	(2)
Other	----	----	----
<u>Total Library</u>	<u>\$60,535</u>	<u>\$61,299</u>	<u>\$ (764)</u>
<u>Capital Outlay</u>	<u>\$ ----</u>	<u>\$ ----</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Total Expenditures</u>	<u>\$ 60,535</u>	<u>\$ 61,299</u>	<u>\$ (764)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 10,200</u>	<u>\$ 5,540</u>	<u>\$(4,660)</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>\$ 10,200</u>	<u>\$ 5,540</u>	<u>\$(4,660)</u>
<u>Fund Balance, October 1</u>	<u>166,314</u>	<u>166,314</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$176,514</u>	<u>\$171,854</u>	<u>\$(4,660)</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, 2010

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Miscellaneous Revenues:</u>			
Memberships	\$ 92,251	\$ 92,251	\$ ----
Interest	6,596	6,523	(73)
Contributions	25	25	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 98,872</u>	<u>\$ 98,799</u>	<u>\$ (73)</u>
<u>Total Revenues</u>	<u>\$ 98,872</u>	<u>\$ 98,799</u>	<u>\$ (73)</u>
<u>Expenditures:</u>			
Capital Outlay	\$ 55,409	\$ 54,416	\$ 993
Public safety	9,412	9,153	259
<u>Total Expenditures</u>	<u>\$ 64,821</u>	<u>\$ 63,569</u>	<u>\$ 1,252</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 34,051</u>	<u>\$ 35,230</u>	<u>\$ 1,179</u>
<u>Fund Balance, October 1</u>	<u>161,713</u>	<u>161,713</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$195,764</u>	<u>\$196,943</u>	<u>\$ 1,179</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, 2010

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Taxes:</u>			
Sales tax	\$ 139,372	\$ 143,897	\$ 4,525
<u>Miscellaneous Revenues:</u>			
Interest	\$ 10,000	\$ 10,040	\$ 40
Miscellaneous	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 10,000</u>	<u>\$ 10,040</u>	<u>\$ 40</u>
<u>Total Revenues</u>	<u>\$ 149,372</u>	<u>\$ 153,937</u>	<u>\$ 4,565</u>
<u>Expenditures:</u>			
Street Department - capital outlay	\$ 3,000	\$ 3,225	\$ (225)
Sidewalk improvements	----	752	(752)
Police Department - capital outlay	<u>1,800</u>	<u>1,800</u>	----
<u>Total Expenditures</u>	<u>\$ 4,800</u>	<u>\$ 5,777</u>	<u>\$ (977)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 144,572</u>	<u>\$ 148,160</u>	<u>\$ 3,588</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers out	\$(108,232)	\$(108,232)	\$ ----
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ 36,340</u>	<u>\$ 39,928</u>	<u>\$ 3,588</u>
<u>Fund Balance, October 1</u>	<u>325,111</u>	<u>325,111</u>	----
<u>Fund Balance, September 30</u>	<u>\$ 361,451</u>	<u>\$ 365,039</u>	<u>\$ 3,588</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Intergovernmental Revenue:</u>			
Grant income	\$ ----	\$ ----	\$ ----
<u>Miscellaneous Revenues:</u>			
Rent income	\$ 49,262	\$ 49,262	\$ ----
Interest	3,600	3,529	(71)
Contributions	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 52,862</u>	<u>\$ 52,791</u>	<u>\$ (71)</u>
<u>Total Revenues</u>	<u>\$ 52,862</u>	<u>\$ 52,791</u>	<u>\$ (71)</u>
<u>Expenditures:</u>			
Capital outlay	\$ 2,036	\$ 2,035	\$ 1
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 50,826</u>	<u>\$ 50,756</u>	<u>\$ (70)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in (out)	\$(50,000)	\$(50,000)	\$ ----
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ 826</u>	<u>\$ 756</u>	<u>\$ (70)</u>
<u>Fund Balance, October 1</u>	<u>94,319</u>	<u>94,319</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$ 95,145</u>	<u>\$ 95,075</u>	<u>\$ (70)</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, 2010

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Miscellaneous Revenues:</u>			
Contributions	\$1,526	\$1,526	\$ ----
Interest	163	165	2
<u>Total Miscellaneous Revenues</u>	<u>\$1,689</u>	<u>\$1,691</u>	<u>\$ 2</u>
<u>Total Revenues</u>	<u>\$1,689</u>	<u>\$1,691</u>	<u>\$ 2</u>
<u>Expenditures:</u>			
Contributions	\$ 449	\$ 449	\$ ----
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$1,240</u>	<u>\$1,242</u>	<u>\$ 2</u>
<u>Fund Balance, October 1</u>	<u>5,294</u>	<u>5,294</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$6,534</u>	<u>\$6,536</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, 2010

