

CITY OF MONROE CITY, MISSOURI

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2012

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, 2012
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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, 2012, 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, 2012, 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 12, 2012

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2012

	Governmental Fund Types			Proprietary Fund Types	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service		General Capital Assets	Long-Term Debt	
<u>Assets:</u>							
Cash	\$213,515	\$ 751,025	\$ ---	\$ 2,430,103	\$ ---	\$ ---	\$ 3,394,643
Receivables	65,888	1,250,166	---	653,384	---	---	1,969,438
Due from other funds	---	---	---	634,000	---	---	634,000
Inventory of supplies, at cost	9,879	---	---	391,418	---	---	401,297
Restricted assets:							
Cash	66,526	---	---	39,300	---	---	105,826
Investments	---	---	112,093	280,949	---	---	393,042
Capital assets	---	87,775	---	8,542,736	8,877,519	---	17,508,030
Amount available in debt service fund	---	---	---	---	---	102,811	102,811
Amount to be provided for retirement of long-term debt	---	---	---	---	---	634,639	634,639
Unamortized loan fees	---	---	50,567	118,013	---	---	168,580
<u>Total Assets</u>	<u>\$355,808</u>	<u>\$2,088,966</u>	<u>\$162,660</u>	<u>\$13,089,903</u>	<u>\$8,877,519</u>	<u>\$737,450</u>	<u>\$25,312,306</u>
<u>Liabilities:</u>							
Accounts payable	\$ 28,882	\$ 89,500	\$ ---	\$ 298,360	\$ ---	\$ ---	\$ 416,742
Accrued expenses	13,918	---	---	13,295	---	---	27,213
Due to other funds	---	634,000	---	---	---	---	634,000
Deposits	---	---	---	39,300	---	---	39,300
Payable from restricted assets:							
Revenue bonds/capital lease	---	---	---	248,680	---	---	248,680
Accrued expenses	---	---	9,282	21,689	---	---	30,971
Revenue bonds payable	---	---	---	---	---	---	---
Capital lease obligations payable	---	---	---	1,488,870	---	737,450	2,226,320
<u>Total Liabilities</u>	<u>\$ 42,800</u>	<u>\$ 723,500</u>	<u>\$ 9,282</u>	<u>\$ 2,110,194</u>	<u>\$ ---</u>	<u>\$737,450</u>	<u>\$ 3,623,226</u>

CITY OF MONROE CITY, MISSOURI
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2012

(CONTINUED)

	Governmental Fund Types			Proprietary Fund Types	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service		General Capital Assets	General Long-Term Debt	
<u>Fund Equity:</u>							
Contributed capital	\$ ----	\$ ----	\$ ----	\$3,688,509	\$ ----	\$ ----	\$ 3,688,509
Investment in general capital assets	----	----	----	----	8,877,519	----	8,877,519
Retained earnings:							
Reserved for debt retirement	----	----	----	280,949	----	----	280,949
Unreserved	----	----	----	7,010,251	----	----	7,010,251
Fund balances:							
Nonspendable	9,879	29,849	50,567	----	----	----	90,295
Restricted	66,526	116,183	102,811	----	----	----	285,520
Committed	----	----	----	----	----	----	----
Assigned	----	560,368	----	----	----	----	560,368
Unassigned	236,603	659,066	----	----	----	----	895,669
<u>Total Fund Equity</u>	<u>\$313,008</u>	<u>\$1,365,466</u>	<u>\$153,378</u>	<u>\$10,979,709</u>	<u>\$8,877,519</u>	<u>\$ ----</u>	<u>\$21,689,080</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$355,808</u>	<u>\$2,088,966</u>	<u>\$162,660</u>	<u>\$13,089,903</u>	<u>\$8,877,519</u>	<u>\$737,450</u>	<u>\$25,312,306</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, 2012

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<u>Revenues:</u>				
Taxes	\$ 727,688	\$ 198,666	\$ ----	\$ 926,354
Licenses and permits	12,829	----	----	12,829
Intergovernmental revenue	198,327	1,228	----	199,555
Charges for services	12,826	----	----	12,826
Fines and forfeits	16,736	485	----	17,221
Miscellaneous revenues	<u>776,655</u>	<u>188,074</u>	<u>6,593</u>	<u>971,322</u>
<u>Total Revenues</u>	<u>\$1,745,061</u>	<u>\$ 388,453</u>	<u>\$ 6,593</u>	<u>\$2,140,107</u>
<u>Expenditures:</u>				
Current:				
City administration	\$ 316,688	\$ ----	\$ ----	\$ 316,688
Public safety	574,481	11,582	----	586,063
Humane officer	3,821	----	----	3,821
Inspection and zoning	7,688	----	----	7,688
Street Department	248,043	366,698	----	614,741
Culture and recreation	143,029	57,080	----	200,109
Industrial Development	----	77,379	----	77,379
Airport	67,799	----	----	67,799
Cemetery	17,542	----	----	17,542
Capital outlay	113,179	149,759	----	262,938
Debt service	----	----	<u>130,332</u>	<u>130,332</u>
<u>Total Expenditures</u>	<u>\$1,492,270</u>	<u>\$ 662,498</u>	<u>\$ 130,332</u>	<u>\$2,285,100</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 252,791</u>	<u>\$ (274,045)</u>	<u>\$(123,739)</u>	<u>\$ (144,993)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ----	\$ ----	\$ 113,223	\$ 113,223
Operating transfers out	<u>(376,156)</u>	<u>----</u>	<u>----</u>	<u>(376,156)</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (376,156)</u>	<u>\$ ----</u>	<u>\$ 113,223</u>	<u>\$ (262,933)</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ (123,365)</u>	<u>\$ (274,045)</u>	<u>\$ (10,516)</u>	<u>\$ (407,926)</u>
<u>Fund Balances, October 1</u>	<u>436,373</u>	<u>1,639,511</u>	<u>163,894</u>	<u>2,239,778</u>
<u>Fund Balances, September 30</u>	<u>\$ 313,008</u>	<u>\$1,365,466</u>	<u>\$ 153,378</u>	<u>\$1,831,852</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, 2012

	General Funds		Variance -
	Revised Budget	Actual	Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 729,549	\$ 727,688	\$(1,861)
Licenses and permits	12,828	12,829	1
Intergovernmental revenue	196,757	198,327	1,570
Charges for services	12,825	12,826	1
Fines and forfeits	16,736	16,736	----
Miscellaneous revenues	<u>783,180</u>	<u>776,655</u>	<u>(6,525)</u>
<u>Total Revenues</u>	<u>\$1,751,875</u>	<u>\$1,745,061</u>	<u>\$(6,814)</u>
<u>Expenditures:</u>			
Current:			
City administration	\$ 320,838	\$ 316,688	\$ 4,150
Public safety	578,455	574,481	3,974
Humane officer	3,840	3,821	19
Inspection and zoning	7,658	7,688	(30)
Street Department	249,990	248,043	1,947
Culture and recreation	143,064	143,029	35
Airport	65,746	67,799	(2,053)
Cemetery	18,020	17,542	478
Industrial Development	----	----	----
Capital outlay	<u>112,380</u>	<u>113,179</u>	<u>(799)</u>
<u>Total Expenditures</u>	<u>\$1,499,991</u>	<u>\$1,492,270</u>	<u>\$ 7,721</u>
<u>Excess of Revenues Over (Under)</u>			
<u>Expenditures</u>	<u>\$ 251,884</u>	<u>\$ 252,791</u>	<u>\$ 907</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	<u>(376,157)</u>	<u>(376,156)</u>	<u>1</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (376,157)</u>	<u>\$ (376,156)</u>	<u>\$ 1</u>
<u>Excess of Revenues and Other Sources</u>			
<u>Over (Under) Expenditures and Other</u>			
<u>Uses</u>	<u>\$ (124,273)</u>	<u>\$ (123,365)</u>	<u>\$ 908</u>
<u>Fund Balances, October 1</u>		<u>436,373</u>	
<u>Fund Balances, September 30</u>		<u>\$ 313,008</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>
\$ 199,304	\$ 198,666	\$ (638)
----	----	----
1,228	1,228	----
----	----	----
485	485	----
<u>245,158</u>	<u>188,074</u>	<u>(57,084)</u>
<u>\$ 446,175</u>	<u>\$ 388,453</u>	<u>\$(57,722)</u>
\$ ----	\$ ----	\$ ----
11,668	11,582	86
----	----	----
----	----	----
366,699	366,698	1
57,553	57,080	473
----	----	----
----	----	----
77,379	77,379	----
<u>149,759</u>	<u>149,759</u>	<u>----</u>
<u>\$ 663,058</u>	<u>\$ 662,498</u>	<u>\$ 560</u>
<u>\$(216,883)</u>	<u>\$ (274,045)</u>	<u>\$(57,162)</u>
\$ ----	\$ ----	\$ ----
<u>(36,000)</u>	<u>----</u>	<u>36,000</u>
<u>\$ (36,000)</u>	<u>\$ ----</u>	<u>\$ 36,000</u>
<u>\$(252,883)</u>	<u>\$ (274,045)</u>	<u>\$(21,162)</u>
	<u>1,639,511</u>	
	<u>\$1,365,466</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, 2012

