

CITY OF MONROE CITY, MISSOURI

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2011

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, 2011  
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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, 2011, 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, 2011, or the changes in its financial position or its cash flows, where applicable, for the year then ended.

Respectfully submitted,

*Luck, Humphreys and Associates*

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

December 15, 2011

## CITY OF MONROE CITY, MISSOURI

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2011

	Governmental Fund Types			Proprietary Fund Types	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service		General Capital Assets	General Long-Term Debt	
Assets:							
Cash	\$341,260	\$1,003,754	\$ ----	\$ 2,065,402	\$ ----	\$ ----	\$ 3,410,416
Receivables	75,473	1,308,021	----	466,704	----	----	1,850,198
Due from other funds	----	----	----	670,000	----	----	670,000
Inventory of supplies, at cost	32,411	----	----	396,932	----	----	429,343
Restricted assets:							
Cash	62,275	----	----	29,000	----	----	91,275
Investments	----	----	112,093	280,661	----	----	392,754
Capital assets	----	----	----	8,831,491	8,684,188	----	17,515,679
Amount available in debt service fund	----	----	----	----	----	106,929	106,929
Amount to be provided for retirement of long-term debt	----	----	56,965	----	----	723,831	723,831
Unamortized loan fees	----	----	<u>\$169,058</u>	<u>133,458</u>	----	----	<u>190,423</u>
Total Assets	<u>\$511,419</u>	<u>\$2,311,775</u>	<u>\$169,058</u>	<u>\$12,873,648</u>	<u>\$8,684,188</u>	<u>\$830,760</u>	<u>\$25,380,848</u>
Liabilities:							
Accounts payable	\$ 49,099	\$ 2,264	\$ ----	\$ 390,363	\$ ----	\$ ----	\$ 441,726
Accrued expenses	25,947	----	----	22,647	----	----	48,594
Due to other funds	----	670,000	----	----	----	----	670,000
Deposits	----	----	----	29,000	----	----	29,000
Payable from restricted assets:							
Revenue bonds/capital lease	----	----	----	216,690	----	----	216,690
Accrued expenses	----	----	5,164	12,811	----	----	17,975
Revenue bonds payable	----	----	----	50,000	----	----	50,000
Capital lease obligations payable	----	----	----	1,712,550	----	830,760	2,543,310
Total Liabilities	<u>\$ 75,046</u>	<u>\$ 672,264</u>	<u>\$ 5,164</u>	<u>\$ 2,434,061</u>	<u>\$ ----</u>	<u>\$830,760</u>	<u>\$ 4,017,295</u>

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2011

(CONTINUED)

	Governmental Fund Types			Proprietary Fund Types	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service		General Capital Assets	Long-Term Debt	
<u>Fund Equity:</u>							
Contributed capital	\$ ----	\$ ----	\$ ----	\$ 3,688,509	\$ ----	\$ ----	\$ 3,688,509
Investment in general capital assets	----	----	----	----	8,684,188	----	8,684,188
Retained earnings:							
Reserved for debt retirement	----	----	----	280,661	----	----	280,661
Unreserved	----	----	----	6,470,417	----	----	6,470,417
Fund balances:							
Nonspendable	32,411	29,849	56,965	----	----	----	119,225
Restricted	62,275	467,842	106,929	----	----	----	637,046
Committed	----	----	----	----	----	----	----
Assigned	----	458,297	----	----	----	----	458,297
Unassigned	341,687	683,523	----	----	----	----	1,025,210
Total Fund Equity	<u>\$436,373</u>	<u>\$1,639,511</u>	<u>\$163,894</u>	<u>\$10,439,587</u>	<u>\$8,684,188</u>	<u>\$ ----</u>	<u>\$21,363,553</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$511,419</u>	<u>\$2,311,775</u>	<u>\$169,058</u>	<u>\$12,873,648</u>	<u>\$8,684,188</u>	<u>\$830,760</u>	<u>\$25,380,848</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, 2011

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<u>Revenues:</u>				
Taxes	\$ 705,884	\$ 194,132	\$ ----	\$ 900,016
Licenses and permits	10,673	----	----	10,673
Intergovernmental revenue	152,032	3,644	----	155,676
Charges for services	15,981	----	----	15,981
Fines and forfeits	16,189	501	----	16,690
Miscellaneous revenues	<u>787,572</u>	<u>148,488</u>	<u>6,593</u>	<u>942,653</u>
<u>Total Revenues</u>	<u>\$1,688,331</u>	<u>\$ 346,765</u>	<u>\$ 6,593</u>	<u>\$2,041,689</u>
<u>Expenditures:</u>				
Current:				
City administration	\$ 326,283	\$ ----	\$ ----	\$ 326,283
Public safety	559,540	8,379	----	567,919
Humane officer	4,439	----	----	4,439
Inspection and zoning	10,573	----	----	10,573
Street Department	263,892	1,938	----	265,830
Culture and recreation	137,690	58,910	----	196,600
Industrial Development	----	44,957	----	44,957
Airport	71,885	----	----	71,885
Cemetery	19,692	----	----	19,692
Capital outlay	84,425	5,079	----	89,504
Debt service	----	----	<u>126,617</u>	<u>126,617</u>
<u>Total Expenditures</u>	<u>\$1,478,419</u>	<u>\$ 119,263</u>	<u>\$ 126,617</u>	<u>\$1,724,299</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 209,912</u>	<u>\$ 227,502</u>	<u>\$(120,024)</u>	<u>\$ 317,390</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ----	\$ ----	\$ 114,172	\$ 114,172
Operating transfers out	<u>(379,808)</u>	<u>(91,445)</u>	<u>----</u>	<u>(470,753)</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (379,308)</u>	<u>\$ (91,445)</u>	<u>\$ 114,172</u>	<u>\$ (356,581)</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ (169,396)</u>	<u>\$ 136,057</u>	<u>\$ (5,852)</u>	<u>\$ (39,191)</u>
<u>Fund Balances, October 1</u>	<u>605,769</u>	<u>1,503,454</u>	<u>169,746</u>	<u>2,278,969</u>
<u>Fund Balances, September 30</u>	<u>\$ 436,373</u>	<u>\$1,639,511</u>	<u>\$ 163,894</u>	<u>\$2,239,778</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, 2011

	<u>General Funds</u>		<u>Variance -</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
<u>Revenues:</u>			
Taxes	\$ 712,726	\$ 705,884	\$ (6,842)
Licenses and permits	10,672	10,673	1
Intergovernmental revenue	140,871	152,032	11,161
Charges for services	15,980	15,981	1
Fines and forfeits	16,187	16,189	2
Miscellaneous revenues	806,033	787,572	(18,461)
<u>Total Revenues</u>	<u>\$1,702,469</u>	<u>\$1,688,331</u>	<u>\$(14,138)</u>
<u>Expenditures:</u>			
Current:			
City administration	\$ 314,745	\$ 326,283	\$(11,538)
Public safety	558,996	559,540	(544)
Humane officer	4,773	4,439	334
Inspection and zoning	10,628	10,573	55
Street Department	268,181	263,892	4,289
Culture and recreation	138,842	137,690	1,152
Airport	71,479	71,885	(406)
Cemetery	19,686	19,692	(6)
Industrial Development	----	----	----
Capital outlay	97,588	84,425	13,163
<u>Total Expenditures</u>	<u>\$1,484,918</u>	<u>\$1,478,419</u>	<u>\$ 6,499</u>
<u>Excess of Revenues Over (Under)</u>			
<u>Expenditures</u>	<u>\$ 217,551</u>	<u>\$ 209,912</u>	<u>\$ (7,639)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	(379,309)	(379,308)	1
<u>Total Other Sources (Uses)</u>	<u>\$ (379,309)</u>	<u>\$ (379,308)</u>	<u>\$ 1</u>
<u>Excess of Revenues and Other Sources</u>			
<u>Over (Under) Expenditures and Other</u>			
<u>Uses</u>	<u>\$ (161,758)</u>	<u>\$ (169,396)</u>	<u>\$ (7,638)</u>
<u>Fund Balances, October 1</u>	<u>605,769</u>	<u>605,769</u>	<u>----</u>
<u>Fund Balances, September 30</u>	<u>\$ 444,011</u>	<u>\$ 436,373</u>	<u>\$ (7,638)</u>

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

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 197,516	\$ 194,132	\$ (3,384)
----	----	----
3,644	3,644	----
----	----	----
525	501	(24)
162,340	148,488	(13,852)
<u>\$ 364,025</u>	<u>\$ 346,765</u>	<u>\$ (17,260)</u>
\$ ----	\$ ----	\$ ----
8,086	8,379	(293)
----	----	----
----	----	----
1,939	1,938	1
59,335	58,910	425
----	----	----
----	----	----
----	44,957	(44,957)
5,080	5,079	1
<u>\$ 74,440</u>	<u>\$ 119,263</u>	<u>\$ (44,823)</u>
<u>\$ 289,585</u>	<u>\$ 227,502</u>	<u>\$ (62,083)</u>
\$ ----	\$ ----	\$ ----
(41,445)	(91,445)	(50,000)
<u>\$ (41,445)</u>	<u>\$ (91,445)</u>	<u>\$ (50,000)</u>
\$ 248,140	\$ 136,057	\$(112,083)
1,503,454	1,503,454	----
<u>\$1,751,594</u>	<u>\$1,639,511</u>	<u>\$(112,083)</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, 2011

	<u>Enterprise Funds</u>
<u>Operating Revenues:</u>	
Charges for services	\$5,553,924
Other	<u>6,290</u>
<u>Total Operating Revenues</u>	<u>\$5,560,214</u>
<u>Operating Expenses:</u>	
Administration	\$1,031,817
Utility production/treatment	488,079
Utility purchases/interconnect	3,307,977
Utility distribution/collection	665,279
Depreciation	<u>428,287</u>
<u>Total Operating Expenses</u>	<u>\$5,921,439</u>
<u>Operating Income</u>	<u>\$ (361,225)</u>
<u>Non-Operating Revenues (Expenses):</u>	
Interest income	\$ 40,160
Pole rental income	4,180
DNR fees	(350)
Sales tax adjustment	(167)
Interest expense and fiscal charges	(69,844)
Amortization - origination fees	(15,088)
Bad debt recovery (expense)	(15,401)
Miscellaneous	(2,565)
Grant revenue	<u>74,018</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 14,943</u>
<u>Net Income before Other Financing Sources (Uses)</u>	<u>\$ (346,282)</u>
<u>Other Financing Sources (Uses):</u>	
Operating transfers in	\$ 356,581
Operating transfers out	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 356,581</u>
<u>Net Income</u>	<u>\$ 10,299</u>
<u>Retained Earnings, October 1</u>	<u>6,740,779</u>
<u>Retained Earnings, September 30</u>	<u>\$6,751,078</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, 2011