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Natural Gas Department</u>	<u>Totals (Memorandum Only)</u>
<u>Assets:</u>					
Cash	\$ 954,782	\$ 102,723	\$225,751	\$1,411,239	\$ 2,694,495
Receivables (net of allowance for uncollectibles):					
Accounts	334,551	35,179	42,750	55,617	468,097
Inventory of supplies, at cost	202,050	128,616	9,233	69,669	409,568
Prepaid expenses	10,788	3,781	1,736	1,579	17,884
<u>Total Current Assets</u>	<u>\$1,502,171</u>	<u>\$ 270,299</u>	<u>\$279,470</u>	<u>\$1,538,104</u>	<u>\$ 3,590,044</u>
Restricted assets:					
Cash	\$ 11,700	\$ 9,200	\$ ---	\$ 9,800	\$ 30,700
Investments	153,802	106,506	16,560	---	276,868
Fixed assets (net of accumulated depreciation - Note 2)	3,614,983	4,508,267	633,572	232,952	8,989,774
Unamortized loan/issuance fees	86,800	60,109	1,636	---	148,545
<u>Total Assets</u>	<u>\$5,369,456</u>	<u>\$4,954,381</u>	<u>\$931,238</u>	<u>\$1,780,856</u>	<u>\$13,035,931</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 228,511	\$ 37,550	\$ 23,929	\$ 31,738	\$ 321,728
Accrued liabilities	7,819	9,502	6,096	4,197	27,614
Construction costs payable	---	---	---	---	---
Current portion of:					
Capitalized lease payable	---	---	---	---	---
Capitalized lease certificates of participation	129,965	87,230	---	---	217,195
Payable from restricted assets:					
Revenue bonds payable	---	---	20,000	---	20,000
Accrued interest	7,693	5,327	1,146	---	14,166
<u>Total Current Liabilities</u>	<u>\$ 373,988</u>	<u>\$ 139,609</u>	<u>\$ 51,171</u>	<u>\$ 35,935</u>	<u>\$ 600,703</u>
<u>Noncurrent Liabilities:</u>					
Deposits	\$ 11,700	\$ 9,200	\$ ---	\$ 9,800	\$ 30,700
Revenue bonds payable	---	---	50,000	---	50,000
Capitalized lease certificates of participation	1,135,880	789,360	---	---	1,925,240
<u>Total Liabilities</u>	<u>\$1,521,568</u>	<u>\$ 938,169</u>	<u>\$101,171</u>	<u>\$ 45,735</u>	<u>\$ 2,606,643</u>

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

SEPTEMBER 30, 2010

(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	106,506	16,560	---	276,868
Unreserved	<u>3,654,469</u>	<u>927,291</u>	<u>373,959</u>	<u>1,508,192</u>	<u>6,463,911</u>
<u>Total Fund Equity</u>	<u>\$3,847,888</u>	<u>\$4,016,212</u>	<u>\$830,067</u>	<u>\$1,735,121</u>	<u>\$10,429,288</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$5,369,456</u>	<u>\$4,954,381</u>	<u>\$931,238</u>	<u>\$1,780,856</u>	<u>\$13,035,931</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, 2010

	<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	\$3,749,099	\$ 624,623	\$406,710	\$1,353,606	\$6,134,038
Other revenues	8,602	6,800	1,519	20,646	37,567
<u>Total Operating Revenues</u>	<u>\$3,757,701</u>	<u>\$ 631,423</u>	<u>\$408,229</u>	<u>\$1,374,252</u>	<u>\$6,171,605</u>
<u>Operating Expenses:</u>					
Administration	\$ 593,673	\$ 184,833	\$145,848	\$ 166,457	\$1,090,811
Utility production/treatment	6,292	307,738	192,751	---	506,781
Utility purchases/interconnect	2,738,995	---	---	968,555	3,707,550
Utility distribution/collection	234,824	84,898	84,140	94,294	498,156
Depreciation	220,941	166,083	52,678	19,392	459,094
<u>Total Operating Expenses</u>	<u>\$3,794,725</u>	<u>\$ 743,552</u>	<u>\$475,417</u>	<u>\$1,248,698</u>	<u>\$6,262,392</u>
<u>Operating Income (Loss)</u>	<u>\$ (37,024)</u>	<u>\$ (112,129)</u>	<u>\$ (67,188)</u>	<u>\$ 125,554</u>	<u>\$ (90,787)</u>
<u>Non-Operating Revenues</u>					
<u>(Expenses):</u>					
Interest income	\$ 30,522	\$ 7,531	\$ 10,932	\$ 38,921	\$ 87,906
Pole rental income	4,180	---	---	---	4,180
DNR fees	---	---	(450)	---	(450)
Sales tax adjustment	(123)	40	---	326	243
Interest expense and fiscal charges	(42,266)	(29,269)	(4,936)	---	(76,471)
Amortization - origination fees	(8,497)	(5,884)	(467)	---	(14,848)
Bad debt recovery (expense)	(13,161)	(4,902)	(2,961)	(8,724)	(29,748)
Demolition	---	---	(27,376)	---	(27,376)
Grant revenue	---	---	---	---	---
<u>Total Non-Operating Revenues</u>					
<u>(Expenses)</u>	<u>\$ (29,345)</u>	<u>\$ (32,484)</u>	<u>\$ (25,258)</u>	<u>\$ 30,523</u>	<u>\$ (56,564)</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ (66,369)</u>	<u>\$ (144,613)</u>	<u>\$ (92,446)</u>	<u>\$ 156,077</u>	<u>\$ (147,351)</u>
<u>Other Financing Sources (Uses):</u>					
Operating transfers in	\$ 182,683	\$ 181,694	\$ 35,732	\$ 25,000	\$ 425,109
Operating transfers (out)	---	---	---	---	---
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 182,683</u>	<u>\$ 181,694</u>	<u>\$ 35,732</u>	<u>\$ 25,000</u>	<u>\$ 425,109</u>
<u>Net Income (Loss)</u>	<u>\$ 116,314</u>	<u>\$ 37,081</u>	<u>\$ (56,714)</u>	<u>\$ 181,077</u>	<u>\$ 277,758</u>
<u>Retained Earnings, October 1</u>	<u>3,691,957</u>	<u>996,716</u>	<u>447,233</u>	<u>1,327,115</u>	<u>6,463,021</u>
<u>Retained Earnings, September 30</u>	<u>\$3,808,271</u>	<u>\$1,033,797</u>	<u>\$390,519</u>	<u>\$1,508,192</u>	<u>\$6,740,779</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, 2010