	<u>Enterprise Funds</u>
<u>Operating Revenues:</u>	
Charges for services	\$5,811,057
Other	<u>25,724</u>
<u>Total Operating Revenues</u>	<u>\$5,836,781</u>
<u>Operating Expenses:</u>	
Administration	\$ 997,289
Utility production/treatment	453,289
Utility purchases/interconnect	3,193,924
Utility distribution/collection	556,747
Depreciation	<u>452,224</u>
<u>Total Operating Expenses</u>	<u>\$5,653,473</u>
<u>Operating Income</u>	<u>\$ 183,308</u>
<u>Non-Operating Revenues (Expenses):</u>	
Interest income	\$ 35,591
Pole rental income	4,180
DNR fees	(261)
Sales tax adjustment	(1,718)
Interest expense and fiscal charges	(72,888)
Amortization - origination fees	(15,444)
Bad debt recovery (expense)	(18,960)
Demolition	(9,213)
Grant revenue	201,227
Recycling program	<u>(28,633)</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 93,881</u>
<u>Net Income before Other Financing Sources (Uses)</u>	<u>\$ 277,189</u>
<u>Other Financing Sources (Uses):</u>	
Operating transfers in	\$ 262,933
Operating transfers out	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 262,933</u>
<u>Net Income</u>	<u>\$ 540,122</u>
<u>Retained Earnings, October 1</u>	<u>6,751,078</u>
<u>Retained Earnings, September 30</u>	<u>\$7,291,200</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, 2012

	<u>Enterprise Funds</u>
<u>Operating Activities:</u>	
Net income (loss) from operations	\$ 183,308
Adjustments to reconcile net income to net cash provided by operations:	
Depreciation	452,224
Other income	165,582
Operating transfers in (out)	262,933
Bad debt recovery (expense)	(18,960)
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(150,680)
Inventories	5,514
Increase (decrease) in:	
Accounts payable	(92,001)
Accrued expenses	(474)
Customer deposits	10,300
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 817,746</u>
<u>Investing Activities</u>	
Interest income	\$ 35,591
Restricted cash activity (net)	(10,588)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 25,003</u>
<u>Capital and Related Financing Activities:</u>	
Additions to capital assets	\$ (163,470)
Interest expense and fiscal charges	(72,888)
Principal payments	(241,690)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$ (478,048)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ 364,701</u>
<u>Cash at Beginning of Year</u>	<u>2,065,402</u>
<u>Cash at End of Year</u>	<u>\$2,430,103</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, 2012

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, 2012.

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, 2012
(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, 2012
(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, 2012

(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, 2012
(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 of be 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, 2012
(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 2011 for the purposes of local taxation was:

General Fund	\$0.7324
Library Fund	<u>0.2000</u>
	<u>\$0.9324</u>

Property taxes are recorded as revenue using the modified accrual basis of accounting and include amounts collected through November, 2012.

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, 2012 totaled \$11,278 and was allocated to the following funds:

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

General	\$ 5,375
Electric	2,564
Water	1,633
Sewer	638
Gas	<u>1,068</u>
	<u>\$11,278</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 \$3,499,044 and the bank balance was \$3,572,014. 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, 2012
(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	\$ 896	\$ 245	\$ ---	\$ ---	\$ 1,141
Sales tax	24,958	---	11,581	---	36,539
Motor fuel tax	7,903	---	---	---	7,903
Notes receivable:					
Mosswood					
Golf Course	32,131	---	---	---	32,131
Lakeside					
Casting LLC	---	---	---	1,238,340	1,238,340
Allowance for uncollectible accounts	---	---	---	---	---
<u>Total</u>	<u>\$65,888</u>	<u>\$ 245</u>	<u>\$11,581</u>	<u>\$1,238,340</u>	<u>\$1,316,054</u>

<u>Proprietary Fund Types</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Total</u>
Billings	\$555,684	\$29,585	\$64,571	\$62,738	\$712,578
Allowance for uncollectible accounts	47,710	2,013	4,469	5,002	59,194
<u>Total</u>	<u>\$507,974</u>	<u>\$27,572</u>	<u>\$60,102</u>	<u>\$57,736</u>	<u>\$653,384</u>

5. Restricted Assets:

A portion of the Enterprise Funds' investments consists of various sums in a money market fund which invests in treasury securities. The fair market value of these assets at September 30, 2012 is \$20,641. 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, 2012 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, 2012

(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</u> <u>10-1-11</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-12</u>
Total General Capital Assets	<u>\$8,675,441</u>	<u>\$202,078</u>	<u>\$ ----</u>	<u>\$8,877,519</u>

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

	<u>Balance</u> <u>10-1-11</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-12</u>
Electric system	\$ 8,751,532	\$ 9,349	\$ ----	\$ 8,760,881
Water system	6,420,186	9,912	----	6,430,098
Sewerage system	1,964,451	353,889	----	2,318,340
Natural gas system	<u>1,418,973</u>	<u>17,582</u>	----	<u>1,436,555</u>
	\$18,555,142	\$390,732	\$ ----	\$18,945,874
Less: Accumulated depreciation	<u>9,956,911</u>	<u>452,224</u>	----	<u>10,409,135</u>
Net fixed assets	<u>\$ 8,598,231</u>	<u>\$ (61,492)</u>	<u>\$ ----</u>	<u>\$ 8,536,739</u>
Construction in progress	<u>\$ 233,262</u>	<u>\$126,111</u>	<u>\$353,373</u>	<u>\$ 6,000</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(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, 2012:

	<u>Balance</u> <u>10-1-11</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>9-30-12</u>
Revenue bonds	\$ 50,000	\$ ----	\$ 25,000	\$ 25,000
Capitalized Lease Certificates of Participation, Series 2008	<u>2,760,000</u>	<u>-----</u>	<u>310,000</u>	<u>2,450,000</u>
<u>Totals</u>	<u>\$2,810,000</u>	<u>\$ ----</u>	<u>\$335,000</u>	<u>\$2,475,000</u>

Bonds payable at September 30, 2012 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. \$ 25,000

Capitalized lease obligations at September 30, 2012 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. \$2,450,000

The annual requirements to amortize all bonded debt outstanding as of September 30, 2012 follow:

<u>Revenue Bonds - Series 1992</u>			
<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	<u>\$25,000</u>	<u>\$819</u>	<u>\$25,819</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(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, 2012 was as follows:

Total assessed valuation	\$24,588,897
Constitutional debt limit percentage	<u>10%</u>
Constitutional debt limit	\$ 2,458,890
Add: Amount available in Debt Service Fund	102,811
Less: General obligation bonded debt	<u>(737,450)</u>
	<u>\$ 1,824,251</u>

The annual requirements to amortize the capitalized lease certificates of participation as of September 30, 2012 is as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$2,450,000</u>	<u>\$294,885</u>	<u>\$2,744,885</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, 2012

(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, 2012, 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, 2012 is as follows:

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>
Operating Revenues	\$3,640,604	\$ 677,013	\$ 633,312	\$ 885,852
Depreciation and Amortization Expense	214,875	169,993	60,718	22,082
Operating Income (Loss)	27,965	(65,679)	157,497	63,525
Net Income (Loss)	148,825	13,302	319,048	72,754
Property, Plant and Equipment:				
Additions	9,349	9,912	126,627	17,582
Deletions	---	---	---	---
Net Working Capital	1,381,081	208,324	249,710	1,687,766
Total Assets	5,227,916	4,722,492	1,196,303	1,943,192
Bonds and Other Long-Term Liabilities:				
Payable from operating revenues	879,690	609,180	---	---
Total Equity	3,936,915	3,985,234	1,152,751	1,904,809

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012
(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	\$ 9,349	\$ 9,912	\$126,627	\$ 17,582
Debt service	128,030	88,660	25,000	----
Depreciation	(206,096)	(163,913)	(60,133)	(22,082)
Amortization	(8,779)	(6,080)	(585)	----
Operating transfers	<u>(18,000)</u>	<u>----</u>	<u>----</u>	<u>(18,000)</u>
	<u>\$ (95,496)</u>	<u>\$ (71,421)</u>	<u>\$ 90,909</u>	<u>\$(22,500)</u>

13. Contributed Capital:

Contributed capital on September 30, 2012 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, 2012
(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, 2012
(CONTINUED)

16. Unfavorable Fund Variances:

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

Inspection and Zoning	<u>\$ 30</u>
Airport	<u>\$2,053</u>
Capital Outlay	<u>\$ 799</u>

17. Committed Contracts:

At September 30, 2012, the City owed Carrothers Construction Co., LLC \$1,353,300 for the acquisition, construction and installation of a new swimming pool.