	<u>Enterprise Funds</u>
<u>Operating Activities:</u>	
Net income (loss) from operations	\$ (361,225)
Adjustments to reconcile net income to net cash provided by operations:	
Depreciation	428,287
Other income	75,116
Operating transfers in (out)	356,581
Bad debt recovery (expense)	(15,401)
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	1,393
Inventories	12,636
Prepaid expenses	17,884
Increase (decrease) in:	
Accounts payable	68,635
Accrued expenses	(6,322)
Customer deposits	(1,700)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 575,884</u>
<u>Investing Activities:</u>	
Transfer to Industrial Development Fund	\$ (670,000)
Interest income	40,160
Restricted cash activity (net)	(2,093)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ (631,933)</u>
<u>Capital and Related Financing Activities:</u>	
Additions to capital assets	\$ (270,005)
Interest expense and fiscal charges	(69,844)
Principal payments	(233,195)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$ (573,044)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ (629,093)</u>
<u>Cash at Beginning of Year</u>	<u>2,694,495</u>
<u>Cash at End of Year</u>	<u>\$2,065,402</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, 2011

The accounting methods and procedures adopted by the City of Monroe City, Missouri conform to generally accepted accounting principles as applied to governmental entities (except for the presentation of the government-wide financial statements and the management discussion and analysis as defined by GASB No. 34). 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, 2011.

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, 2011  
(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, 2011

(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, 2011

(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

Because of certain revenue bond covenants, the City is 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

Capital 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, 2011  
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

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

Capital assets acquired for proprietary funds are capitalized in the respective funds to which they apply.

Capital assets are 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 capital 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

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the City Council through approval of resolutions. Assigned fund balances is a limitation imposed by the City Council. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four categories.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011  
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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 2010 for the purposes of local taxation was:

General Fund	\$0.7182
Library Fund	<u>0.2000</u>
	<u>\$0.9182</u>

Property taxes are recorded as revenue using the modified accrual basis of accounting and include amounts collected through November, 2011.

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, 2011 totaled \$29,700 and was allocated to the following funds:

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011  
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

General	\$17,490
Electric	5,239
Water	4,897
Sewer	2,786
Gas	<u>2,288</u>
	<u>\$29,700</u>

O. Total Columns on Combined Statements - Overview

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

2. Stewardship, Compliance, and Accountability:

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

3. Deposits and Temporary Cash Investments:

At year-end, the City's deposits consisted of an interest bearing checking account in a local FDIC insured financial institution. The carrying amount of the City's deposits was \$3,501,791 and the bank balance was \$3,548,452. 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. Receivables:

Receivables as of year end for the City's individual funds, including the applicable allowances for uncollectible accounts, are as follows:

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

(CONTINUED)

4. Receivables: (Continued)

<u>Governmental Fund Types</u>	<u>General</u>	<u>Library</u>	<u>Sales Tax</u>	<u>Industrial Development</u>	<u>Total</u>
Property taxes	\$ 1,569	\$ 437	\$ ----	\$ ----	\$ 2,006
Sales tax	26,152	----	12,024	----	38,176
Motor fuel tax	8,354	----	----	----	8,354
Notes receivable:					
Mosswood					
Golf Course	39,398	----	----	----	39,398
Lakeside					
Casting LLC	----	----	----	1,295,560	1,295,560
Allowance for uncollectible accounts	----	----	----	----	----
<u>Total</u>	<u>\$75,473</u>	<u>\$ 437</u>	<u>\$12,024</u>	<u>\$1,295,560</u>	<u>\$1,383,494</u>

<u>Proprietary Fund Types</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
Billings	\$369,654	\$26,823	\$45,218	\$62,992	\$504,687
Allowance for uncollectible accounts	(32,803)	(1,924)	(2,924)	(5,588)	(43,239)
<u>Total</u>	<u>\$336,851</u>	<u>\$24,899</u>	<u>\$42,294</u>	<u>\$57,404</u>	<u>\$461,448</u>

5. 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, 2011 is \$20,353. These accounts were created as a result of the covenants of the \$300,000 sewer revenue bonds and are restricted as to use.

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, 2011 is \$372,401. The difference between the carrying value and the fair market value is considered to be immaterial. These accounts were created

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

(CONTINUED)

5. Restricted Assets: (Continued)

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>

6. Capital Assets:

A summary of changes in general capital assets follows:

	<u>Balance 10-1-10</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance 9-30-11</u>
Total General Capital Assets	<u>\$8,600,052</u>	<u>\$84,136</u>	<u>\$ ----</u>	<u>\$8,684,188</u>

A summary of changes in proprietary fund type capital assets follows:

	<u>Balance 10-1-10</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance 9-30-11</u>
Electric system	\$ 8,751,532	\$ ----	\$ ----	\$ 8,751,532
Water system	6,393,369	26,817	----	6,420,186
Sewerage system	1,956,034	8,417	----	1,964,451
Natural gas system	<u>1,410,552</u>	<u>8,421</u>	<u>----</u>	<u>1,418,973</u>
	<u>\$18,511,487</u>	<u>\$ 43,655</u>	<u>\$ ----</u>	<u>\$18,555,142</u>
Less: Accumulated depreciation	<u>9,528,624</u>	<u>428,287</u>	<u>----</u>	<u>9,956,911</u>
Net fixed assets	<u>\$ 8,982,863</u>	<u>\$(384,632)</u>	<u>\$ ----</u>	<u>\$ 8,598,231</u>
Construction in progress	<u>\$ 6,912</u>	<u>\$ 226,350</u>	<u>\$ ----</u>	<u>\$ 233,262</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

(CONTINUED)

7. Long-Term Debt:

The following is a summary of bonds payable and capitalized lease transactions of the City for the year ended September 30, 2011:

	<u>Balance 10-1-10</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 9-30-11</u>
Revenue bonds	\$ 70,000	\$ ----	\$ 20,000	\$ 50,000
Capitalized Lease Certificates of Participation, Series 2008	<u>3,065,000</u>	<u>-----</u>	<u>305,000</u>	<u>2,760,000</u>
<u>Totals</u>	<u>\$3,135,000</u>	<u>\$ ----</u>	<u>\$325,000</u>	<u>\$2,810,000</u>

Bonds payable at September 30, 2011 are comprised of the following individual issues:

\$300,000.00 Sewer Revenue EIERA Bonds, dated June 16, 1992, due in annual installments of \$25,000 through January 1, 2013, plus interest at 6.55 percent. \$ 50,000

Capitalized lease obligations at September 30, 2011 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. \$2,760,000

The annual requirements to amortize all bonded debt outstanding as of September 30, 2011 follow:

Revenue Bonds - Series 1992

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$25,000	\$2,456	\$27,456
2013	<u>25,000</u>	<u>819</u>	<u>25,819</u>
<u>Totals</u>	<u>\$50,000</u>	<u>\$3,275</u>	<u>\$53,275</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011  
(CONTINUED)

7. 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, 2011 was as follows:

Total assessed valuation	\$24,989,132
Constitutional debt limit percentage	<u>10%</u>
Constitutional debt limit	2,498,132
Add: Amount available in Debt Service Fund	106,929
Less: General obligation bonded debt	<u>(830,760)</u>
	<u>\$ 1,774,301</u>

The annual requirements to amortize the capitalized lease certificates of participation as of September 30, 2011 is as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$2,760,000</u>	<u>\$381,378</u>	<u>\$3,141,378</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, 2011

(CONTINUED)

8. 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.

9. Litigation:

As of September 30, 2011, there were no lawsuits pending or claims outstanding against the City that would have a material effect on the financial statements.

10. 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.

11. 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, 2011 is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
Operating Revenues	\$3,413,731	\$ 639,547	\$ 410,873	\$5,560,214
Depreciation and Amortization Expense	214,533	155,827	53,485	19,830
Operating Income (Loss)	(192,592)	(125,364)	(108,286)	65,017
Net Income (Loss)	(44,891)	(44,191)	3,034	96,347
Property, Plant and Equipment:				
Additions	---	26,817	8,417	8,421
Deletions	---	---	---	---
Net Working Capital	1,173,795	126,550	21,257	1,609,925
Total Assets	5,169,826	4,801,452	1,026,086	1,876,284
Bonds and Other Long-Term Liabilities:				
Payable from operating revenues	993,163	687,761	30,466	---
Total Equity	3,802,997	3,972,021	833,101	1,831,468

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

(CONTINUED)

12. 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	\$ ----	\$ 26,817	\$ 8,417	\$ 8,421
Debt service	125,965	87,230	20,000	----
Depreciation	(205,895)	(149,545)	(53,017)	(19,830)
Amortization	(8,638)	(5,982)	(468)	----
Operating transfers	<u>200,000</u>	<u>-----</u>	<u>-----</u>	<u>470,000</u>
	<u>\$ 111,432</u>	<u>\$(41,480)</u>	<u>\$(25,068)</u>	<u>\$458,591</u>

13. Contributed Capital:

Contributed capital on September 30, 2011 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>375,346</u>	<u>-----</u>	<u>-----</u>
	<u>\$39,617</u>	<u>\$2,982,415</u>	<u>\$439,548</u>	<u>\$226,929</u>

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

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011  
(CONTINUED)

14. 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.

15. 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, 2011

(CONTINUED)

16. Unfavorable Fund Variances:

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

City Administration	<u>\$11,538</u>
Public Safety	<u>\$ 544</u>
Airport	<u>\$ 406</u>
Cemetery	<u>\$ 6</u>

17. Committed Contracts:

At September 30, 2011, the City owed Huey Construction \$65,111 for the replacement of sewer lines.

18. Restatement of September 30, 2011 Fund Equity:

A retroactive adjustment was made to correct the beginning fund equity for the following transactions:

General Fund

To reflect the balance of the funds transferred to Mosswood Golf Course as an advance to be repaid.

\$46,676

Industrial Development Fund/General Capital Asset Account Group

To change the method of accounting on the transaction with Lakeside Casting LLC from an operating lease to a capital lease.