	<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	\$ (37,024)	\$(112,129)	\$ (67,188)	\$ 125,554	\$ (90,787)
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	220,941	166,083	52,678	19,392	459,094
Other income (expense)	4,057	40	(27,826)	326	(23,403)
Operating transfers in (out)	182,683	181,694	35,732	25,000	425,109
Bad debt recovery (expense)	(13,161)	(4,902)	(2,961)	(8,724)	(29,748)
Changes in operating assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	33,854	(5,214)	(2,226)	7,939	34,353
Inventories	9,342	(10,135)	(73)	(13,951)	(14,817)
Prepaid expenses	(1,587)	144	(100)	260	(1,283)
Increase (decrease) in:					
Accounts payable	(41,769)	28,261	6,560	1,627	(5,321)
Accrued expenses	600	91	745	(273)	1,163
Customer deposits	(300)	(800)	---	(300)	(1,400)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 357,636</u>	<u>\$ 243,133</u>	<u>\$ (4,659)</u>	<u>\$ 156,850</u>	<u>\$ 752,960</u>
<u>Investing Activities:</u>					
Interest income	\$ 30,522	\$ 7,531	\$ 10,932	\$ 38,921	\$ 87,906
Restricted cash activity (net)	300	801	255	300	1,656
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 30,822</u>	<u>\$ 8,332</u>	<u>\$ 11,187</u>	<u>\$ 39,221</u>	<u>\$ 89,562</u>
<u>Capital and Related Financing Activities:</u>					
Loan issuance fees	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Additions to fixed assets	----	(94,953)	(42,644)	----	(137,597)
Interest expense and fiscal charges	(42,266)	(29,269)	(4,936)	----	(76,471)
Principal payments	(123,900)	(85,800)	(20,000)	----	(229,700)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$(166,166)</u>	<u>\$(210,022)</u>	<u>\$ (67,580)</u>	<u>\$ ----</u>	<u>\$ (443,768)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ 222,292</u>	<u>\$ 41,443</u>	<u>\$ (61,052)</u>	<u>\$ 196,071</u>	<u>\$ 398,754</u>
<u>Cash at Beginning 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>
<u>Cash at End of Year</u>	<u>\$ 954,782</u>	<u>\$ 102,723</u>	<u>\$225,751</u>	<u>\$1,411,239</u>	<u>\$2,694,495</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, 2010

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
City customers	\$3,791,449	\$3,719,334	\$(72,115)
Security lights	4,717	4,780	63
Penalties	18,204	20,818	2,614
Vendor	766	766	---
Service fees	2,934	2,961	27
Construction meter	440	440	---
<u>Total Charges for Services</u>	<u>\$3,818,510</u>	<u>\$3,749,099</u>	<u>\$(69,411)</u>
<u>Other</u>	<u>\$ 8,528</u>	<u>\$ 8,602</u>	<u>\$ 74</u>
<u>Total Operating Revenues</u>	<u>\$3,827,038</u>	<u>\$3,757,701</u>	<u>\$(69,337)</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 738	\$ 718	\$ 20
Insurance	38,909	37,322	1,587
Franchise tax	130,516	130,516	---
Assessments and memberships	2,073	2,073	---
Administrative fee expense	419,142	419,142	---
Miscellaneous	100	3,902	(3,802)
<u>Total Administration</u>	<u>\$ 591,478</u>	<u>\$ 593,673</u>	<u>\$ (2,195)</u>
<u>Electric Production:</u>			
Payroll	\$ ----	\$ ----	\$ ----
Payroll taxes	----	----	----
Health insurance	----	----	----
Savings plan	----	----	----
Truck expense	----	----	----
Equipment, supplies and maintenance	261	261	----
Fuel used to generate electricity	----	----	----
Telephone	----	----	----
Transportation and training	----	----	----
Utilities	6,053	6,031	22
Safety and compliance	----	----	----
Other	----	----	----
<u>Total Electric Production</u>	<u>\$ 6,314</u>	<u>\$ 6,292</u>	<u>\$ 22</u>
<u>Interconnect:</u>			
Power purchases	\$2,778,431	\$2,738,222	\$ 40,209
Railroad easement	773	773	----
<u>Total Interconnect</u>	<u>\$2,779,204</u>	<u>\$2,738,995</u>	<u>\$ 40,209</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, 2010