18. Subsequent Events:

In April 2012, the voters of Monroe City agreed to a ½¢ sales tax to be used for the City's Parks Department. The effective date of this sales tax increase is October 1, 2012.

On October 18, 2012, the Board of Aldermen passed ordinance #10-2012 which approved the sale and delivery of lease refunding and improvement certificates of participation in the aggregate stated principal amount, not to exceed \$3,195,000. The purpose of this debt issue is to refinance the 2008 debt issue and to provide funds for the construction of a new swimming pool.

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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Taxes:</u>				
Property taxes	\$172,000	\$183,727	\$183,055	\$ (672)
Railroad and utility	5,696	6,178	6,179	1
Surtax	6,344	7,657	7,658	1
Financial institution	184	1,257	1,257	----
Sales tax	316,000	315,955	314,762	(1,193)
Cigarette tax	16,500	15,437	15,438	1
Telephone franchise tax	22,194	21,055	21,055	----
Cable TV franchise tax	10,518	22,002	22,003	1
Municipal utilities franchise tax	<u>156,281</u>	<u>156,281</u>	<u>156,281</u>	<u>----</u>
<u>Total Taxes</u>	<u>\$705,717</u>	<u>\$729,549</u>	<u>\$727,688</u>	<u>\$(1,861)</u>
<u>Licenses and Permits:</u>				
Liquor licenses	\$ 2,912	\$ 3,648	\$ 3,649	\$ 1
Business licenses	5,600	5,350	5,350	----
Building permits	1,237	1,395	1,395	----
Animal licenses	260	295	295	----
Street excavation permits	500	1,500	1,500	----
Planning and zoning fees	<u>255</u>	<u>640</u>	<u>640</u>	<u>----</u>
<u>Total Licenses and Permits</u>	<u>\$ 10,764</u>	<u>\$ 12,828</u>	<u>\$ 12,829</u>	<u>\$ 1</u>
<u>Intergovernmental Revenue:</u>				
Grant income	\$150,491	\$104,507	\$106,527	\$ 2,020
Motor vehicle taxes	<u>99,374</u>	<u>92,250</u>	<u>91,800</u>	<u>(450)</u>
<u>Total Intergovernmental Revenue</u>	<u>\$249,865</u>	<u>\$196,757</u>	<u>\$198,327</u>	<u>\$ 1,570</u>
<u>Charges for Services:</u>				
Swimming pool/Route J	\$ 15,258	\$ 12,685	\$ 12,686	\$ 1
Animal control and shelter fees	<u>340</u>	<u>140</u>	<u>140</u>	<u>----</u>
<u>Total Charges for Services</u>	<u>\$ 15,598</u>	<u>\$ 12,825</u>	<u>\$ 12,826</u>	<u>\$ 1</u>
<u>Fines and Forfeits:</u>				
Fines and court costs	<u>\$ 14,280</u>	<u>\$ 16,736</u>	<u>\$ 16,736</u>	<u>\$ ----</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012
(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Miscellaneous Revenues:</u>				
Interest	\$ 5,310	\$ 3,650	\$ 3,659	\$ 9
Administrative fee income	667,886	668,333	668,334	1
Agent fees	36,510	37,526	37,527	1
Airport retail sales	52,040	52,068	52,069	1
Rent income	1,700	1,700	1,700	---
Sale of graves	3,000	3,975	3,975	---
Return check charges	140	40	40	---
Sale of fixed assets	3,000	---	---	---
Contributions	180	1,202	1,202	---
Transfer from Mosswood	7,267	7,267	---	(7,267)
Other	1,200	7,419	8,149	730
<u>Total Miscellaneous Revenues</u>	<u>\$ 778,233</u>	<u>\$ 783,180</u>	<u>\$ 776,655</u>	<u>\$(6,525)</u>
<u>Total Revenues</u>	<u>\$1,774,457</u>	<u>\$1,751,875</u>	<u>\$1,745,061</u>	<u>\$(6,814)</u>
<u>Expenditures:</u>				
<u>City Administration:</u>				
Payroll	\$ 170,125	\$ 170,144	\$ 165,761	\$ 4,383
Payroll taxes	13,015	11,838	11,838	---
Employee benefits	36,378	30,600	30,598	2
Office expense	26,500	33,429	33,166	263
Advertising	4,650	5,416	5,459	(43)
Supplies and maintenance	18,125	16,858	17,191	(333)
Professional services	28,500	27,690	27,762	(72)
Telephone	4,500	3,744	3,752	(8)
Transportation and training	500	200	200	---
Insurance	9,774	10,296	10,296	---
Utilities - City Hall	5,000	4,115	4,138	(23)
Election expense	3,000	2,439	2,439	---
Assessments and memberships	1,200	723	723	---
Donations	5,500	2,900	2,900	---
Meals and mileage	25	80	80	---
Miscellaneous	600	366	385	(19)
<u>Total City Administration</u>	<u>\$ 327,392</u>	<u>\$ 320,838</u>	<u>\$ 316,688</u>	<u>\$ 4,150</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, 2012
(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Public Safety:</u>				
<u>Municipal Court:</u>				
Office expense	\$ 1,378	\$ 900	\$ 868	\$ 32
Incarceration fees	250	225	225	----
Professional services	8,000	6,658	6,897	(239)
Transportation and training	150	----	----	----
Miscellaneous	----	----	----	----
<u>Total Municipal Court</u>	<u>\$ 9,778</u>	<u>\$ 7,783</u>	<u>\$ 7,990</u>	<u>\$ (207)</u>
<u>Police Department:</u>				
Payroll	\$246,500	\$252,603	\$248,409	\$ 4,194
Payroll taxes	19,316	18,957	18,956	1
Employee benefits	47,603	43,354	43,353	1
Employee clothing allowance	4,200	2,255	2,254	1
Office expense	5,000	5,853	5,822	31
Automobile expense	14,500	12,905	13,770	(865)
Supplies and maintenance	9,350	8,431	7,964	467
Drug enforcement	9,350	9,369	9,369	----
DARE expenses	1,000	4	4	----
Telephone	4,700	6,054	6,172	(118)
Insurance	12,000	13,577	13,543	34
Utilities	6,000	7,808	7,727	81
Transportation and training	1,500	708	708	----
Miscellaneous	1,200	75	75	----
Dispatching fees	<u>68,680</u>	<u>68,680</u>	<u>68,680</u>	<u>----</u>
<u>Total Police Department</u>	<u>\$450,899</u>	<u>\$450,633</u>	<u>\$446,806</u>	<u>\$ 3,827</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, 2012
(CONTINUED)

	<u>Budget -</u> <u>Original</u>	<u>Budget -</u> <u>Revised</u>	<u>Actual</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Fire Department:</u>				
Payroll	\$ 41,210	\$ 39,420	\$ 39,420	\$ ----
Payroll taxes	3,153	3,016	3,016	----
Employee clothing allowance	300	----	----	----
Office expense	2,500	3,154	2,006	1,148
Truck expense	4,500	8,192	6,927	1,265
Fire prevention/investigation	2,500	155	775	(620)
Supplies and maintenance	17,500	24,614	24,449	165
Emergency preparedness	3,000	1,692	3,240	(1,548)
Telephone	3,000	2,829	2,839	(10)
Transportation and training	6,000	3,376	3,375	1
Insurance	18,300	1,373	17,683	(310)
Utilities	6,000	6,402	6,407	(5)
Public relations	4,000	7,663	7,662	1
Miscellaneous	1,300	2,153	1,886	267
<u>Total Fire Department</u>	<u>\$113,263</u>	<u>\$120,039</u>	<u>\$119,685</u>	<u>\$ 354</u>
<u>Total Public Safety</u>	<u>\$573,940</u>	<u>\$578,455</u>	<u>\$574,481</u>	<u>\$ 3,974</u>
<u>Humane Officer:</u>				
Payroll	\$ 2,200	\$ 2,260	\$ 2,260	\$ ----
Payroll taxes	168	170	169	1
Supplies and maintenance	800	416	398	18
Telephone	----	----	----	----
Insurance	400	257	257	----
Utilities	800	349	349	----
Animal transfers	800	388	388	----
Miscellaneous	----	----	----	----
<u>Total Humane Officer</u>	<u>\$ 5,168</u>	<u>\$ 3,840</u>	<u>\$ 3,821</u>	<u>\$ 19</u>
<u>Inspection and Zoning</u>				
<u>Department:</u>				
Payroll	\$ 9,600	\$ 6,267	\$ 6,266	\$ 1
Payroll taxes	714	480	479	1
Office expense	200	175	175	----
Advertising	100	307	340	(33)
Transportation and training	200	429	428	1
<u>Total Inspection and Zoning</u>				
<u>Department</u>	<u>\$ 10,814</u>	<u>\$ 7,658</u>	<u>\$ 7,688</u>	<u>\$ (30)</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, 2012
(CONTINUED)