Increase fund equity in Industrial Development Fund by \$637,769. Decrease investment in general capital assets by \$770,394.

The balance of the note receivable with Lakeside Casting LLC at September 30, 2011 is \$1,295,560.

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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$172,676	\$174,135	\$ 1,459
Railroad and utility	5,696	5,697	1
Surtax	6,458	6,459	1
Financial institution	184	184	----
Penalties	192	192	----
Sales tax	318,658	311,138	(7,520)
Cigarette tax	16,500	16,041	(459)
Telephone franchise tax	22,900	22,576	(324)
Cable TV franchise tax	10,518	10,518	----
Municipal utilities franchise tax	<u>158,944</u>	<u>158,944</u>	<u>----</u>
<u>Total Taxes</u>	<u>\$712,726</u>	<u>\$705,884</u>	<u>\$ (6,842)</u>
<u>Licenses and Permits:</u>			
Liquor licenses	\$ 2,912	\$ 2,913	\$ 1
Business licenses	5,500	5,500	----
Building permits	1,200	1,200	----
Animal licenses	255	255	----
Street excavation permits	500	500	----
Planning and zoning fees	<u>305</u>	<u>305</u>	<u>----</u>
<u>Total Licenses and Permits</u>	<u>\$ 10,672</u>	<u>\$ 10,673</u>	<u>\$ 1</u>
<u>Intergovernmental Revenue:</u>			
Grant income	\$ 41,527	\$ 53,228	\$11,701
Motor vehicle taxes	<u>99,344</u>	<u>98,804</u>	<u>(540)</u>
<u>Total Intergovernmental Revenue</u>	<u>\$140,871</u>	<u>\$152,032</u>	<u>\$11,161</u>
<u>Charges for Services:</u>			
Fire calls	\$ ----	\$ ----	\$ ----
Swimming pool	15,320	15,321	1
Use of City equipment and personnel	----	----	----
Animal control and shelter fees	<u>660</u>	<u>660</u>	<u>----</u>
<u>Total Charges for Services</u>	<u>\$ 15,980</u>	<u>\$ 15,981</u>	<u>\$ 1</u>
<u>Fines and Forfeits:</u>			
Fines and court costs	<u>\$ 16,187</u>	<u>\$ 16,189</u>	<u>\$ 2</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, 2011

(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Miscellaneous Revenues:</u>			
Interest	\$ 5,078	\$ 4,969	\$ (109)
Administrative fee income	676,637	676,638	1
Agent fees	36,915	36,915	---
Airport retail sales	57,239	57,855	616
Rent income	1,700	1,700	---
Sale of graves	3,000	3,000	---
Return check charges	100	100	---
Sale of fixed assets	4,547	4,547	---
Contributions	---	---	---
Transfer from Mosswood	7,267	---	(7,267)
Other	13,550	1,848	(11,702)
<u>Total Miscellaneous Revenues</u>	<u>\$ 806,033</u>	<u>\$ 787,572</u>	<u>\$(18,461)</u>
 <u>Total Revenues</u>	 <u>\$1,702,469</u>	 <u>\$1,688,331</u>	 <u>\$(14,138)</u>
 <u>Expenditures:</u>			
<u>City Administration:</u>			
Payroll	\$ 166,000	\$ 168,708	\$ (2,708)
Payroll taxes	12,699	11,279	1,420
Employee benefits	32,638	32,625	13
Office expense	26,800	26,657	143
Advertising	4,875	4,268	607
Supplies and maintenance	18,601	18,510	91
Professional services	23,496	27,364	(3,868)
Assessor's fees	---	---	---
Telephone	4,304	4,304	---
Transportation and training	449	449	---
Insurance	9,894	9,893	1
Utilities - City Hall	4,762	4,734	28
Election expense	2,043	2,042	1
Assessments and memberships	1,409	1,408	1
Donations	6,175	6,175	---
Meals and mileage	---	---	---
Other	600	7,867	(7,267)
<u>Total City Administration</u>	<u>\$ 314,745</u>	<u>\$ 326,283</u>	<u>\$(11,538)</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Public Safety:</u>			
<u>Municipal Court:</u>			
Office expense	\$ 1,378	\$ 1,410	\$ (32)
Incarceration fees	113	75	38
Professional services	7,028	6,767	261
Transportation and training	125	125	---
Other	---	---	---
<u>Total Municipal Court</u>	<u>\$ 8,644</u>	<u>\$ 8,377</u>	<u>\$ 267</u>
<u>Police Department:</u>			
Payroll	\$243,000	\$243,303	\$ (303)
Payroll taxes	18,590	18,310	280
Employee benefits	43,227	43,409	(182)
Employee clothing allowance	3,965	3,965	---
Office expense	3,725	3,837	(112)
Automobile expense	18,241	17,744	497
Supplies and maintenance	7,429	7,321	108
Drug enforcement	9,292	9,292	---
DARE expenses	946	946	---
Telephone	4,690	4,669	21
Insurance	10,859	10,891	(32)
Utilities	6,450	6,765	(315)
Transportation and training	31	31	---
Other	1,018	1,017	1
Dispatching fees	68,680	68,680	---
<u>Total Police Department</u>	<u>\$440,143</u>	<u>\$440,180</u>	<u>\$ (37)</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Fire Department:</u>			
Payroll	\$ 39,250	\$ 39,260	\$ (10)
Payroll taxes	3,003	3,004	(1)
Employee clothing allowance	----	----	----
Office expense	1,806	2,953	(1,147)
Truck expense	16,532	17,946	(1,414)
Fire prevention/investigation	1,634	1,255	379
Supplies and maintenance	14,815	13,144	1,671
Emergency preparedness	3,424	3,424	----
Telephone	2,295	2,312	(17)
Transportation and training	4,349	4,348	1
Insurance	15,996	15,996	----
Utilities	6,156	6,393	(237)
Other	949	948	1
<u>Total Fire Department</u>	<u>\$110,209</u>	<u>\$110,983</u>	<u>\$ (774)</u>
<u>Total Public Safety</u>	<u>\$558,996</u>	<u>\$559,540</u>	<u>\$ (544)</u>
<u>Humane Officer:</u>			
Payroll	\$ 2,200	\$ 2,180	\$ 20
Payroll taxes	168	164	4
Supplies and maintenance	704	630	74
Telephone	----	----	----
Insurance	263	262	1
Utilities	858	803	55
Animal transfers	580	400	180
Other	----	----	----
<u>Total Humane Officer</u>	<u>\$ 4,773</u>	<u>\$ 4,439</u>	<u>\$ 334</u>
<u>Inspection and Zoning Department:</u>			
Payroll	\$ 9,350	\$ 9,300	\$ 50
Payroll taxes	716	711	5
Office expense	474	474	----
Advertising	88	88	----
Transportation and training	----	----	----
<u>Total Inspection and Zoning Department</u>	<u>\$ 10,628</u>	<u>\$ 10,573</u>	<u>\$ 55</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Parks Department:</u>			
Payroll	\$ 36,106	\$ 36,136	\$ (30)
Payroll taxes	2,780	2,756	24
Employee benefits	1,836	1,835	1
Office expense	14	14	---
Contract payments	22,350	22,350	---
Transportation and training	778	778	---
Supplies and maintenance	20,660	20,138	522
Telephone	279	250	29
Insurance	2,340	2,339	1
Utilities	18,953	19,071	(118)
Mosswood Golf Course expenses	32,746	31,521	1,225
Professional fees	---	---	---
Other	---	502	(502)
<u>Total Parks Department</u>	<u>\$138,842</u>	<u>\$137,690</u>	<u>\$ 1,152</u>
<u>Street Department:</u>			
Payroll	\$125,688	\$126,379	\$ (691)
Payroll taxes	9,616	9,071	545
Employee benefits	28,888	28,886	2
Office expense	64	63	1
Uniforms	1,156	1,158	(2)
Fuel	30,000	26,102	3,898
Supplies and maintenance	24,844	24,827	17
Safety and compliance	1,812	2,060	(248)
Street maintenance materials	27,708	26,945	763
Paving	---	---	---
Telephone	1,010	1,014	(4)
Transportation and training	---	---	---
Insurance	10,433	10,432	1
Utilities	6,962	6,955	7
Other	---	---	---
<u>Total Street Department</u>	<u>\$268,181</u>	<u>\$263,892</u>	<u>\$ 4,289</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Airport:</u>			
Contract payments	\$ 7,400	\$ 7,500	\$ (100)
Office expense	1,926	1,949	(23)
Supplies and maintenance	2,016	2,049	(33)
Purchases for resale	51,831	52,020	(189)
Telephone	901	901	---
Insurance	2,776	2,775	1
Utilities	4,629	4,691	(62)
Other	---	---	---
<u>Total Airport</u>	<u>\$ 71,479</u>	<u>\$ 71,885</u>	<u>\$ (406)</u>
<u>Cemetery:</u>			
Payroll	\$ 4,724	\$ 4,744	\$ (20)
Payroll taxes	362	358	4
Employee benefits	938	937	1
Contract payments	12,600	12,600	---
Supplies and maintenance	455	454	1
Insurance	---	---	---
Utilities	607	599	8
Other	---	---	---
<u>Total Cemetery</u>	<u>\$ 19,686</u>	<u>\$ 19,692</u>	<u>\$ (6)</u>
<u>Capital Outlay:</u>			
City administration	\$ 6,754	\$ 6,754	\$ ---
Municipal court	---	---	---
Police Department	34,294	21,133	13,161
Fire Department	10,782	10,781	1
Humane Officer	---	---	---
Parks Department	4,500	4,500	---
Street Department	35,364	35,363	1
Airport	5,894	5,894	---
Cemetery	---	---	---
<u>Total Capital Outlay</u>	<u>\$ 97,588</u>	<u>\$ 84,425</u>	<u>\$13,163</u>
<u>Total Expenditures</u>	<u>\$1,484,918</u>	<u>\$1,478,419</u>	<u>\$ 6,499</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 217,551</u>	<u>\$ 209,912</u>	<u>\$ (7,639)</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	<u>(379,309)</u>	<u>(379,308)</u>	<u>1</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$(379,309)</u>	<u>\$(379,308)</u>	<u>\$ 1</u>
 <u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	 \$(161,758)	 \$(169,396)	 \$ (7,638)
 <u>Fund Balance, October 1</u>	 <u>605,769</u>	 <u>605,769</u>	 <u>----</u>
 <u>Fund Balance, September 30</u>	 <u>\$ 444,011</u>	 <u>\$ 436,373</u>	 <u>\$ (7,638)</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, 2011