(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Electric Distribution:</u>			
Payroll	\$ 151,500	\$ 152,663	\$ (1,163)
Payroll taxes	11,235	11,235	---
Health/life insurance	22,473	22,472	1
Savings plan	5,489	5,708	(219)
Truck and equipment expense	10,506	13,330	(2,824)
Equipment, supplies and maintenance	12,272	8,241	4,031
Distribution materials	6,536	15,855	(9,319)
Telephone	1,624	1,624	---
Utilities	1,960	1,966	(6)
Transportation and training	667	192	475
Safety and compliance	1,501	1,500	1
Other	38	38	---
<u>Total Electric Distribution</u>	<u>\$ 225,801</u>	<u>\$ 234,824</u>	<u>\$ (9,023)</u>
<u>Capital Outlay:</u>			
Administration	\$ ---	\$ ---	\$ ---
Electric production	---	---	---
Electric distribution	---	---	---
<u>Total Capital Outlay</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>
<u>Total Operating Expenses</u>	<u>\$3,602,797</u>	<u>\$3,573,784</u>	<u>\$ 29,013</u>
<u>Operating Income</u>	<u>\$ 224,241</u>	<u>\$ 183,917</u>	<u>\$ (40,324)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 21,000	\$ 30,522	\$ 9,522
Pole rental income	4,180	4,180	---
Sales tax adjustment	---	(123)	(123)
Interest expense and fiscal charges	---	(42,266)	(42,266)
Principal payments	---	(123,900)	(123,900)
Bad debt recovery (expense)	(16,774)	(13,161)	3,613
Grant revenue	---	---	---
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 8,406</u>	<u>\$ (144,748)</u>	<u>\$(153,154)</u>
<u>Net Income Before Other Financing Sources</u>			
<u>(Uses)</u>	<u>\$ 232,647</u>	<u>\$ 39,169</u>	<u>\$(193,478)</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Other Financing Sources (Uses)</u>			
Operating transfers in	\$ 25,000	\$ 182,683	\$ 157,683
Operating transfers (out)	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 25,000</u>	<u>\$ 182,683</u>	<u>\$ 157,683</u>
<u>Net Income (Modified Cash Basis)</u>	\$ 257,647	\$ 221,852	\$ (35,795)
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	----	(105,538)	(105,538)
<u>Retained Earnings, October 1</u>	<u>3,691,957</u>	<u>3,691,957</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$3,949,604</u>	<u>\$3,808,271</u>	<u>\$(141,333)</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
City customers	\$553,531	\$550,878	\$(2,653)
Water districts and others	69,889	66,954	(2,935)
Penalties	5,222	5,866	644
Water taps	925	925	----
<u>Total Charges for Services</u>	<u>\$629,567</u>	<u>\$624,623</u>	<u>\$(4,944)</u>
<u>Other</u>	<u>\$ 6,689</u>	<u>\$ 6,800</u>	<u>\$ 111</u>
<u>Total Operating Revenues</u>	<u>\$636,256</u>	<u>\$631,423</u>	<u>\$(4,833)</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 371	\$ 361	\$ 10
Insurance	12,041	11,983	58
Franchise tax	16,581	16,581	----
Assessments and memberships	814	813	1
Administrative fee expense	154,842	154,841	1
Miscellaneous	100	254	(154)
<u>Total Administration</u>	<u>\$184,749</u>	<u>\$184,833</u>	<u>\$ (84)</u>
<u>Water Production:</u>			
Payroll	\$ 91,400	\$ 91,639	\$ (239)
Payroll taxes	6,883	6,882	1
Health/life insurance	12,946	12,945	1
Savings plan	3,070	3,193	(123)
Truck expense	1,339	1,270	69
Equipment, supplies and maintenance	23,574	22,104	1,470
Chemicals	119,399	121,730	(2,331)
Telephone	2,818	2,821	(3)
Transportation and training	600	352	248
Utilities	44,364	44,275	89
Safety and compliance	461	510	(49)
Miscellaneous	17	17	----
<u>Total Water Production</u>	<u>\$306,871</u>	<u>\$307,738</u>	<u>\$ (867)</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, 2010

(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Water Distribution:</u>			
Payroll	\$ 56,520	\$ 56,759	\$ (239)
Payroll taxes	4,469	4,468	1
Health insurance	6,312	8,311	(1,999)
Savings plan	1,893	1,967	(74)
Truck and equipment expense	2,859	2,623	236
Equipment, supplies and maintenance	5,606	6,579	(973)
Telephone	637	639	(2)
Transportation and training	835	770	65
Utilities	2,529	2,519	10
Safety and compliance	238	238	---
Miscellaneous	25	25	---
<u>Total Water Distribution</u>	<u>\$ 81,923</u>	<u>\$ 84,898</u>	<u>\$ (2,975)</u>
<u>Capital Outlay:</u>			
Administration	\$ ---	\$ ---	\$ ---
Water production	4,541	---	4,541
Water distribution	1,044	94,953	(93,909)
<u>Total Capital Outlay</u>	<u>\$ 5,585</u>	<u>\$ 94,953</u>	<u>\$ (89,368)</u>
<u>Total Operating Expenses</u>	<u>\$579,128</u>	<u>\$ 672,422</u>	<u>\$ (93,294)</u>
<u>Operating Income (Loss)</u>	<u>\$ 57,128</u>	<u>\$ (40,999)</u>	<u>\$ (98,127)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 1,050	\$ 7,531	\$ 6,481
Sales tax adjustment	---	40	40
Interest expense and fiscal charges	---	(29,269)	(29,269)
Principal payments	---	(85,800)	(85,800)
Bad debt recovery (expense)	(4,160)	(4,902)	(742)
Grant revenue	---	---	---
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (3,110)</u>	<u>\$(112,400)</u>	<u>\$(109,290)</u>
<u>Net Income Before Other Financing Sources</u>			
<u>(Uses)</u>	<u>\$ 54,018</u>	<u>\$(153,399)</u>	<u>\$(207,417)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ---	\$ 181,694	\$ 181,694
Operating transfers out	---	---	---
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ---</u>	<u>\$ 181,694</u>	<u>\$ 181,694</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Net Income (Modified Cash Basis)</u>	\$ 54,018	\$ 28,295	\$(25,723)
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	----	8,786	8,786
<u>Retained Earnings, October 1</u>	<u>996,716</u>	<u>996,716</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$1,050,734</u>	<u>\$1,033,797</u>	<u>\$(16,937)</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
Sewer service charges	\$294,401	\$295,393	\$ 992
Penalties	4,091	4,643	552
Sewer permits	150	150	---
Sanitation	106,697	106,524	(173)
<u>Total Charges for Services</u>	<u>\$405,339</u>	<u>\$406,710</u>	<u>\$ 1,371</u>
<u>Other</u>	<u>\$ 813</u>	<u>\$ 1,519</u>	<u>\$ 1,006</u>
<u>Total Operating Revenues</u>	<u>\$406,152</u>	<u>\$408,229</u>	<u>\$ 2,077</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 371	\$ 360	\$ 11
Insurance	3,806	5,706	(1,900)
Franchise tax	8,835	8,834	1
Assessments and memberships	874	873	1
Sanitation charges and related costs	100,026	101,031	(1,005)
Administrative fee expense	28,016	28,015	1
Miscellaneous	10	1,029	(1,019)
<u>Total Administration</u>	<u>\$141,938</u>	<u>\$145,848</u>	<u>\$ (3,910)</u>
<u>Sewage Treatment:</u>			
Payroll	\$ 71,881	\$ 72,417	\$ (536)
Payroll taxes	5,416	5,415	1
Health/life insurance	12,927	12,926	1
Savings plan	1,939	2,016	(77)
Truck expense	612	1,848	(1,236)
Equipment, supplies and maintenance	4,929	4,867	62
Telephone	403	404	(1)
Transportation and training	436	232	204
Utilities	87,918	86,970	948
Safety and compliance	297	297	---
Testing and reporting	5,360	5,359	1
Miscellaneous	---	---	---
<u>Total Sewage Treatment</u>	<u>\$192,118</u>	<u>\$192,751</u>	<u>\$ (633)</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, 2010