	<u>Budget -</u> <u>Original</u>	<u>Budget -</u> <u>Revised</u>	<u>Actual</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Parks Department:</u>				
Payroll	\$ 37,901	\$ 40,048	\$ 40,058	\$ (10)
Payroll taxes	2,900	3,061	3,060	1
Employee benefits	1,713	1,644	1,643	1
Office expense	50	336	335	1
Contract payments	25,000	17,981	16,931	1,050
Transportation and training	778	1,432	1,432	---
Supplies and maintenance	21,000	16,043	16,261	(218)
Telephone	325	296	314	(18)
Insurance	2,660	2,618	2,617	1
Utilities	19,000	21,514	21,549	(35)
Mosswood Golf Course expenses	35,000	36,873	37,612	(739)
Park Board expenses	2,000	1,218	1,217	1
Miscellaneous	100	---	---	---
<u>Total Parks Department</u>	<u>\$148,427</u>	<u>\$143,064</u>	<u>\$143,029</u>	<u>\$ 35</u>
<u>Street Department:</u>				
Payroll	\$125,500	\$127,058	\$123,586	\$ 3,472
Payroll taxes	9,600	9,075	9,074	1
Employee benefits	31,959	30,488	30,487	1
Office expense	100	45	44	1
Uniforms	1,200	922	872	50
Fuel	27,500	21,000	23,842	(2,842)
Supplies and maintenance	20,800	17,808	18,045	(237)
Safety and compliance	1,500	2,189	1,982	207
Street maintenance materials	29,000	20,120	18,778	1,342
Paving	---	---	---	---
Telephone	1,100	1,149	1,151	(2)
Transportation and training	500	116	116	---
Insurance	11,600	13,535	13,534	1
Utilities	7,000	6,485	6,532	(47)
Miscellaneous	150	---	---	---
<u>Total Street Department</u>	<u>\$267,509</u>	<u>\$249,990</u>	<u>\$248,043</u>	<u>\$ 1,947</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, 2012

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Airport:</u>				
Contract payments	\$ 7,475	\$ 4,300	\$ 4,400	\$ (100)
Office expense	1,500	1,553	1,544	9
Supplies and maintenance	2,000	3,520	3,556	(36)
Purchases for resale	51,831	47,990	49,984	(1,994)
Telephone	1,065	1,095	1,006	89
Insurance	2,855	2,657	2,657	---
Utilities	4,600	4,631	4,652	(21)
Miscellaneous	---	---	---	---
<u>Total Airport</u>	<u>\$ 71,326</u>	<u>\$ 65,746</u>	<u>\$ 67,799</u>	<u>\$ (2,053)</u>
<u>Cemetery:</u>				
Payroll	\$ 4,935	\$ 3,402	\$ 3,409	\$ (7)
Payroll taxes	378	257	257	---
Employee benefits	1,301	916	915	1
Contract payments	14,000	12,781	12,300	481
Supplies and maintenance	500	145	145	---
Insurance	---	---	---	---
Utilities	600	519	516	3
Miscellaneous	---	---	---	---
<u>Total Cemetery</u>	<u>\$ 21,714</u>	<u>\$ 18,020</u>	<u>\$ 17,542</u>	<u>\$ 478</u>
<u>Capital Outlay:</u>				
City administration	\$ ---	\$ ---	\$ ---	\$ ---
Municipal court	---	---	---	---
Police Department	---	8,860	8,860	---
Fire Department	---	---	---	---
Humane Officer	---	---	---	---
Parks Department	20,000	8,000	8,800	(800)
Street Department	150,491	95,520	95,519	1
Airport	---	---	---	---
Cemetery	---	---	---	---
<u>Total Capital Outlay</u>	<u>\$ 170,491</u>	<u>\$ 112,380</u>	<u>\$ 113,179</u>	<u>\$ (799)</u>
<u>Total Expenditures</u>	<u>\$1,596,781</u>	<u>\$1,499,991</u>	<u>\$1,492,270</u>	<u>\$ 7,721</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 177,676</u>	<u>\$ 251,884</u>	<u>\$ 252,791</u>	<u>\$ 907</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, 2012
(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ----	\$ ----	\$ ----	\$ ----
Operating transfers out	<u>(376,161)</u>	<u>(376,157)</u>	<u>(376,156)</u>	<u>1</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$(376,161)</u>	<u>\$(376,157)</u>	<u>\$(376,156)</u>	<u>\$ 1</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$(198,485)</u>	<u>\$(124,273)</u>	<u>\$(123,365)</u>	<u>\$ 908</u>
<u>Fund Balance, October 1</u>			<u>436,373</u>	
<u>Fund Balance, September 30</u>			<u>\$ 313,008</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, 2012

	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	\$170,188	\$384,781	\$104,602	\$ 54,726	\$ 389	\$ 6,490	\$29,849	\$ 751,025
Receivables:								
Notes	----	----	----	1,238,340	----	----	----	1,238,340
Taxes	245	----	----	----	----	----	----	245
Due from other governments	----	----	11,581	----	----	----	----	11,581
Construction in progress	----	----	87,775	----	----	----	----	87,775
<u>Total Assets</u>	<u>\$170,433</u>	<u>\$384,781</u>	<u>\$203,958</u>	<u>\$1,293,066</u>	<u>\$ 389</u>	<u>\$ 6,490</u>	<u>\$29,849</u>	<u>\$2,088,966</u>
<u>Liabilities and Fund Equity:</u>								
<u>Liabilities:</u>								
Accounts payable	\$ 1,175	\$ 550	\$ 87,775	\$ ----	\$ ----	\$ ----	\$ ----	\$ 89,500
Due to Electric Fund	----	----	----	182,000	----	----	----	182,000
Due to Gas Fund	----	----	----	452,000	----	----	----	452,000
<u>Total Liabilities</u>	<u>\$ 1,175</u>	<u>\$ 550</u>	<u>\$ 87,775</u>	<u>\$ 634,000</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 723,500</u>
<u>Fund Equity:</u>								
Nonspendable	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$29,849	\$ 29,849
Restricted	----	----	116,183	----	----	----	----	116,183
Assigned	169,258	384,231	----	----	389	6,490	----	560,368
Unassigned	----	----	----	659,066	----	----	----	659,066
<u>Total Fund Equity</u>	<u>\$169,258</u>	<u>\$384,231</u>	<u>\$116,183</u>	<u>\$ 659,066</u>	<u>\$ 389</u>	<u>\$ 6,490</u>	<u>\$29,849</u>	<u>\$1,365,466</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$170,433</u>	<u>\$384,781</u>	<u>\$203,958</u>	<u>\$1,293,066</u>	<u>\$ 389</u>	<u>\$ 6,490</u>	<u>\$29,849</u>	<u>\$2,088,966</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, 2012

	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	\$53,840	\$ ----	\$ 144,826	\$ ----	\$ ----	\$ ----	\$ ----	\$ 198,666
Licenses and permits	----	----	----	----	----	----	----	----
Intergovernmental revenue	1,228	----	----	----	----	----	----	1,228
Charges for services	----	----	----	----	----	----	----	----
Fines and forfeits	485	----	----	----	----	----	----	485
Miscellaneous revenues	2,087	128,870	3,228	52,922	----	967	----	188,074
<u>Total Revenues</u>	<u>\$57,640</u>	<u>\$128,870</u>	<u>\$ 148,054</u>	<u>\$ 52,922</u>	<u>\$ ----</u>	<u>\$ 967</u>	<u>\$ ----</u>	<u>\$ 388,453</u>
<u>Expenditures:</u>								
Current:								
Public safety	\$ ----	\$ 9,569	\$ ----	\$ ----	\$ ----	\$ 2,013	\$ ----	\$ 11,582
Street improvements	----	----	366,698	----	----	----	----	366,698
Culture and recreation	57,080	----	----	----	----	----	----	57,080
Industrial	----	----	----	----	----	----	----	----
Development	----	----	----	77,379	----	----	----	77,379
Capital outlay	----	16,744	133,015	----	----	----	----	149,759
<u>Total Expenditures</u>	<u>\$57,080</u>	<u>\$ 26,313</u>	<u>\$ 499,713</u>	<u>\$ 77,379</u>	<u>\$ ----</u>	<u>\$ 2,013</u>	<u>\$ ----</u>	<u>\$ 662,498</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 560</u>	<u>\$102,557</u>	<u>\$(351,659)</u>	<u>\$(24,457)</u>	<u>\$ ----</u>	<u>\$ (1,046)</u>	<u>\$ ----</u>	<u>\$(274,045)</u>