	Library Fund	Fire Department Fund	Sales Tax Fund	Industrial Development Fund	Monroe City, Missouri Community Foundation	D.A.R.E.	St. Jude Cemetery Endowment Fund	Totals (Memorandum Only)
<u>Assets:</u>								
Cash	\$169,893	\$282,306	\$455,818	\$ 57,963	\$ 389	\$ 7,536	\$29,849	\$1,003,754
Receivables:								
Notes	----	----	----	1,295,560	----	----	----	1,295,560
Taxes	437	----	12,024	----	----	----	----	12,461
Due from other governments	----	----	----	----	----	----	----	----
<u>Total Assets</u>	<u>\$170,330</u>	<u>\$282,306</u>	<u>\$467,842</u>	<u>\$1,353,523</u>	<u>\$ 389</u>	<u>\$ 7,536</u>	<u>\$29,849</u>	<u>\$2,311,775</u>
<u>Liabilities and Fund Equity:</u>								
<u>Liabilities:</u>								
Accounts payable	\$ 1,632	\$ 632	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ 2,264
Due to Electric Fund	----	----	----	200,000	----	----	----	200,000
Due to Gas Fund	----	----	----	470,000	----	----	----	470,000
<u>Total Liabilities</u>	<u>\$ 1,632</u>	<u>\$ 632</u>	<u>\$ ----</u>	<u>\$ 670.00</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 672,264</u>
<u>Fund Equity:</u>								
Nonspendable	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$29,849	\$ 29,849
Restricted	----	----	467,842	----	----	----	----	467,842
Assigned	168,698	281,674	----	----	389	7,536	----	458,297
Unassigned	----	----	----	683,523	----	----	----	683,523
<u>Total Fund Equity</u>	<u>\$168,698</u>	<u>\$281,674</u>	<u>\$467,842</u>	<u>\$ 683,523</u>	<u>\$ 389</u>	<u>\$ 7,536</u>	<u>\$29,849</u>	<u>\$1,639,511</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$170,330</u>	<u>\$282,306</u>	<u>\$467,842</u>	<u>\$1,353,523</u>	<u>\$ 389</u>	<u>\$ 7,536</u>	<u>\$29,849</u>	<u>\$2,311,775</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, 2011

	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	\$51,795	\$ ----	\$142,337	\$ ----	\$ ----	\$ ----	\$ ----	\$194,132
Licenses and permits	----	----	----	----	----	----	----	----
Intergovernmental revenue	1,294	----	----	2,350	----	----	----	3,644
Charges for services	----	----	----	----	----	----	----	----
Fines and forfeits	501	----	----	----	----	----	----	501
Miscellaneous revenues	2,164	97,662	3,849	43,286	----	1,527	----	148,488
<u>Total Revenues</u>	<u>\$55,754</u>	<u>\$97,662</u>	<u>\$146,186</u>	<u>\$45,636</u>	<u>\$ ----</u>	<u>\$ 1,527</u>	<u>\$ ----</u>	<u>\$346,765</u>
<u>Expenditures:</u>								
Current:								
Public safety	\$ ----	\$ 7,852	\$ ----	\$ ----	\$ ----	\$ 527	\$ ----	\$ 8,379
Street improvements	----	----	1,938	----	----	----	----	1,938
Culture and recreation	58,910	----	----	----	----	----	----	58,910
Industrial Development	----	----	----	44,957	----	----	----	44,957
Capital outlay	----	5,079	----	----	----	----	----	5,079
<u>Total Expenditures</u>	<u>\$58,910</u>	<u>\$12,931</u>	<u>\$ 1,938</u>	<u>\$44,957</u>	<u>\$ ----</u>	<u>\$ 527</u>	<u>\$ ----</u>	<u>\$119,263</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ (3,156)</u>	<u>\$84,731</u>	<u>\$144,248</u>	<u>\$ 679</u>	<u>\$ ----</u>	<u>\$ 1,000</u>	<u>\$ ----</u>	<u>\$227,502</u>

CITY OF MONROE CITY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2011

(CONTINUED)

	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>Other Financing Sources</u>								
<u>(Uses):</u>								
Operating transfers in	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Operating transfers out	----	----	(41,445)	(50,000)	----	----	----	(91,445)
<u>Total Other Financing Sources</u>								
<u>(Uses)</u>	\$ ----	\$ ----	\$ (41,445)	\$ (50,000)	\$ ----	\$ ----	\$ ----	\$ (91,445)
<u>Excess of Revenues and Other</u>								
<u>Sources Over (Under)</u>	\$ (3,156)	\$ 84,731	\$ 102,803	\$ (49,321)	\$ ----	\$ 1,000	\$ ----	\$ 136,057
<u>Expenditures and Other Uses</u>								
<u>Fund Balances, October 1</u>	171,854	196,943	365,039	732,844	389	6,536	29,849	1,503,454
<u>Fund Balances, September 30</u>	<u>\$168,698</u>	<u>\$281,674</u>	<u>\$467,842</u>	<u>\$683,523</u>	<u>\$ 389</u>	<u>\$ 7,536</u>	<u>\$29,849</u>	<u>\$1,639,511</u>

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

CITY OF MONROE CITY, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - LIBRARY - SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$48,056	\$48,414	\$ 358
Surtax	1,802	1,802	----
Railroad and utility	1,578	1,579	1
<u>Total Taxes</u>	<u>\$51,436</u>	<u>\$51,795</u>	<u>\$ 359</u>
<u>Intergovernmental Revenues:</u>			
State aid	\$ 1,294	\$ 1,294	\$ ----
<u>Fines and Forfeits:</u>			
Overdue book fines	\$ 525	\$ 501	\$ (24)
<u>Miscellaneous Revenues:</u>			
Interest	\$ 1,752	\$ 1,729	\$ (23)
Contributions	120	120	----
Other	322	315	(7)
<u>Total Miscellaneous Revenues</u>	<u>\$ 2,194</u>	<u>\$ 2,164</u>	<u>\$ (30)</u>
<u>Total Revenues</u>	<u>\$55,449</u>	<u>\$55,754</u>	<u>\$ 305</u>
<u>Expenditures:</u>			
<u>Library:</u>			
Payroll	\$28,500	\$28,544	\$ (44)
Payroll taxes	2,185	2,155	30
Employee benefits	6,281	6,279	2
Office expense	3,720	3,642	78
Books and periodicals	8,670	7,908	762
Supplies and maintenance	5,349	5,166	183
Telephone	741	738	3
Transportation and training	52	52	----
Insurance	1,481	2,064	(583)
Utilities	2,356	2,362	(6)
Other	----	----	----
<u>Total Library</u>	<u>\$59,335</u>	<u>\$58,910</u>	<u>\$ 425</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Total Expenditures</u>	<u>\$ 59,335</u>	<u>\$ 58,910</u>	<u>\$ 425</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ (3,886)</u>	<u>\$ (3,156)</u>	<u>\$ 730</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>\$ (3,886)</u>	<u>\$ (3,156)</u>	<u>\$ 730</u>
<u>Fund Balance, October 1</u>	<u>171,854</u>	<u>171,854</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$167,968</u>	<u>\$168,698</u>	<u>\$ 730</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Miscellaneous Revenues:</u>			
Memberships	\$ 93,344	\$ 93,344	\$ ----
Interest	2,525	2,518	(7)
Contributions	<u>1,800</u>	<u>1,800</u>	<u>----</u>
<u>Total Miscellaneous Revenues</u>	<u>\$ 97,669</u>	<u>\$ 97,662</u>	<u>\$ (7)</u>
 <u>Total Revenues</u>	 <u>\$ 97,669</u>	 <u>\$ 97,662</u>	 <u>\$ (7)</u>
 <u>Expenditures:</u>			
Capital Outlay	\$ 5,080	\$ 5,079	\$ 1
Public safety	<u>7,559</u>	<u>7,852</u>	<u>(293)</u>
<u>Total Expenditures</u>	<u>\$ 12,639</u>	<u>\$ 12,931</u>	<u>\$ (292)</u>
 <u>Excess of Revenues Over (Under) Expenditures</u>	 <u>\$ 85,030</u>	 <u>\$ 84,731</u>	 <u>\$ (299)</u>
 <u>Fund Balance, October 1</u>	 <u>196,943</u>	 <u>196,943</u>	 <u>----</u>
 <u>Fund Balance, September 30</u>	 <u>\$281,973</u>	 <u>\$281,674</u>	 <u>\$ (299)</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Sales tax	\$146,080	\$142,337	\$(3,743)
<u>Miscellaneous Revenues:</u>			
Interest	\$ 3,839	\$ 3,849	\$ 10
Miscellaneous	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 3,839</u>	<u>\$ 3,849</u>	<u>\$ 10</u>
<u>Total Revenues</u>	<u>\$149,919</u>	<u>\$146,186</u>	<u>\$(3,733)</u>
<u>Expenditures:</u>			
Sidewalk improvements	\$ 1,939	\$ 1,938	\$ 1
<u>Total Expenditures</u>	<u>\$ 1,939</u>	<u>\$ 1,938</u>	<u>\$ 1</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$147,980</u>	<u>\$144,248</u>	<u>\$(3,732)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers out	\$ (41,445)	\$ (41,445)	\$ ----
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$106,535</u>	<u>\$102,803</u>	<u>\$(3,732)</u>
<u>Fund Balance, October 1</u>	<u>365,039</u>	<u>365,039</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$471,574</u>	<u>\$467,842</u>	<u>\$(3,732)</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Intergovernmental Revenue:</u>			
Grant income	\$ 2,350	\$ 2,350	\$ ----
<u>Miscellaneous Revenues:</u>			
Rent income	\$ 1,586	\$ 1,586	\$ ----
Interest	55,525	41,700	(13,825)
Contributions	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 57,111</u>	<u>\$ 43,286</u>	<u>\$ (13,825)</u>
<u>Total Revenues</u>	<u>\$ 59,461</u>	<u>\$ 45,636</u>	<u>\$ (13,825)</u>
<u>Expenditures:</u>			
Industrial Development	\$ ----	\$ 44,957	\$ (44,957)
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 59,461</u>	<u>\$ 679</u>	<u>\$ (58,782)</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>\$ 59,461</u>	<u>\$ (49,321)</u>	<u>\$(108,782)</u>
<u>Fund Balance, October 1</u>	<u>732,844</u>	<u>732,844</u>	<u>----</u>
<u>Fund Balance, September 30</u>	<u>\$792,305</u>	<u>\$683,523</u>	<u>\$(108,782)</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>			
<u>Miscellaneous Revenues:</u>			
Contributions	\$ 68	\$ 68	\$ ----
Interest	<u>1,459</u>	<u>1,459</u>	<u>----</u>
<u>Total Miscellaneous Revenues</u>	<u>\$1,527</u>	<u>\$1,527</u>	<u>\$ ----</u>
 <u>Total Revenues</u>	 <u>\$1,527</u>	 <u>\$1,527</u>	 <u>\$ ----</u>
 <u>Expenditures:</u>			
Contributions	<u>\$ 527</u>	<u>\$ 527</u>	<u>\$ ----</u>
 <u>Excess of Revenues Over (Under) Expenditures</u>	 <u>\$1,000</u>	 <u>\$1,000</u>	 <u>\$ ----</u>
 <u>Fund Balance, October 1</u>	 <u>6,536</u>	 <u>6,536</u>	 <u>----</u>
 <u>Fund Balance, September 30</u>	 <u><u>\$7,536</u></u>	 <u><u>\$7,536</u></u>	 <u><u>\$ ----</u></u>