(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Sewage Collection:</u>			
Payroll	\$ 56,520	\$ 57,056	\$ (536)
Payroll taxes	4,469	4,468	1
Health/life insurance	8,312	8,311	1
Savings plan	1,893	1,967	(74)
Truck and equipment expense	2,902	2,623	279
Equipment, supplies and maintenance	4,948	5,674	(726)
Telephone	637	639	(2)
Transportation and training	790	629	161
Utilities	2,529	2,519	10
Safety and compliance	238	238	---
Miscellaneous	17	16	1
<u>Total Sewage Collection</u>	<u>\$ 83,255</u>	<u>\$ 84,140</u>	<u>\$ (885)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Sewage treatment	----	----	----
Sewage collection	1,044	35,732	(34,688)
<u>Total Capital Outlay</u>	<u>\$ 1,044</u>	<u>\$ 35,732</u>	<u>\$(34,688)</u>
<u>Total Operating Expenses</u>	<u>\$418,355</u>	<u>\$458,471</u>	<u>\$(40,116)</u>
<u>Operating Income</u>	<u>\$ (12,203)</u>	<u>\$ (50,242)</u>	<u>\$(38,039)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 7,747	\$ 10,932	\$ 3,185
DNR Fees	(450)	(450)	---
Interest expense and fiscal charges	(1,183)	(4,936)	(3,753)
Principal payments	(20,001)	(20,000)	1
Bad debt recovery (expense)	(2,762)	(2,961)	(199)
Demolition	(27,377)	(27,376)	1
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (44,026)</u>	<u>\$ (44,791)</u>	<u>\$ (765)</u>
<u>Net Income Before Other Financing Sources (Uses)</u>	<u>\$ (56,229)</u>	<u>\$ (95,033)</u>	<u>\$(38,804)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ 35,732	\$ 35,732
Operating transfers out	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ 35,732</u>	<u>\$ 35,732</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Net Income (Modified Cash Basis)</u>	\$ (56,229)	\$ (59,301)	\$(3,072)
<u>Modified Accrual to GAAP Adjustment (Note 9)</u>	----	2,587	2,587
<u>Retained Earnings, October 1</u>	<u>447,233</u>	<u>447,233</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$391,004</u>	<u>\$390,519</u>	<u>\$ (485)</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, 2010

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
Natural gas sales	\$1,349,814	\$1,337,182	\$(12,632)
Wheeling charges	15,592	11,556	(4,036)
Penalties	4,418	4,295	(123)
Installations	573	573	---
<u>Total Charges for Services</u>	<u>\$1,370,397</u>	<u>\$1,353,606</u>	<u>\$(16,791)</u>
<u>Other</u>	<u>\$ 6,710</u>	<u>\$ 20,646</u>	<u>\$ 13,936</u>
<u>Total Operating Revenues</u>	<u>\$1,377,107</u>	<u>\$1,374,252</u>	<u>\$ (2,855)</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 738	\$ 718	\$ 20
Insurance	9,059	9,319	(260)
Franchise tax	44,890	44,890	---
Assessments and memberships	439	439	---
Administrative fee expense	110,474	110,473	1
Miscellaneous	100	618	(518)
<u>Total Administration</u>	<u>\$ 165,700</u>	<u>\$ 166,457</u>	<u>\$ (757)</u>
<u>Natural Gas Purchases</u>	<u>\$ 966,111</u>	<u>\$ 968,555</u>	<u>\$ (2,444)</u>
<u>Natural Gas Distribution:</u>			
Payroll	\$ 56,542	\$ 56,270	\$ (272)
Payroll taxes	4,470	4,469	1
Health/life insurance	8,336	8,334	2
Savings plan	1,894	1,968	(74)
Truck and equipment expense	2,909	2,623	286
Equipment, supplies and maintenance	14,255	13,989	266
Telephone	637	639	(2)
Transportation and training	2,096	1,937	159
Utilities	2,160	2,150	10
Safety and compliance	1,890	1,889	1
Miscellaneous	25	26	(1)
<u>Total Natural Gas Distribution</u>	<u>\$ 95,214</u>	<u>\$ 94,294</u>	<u>\$ 920</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, 2010  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Natural gas distribution	----	----	----
<u>Total Capital Outlay</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
<u>Total Operating Expenses</u>	<u>\$1,227,025</u>	<u>\$1,229,306</u>	<u>\$ (2,281)</u>
<u>Operating Income (Loss)</u>	<u>\$ 150,082</u>	<u>\$ 144,946</u>	<u>\$ (5,136)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 38,800	\$ 38,921	\$ 121
Sales tax adjustments	----	326	326
Interest expense and fiscal charges	----	----	----
Principal payments	----	----	----
Bad debt recovery (expense)	(9,099)	(8,724)	375
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 29,701</u>	<u>\$ 30,523</u>	<u>\$ 822</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ 179,783</u>	<u>\$ 175,469</u>	<u>\$ (4,314)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ 25,000	\$ 25,000	\$ ----
Operating transfers (out)	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ ----</u>
<u>Net Income (Loss) (Modified Cash Basis)</u>	<u>\$ 204,783</u>	<u>\$ 200,469</u>	<u>\$ (4,314)</u>
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	<u>----</u>	<u>(19,392)</u>	<u>(19,392)</u>
<u>Retained Earnings, October 1</u>	<u>1,327,115</u>	<u>1,327,115</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$1,531,898</u>	<u>\$1,508,192</u>	<u>\$(23,706)</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, 2010