CITY OF MONROE CITY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2012

(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	-----	-----	-----	-----	-----	-----	-----	-----
<u>Total Other Financing Sources</u>								
<u>(Uses)</u>	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	\$ 560	\$102,557	\$ (351,659)	\$ (224,457)	\$ ----	\$ (1,046)	\$ ----	\$ (274,045)
<u>Fund Balances, October 1</u>	168,698	281,674	467,842	683,523	389	7,536	29,849	1,639,511
<u>Fund Balances, September 30</u>	\$169,258	\$384,231	\$116,183	\$659,066	\$ 389	\$ 6,490	\$29,849	\$1,365,466

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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Taxes:</u>				
Property taxes	\$48,025	\$50,255	\$50,062	\$ (193)
Surtax	1,770	2,092	2,091	(1)
Railroad and utility	1,578	1,688	1,687	(1)
<u>Total Taxes</u>	<u>\$51,373</u>	<u>\$54,035</u>	<u>\$53,840</u>	<u>\$ (195)</u>
<u>Intergovernmental Revenues:</u>				
State aid	\$ 1,294	\$ 1,228	\$ 1,228	\$ ----
<u>Fines and Forfeits:</u>				
Overdue book fines	\$ 525	\$ 485	\$ 485	\$ ----
<u>Miscellaneous Revenues:</u>				
Interest	\$ 1,790	\$ 1,510	\$ 1,631	\$ 121
Contributions	25	120	120	----
Other	322	335	336	1
<u>Total Miscellaneous Revenues</u>	<u>\$ 2,137</u>	<u>\$ 1,965</u>	<u>\$ 2,087</u>	<u>\$ 122</u>
<u>Total Revenues</u>	<u>\$55,329</u>	<u>\$57,713</u>	<u>\$57,640</u>	<u>\$ (73)</u>
<u>Expenditures:</u>				
<u>Library:</u>				
Payroll	\$30,000	\$29,130	\$29,129	\$ 1
Payroll taxes	2,295	2,198	2,198	----
Employee benefits	6,173	6,655	6,653	2
Office expense	3,800	3,734	2,891	843
Books and periodicals	11,500	6,876	7,185	(309)
Supplies and maintenance	5,250	3,918	3,975	(57)
Telephone	760	845	850	(5)
Transportation and training	52	127	126	1
Insurance	1,481	1,870	1,870	----
Utilities	2,500	2,200	2,203	(3)
Miscellaneous	50	----	----	----
<u>Total Library</u>	<u>\$63,861</u>	<u>\$57,553</u>	<u>\$57,080</u>	<u>\$ 473</u>
<u>Capital Outlay</u>	<u>\$ 1,000</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, 2012
(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Total Expenditures</u>	<u>\$64,861</u>	<u>\$57,553</u>	<u>\$ 57,080</u>	<u>\$ 473</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ (9,532)</u>	<u>\$ 160</u>	<u>\$ 560</u>	<u>\$ 400</u>
<u>Other Financing Sources (Uses):</u> Operating transfers in (out)	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ (9,532)</u>	<u>\$ 160</u>	<u>\$ 560</u>	<u>\$ 400</u>
<u>Fund Balance, October 1</u>			<u>168,698</u>	
<u>Fund Balance, September 30</u>			<u>\$169,258</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, 2012

	<u>Budget -</u> <u>Original</u>	<u>Budet -</u> <u>Revised</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues:</u>				
<u>Miscellaneous Revenues:</u>				
Memberships	\$ 93,000	\$123,680	\$123,680	\$ ----
Interest	2,600	3,186	3,191	5
Contributions	500	1,999	1,999	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 96,100</u>	<u>\$128,865</u>	<u>\$128,870</u>	<u>\$ 5</u>
<u>Total Revenues</u>	<u>\$ 96,100</u>	<u>\$128,865</u>	<u>\$128,870</u>	<u>\$ 5</u>
<u>Expenditures:</u>				
Capital Outlay	\$117,500	\$ 16,744	\$ 16,744	\$ ----
Public safety	9,750	9,654	9,569	85
<u>Total Expenditures</u>	<u>\$127,250</u>	<u>\$ 26,398</u>	<u>\$ 26,313</u>	<u>\$ 85</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ (31,150)</u>	<u>\$102,467</u>	<u>\$102,557</u>	<u>\$ 90</u>
<u>Fund Balance, October 1</u>			<u>281,674</u>	
<u>Fund Balance, September 30</u>			<u>\$384,231</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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Taxes:</u>				
Sales tax	\$ 144,840	\$ 145,269	\$ 144,826	\$ (443)
<u>Miscellaneous Revenues:</u>				
Interest	\$ 1,500	\$ 3,219	\$ 3,228	\$ 9
Miscellaneous	----	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 1,500</u>	<u>\$ 3,219</u>	<u>\$ 3,228</u>	<u>\$ 9</u>
<u>Total Revenues</u>	<u>\$ 146,340</u>	<u>\$ 148,488</u>	<u>\$ 148,054</u>	<u>\$ (434)</u>
<u>Expenditures:</u>				
Paving	\$ 350,000	\$ 366,241	\$ 366,241	\$ ----
Sidewalk improvements	5,000	458	457	1
Capital outlay	166,033	133,015	133,015	----
<u>Total Expenditures</u>	<u>\$ 521,033</u>	<u>\$ 499,714</u>	<u>\$ 499,713</u>	<u>\$ 1</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$(374,693)</u>	<u>\$(351,226)</u>	<u>\$(351,659)</u>	<u>\$ (433)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers out	\$ ----	\$ ----	\$ ----	\$ ----
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$(374,693)</u>	<u>\$(351,226)</u>	<u>\$(351,659)</u>	<u>\$ (433)</u>
<u>Fund Balance, October 1</u>			<u>467,842</u>	
<u>Fund Balance, September 30</u>			<u>\$ 116,183</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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Intergovernmental Revenue:</u>				
Grant income	\$ ----	\$ ----	\$ ----	\$ ----
<u>Miscellaneous Revenues:</u>				
Rent income - farm	\$ 1,586	\$ 1,586	\$ 1,586	\$ ----
Interest - Lakeside	108,000	108,000	50,781	(57,219)
Interest - bank	400	556	555	(1)
Contributions	----	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$109,986</u>	<u>\$110,142</u>	<u>\$ 52,922</u>	<u>\$(57,220)</u>
<u>Total Revenues</u>	<u>\$109,986</u>	<u>\$110,142</u>	<u>\$ 52,922</u>	<u>\$(57,220)</u>
<u>Expenditures:</u>				
Industrial Development	\$ 64,000	\$ 77,379	\$ 77,379	\$ ----
<u>Excess of Revenues Over (Under)</u> <u>Expenditures</u>	<u>\$ 45,986</u>	<u>\$ 32,763</u>	<u>\$ (24,457)</u>	<u>\$(57,220)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in (out)	\$ (36,000)	\$ (36,000)	\$ ----	\$ 36,000
<u>Excess of Revenues and Other Sources</u> <u>Over (Under) Expenditures and Other</u> <u>Uses</u>	<u>\$ 9,986</u>	<u>\$ (3,237)</u>	<u>\$ (24,457)</u>	<u>\$ 21,220</u>
<u>Fund Balance, October 1</u>			<u>683,523</u>	
<u>Fund Balance, September 30</u>			<u>\$659,066</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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Miscellaneous Revenues:</u>				
Contributions	\$1,500	\$ 900	\$ 900	\$ ----
Interest	65	67	67	----
<u>Total Miscellaneous Revenues</u>	<u>\$1,565</u>	<u>\$ 967</u>	<u>\$ 967</u>	<u>\$ ----</u>
 <u>Total Revenues</u>	 <u>\$1,565</u>	 <u>\$ 967</u>	 <u>\$ 967</u>	 <u>\$ ----</u>
 <u>Expenditures:</u>				
Contributions	\$1,000	\$ 2,014	\$ 2,013	\$ 1
 <u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 565</u>	<u>\$(1,047)</u>	<u>\$(1,046)</u>	<u>\$ 1</u>
 <u>Fund Balance, October 1</u>			<u>7,536</u>	
 <u>Fund Balance, September 30</u>			<u>\$ 6,490</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, 2012