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

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

SEPTEMBER 30, 2011

	<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	\$ 775,887	\$ 96,364	\$ 137,716	\$1,055,435	\$ 2,065,402
Receivables (net of allowance for uncollectibles):					
Accounts	337,150	29,857	42,293	57,404	466,704
Inventory of supplies, at cost	203,937	120,560	9,233	63,202	396,932
Due from Industrial Development Fund	200,000	----	----	470,000	670,000
<u>Total Current Assets</u>	<u>\$1,516,974</u>	<u>\$ 246,781</u>	<u>\$ 189,242</u>	<u>\$1,646,041</u>	<u>\$ 3,599,038</u>
 Restricted assets:					
Cash	\$ 11,800	\$ 8,500	\$ ----	\$ 8,700	\$ 29,000
Investments	153,802	106,506	20,353	----	280,661
Capital assets (net of accumulated depreciation - Note 2)	3,409,088	4,385,538	815,322	221,543	8,831,491
Unamortized loan/issuance fees	78,162	54,127	1,169	----	133,458
<u>Total Assets</u>	<u>\$5,169,826</u>	<u>\$4,801,452</u>	<u>\$1,026,086</u>	<u>\$1,876,284</u>	<u>\$12,873,648</u>
 <u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 200,013	\$ 19,734	\$ 137,644	\$ 32,972	\$ 390,363
Accrued liabilities	8,051	6,930	4,522	3,144	22,647
Construction costs payable	----	----	----	----	----
Current portion of:					
Capitalized lease payable	----	----	----	----	----
Capitalized lease certificates of participation	128,030	88,660	----	----	216,690
Payable from restricted assets:					
Revenue bonds payable	----	----	25,000	----	25,000
Accrued interest	7,085	4,907	819	----	12,811
<u>Total Current Liabilities</u>	<u>\$ 343,179</u>	<u>\$ 120,231</u>	<u>\$ 167,985</u>	<u>\$ 36,116</u>	<u>\$ 667,511</u>
 <u>Noncurrent Liabilities:</u>					
Deposits	\$ 11,800	\$ 8,500	\$ ----	\$ 8,700	\$ 29,000
Revenue bonds payable	----	----	25,000	----	25,000
Capitalized lease certificates of participation	1,011,850	700,700	----	----	1,712,550
<u>Total Liabilities</u>	<u>\$1,366,829</u>	<u>\$ 829,431</u>	<u>\$ 192,985</u>	<u>\$ 44,816</u>	<u>\$ 2,434,061</u>

CITY OF MONROE CITY, MISSOURI  
COMBINING BALANCE SHEET  
ALL ENTERPRISE FUNDS  
SEPTEMBER 30, 2011  
(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	20,353	---	280,661
Unreserved	<u>3,609,578</u>	<u>883,100</u>	<u>373,200</u>	<u>1,604,539</u>	<u>6,470,417</u>
<u>Total Fund Equity</u>	<u>\$3,802,997</u>	<u>\$3,972,021</u>	<u>\$ 833,101</u>	<u>\$1,831,468</u>	<u>\$10,439,587</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$5,169,826</u>	<u>\$4,801,452</u>	<u>\$1,026,086</u>	<u>\$1,876,284</u>	<u>\$12,873,648</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, 2011

	Electric Department	Water Department	Sewer Department	Natural Gas Department	Totals (Memorandum Only)
<u>Operating Revenues:</u>					
Charges for services	\$3,409,781	\$ 639,130	\$ 409,553	\$1,095,460	\$5,553,924
Other revenues	3,950	417	1,320	603	6,290
<u>Total Operating Revenues</u>	<u>\$3,413,731</u>	<u>\$ 639,547</u>	<u>\$ 410,873</u>	<u>\$1,096,063</u>	<u>\$5,560,214</u>
<u>Operating Expenses:</u>					
Administration	\$ 567,600	\$ 186,660	\$ 147,461	\$ 130,096	\$1,031,817
Utility production/treatment	7,862	290,943	189,274	---	488,079
Utility purchases/interconnect	2,525,933	---	---	782,044	3,307,977
Utility distribution/collection	299,033	137,763	129,407	99,076	665,279
Depreciation	205,895	149,545	53,017	19,830	428,287
<u>Total Operating Expenses</u>	<u>\$3,606,323</u>	<u>\$ 764,911</u>	<u>\$ 519,159</u>	<u>\$1,031,046</u>	<u>\$5,921,439</u>
<u>Operating Income (Loss)</u>	<u>\$ (192,592)</u>	<u>\$ (125,364)</u>	<u>\$ (108,286)</u>	<u>\$ 65,017</u>	<u>\$ (361,225)</u>
<u>Non-Operating Revenues</u>					
<u>(Expenses):</u>					
Interest income	\$ 16,732	\$ 6,863	\$ 4,443	\$ 12,122	\$ 40,160
Pole rental income	4,180	---	---	---	4,180
DNR fees	---	---	(350)	---	(350)
Sales tax adjustment	(35)	49	---	(181)	(167)
Interest expense and fiscal charges	(39,127)	(27,096)	(3,621)	---	(69,844)
Amortization - origination fees	(8,638)	(5,982)	(468)	---	(15,088)
Bad debt recovery (expense)	(7,065)	(1,143)	(1,582)	(5,611)	(15,401)
Demolition	---	---	(2,565)	---	(2,565)
Grant revenue	---	---	74,018	---	74,018
<u>Total Non-Operating Revenues</u>					
<u>(Expenses)</u>	<u>\$ (33,953)</u>	<u>\$ (27,309)</u>	<u>\$ 69,875</u>	<u>\$ 6,330</u>	<u>\$ 14,943</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ (226,545)</u>	<u>\$ (152,673)</u>	<u>\$ (38,411)</u>	<u>\$ 71,347</u>	<u>\$ (346,282)</u>
<u>Other Financing Sources (Uses):</u>					
Operating transfers in	\$ 181,654	\$ 108,482	\$ 41,445	\$ 25,000	\$ 356,581
Operating transfers (out)	---	---	---	---	---
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 181,654</u>	<u>\$ 108,482</u>	<u>\$ 41,445</u>	<u>\$ 25,000</u>	<u>\$ 356,581</u>
<u>Net Income (Loss)</u>	<u>\$ (44,891)</u>	<u>\$ (44,191)</u>	<u>\$ 3,034</u>	<u>\$ 96,347</u>	<u>\$ 10,299</u>
<u>Retained Earnings, October 1</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>
<u>Retained Earnings, September 30</u>	<u>\$3,763,380</u>	<u>\$ 989,606</u>	<u>\$ 393,553</u>	<u>\$1,604,539</u>	<u>\$6,751,078</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, 2011