	<u>Balance</u> <u>10-1-09</u>	<u>Additions</u>	<u>Sales/</u> <u>Retirements</u>	<u>Balance</u> <u>9-30-10</u>
<u>Function and Activity:</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	<u>\$ 358,439</u>	<u>\$ 30,411</u>	<u>\$27,401</u>	<u>\$ 361,449</u>
Fire	<u>1,571,852</u>	<u>55,408</u>	<u>----</u>	<u>1,627,260</u>
Humane Officer	<u>28,402</u>	<u>----</u>	<u>----</u>	<u>28,402</u>
<u>Total Public Safety</u>	<u>\$1,958,693</u>	<u>\$ 85,819</u>	<u>\$27,401</u>	<u>\$2,017,111</u>
<u>Street Department</u>	<u>\$ 983,680</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 983,680</u>
<u>Culture and Recreation:</u>				
Parks	<u>\$ 968,936</u>	<u>\$ 5,921</u>	<u>\$ ----</u>	<u>\$ 974,857</u>
Library	<u>155,230</u>	<u>----</u>	<u>----</u>	<u>155,230</u>
Mosswood Golf Course	<u>386,298</u>	<u>----</u>	<u>----</u>	<u>386,298</u>
<u>Total Culture and Recreation</u>	<u>\$1,510,464</u>	<u>\$ 5,921</u>	<u>\$ ----</u>	<u>\$1,516,385</u>
<u>Airport</u>	<u>\$1,645,897</u>	<u>\$101,632</u>	<u>\$ ----</u>	<u>\$1,747,529</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>\$9,204,475</u>	<u>\$193,372</u>	<u>\$27,401</u>	<u>\$9,370,446</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, 2010

	COST			
	BALANCE 09-30-09	ADDITIONS	RETIREMENTS	BALANCE 09-30-10
<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	2,369,214.99	—	—	2,369,214.99
Office Equipment	44,162.67	—	—	44,162.67
<b>TOTAL ELECTRIC DEPARTMENT</b>	<b>\$8,751,532.11</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$8,751,532.11</b>
<b>NATURAL GAS DEPARTMENT</b>				
Land	\$14,691.00	—	—	\$14,691.00
Natural Gas System	1,354,062.78	—	—	1,354,062.78
Office Equipment	41,798.32	—	—	41,798.32
<b>TOTAL NATURAL GAS DEPARTMENT</b>	<b>\$1,410,552.10</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,410,552.10</b>
<b>WATER DEPARTMENT</b>				
Production System	\$2,744,861.19	—	—	\$2,744,861.19
Distribution System	3,543,481.49	94,952.52	—	3,638,434.01
Office Equipment	10,072.71	—	—	10,072.71
<b>TOTAL WATER DEPARTMENT</b>	<b>\$6,298,415.39</b>	<b>\$94,952.52</b>	<b>\$0.00</b>	<b>\$6,393,367.91</b>
<b>SEWER DEPARTMENT</b>				
Treatment System	\$549,468.86	—	—	\$549,468.86
Collection System	1,369,407.70	35,731.87	—	1,405,139.57
Office Equipment	1,426.08	—	—	1,426.08
<b>TOTAL SEWER DEPARTMENT</b>	<b>\$1,920,302.64</b>	<b>\$35,731.87</b>	<b>\$0.00</b>	<b>\$1,956,034.51</b>
<b>TOTAL PROPRIETARY FUND TYPES</b>	<b>\$18,380,802.24</b>	<b>\$130,684.39</b>	<b>\$0.00</b>	<b>\$18,511,486.63</b>