	Electric Department	Water Department	Sewer Department	Natural Gas Department	Totals (Memorandum Only)
<u>Assets:</u>					
Cash	\$ 871,431	\$ 193,473	\$ 223,802	\$1,141,397	\$ 2,430,103
Receivables (net of allowance for uncollectibles):					
Accounts	507,974	27,572	60,102	57,736	653,384
Inventory of supplies, at cost	215,387	103,657	9,358	63,016	391,418
Due from Industrial Development Fund	182,000	----	----	452,000	634,000
<u>Total Current Assets</u>	<u>\$1,776,792</u>	<u>\$ 324,702</u>	<u>\$ 293,262</u>	<u>\$1,714,149</u>	<u>\$ 4,108,905</u>
Restricted assets:					
Cash	\$ 15,600	\$ 11,700	\$ ----	\$ 12,000	\$ 39,300
Investments	153,802	106,506	20,641	----	280,949
Capital assets (net of accumulated depreciation - Note 2)	3,212,340	4,231,537	881,816	217,043	8,542,736
Unamortized loan/issuance fees	69,382	48,047	584	----	118,013
<u>Total Assets</u>	<u>\$5,227,916</u>	<u>\$4,722,492</u>	<u>\$1,196,303</u>	<u>\$1,943,192</u>	<u>\$13,089,903</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 245,299	\$ 12,819	\$ 15,786	\$ 24,456	\$ 298,360
Accrued liabilities	5,517	3,220	2,631	1,927	13,295
Construction costs payable	----	----	----	----	----
Current portion of:					
Capitalized lease payable	----	----	----	----	----
Capitalized lease certificates of participation	132,160	91,520	----	----	223,680
Payable from restricted assets:					
Revenue bonds payable	----	----	25,000	----	25,000
Accrued interest	12,735	8,819	135	----	21,689
<u>Total Current Liabilities</u>	<u>\$ 395,711</u>	<u>\$ 116,378</u>	<u>\$ 43,552</u>	<u>\$ 26,383</u>	<u>\$ 582,024</u>
<u>Noncurrent Liabilities:</u>					
Deposits	\$ 15,600	\$ 11,700	\$ ----	\$ 12,000	\$ 39,300
Revenue bonds payable	----	----	----	----	----
Capitalized lease certificates of participation	879,690	609,180	----	----	1,488,870
<u>Total Liabilities</u>	<u>\$1,291,001</u>	<u>\$ 737,258</u>	<u>\$ 43,552</u>	<u>\$ 38,383</u>	<u>\$ 2,110,194</u>

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

SEPTEMBER 30, 2012

(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	20,641	---	280,949
Unreserved	<u>3,743,496</u>	<u>896,313</u>	<u>692,562</u>	<u>1,677,880</u>	<u>7,010,251</u>
<u>Total Fund Equity</u>	<u>\$3,936,915</u>	<u>\$3,985,234</u>	<u>\$1,152,751</u>	<u>\$1,904,809</u>	<u>\$10,979,709</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$5,227,916</u>	<u>\$4,722,492</u>	<u>\$1,196,303</u>	<u>\$1,943,192</u>	<u>\$13,089,903</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, 2012

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Natural Gas Department</u>	<u>Totals (Memorandum Only)</u>
<u>Operating Revenues:</u>					
Charges for services	\$3,633,748	\$ 667,560	\$630,903	\$ 878,846	\$5,811,057
Other revenues	<u>6,856</u>	<u>9,453</u>	<u>2,409</u>	<u>7,006</u>	<u>25,724</u>
<u>Total Operating Revenues</u>	<u>\$3,640,604</u>	<u>\$ 677,013</u>	<u>\$633,312</u>	<u>\$ 885,852</u>	<u>\$5,836,781</u>
<u>Operating Expenses:</u>					
Administration	\$ 537,695	\$ 183,379	\$148,843	\$ 127,372	\$ 997,289
Utility production/treatment	14,935	280,200	158,154	---	453,289
Utility purchases/interconnect	2,604,222	---	---	589,702	3,193,924
Utility distribution/collection	249,691	115,200	108,685	83,171	556,747
Depreciation	<u>206,096</u>	<u>163,913</u>	<u>60,133</u>	<u>22,082</u>	<u>452,224</u>
<u>Total Operating Expenses</u>	<u>\$3,612,639</u>	<u>\$ 742,692</u>	<u>\$475,815</u>	<u>\$ 822,327</u>	<u>\$5,653,473</u>
<u>Operating Income (Loss)</u>	<u>\$ 27,965</u>	<u>\$ (65,679)</u>	<u>\$157,497</u>	<u>\$ 63,525</u>	<u>\$ 183,308</u>
<u>Non-Operating Revenues</u>					
<u>(Expenses):</u>					
Interest income	\$ 15,570	\$ 6,934	\$ 3,157	\$ 9,930	\$ 35,591
Pole rental income	4,180	---	---	---	4,180
DNR fees	---	---	(261)	---	(261)
Sales tax adjustment	(1,589)	(98)	---	(31)	(1,718)
Interest expense and fiscal charges	(42,019)	(29,097)	(1,772)	---	(72,888)
Amortization - origination fees	(8,779)	(6,080)	(585)	---	(15,444)
Bad debt recovery (expense)	(16,762)	(348)	(1,767)	(83)	(18,960)
Demolition	---	---	(9,213)	---	(9,213)
Grant revenue	---	---	201,227	---	201,227
Recycling program	---	---	(28,633)	---	(28,633)
<u>Total Non-Operating Revenues</u>					
<u>(Expenses)</u>	<u>\$ (49,399)</u>	<u>\$ (28,689)</u>	<u>\$162,153</u>	<u>\$ 9,816</u>	<u>\$ 93,881</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ (21,434)</u>	<u>\$ (94,368)</u>	<u>\$319,650</u>	<u>\$ 73,341</u>	<u>\$ 277,189</u>
<u>Other Financing Sources (Uses):</u>					
Operating transfers in	\$ 155,352	\$ 107,581	\$ ---	\$ ---	\$ 262,933
Operating transfers (out)	---	---	---	---	---
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 155,352</u>	<u>\$ 107,581</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 262,933</u>
<u>Net Income (Loss)</u>	<u>\$ 133,918</u>	<u>\$ 13,213</u>	<u>\$319,650</u>	<u>\$ 73,341</u>	<u>\$ 540,122</u>
<u>Retained Earnings, October 1</u>	<u>3,763,380</u>	<u>989,606</u>	<u>393,553</u>	<u>1,604,539</u>	<u>6,751,078</u>
<u>Retained Earnings, September 30</u>	<u>\$3,897,298</u>	<u>\$1,002,819</u>	<u>\$713,203</u>	<u>\$1,677,880</u>	<u>\$7,291,200</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, 2012