	<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	\$(192,592)	\$(125,364)	\$(108,286)	\$ 65,017	\$ (361,225)
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	205,895	149,545	53,017	19,830	428,287
Other income (expense)	4,145	49	71,103	(181)	75,116
Operating transfers in (out)	181,654	108,482	41,445	25,000	356,581
Bad debt recovery (expense)	(7,065)	(1,143)	(1,582)	(5,611)	(15,401)
Changes in operating assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(2,599)	5,322	457	(1,787)	1,393
Inventories	(1,887)	8,056	—	6,467	12,636
Prepaid expenses	10,788	3,781	1,736	1,579	17,884
Increase (decrease) in:					
Accounts payable	(28,498)	(17,816)	113,715	1,234	68,635
Accrued expenses	(376)	(2,991)	(1,902)	(1,053)	(6,322)
Customer deposits	100	(700)	—	(1,100)	(1,700)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 169,565</u>	<u>\$ 127,221</u>	<u>\$ 169,703</u>	<u>\$ 109,395</u>	<u>\$ 575,884</u>
<u>Investing Activities:</u>					
Transfer to Industrial Development Fund	\$(200,000)	\$ —	\$ —	\$ (470,000)	\$ (670,000)
Interest income	16,732	6,863	4,443	12,122	40,160
Restricted cash activity (net)	(100)	700	(3,793)	1,100	(2,093)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$(183,368)</u>	<u>\$ 7,563</u>	<u>\$ 650</u>	<u>\$ (456,778)</u>	<u>\$ (631,933)</u>
<u>Capital and Related Financing Activities:</u>					
Additions to fixed assets	\$ —	\$ (26,817)	\$(234,767)	\$ (8,421)	\$ (270,005)
Interest expense and fiscal charges	(39,127)	(27,096)	(3,621)	—	(69,844)
Principal payments	(125,965)	(87,230)	(20,000)	—	(233,195)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$(165,092)</u>	<u>\$(141,143)</u>	<u>\$(258,388)</u>	<u>\$ (8,421)</u>	<u>\$ (573,044)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$(178,895)</u>	<u>\$ (6,359)</u>	<u>\$ (88,035)</u>	<u>\$ (355,804)</u>	<u>\$ (629,093)</u>
<u>Cash at Beginning 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>
<u>Cash at End of Year</u>	<u>\$ 775,887</u>	<u>\$ 96,364</u>	<u>\$ 137,716</u>	<u>\$1,055,435</u>	<u>\$2,065,402</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
City customers	\$3,372,937	\$3,386,622	\$ 13,685
Security lights	4,694	4,701	7
Penalties	14,450	14,252	(198)
Vendor	1,059	1,060	1
Service fees	3,034	3,061	27
Construction meter	85	85	---
<u>Total Charges for Services</u>	<u>\$3,396,259</u>	<u>\$3,409,781</u>	<u>\$ 13,522</u>
<u>Other</u>	<u>\$ 3,951</u>	<u>\$ 3,950</u>	<u>\$ (1)</u>
<u>Total Operating Revenues</u>	<u>\$3,400,210</u>	<u>\$3,413,731</u>	<u>\$ 13,521</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 407	\$ 407	\$ ---
Insurance	44,293	55,080	(10,787)
Franchise tax	101,074	101,073	1
Assessments and memberships	1,756	1,756	---
Administrative fee expense	409,173	409,172	1
Miscellaneous	112	112	---
<u>Total Administration</u>	<u>\$ 556,815</u>	<u>\$ 567,600</u>	<u>\$(10,785)</u>
<u>Electric Production:</u>			
Supplies and maintenance	\$ 630	\$ 630	\$ ---
Fuel used to generate electricity	---	---	---
Utilities	7,385	7,232	153
<u>Total Electric Production</u>	<u>\$ 8,015</u>	<u>\$ 7,862</u>	<u>\$ 153</u>
<u>Interconnect:</u>			
Power purchases	\$2,553,276	\$2,525,933	\$ 27,343
<u>Total Interconnect</u>	<u>\$2,553,276</u>	<u>\$2,525,933</u>	<u>\$ 27,343</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Electric Distribution:</u>			
Payroll	\$ 156,163	\$ 155,631	\$ 532
Payroll taxes	11,947	11,406	541
Employee benefits	30,372	30,371	1
Uniforms	1,779	1,784	(5)
Office expense	500	494	6
Fuel	7,950	8,020	(70)
Supplies and maintenance	47,714	65,663	(17,949)
Distribution materials	10,228	19,100	(8,872)
Telephone	1,664	1,672	(8)
Utilities	2,130	2,306	(176)
Transportation and training	----	----	----
Safety and compliance	1,403	1,636	(233)
Railroad easement	851	850	1
Other	----	100	(100)
<u>Total Electric Distribution</u>	<u>\$ 272,701</u>	<u>\$ 299,033</u>	<u>\$ (26,332)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Electric production	----	----	----
Electric distribution	30,000	----	30,000
<u>Total Capital Outlay</u>	<u>\$ 30,000</u>	<u>\$ ----</u>	<u>\$ 30,000</u>
<u>Total Operating Expenses</u>	<u>\$3,420,807</u>	<u>\$3,400,428</u>	<u>\$ 20,379</u>
<u>Operating Income</u>	<u>\$ (20,597)</u>	<u>\$ 13,303</u>	<u>\$ 33,900</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 7,764	\$ 16,732	\$ 8,968
Pole rental income	4,180	4,180	----
Sales tax adjustment	----	(35)	(35)
Interest expense and fiscal charges	----	(39,127)	(39,127)
Principal payments	----	(125,965)	(125,965)
Bad debt recovery (expense)	(7,044)	(7,065)	(21)
Grant revenue	----	----	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 4,900</u>	<u>\$ (151,280)</u>	<u>\$ (156,180)</u>
<u>Net Income Before Other Financing Sources</u>			
<u>(Uses)</u>	<u>\$ (15,697)</u>	<u>\$ (137,977)</u>	<u>\$ (122,280)</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Other Financing Sources (Uses)</u>			
Operating transfers in	\$ 25,000	\$ 181,654	\$156,654
Operating transfers (out)	<u>(200,000)</u>	<u>(200,000)</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (175,000)</u>	<u>\$ (18,346)</u>	<u>\$156,654</u>
<u>Net Income (Modified Cash Basis)</u>	\$ (190,697)	\$ (156,323)	\$ 34,374
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	----	111,432	111,432
<u>Retained Earnings, October 1</u>	<u>3,808,271</u>	<u>3,808,271</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$3,617,574</u>	<u>\$3,763,380</u>	<u>\$145,806</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
City customers	\$559,116	\$562,499	\$ 3,383
Water districts and others	67,863	72,823	4,960
Penalties	3,940	3,663	(277)
Water taps	145	145	----
<u>Total Charges for Services</u>	<u>\$631,064</u>	<u>\$639,130</u>	<u>\$ 8,066</u>
<u>Other</u>	<u>\$ 211</u>	<u>\$ 417</u>	<u>\$ 206</u>
<u>Total Operating Revenues</u>	<u>\$631,275</u>	<u>\$639,547</u>	<u>\$ 8,272</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 204	\$ 204	\$ ----
Insurance	11,256	15,037	(3,781)
Franchise tax	16,640	16,640	----
Assessments and memberships	516	516	----
Administrative fee expense	154,165	154,165	----
Miscellaneous	98	98	----
<u>Total Administration</u>	<u>\$182,879</u>	<u>\$186,660</u>	<u>\$ (3,781)</u>
<u>Water Production:</u>			
Payroll	\$ 88,559	\$ 87,597	\$ 962
Payroll taxes	6,775	6,657	118
Employee benefits	16,405	16,403	2
Uniforms	602	613	(11)
Office expense	384	383	1
Fuel	875	923	(48)
Supplies and maintenance	21,176	29,704	(8,528)
Chemicals	96,968	105,441	(8,473)
Telephone	2,548	2,518	30
Transportation and training	41	60	(19)
Utilities	40,120	40,253	(133)
Safety and compliance	441	391	50
Miscellaneous	----	----	----
<u>Total Water Production</u>	<u>\$274,894</u>	<u>\$290,943</u>	<u>\$(16,049)</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Water Distribution:</u>			
Payroll	\$ 52,830	\$ 51,943	\$ 887
Payroll taxes	4,042	3,976	66
Employee benefits	10,095	10,093	2
Uniforms	279	246	33
Office expense	983	983	---
Fuel	2,550	2,577	(27)
Supplies and maintenance	10,105	56,293	(46,188)
Distribution materials	6,172	6,514	(342)
Telephone	615	615	---
Transportation and training	404	387	17
Utilities	2,395	2,393	2
Safety and compliance	250	250	---
Miscellaneous	1,494	1,493	1
<u>Total Water Distribution</u>	<u>\$ 92,214</u>	<u>\$ 137,763</u>	<u>\$ (45,549)</u>
<u>Capital Outlay:</u>			
Administration	\$ ---	\$ ---	\$ ---
Water production	33,584	18,400	15,184
Water distribution	69,380	8,417	60,963
<u>Total Capital Outlay</u>	<u>\$102,964</u>	<u>\$ 26,817</u>	<u>\$ 76,147</u>
<u>Total Operating Expenses</u>	<u>\$652,951</u>	<u>\$ 642,183</u>	<u>\$ 10,768</u>
<u>Operating Income (Loss)</u>	<u>\$ (21,676)</u>	<u>\$ (2,636)</u>	<u>\$ 19,040</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 570	\$ 6,863	\$ 6,293
Sales tax adjustment	---	49	49
Interest expense and fiscal charges	---	(27,096)	(27,096)
Principal payments	---	(87,230)	(87,230)
Bad debt recovery (expense)	(2,150)	(1,143)	1,007
Grant revenue	---	---	---
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (1,580)</u>	<u>\$ (108,557)</u>	<u>\$ (106,977)</u>
<u>Net Income Before Other Financing Sources (Uses)</u>	<u>\$ (23,256)</u>	<u>\$ (111,193)</u>	<u>\$ (87,937)</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ 108,482	\$108,482
Operating transfers out	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ 108,482</u>	<u>\$108,482</u>
<u>Net Income (Modified Cash Basis)</u>	\$ (23,256)	\$ (2,711)	\$ 20,545
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	----	(41,480)	(41,480)
<u>Retained Earnings, October 1</u>	<u>1,033,797</u>	<u>1,033,797</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$1,010,541</u>	<u>\$ 989,606</u>	<u>\$ (20,935)</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
Sewer service charges	\$298,302	\$296,582	\$(1,720)
Penalties	2,240	2,997	757
Sewer taps	250	250	----
Sanitation	<u>110,015</u>	<u>109,724</u>	<u>(291)</u>
<u>Total Charges for Services</u>	<u>\$410,807</u>	<u>\$409,553</u>	<u>\$(1,254)</u>
<u>Other</u>	<u>\$ ----</u>	<u>\$ 1,320</u>	<u>\$ 1,320</u>
<u>Total Operating Revenues</u>	<u>\$410,807</u>	<u>\$410,873</u>	<u>\$ 66</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 204	\$ 203	\$ 1
Insurance	4,144	5,879	(1,735)
Franchise tax	8,933	8,932	1
Assessments and memberships	351	350	1
Sanitation charges and related costs	106,930	103,856	3,074
Administrative fee expense	28,143	28,143	----
Miscellaneous	<u>98</u>	<u>98</u>	<u>----</u>
<u>Total Administration</u>	<u>\$148,803</u>	<u>\$147,461</u>	<u>\$ 1,342</u>
<u>Sewage Treatment:</u>			
Payroll	\$ 70,552	\$ 69,545	\$ 1,007
Payroll taxes	5,398	5,255	143
Employee benefits	15,197	15,195	2
Uniforms	579	566	13
Office expense	656	646	10
Fuel	1,533	1,450	83
Supplies and maintenance	13,157	13,279	(122)
Telephone	553	588	(35)
Transportation and training	34	9	25
Utilities	80,999	75,459	5,540
Safety and compliance	201	200	1
Testing and reports	7,065	7,082	(17)
Miscellaneous	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Sewage Treatment</u>	<u>\$195,924</u>	<u>\$189,274</u>	<u>\$ 6,650</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Sewage Collection:</u>			
Payroll	\$ 52,800	\$ 52,225	\$ 575
Payroll taxes	4,040	3,976	64
Employee benefits	10,095	10,093	2
Uniforms	279	274	5
Office expense	983	1,035	(52)
Fuel	2,550	2,577	(27)
Supplies and maintenance	7,469	7,382	87
Collection materials	2,073	46,761	(44,688)
Telephone	615	615	---
Transportation and training	335	318	17
Utilities	2,410	2,408	2
Safety and compliance	250	250	---
Miscellaneous	1,494	1,493	1
<u>Total Sewage Collection</u>	<u>\$ 85,393</u>	<u>\$129,407</u>	<u>\$ (44,014)</u>
<u>Capital Outlay:</u>			
Administration	\$ ---	\$ ---	\$ ---
Sewage treatment	107,262	---	107,262
Sewage collection	11,806	8,417	3,389
<u>Total Capital Outlay</u>	<u>\$ 119,068</u>	<u>\$ 8,417</u>	<u>\$110,651</u>
<u>Total Operating Expenses</u>	<u>\$ 549,188</u>	<u>\$474,559</u>	<u>\$ 74,629</u>
<u>Operating Income</u>	<u>\$(138,381)</u>	<u>\$(63,686)</u>	<u>\$ 74,695</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 1,372	\$ 4,443	\$ 3,071
DNR Fees	(350)	(350)	---
Interest expense and fiscal charges	(906)	(3,621)	(2,715)
Principal payments	(23,750)	(20,000)	3,750
Bad debt recovery (expense)	(880)	(1,582)	(702)
Grant revenue	74,018	74,018	---
Demolition	---	(2,565)	(2,565)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 49,504</u>	<u>\$ 50,343</u>	<u>\$ 839</u>
<u>Net Income Before Other Financing Sources</u>			
<u>(Uses)</u>	<u>\$ (88,877)</u>	<u>\$(13,343)</u>	<u>\$ 75,534</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ 41,445	\$ 41,445
Operating transfers out	-----	-----	-----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ 41,445</u>	<u>\$ 41,445</u>
<u>Net Income (Modified Cash Basis)</u>	<u>\$ (88,877)</u>	<u>\$ 28,102</u>	<u>\$116,979</u>
<u>Modified Accrual to GAAP Adjustment (Note 9)</u>	<u>----</u>	<u>(25,068)</u>	<u>(25,068)</u>
<u>Retained Earnings, October 1</u>	<u>390,519</u>	<u>390,519</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$301,642</u>	<u>\$393,553</u>	<u>\$ 91,911</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, 2011