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

# ACCUMULATED DEPRECIATION

BALANCE 09-30-09	ADDITIONS	RETIREMENTS	BALANCE 09-30-10
\$0.00	---	---	\$0.00
3,537,248.42	158,232.68	---	3,695,481.10
214,914.56	5,264.19	---	220,178.75
1,128,995.88	56,963.41	---	1,185,959.29
34,449.24	481.12	---	34,930.36
<u>\$4,915,608.10</u>	<u>\$220,941.40</u>	<u>\$0.00</u>	<u>\$5,136,549.50</u>
\$0.00	---	---	\$0.00
1,123,623.91	18,659.21	---	1,142,283.12
34,584.05	733.20	---	35,317.25
<u>\$1,158,207.96</u>	<u>\$19,392.41</u>	<u>\$0.00</u>	<u>\$1,177,600.37</u>
\$1,024,175.79	\$74,390.56	---	\$1,098,566.35
684,769.28	91,692.92	---	776,462.20
10,073.00	0.00	---	10,073.00
<u>\$1,719,018.07</u>	<u>\$166,083.48</u>	<u>\$0.00</u>	<u>\$1,885,101.55</u>
\$457,432.76	\$14,404.75	---	\$471,837.51
817,837.05	38,273.57	---	856,110.62
1426.08	---	---	1426.08
<u>\$1,276,695.89</u>	<u>\$52,678.32</u>	<u>\$0.00</u>	<u>\$1,329,374.21</u>
<u>\$9,069,530.02</u>	<u>\$459,095.61</u>	<u>\$0.00</u>	<u>\$9,528,625.63</u>

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
ELECTRIC DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gross KWHRS generated at plant	101,378	0.28%
KWHRS purchased	37,308,100	<u>99.72%</u>
Total KWHRS generated and purchased	37,409,478	<u>100.00%</u>
KWHRS distributed from plant	<u>36,064,300</u>	<u>0.96%</u>
Power plant loss	<u>1,345,178</u>	<u>0.04%</u>
KWHRS distributed from plant	36,064,300	
KWHRS billed to customers	34,593,283	
KWHRS used by power plant and street lights	345,378	
Total KWHRS accounted for	<u>34,938,661</u>	
Unaccounted KWHRS distributed	<u>1,125,639</u>	
Total KWHRS generated and purchased	37,409,478	
Total KWHRS accounted for	<u>34,938,661</u>	
Total KWHRS unaccounted for	<u>2,470,817</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	\$ 19,219	\$0.189
Lubricating oil	51	0.000
Natural gas	----	----
Total fuel cost per generated KWHR	\$ 19,270	<u>\$0.189</u>
Purchased	<u>2,738,222</u>	<u>\$0.073</u>
Combined Cost per KWHR Generated and Purchased	<u>\$2,757,492</u>	<u>\$0.073</u>



CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
ELECTRIC DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

(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	1,097	\$1,354,572	12,005,172	\$ 0.112
Commercial	255	1,206,315	10,679,141	0.112
Industrial	4	1,158,446	11,908,970	0.097
	<u>1,356</u>	<u>\$3,719,933</u>	<u>34,593,283</u>	<u>\$ 0.107</u>
			<u>Total KWHRS Sold per Customer</u>	<u>Average Annual Bill</u>
Residential			10,944	\$ 1,235
Commercial			41,879	\$ 4,731
Industrial			2,977,243	\$289,612
<u>Statement of Revenues and Expenses per KWHR Generated and Purchased:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 0.100	
Other			<u>0.000</u>	
<u>Total Operating Revenues</u>				\$ 0.100
<u>Operating Expenses:</u>				
Administration			\$ 0.015	
Production			0.001	
Interconnect			0.074	
Distribution			0.006	
Depreciation			<u>0.005</u>	
<u>Total Operating Expenses</u>				<u>0.101</u>
<u>Operating Income (Loss)</u>				\$ (0.001)
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 0.001	
Expenses			<u>(0.001)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>				<u>(0.000)</u>
<u>Net Income (Loss)</u>				<u>\$ (0.001)</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, 2010  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>		
<u>Generation and Usage Statistics:</u>				
Gallons of water pumped	85,942,000	100.00%		
Gallons of water sold to customers	<u>83,583,000</u>	<u>97.20%</u>		
Total gallons unaccounted for	<u>2,359,000</u>	<u>2.80%</u>		
	<u>Total Cost</u>	<u>Cost per 1,000 Gallons</u>		
<u>Chemical Cost per 1,000 Gallons Pumped</u>	<u>\$ 121,730</u>	<u>\$ 1.4160</u>		
	<u>Gallons Sold</u>	<u>Charge per 1,000 Gallons Sold</u>		
<u>Customer Statistics:</u>				
Residential	45,146,000	\$ 8.097		
Commercial	20,953,000	\$ 7.342		
Industrial	4,563,000	\$ 6.894		
Water Districts	<u>12,921,000</u>	<u>\$ 5.181</u>		
	<u>83,549,000</u>	<u>\$ 7.394</u>		
	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Total Gallons Sold per Customer</u>	<u>Average Annual Bill</u>
Residential	1,023	\$365,571	44,131	\$ 357
Commercial	165	153,846	126,988	\$ 932
Industrial	4	31,461	1,140,750	\$ 7,865
Water districts	<u>2</u>	<u>66,954</u>	<u>6,460,500</u>	<u>\$ 33,477</u>
	<u>1,194</u>	<u>\$617,832</u>		

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS

WATER DEPARTMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

(UNAUDITED)

(CONTINUED)

Statement of Revenues and Expenses per 1,000 Gallons

Pumped:

Operating Revenues:

Charges for services	\$ 7.267	
Other	<u>0.080</u>	

Total Operating Revenues

\$ 7.347

Operating Expenses:

Administration	\$ 2.150	
Production	3.580	
Distribution	0.987	
Depreciation	<u>1.932</u>	

Total Operating Expenses

8.649

Operating Income (Loss)

\$(1.302)