	<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	\$ 27,965	\$ (65,679)	\$ 157,497	\$ 63,525	\$ 183,308
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	206,096	163,913	60,133	22,082	452,224
Other income (expense)	2,591	(98)	163,120	(31)	165,582
Operating transfers in (out)	155,352	107,581	---	---	262,933
Bad debt recovery (expense)	(16,762)	(348)	(1,767)	(83)	(18,960)
Changes in operating assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(152,824)	2,285	(17,809)	17,668	(150,680)
Inventories	(11,450)	16,903	(125)	186	5,514
Increase (decrease) in:					
Accounts payable	45,288	(6,915)	(121,858)	(8,516)	(92,001)
Accrued expenses	3,116	202	(2,575)	(1,217)	(474)
Customer deposits	3,800	3,200	---	3,300	10,300
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 263,172</u>	<u>\$ 221,044</u>	<u>\$ 236,616</u>	<u>\$ 96,914</u>	<u>\$ 817,746</u>
<u>Investing Activities:</u>					
Interest income	\$ 15,570	\$ 6,934	\$ 3,157	\$ 9,930	\$ 35,591
Restricted cash activity (net)	(3,800)	(3,200)	(288)	(3,300)	(10,588)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 11,770</u>	<u>\$ 3,734</u>	<u>\$ 2,869</u>	<u>\$ 6,630</u>	<u>\$ 25,003</u>
<u>Capital and Related Financing Activities:</u>					
Additions to fixed assets	\$ (9,349)	\$ (9,912)	\$(126,627)	\$ (17,582)	\$ (163,470)
Interest expense and fiscal charges	(42,019)	(29,097)	(1,772)	---	(72,888)
Principal payments	(128,030)	(88,660)	(25,000)	---	(241,690)
<u>Net Cash Provided (Used) by Capital Financing Activities</u>	<u>\$(179,398)</u>	<u>\$(127,669)</u>	<u>\$(153,399)</u>	<u>\$ (17,582)</u>	<u>\$ (478,048)</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ 95,544</u>	<u>\$ 97,109</u>	<u>\$ 86,086</u>	<u>\$ 85,962</u>	<u>\$ 364,701</u>
<u>Cash at Beginning 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>
<u>Cash at End of Year</u>	<u>\$ 871,431</u>	<u>\$ 193,473</u>	<u>\$ 223,802</u>	<u>\$1,141,397</u>	<u>\$2,430,103</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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>				
<u>Charges for Services:</u>				
City customers	\$3,304,469	\$3,424,071	\$3,608,951	\$184,880
Security lights	4,700	4,683	4,662	(21)
Penalties	12,500	14,994	14,498	(496)
Vendor	900	1,319	1,318	(1)
Service fees	2,800	3,988	4,234	246
Construction meter	220	85	85	----
<u>Total Charges for Services</u>	<u>\$3,325,589</u>	<u>\$3,449,140</u>	<u>\$3,633,748</u>	<u>\$184,608</u>
<u>Other</u>	<u>\$ 5,320</u>	<u>\$ 6,850</u>	<u>\$ 6,856</u>	<u>\$ 6</u>
<u>Total Operating Revenues</u>	<u>\$3,330,909</u>	<u>\$3,455,990</u>	<u>\$3,640,604</u>	<u>\$184,614</u>
<u>Operating Expenses:</u>				
<u>Administration:</u>				
Professional services	\$ 500	\$ 983	\$ 983	\$ ----
Insurance	4,293	32,343	32,343	----
Franchise tax	99,134	99,134	99,134	----
Assessments and memberships	1,800	1,639	1,639	----
Administrative fee expense	403,577	403,577	403,577	----
Miscellaneous	50	19	19	----
<u>Total Administration</u>	<u>\$ 549,354</u>	<u>\$ 537,695</u>	<u>\$ 537,695</u>	<u>\$ ----</u>
<u>Electric Production:</u>				
Supplies and maintenance	\$ 620	\$ 2,302	\$ 2,301	\$ 1
Fuel used to generate electricity	13,000	23,585	6,097	17,488
Utilities	7,500	6,160	6,537	(377)
<u>Total Electric Production</u>	<u>\$ 21,120</u>	<u>\$ 32,047</u>	<u>\$ 14,935</u>	<u>\$ 17,112</u>
<u>Interconnect:</u>				
Power purchases	\$2,488,677	\$2,558,747	\$2,604,222	\$ (45,475)
<u>Total Interconnect</u>	<u>\$2,488,677</u>	<u>\$2,558,747</u>	<u>\$2,604,222</u>	<u>\$ (45,475)</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, 2012

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Electric Distribution:</u>				
Payroll	\$ 155,022	\$ 157,763	\$ 155,227	\$ 2,536
Payroll taxes	11,860	11,513	11,512	1
Employee benefits	33,832	32,183	32,181	2
Uniforms	1,800	1,855	1,853	2
Office expense	500	206	206	----
Fuel	5,800	9,019	8,747	272
Supplies and maintenance	12,250	11,816	12,077	(261)
Distribution materials	12,000	14,467	18,488	(4,021)
Telephone	1,850	1,766	1,767	(1)
Utilities	2,500	2,054	2,048	6
Transportation and training	1,000	248	248	----
Safety and compliance	1,400	4,237	4,002	235
Railroad easement	851	936	935	1
Other	300	400	400	----
<u>Total Electric Distribution</u>	<u>\$ 240,965</u>	<u>\$ 248,463</u>	<u>\$ 249,691</u>	<u>\$ (1,228)</u>
<u>Capital Outlay:</u>				
Administration	\$ ----	\$ ----	\$ ----	\$ ----
Electric production	----	----	----	----
Electric distribution	32,000	9,512	9,349	163
<u>Total Capital Outlay</u>	<u>\$ 32,000</u>	<u>\$ 9,512</u>	<u>\$ 9,349</u>	<u>\$ 163</u>
<u>Total Operating Expenses</u>	<u>\$3,332,116</u>	<u>\$3,386,464</u>	<u>\$3,415,892</u>	<u>\$ (29,428)</u>
<u>Operating Income</u>	<u>\$ (1,207)</u>	<u>\$ 69,526</u>	<u>\$ 224,712</u>	<u>\$ 155,186</u>
<u>Non-Operating Revenues (Expenses):</u>				
Interest income	\$ 7,400	\$ 6,497	\$ 15,570	\$ 9,073
Pole rental income	4,180	4,180	4,180	----
Sales tax adjustment	----	----	(1,589)	(1,589)
Interest expense and fiscal charges	----	----	(42,019)	(42,019)
Principal payments	----	----	(128,030)	(128,030)
Bad debt recovery (expense)	(9,600)	(1,856)	(16,762)	(14,906)
Grant revenue	----	----	----	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 1,980</u>	<u>\$ 8,821</u>	<u>\$ (168,650)</u>	<u>\$(177,471)</u>
<u>Net Income Before Other Financing Sources (Uses)</u>	<u>\$ 773</u>	<u>\$ 78,347</u>	<u>\$ 56,062</u>	<u>\$ (22,285)</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, 2012
(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	\$18,000	\$18,000	\$ 173,352	\$155,352
Operating transfers (out)	<u>----</u>	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$ 173,352</u>	<u>\$155,352</u>
<u>Net Income (Modified Cash Basis)</u>	<u>\$18,773</u>	<u>\$96,347</u>	\$ 229,414	<u>\$133,067</u>
<u>Modified Accrual to GAAP Adjustment</u> <u>(Note 12)</u>			(95,496)	
<u>Retained Earnings, October 1</u>			<u>3,763,380</u>	
<u>Retained Earnings, September 30</u>			<u>\$3,897,298</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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>				
<u>Charges for Services:</u>				
City customers	\$547,708	\$555,011	\$556,253	\$ 1,242
Water districts and others	65,770	112,492	107,396	(5,096)
Penalties	3,750	3,619	3,651	32
Water taps	145	260	260	----
<u>Total Charges for Services</u>	<u>\$617,373</u>	<u>\$671,382</u>	<u>\$667,560</u>	<u>\$(3,822)</u>
<u>Other</u>	<u>\$ 5,720</u>	<u>\$ 6,510</u>	<u>\$ 9,453</u>	<u>\$ 2,943</u>
<u>Total Operating Revenues</u>	<u>\$623,093</u>	<u>\$677,892</u>	<u>\$677,013</u>	<u>\$ (879)</u>
<u>Operating Expenses:</u>				
<u>Administration:</u>				
Professional services	\$ 250	\$ 492	\$ 491	\$ 1
Insurance	11,000	13,292	13,292	----
Franchise tax	16,431	16,432	16,431	1
Assessments and memberships	550	421	420	1
Administrative fee expense	152,745	152,746	152,745	1
Miscellaneous	50	----	----	----
<u>Total Administration</u>	<u>\$181,026</u>	<u>\$183,383</u>	<u>\$183,379</u>	<u>\$ 4</u>
<u>Water Production:</u>				
Payroll	\$ 69,776	\$ 73,389	\$ 71,306	\$ 2,083
Payroll taxes	5,338	5,392	5,392	----
Employee benefits	15,193	14,495	14,494	1
Uniforms	500	415	408	7
Office expense	400	648	660	(12)
Fuel	800	1,170	1,150	20
Supplies and maintenance	18,800	25,832	25,882	(50)
Chemicals	105,000	107,774	108,088	(314)
Telephone	2,500	2,541	2,547	(6)
Transportation and training	500	550	497	53
Utilities	41,000	43,788	44,268	(480)
Safety and compliance	350	273	273	----
Miscellaneous	3,400	5,236	5,235	1
<u>Total Water Production</u>	<u>\$263,557</u>	<u>\$281,503</u>	<u>\$280,200</u>	<u>\$ 1,303</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, 2012