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Operating Revenues:</u>			
<u>Charges for Services:</u>			
Natural gas sales	\$1,080,811	\$1,085,803	\$ 4,992
Wheeling charges	3,267	3,283	16
Penalties	6,048	5,906	(142)
Installations	468	468	---
<u>Total Charges for Services</u>	<u>\$1,090,594</u>	<u>\$1,095,460</u>	<u>\$ 4,866</u>
<u>Other</u>	<u>\$ 635</u>	<u>\$ 603</u>	<u>\$ (32)</u>
<u>Total Operating Revenues</u>	<u>\$1,091,229</u>	<u>\$1,096,063</u>	<u>\$ 4,834</u>
<u>Operating Expenses:</u>			
<u>Administration:</u>			
Professional services	\$ 407	\$ 407	\$ ---
Insurance	9,799	11,377	(1,578)
Franchise tax	32,300	32,299	1
Assessments and memberships	828	828	---
Administrative fee expense	85,158	85,157	1
Miscellaneous	28	28	---
<u>Total Administration</u>	<u>\$ 128,520</u>	<u>\$ 130,096</u>	<u>\$ (1,576)</u>
<u>Natural Gas Purchases</u>	<u>\$ 781,703</u>	<u>\$ 782,044</u>	<u>\$ (341)</u>
<u>Natural Gas Distribution:</u>			
Payroll	\$ 52,845	\$ 51,856	\$ 989
Payroll taxes	4,043	3,977	66
Employee benefits	10,123	10,120	3
Uniforms	279	274	5
Office expense	1,027	1,055	(28)
Fuel	2,600	2,577	23
Supplies and maintenance	5,943	12,348	(6,405)
Distribution materials	6,512	7,261	(749)
Telephone	615	615	---
Transportation and training	1,734	1,733	1
Utilities	2,395	2,393	2
Safety and compliance	3,374	3,374	---
Miscellaneous	1,494	1,493	1
<u>Total Natural Gas Distribution</u>	<u>\$ 92,984</u>	<u>\$ 99,076</u>	<u>\$ (6,092)</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, 2011  
(CONTINUED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Capital Outlay:</u>			
Administration	\$ ----	\$ ----	\$ ----
Natural gas distribution	8,421	8,421	----
<u>Total Capital Outlay</u>	<u>\$ 8,421</u>	<u>\$ 8,421</u>	<u>\$ ----</u>
<u>Total Operating Expenses</u>	<u>\$1,011,628</u>	<u>\$1,019,637</u>	<u>\$ (8,009)</u>
<u>Operating Income (Loss)</u>	<u>\$ 79,601</u>	<u>\$ 76,426</u>	<u>\$ (3,175)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 12,386	\$ 12,122	\$ (264)
Sales tax adjustments	----	(181)	(181)
Interest expense and fiscal charges	----	----	----
Principal payments	----	----	----
Bad debt recovery (expense)	(5,460)	(5,611)	(151)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 6,926</u>	<u>\$ 6,330</u>	<u>\$ (596)</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ 86,527</u>	<u>\$ 82,756</u>	<u>\$ (3,771)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ 25,000	\$ 25,000	\$ ----
Operating transfers (out)	(470,000)	(470,000)	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (445,000)</u>	<u>\$ (445,000)</u>	<u>\$ ----</u>
<u>Net Income (Loss) (Modified Cash Basis)</u>	<u>\$ (358,473)</u>	<u>\$ (362,244)</u>	<u>\$ (3,771)</u>
<u>Modified Accrual to GAAP Adjustment (Note 11)</u>	<u>----</u>	<u>458,591</u>	<u>458,591</u>
<u>Retained Earnings, October 1</u>	<u>1,508,192</u>	<u>1,508,192</u>	<u>----</u>
<u>Retained Earnings, September 30</u>	<u>\$1,149,719</u>	<u>\$1,604,539</u>	<u>\$454,820</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, 2011

	<u>Balance</u> <u>10-1-10</u>	<u>Additions</u>	<u>Sales/</u> <u>Retirements</u>	<u>Balance</u> <u>9-30-11</u>
<u>Function and Activity:</u>				
<u>General Government:</u>				
City administration	<u>\$2,227,433</u>	<u>\$ 6,561</u>	<u>\$ ----</u>	<u>\$2,233,994</u>
<u>Public Safety:</u>				
Police	\$ 361,449	\$34,294	\$ ----	\$ 395,743
Fire	1,627,260	12,132	----	1,639,392
Humane Officer	28,402	-----	-----	28,402
<u>Total Public Safety</u>	<u>\$2,017,111</u>	<u>\$46,426</u>	<u>\$ ----</u>	<u>\$2,063,537</u>
<u>Street Department</u>	<u>\$ 983,680</u>	<u>\$25,255</u>	<u>\$ ----</u>	<u>\$1,008,935</u>
<u>Culture and Recreation:</u>				
Parks	\$ 974,857	\$ ----	\$ ----	\$ 974,857
Library	155,230	----	----	155,230
Mosswood Golf Course	386,298	-----	-----	386,298
<u>Total Culture and Recreation</u>	<u>\$1,516,385</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,516,385</u>
<u>Airport</u>	<u>\$1,747,529</u>	<u>\$ 5,894</u>	<u>\$ ----</u>	<u>\$1,753,423</u>
<u>St. Jude's Cemetery</u>	<u>\$ 107,914</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 107,914</u>
<u>Total General Capital Assets</u>	<u>\$8,600,052</u>	<u>\$84,136</u>	<u>\$ ----</u>	<u>\$8,684,188</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, 2011

	COST		
	BALANCE 09-30-10	ADDITIONS	BALANCE 09-30-11
<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>\$8,751,532.11</b>
<b>NATURAL GAS DEPARTMENT</b>			
Land	\$14,691.00	----	\$14,691.00
Natural Gas System	1,354,062.78	8,421.00	1,362,483.78
Office Equipment	41,798.32	----	41,798.32
<b>TOTAL NATURAL GAS DEPARTMENT</b>	<b>\$1,410,552.10</b>	<b>\$8,421.00</b>	<b>\$1,418,973.10</b>
<b>WATER DEPARTMENT</b>			
Production System	\$2,744,861.19	\$18,400.00	\$2,763,261.19
Distribution System	3,638,434.01	8,417.00	3,646,851.01
Office Equipment	10,072.71	----	10,072.71
<b>TOTAL WATER DEPARTMENT</b>	<b>\$6,393,367.91</b>	<b>\$26,817.00</b>	<b>\$6,420,184.91</b>
<b>SEWER DEPARTMENT</b>			
Treatment System	\$549,468.86	----	\$549,468.86
Collection System	1,405,139.57	8,417.00	1,413,556.57
Office Equipment	1426.08	----	1,426.08
<b>TOTAL SEWER DEPARTMENT</b>	<b>\$1,956,034.51</b>	<b>\$8,417.00</b>	<b>\$1,964,451.51</b>
<b>TOTAL PROPRIETARY FUND TYPES</b>	<b>\$18,511,486.63</b>	<b>\$43,655.00</b>	<b>\$18,555,141.63</b>

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

# ACCUMULATED DEPRECIATION

BALANCE 09-30-10	ADDITIONS	RETIREMENTS	BALANCE 09-30-11
\$0.00	----	----	\$0.00
3,695,481.10	152,808.77	----	3,848,289.87
220,178.75	5,264.19	----	225,442.94
1,185,959.29	47,340.42	----	1,233,299.71
34,930.36	481.12	----	35,411.48
<u>\$5,136,549.50</u>	<u>\$205,894.50</u>	<u>\$0.00</u>	<u>\$5,342,444.00</u>
\$0.00	----	----	\$0.00
1,142,283.12	19,096.97	----	1,161,380.09
35,317.25	733.20	----	36,050.45
<u>\$1,177,600.37</u>	<u>\$19,830.17</u>	<u>\$0.00</u>	<u>\$1,197,430.54</u>
\$1,098,566.35	\$64,136.88	----	\$1,162,703.23
776,462.20	85,408.44	----	861,870.64
10,073.00	0.00	----	10,073.00
<u>\$1,885,101.55</u>	<u>\$149,545.32</u>	<u>\$0.00</u>	<u>\$2,034,646.87</u>
\$471,837.51	\$13,942.87	----	\$485,780.38
856,110.62	39,073.96	----	895,184.58
1426.08	----	----	1426.08
<u>\$1,329,374.21</u>	<u>\$53,016.83</u>	<u>\$0.00</u>	<u>\$1,382,391.04</u>
<u>\$9,528,625.63</u>	<u>\$428,286.82</u>	<u>\$0.00</u>	<u>\$9,956,912.45</u>