Non-Operating Revenues (Expenses):

Revenues	\$ 0.088	
Expenses	<u>(0.468)</u>	

Total Non-Operating Revenues (Expenses)

(0.380)

Net Income (Loss)

\$(1.682)

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, 2010  
(UNAUDITED)

	<u>Number of</u> <u>Customers</u>	<u>Charges -</u> <u>Unadjusted</u>	<u>Gallons Billed</u> <u>(1,000's)</u>	<u>Cost per</u> <u>1,000</u> <u>Gallons Sold</u>
<u>Customer Statistics:</u>				
Residential	1,009	\$199,655	44,701	\$ 4.446
Commercial	147	75,795	16,908	\$ 4.482
Industrial	4	19,943	4,564	\$ 4.369
	<u>1,160</u>	<u>\$295,393</u>	<u>66,173</u>	<u>\$ 4.463</u>
			<u>Total Gallons</u> <u>Billed per</u> <u>Customer</u>	<u>Average</u> <u>Annual Bill</u>
Residential			44,302	\$ 198
Commercial			115,020	\$ 516
Industrial			1,141,000	\$ 4,986
<u>Statement of Revenues and Expenses per</u> <u>1,000 Gallons Billed:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 6.146	
Other			<u>0.022</u>	
<u>Total Operating Revenues</u>				\$ 6.168
<u>Operating Expenses:</u>				
Administration			\$ 2.204	
Treatment			2.912	
Collection			1.271	
Depreciation			<u>0.796</u>	
<u>Total Operating Expenses</u>				<u>7.183</u>
<u>Operating Income (Loss)</u>				<u>\$(1.015)</u>
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 0.165	
Expenses			<u>(0.546)</u>	
<u>Total Non-Operating Revenues</u> <u>(Expenses)</u>				<u>(0.381)</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, 2010  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>		
<u>Purchase and Usage Statistics:</u>				
Total MCFS of gas transported by	207,437			
Panhandle Eastern	<u>48,831</u>			
Deduct Perry and Pace				
Total MCFS of gas available for	<u>158,606</u>	<u>100.00%</u>		
Monroe City				
Total MCFS transported	158,606	100.00%		
MCFS of gas sold to customers	<u>154,626</u>	<u>97.40%</u>		
MCFS unaccounted or	<u>3,980</u>	<u>2.60%</u>		
	<u>Number of</u>	<u>Charges -</u>	<u>MCFS Sold</u>	<u>Charges per</u>
	<u>Customers</u>	<u>Unadjusted</u>		<u>MCF Sold</u>
<u>Customer Statistics:</u>				
Residential	955	\$ 654,899	67,635	\$ 9.727
Commercial	157	292,911	33,093	\$ 8.851
Industrial	<u>3</u>	<u>389,373</u>	<u>53,898</u>	\$ 7,224
	<u>1,115</u>	<u>\$1,337,183</u>	<u>154,626</u>	\$ 8.647
			<u>Total MCF's</u>	<u>Average</u>
			<u>Sold per</u>	<u>Annual Bill</u>
			<u>Customer</u>	
Residential			70.821	\$ 686
Commercial			210.783	\$ 1,866
Industrial			17,966.000	\$129,791

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
NATURAL GAS DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010  
(UNAUDITED)  
(CONTINUED)

Statement of Revenues and Expenses per MCF Billed:

<u>Operating Revenues:</u>		
Charges for services	\$ 8.754	
Other	<u>0.133</u>	
<u>Total Operating Revenues</u>		\$8.887
 <u>Operating Expenses:</u>		
Administration	\$ 1.076	
Purchased gas	6.263	
Distribution	0.609	
Depreciation	<u>0.125</u>	
<u>Total Operating Expenses</u>		<u>8.073</u>
 <u>Operating Income (Loss)</u>		 \$0.814
 <u>Non-Operating Revenues (Expenses):</u>		
Revenues	\$ 0.253	
Expenses	<u>(0.056)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>		<u>0.197</u>
 <u>Net Income (Loss)</u>		 <u>\$1.011</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, 2010  
(UNAUDITED)

Water Production Costs:

Payroll	\$ 91,638.77
Payroll tax	6,882.30
Health insurance	12,944.74
Savings plan	3,192.54
Truck expense	1,269.93
Equipment, supplies and maintenance	22,103.44
Chemicals	121,730.00
Telephone	2,821.47
Transportation and training	352.45
Utilities	44,275.48
Safety and compliance	509.86
Miscellaneous	<u>16.50</u>

Total Water Production \$307,737.38

Water Production Depreciation 74,390.56

Total Allowable Costs \$382,127.94

Total Gallons of Water Metered - Fiscal Year Ended  
September 30, 2010 83,583,000

Total Allowable Cost per 1,000 Gallons of Metered Water \$ 4.57

Add-On Amount per Water Contract .70

Revised Price of Water Sold to Water Districts \$ 5.27

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 2009

<u>Assessed Valuation:</u>		
Monroe County		\$22,464,543
Marion County		6,423,869
Ralls County		<u>1,854,080</u>
<u>Total Assessed Valuation</u>		<u>\$30,742,492</u>
<u>Tax Rate per \$100 of Assessed Valuation:</u>		
General Fund	\$0.5900	
Library Fund	<u>0.1993</u>	
Total tax levy	<u>\$0.7893</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.



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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, 2010 in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

**Inadequate Separation of Duties**

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

Auditor Prepares the Financial Statements

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

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

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

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

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

Respectfully submitted,

*Luck, Humphreys and Associates*

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

November 30, 2010