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
ELECTRIC DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gross KWHRS generated at plant	46,366	0.13%
KWHRS purchased	36,724,893	<u>99.87%</u>
Total KWHRS generated and purchased	36,771,259	<u>100.00%</u>
KWHRS distributed from plant	<u>34,774,300</u>	<u>94.57%</u>
Power plant loss	<u>1,996,959</u>	<u>5.43%</u>
KWHRS distributed from plant	34,774,300	
KWHRS billed to customers	33,061,295	
KWHRS used by power plant and street lights	343,798	
Total KWHRS accounted for	<u>33,405,093</u>	
Unaccounted KWHRS distributed	<u>1,369,207</u>	
Total KWHRS generated and purchased	36,771,259	
Total KWHRS accounted for	<u>33,405,093</u>	
Total KWHRS unaccounted for	<u>3,366,166</u>	<u>9.15%</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	\$ 5,452	\$ ----
Lubricating oil	----	----
Natural gas	<u>----</u>	<u>----</u>
Total fuel cost per generated KWHR	\$ 5,452	<u>\$ ----</u>
Purchased	<u>2,525,933</u>	<u>\$ 0.069</u>
Combined Cost per KWHR Generated and Purchased	<u>\$2,531,385</u>	<u>\$ 0.069</u>

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
ELECTRIC DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011  
(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	1,100	\$1,314,711	11,983,741	\$ 0.110
Commercial	256	1,163,473	10,639,832	0.109
Industrial	4	897,735	10,437,722	0.086
	<u>1,360</u>	<u>\$3,375,919</u>	<u>33,061,295</u>	<u>\$ 0.102</u>
			<u>Total KWHRS Sold per Customer</u>	<u>Average Annual Bill</u>
Residential			10,894	\$ 1,195
Commercial			41,562	\$ 4,545
Industrial			2,609,430	\$224,434
<u>Statement of Revenues and Expenses per KWHR Generated and Purchased:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 0.092	
Other			<u>0.000</u>	
<u>Total Operating Revenues</u>				\$ 0.092
<u>Operating Expenses:</u>				
Administration			\$ 0.015	
Production			0.000	
Interconnect			0.068	
Distribution			0.008	
Depreciation			<u>0.005</u>	
<u>Total Operating Expenses</u>				<u>0.096</u>
<u>Operating Income (Loss)</u>				\$ (0.004)
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 0.000	
Expenses			<u>(0.004)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>				<u>(0.004)</u>
<u>Net Income (Loss)</u>				<u>\$ (0.008)</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, 2011  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>		
<u>Generation and Usage Statistics:</u>				
Gallons of water pumped	86,638,000	100.00%		
Gallons of water sold to customers	<u>85,260,000</u>	<u>98.41%</u>		
Total gallons unaccounted for	<u>1,378,000</u>	<u>1.59%</u>		
	<u>Total Cost</u>	<u>Cost per 1,000 Gallons</u>		
<u>Chemical Cost per 1,000 Gallons Pumped</u>	<u>\$ 105,441</u>	<u>\$ 1.2164</u>		
	<u>Gallons Sold</u>	<u>Charge per 1,000 Gallons Sold</u>		
<u>Customer Statistics:</u>				
Residential	44,877,000	\$ 8.114		
Commercial	20,771,000	\$ 7.669		
Industrial	5,824,000	\$ 6.848		
Water Districts	<u>13,787,000</u>	<u>\$ 5.286</u>		
	<u>85,259,000</u>	<u>\$ 7.462</u>		
	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Total Gallons Sold per Customer</u>	<u>Average Annual Bill</u>
Residential	1,021	\$364,139	43,954	\$ 357
Commercial	167	159,294	125,467	\$ 954
Industrial	4	39,885	1,456,000	\$ 9,971
Water districts	<u>2</u>	<u>72,873</u>	<u>6,893,500</u>	<u>\$ 36,437</u>
	<u>1,194</u>	<u>\$636,191</u>		

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

(UNAUDITED)

(CONTINUED)

Statement of Revenues and Expenses per 1,000 Gallons

Pumped:

Operating Revenues:

Charges for services

\$ 7.377

Other

0.004

\$ 7.381

Total Operating Revenues

Operating Expenses:

Administration

\$ 2.154

Production

3.358

Distribution

1.590

Depreciation

1.726

8.828

Total Operating Expenses

Operating Income (Loss)

\$(1.447)

Non-Operating Revenues (Expenses):

Revenues

\$ 0.079

Expenses

(0.325)

(0.246)

Total Non-Operating Revenues (Expenses)

Net Income (Loss)

\$(1.693)

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, 2011  
(UNAUDITED)

	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Gallons Billed (1,000's)</u>	<u>Cost per 1,000 Gallons Sold</u>
<u>Customer Statistics:</u>				
Residential	1,008	\$198,563	44,363	\$ 4.475
Commercial	150	74,328	16,570	\$ 4.485
Industrial	4	25,456	5,824	\$ 4.370
	<u>1,162</u>	<u>\$298,347</u>	<u>66,757</u>	\$ 4.469
			<u>Total Gallons Billed per Customer</u>	<u>Average Annual Bill</u>
Residential			44,011	\$ 197
Commercial			110,467	\$ 496
Industrial			1,456,000	\$ 6,364
<u>Statement of Revenues and Expenses per</u>				
<u>1,000 Gallons Billed:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 6.135	
Other			<u>0.020</u>	
<u>Total Operating Revenues</u>				\$ 6.155
<u>Operating Expenses:</u>				
Administration			\$ 2.209	
Treatment			2.834	
Collection			1.938	
Depreciation			<u>0.794</u>	
<u>Total Operating Expenses</u>				<u>7.775</u>
<u>Operating Income (Loss)</u>				\$(1.620)
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 1.175	
Expenses			<u>(0.122)</u>	
<u>Total Non-Operating Revenues</u>				<u>1.053</u>
<u>(Expenses)</u>				
<u>Net Income</u>				<u>\$(0.567)</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, 2011  
(UNAUDITED)

			<u>Quantity</u>	<u>Percent</u>
<u>Purchase and Usage Statistics:</u>				
Total MCFS of gas transported by Panhandle Eastern			174,223	
Deduct Perry and Pace			<u>28,289</u>	
Total MCFS of gas available for Monroe City			<u>145,934</u>	<u>100.00%</u>
Total MCFS transported			145,934	100.00%
MCFS of gas sold to customers			<u>144,729</u>	<u>99.17%</u>
MCFS unaccounted or			<u>1,205</u>	<u>0.83%</u>
	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>MCFS Sold</u>	<u>Charges per MCF Sold</u>
<u>Customer Statistics:</u>				
Residential	948	\$ 556,592	65,737	\$ 8.467
Commercial	157	227,285	29,550	\$ 7.692
Industrial	<u>3</u>	<u>293,401</u>	<u>49,442</u>	\$ 5.934
	<u>1,108</u>	<u>\$1,077,278</u>	<u>144,729</u>	\$ 7.443
			<u>Total MCF's Sold per Customer</u>	<u>Average Annual Bill</u>
Residential			69.343	\$ 587
Commercial			188.217	\$ 1,448
Industrial			16,480.667	\$ 97,800

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
NATURAL GAS DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011  
(UNAUDITED)  
(CONTINUED)

Statement of Revenues and Expenses per MCF Billed:

<u>Operating Revenues:</u>		
Charges for services	\$ 7.569	
Other	<u>0.004</u>	
<u>Total Operating Revenues</u>		\$7.573
 <u>Operating Expenses:</u>		
Administration	\$ 0.899	
Purchased gas	5.404	
Distribution	0.685	
Depreciation	<u>0.137</u>	
<u>Total Operating Expenses</u>		<u>7.125</u>
 <u>Operating Income (Loss)</u>		 \$0.448
 <u>Non-Operating Revenues (Expenses):</u>		
Revenues	\$ 0.084	
Expenses	<u>(0.040)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>		<u>0.044</u>
 <u>Net Income (Loss)</u>		 <u>\$0.492</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, 2011  
(UNAUDITED)

Water Production Costs:

Payroll	\$ 87,596.83	
Payroll tax	6,656.75	
Employee benefits	16,403.32	
Uniforms	613.07	
Office expense	383.42	
Fuel	922.93	
Supplies and maintenance	29,704.04	
Chemicals	105,441.21	
Telephone	2,517.58	
Transportation and training	59.88	
Utilities	40,252.65	
Safety and compliance	390.86	
Miscellaneous	---	
<u>Total Water Production</u>		\$290,942.54
<u>Water Production Depreciation</u>		<u>64,136.88</u>
<u>Total Allowable Costs</u>		<u>\$355,079.42</u>
<u>Total Gallons of Water Metered - Fiscal Year Ended</u>		
<u>September 30, 2011</u>		<u>85,260,000</u>
<u>Total Allowable Cost per 1,000 Gallons of Metered Water</u>	\$ 4.16	
<u>Add-On Amount per Water Contract</u>		<u>.70</u>
<u>Revised Price of Water Sold to Water Districts</u>		<u>\$ 4.86</u>

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

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF ASSESSED VALUATION AND TAX RATE  
TAX YEAR 2010

<u>Assessed Valuation:</u>		
Monroe County		\$16,432,920
Marion County		6,761,242
Ralls County		<u>1,794,970</u>
<u>Total Assessed Valuation</u>		<u>\$24,989,132</u>
<u>Tax Rate per \$100 of Assessed Valuation:</u>		
General Fund	\$0.7182	
Library Fund	<u>0.2000</u>	
Total tax levy	<u>\$0.9182</u>	

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

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

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

**GARY C. LUCK, C.P.A.**

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**INDEPENDENT AUDITOR'S REPORT**  
**ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

In planning and performing our audit of the financial statements of the City of Monroe City, Missouri as of and for the year ended September 30, 2011 in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

**Inadequate Separation of Duties**

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

Auditor Prepares the Financial Statements

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

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

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

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

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

Respectfully submitted,

*Luck, Humphreys and Associates*

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

December 15, 2011