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Water Distribution:</u>				
Payroll	\$ 48,045	\$ 47,784	\$ 46,155	\$ 1,629
Payroll taxes	3,942	3,588	3,588	----
Employee benefits	11,031	9,160	9,158	2
Uniforms	350	238	232	6
Office expense	1,040	985	985	----
Fuel	2,600	4,750	2,780	1,970
Supplies and maintenance	6,850	5,846	31,942	(26,096)
Distribution materials	5,000	7,375	15,957	(8,582)
Telephone	700	679	682	(3)
Transportation and training	1,000	5	39	(34)
Utilities	2,500	2,237	2,253	(16)
Safety and compliance	350	136	149	(13)
Miscellaneous	3,210	1,280	1,280	----
<u>Total Water Distribution</u>	<u>\$ 86,618</u>	<u>\$ 84,063</u>	<u>\$ 115,200</u>	<u>\$ (31,137)</u>
<u>Capital Outlay:</u>				
Administration	\$ ----	\$ ----	\$ ----	\$ ----
Water production	21,505	9,396	9,395	1
Water distribution	40,428	26,178	517	25,661
<u>Total Capital Outlay</u>	<u>\$ 61,933</u>	<u>\$ 35,574</u>	<u>\$ 9,912</u>	<u>\$ 25,662</u>
<u>Total Operating Expenses</u>	<u>\$593,134</u>	<u>\$584,523</u>	<u>\$ 588,691</u>	<u>\$ (4,168)</u>
<u>Operating Income (Loss)</u>	<u>\$ 29,959</u>	<u>\$ 93,369</u>	<u>\$ 88,322</u>	<u>\$ (5,047)</u>
<u>Non-Operating Revenues (Expenses):</u>				
Interest income	\$ 400	\$ 641	\$ 6,934	\$ 6,293
Sales tax adjustment	----	----	(98)	(98)
Interest expense and fiscal charges	----	----	(29,097)	(29,097)
Principal payments	----	----	(8,660)	(88,660)
Bad debt recovery (expense)	(2,000)	(260)	(348)	(88)
Grant revenue	----	----	----	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ (1,600)</u>	<u>\$ 381</u>	<u>\$ (111,269)</u>	<u>\$ (111,650)</u>
<u>Net Income Before Other Financing Sources (Uses)</u>	<u>\$ 28,359</u>	<u>\$ 93,750</u>	<u>\$ (22,947)</u>	<u>\$ (116,697)</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, 2012
(CONTINUED)

	<u>Budget -</u> <u>Original</u>	<u>Budget -</u> <u>Revised</u>	<u>Actual</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ----	\$ ----	\$ 107,581	\$107,581
Operating transfers out	<u>----</u>	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 107,581</u>	<u>\$107,581</u>
<u>Net Income (Modified Cash Basis)</u>	<u>\$28,359</u>	<u>\$93,750</u>	\$ 84,634	<u>\$ (9,116)</u>
<u>Modified Accrual to GAAP Adjustment</u> <u>(Note 11)</u>			(71,421)	
<u>Retained Earnings, October 1</u>			<u>989,606</u>	
<u>Retained Earnings, September 30</u>			<u>\$1,002,819</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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>				
<u>Charges for Services:</u>				
Sewer service charges	\$512,143	\$492,427	\$514,348	\$21,921
Penalties	2,120	3,601	3,847	246
Sewer taps	200	150	150	----
Sanitation	<u>123,511</u>	<u>112,590</u>	<u>112,558</u>	<u>(32)</u>
<u>Total Charges for Services</u>	<u>\$637,974</u>	<u>\$608,768</u>	<u>\$630,903</u>	<u>\$22,135</u>
<u>Other</u>	<u>\$ 1,390</u>	<u>\$ 2,409</u>	<u>\$ 2,409</u>	<u>\$ ----</u>
<u>Total Operating Revenues</u>	<u>\$639,364</u>	<u>\$611,177</u>	<u>\$633,312</u>	<u>\$22,135</u>
<u>Operating Expenses:</u>				
<u>Administration:</u>				
Professional services	\$ 250	\$ 491	\$ 491	\$ ----
Insurance	4,825	5,033	5,032	1
Franchise tax	8,847	8,847	8,847	----
Assessments and memberships	360	267	266	1
Sanitation charges and related costs	115,315	106,062	106,320	(258)
Administrative fee expense	27,887	27,887	27,887	----
Miscellaneous	<u>100</u>	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Administration</u>	<u>\$157,584</u>	<u>\$148,587</u>	<u>\$148,843</u>	<u>\$ (256)</u>
<u>Sewage Treatment:</u>				
Payroll	\$ 58,500	\$ 51,888	\$ 51,065	\$ (823)
Payroll taxes	4,475	3,785	3,784	1
Employee benefits	15,016	13,130	13,129	1
Uniforms	400	451	472	(21)
Office expense	650	1,547	1,519	28
Fuel	1,200	2,025	1,855	170
Supplies and maintenance	4,400	7,562	6,180	1,382
Telephone	550	1,472	1,541	(69)
Transportation and training	750	52	52	----
Utilities	75,000	66,751	71,517	(4,766)
Safety and compliance	200	154	192	(38)
Testing and reports	6,000	5,530	6,005	(475)
Miscellaneous	<u>1,100</u>	<u>844</u>	<u>843</u>	<u>----</u>
<u>Total Sewage Treatment</u>	<u>\$168,241</u>	<u>\$155,191</u>	<u>\$158,154</u>	<u>\$ (2,963)</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, 2012

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Sewage Collection:</u>				
Payroll	\$ 48,045	\$ 47,784	\$ 46,715	\$ 1,069
Payroll taxes	3,942	3,588	3,587	1
Employee benefits	12,031	9,160	9,158	2
Uniforms	350	238	232	6
Office expense	1,040	985	932	53
Fuel	2,600	3,050	2,780	270
Supplies and maintenance	5,350	13,086	12,995	91
Collection materials	2,600	3,846	27,885	(24,039)
Telephone	700	679	682	(3)
Transportation and training	1,000	5	39	(34)
Utilities	2,500	2,237	2,253	(16)
Safety and compliance	350	136	149	(13)
Miscellaneous	3,210	1,280	1,278	2
<u>Total Sewage Collection</u>	<u>\$ 83,718</u>	<u>\$ 86,074</u>	<u>\$108,685</u>	<u>\$ (22,611)</u>
<u>Capital Outlay:</u>				
Administration	\$ ----	\$ ----	\$ ----	\$ ----
Sewage treatment	309,750	246,111	126,111	120,000
Sewage collection	225,767	30,692	516	30,176
<u>Total Capital Outlay</u>	<u>\$ 535,517</u>	<u>\$276,803</u>	<u>\$126,627</u>	<u>\$150,176</u>
<u>Total Operating Expenses</u>	<u>\$ 945,060</u>	<u>\$666,655</u>	<u>\$542,309</u>	<u>\$124,346</u>
<u>Operating Income</u>	<u>\$(305,696)</u>	<u>\$ (55,478)</u>	<u>\$ 91,003</u>	<u>\$146,481</u>
<u>Non-Operating Revenues (Expenses):</u>				
Interest income	\$ 1,305	\$ 792	\$ 3,157	\$ 2,365
DNR Fees	(350)	(262)	(261)	1
Interest expense and fiscal charges	(1,290)	(367)	(1,772)	(1,405)
Principal payments	(25,000)	(22,917)	(25,000)	(2,083)
Bad debt recovery (expense)	(1,640)	(223)	(1,767)	(1,544)
Grant revenue	205,655	201,227	201,227	----
Recycling program	(27,670)	(28,634)	(28,633)	1
Demolition	(16,000)	(9,213)	(9,213)	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 135,010</u>	<u>\$140,403</u>	<u>\$137,738</u>	<u>\$ (2,665)</u>
<u>Net Income Before Other Financing</u>				
<u>Sources (Uses)</u>	<u>\$(170,686)</u>	<u>\$ 84,925</u>	<u>\$228,741</u>	<u>\$143,816</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, 2012
(CONTINUED)

	<u>Budget -</u> <u>Original</u>	<u>Budget -</u> <u>Revised</u>	<u>Actual</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$175,000	\$ ----	\$ ----	\$ ----
Operating transfers out	----	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$175,000</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
<u>Net Income (Modified Cash Basis)</u>	<u>\$ 4,314</u>	<u>\$84,925</u>	<u>\$228,741</u>	<u>\$143,816</u>
<u>Modified Accrual to GAAP Adjustment</u> <u>(Note 9)</u>			90,909	
<u>Retained Earnings, October 1</u>			<u>393,553</u>	
<u>Retained Earnings, September 30</u>			<u>\$713,203</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, 2012

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Operating Revenues:</u>				
<u>Charges for Services:</u>				
Natural gas sales	\$1,062,292	\$870,872	\$870,903	\$ 31
Wheeling charges	3,310	3,669	3,631	(38)
Penalties	6,260	4,189	4,150	(39)
Installations	300	162	162	---
<u>Total Charges for Services</u>	<u>\$1,072,162</u>	<u>\$878,892</u>	<u>\$878,846</u>	<u>\$ (46)</u>
<u>Other</u>	<u>\$ 6,500</u>	<u>\$ 7,058</u>	<u>\$ 7,006</u>	<u>\$ (52)</u>
<u>Total Operating Revenues</u>	<u>\$1,078,662</u>	<u>\$885,950</u>	<u>\$885,852</u>	<u>\$ (98)</u>
<u>Operating Expenses:</u>				
<u>Administration:</u>				
Professional services	\$ 500	\$ 983	\$ 982	\$ 1
Insurance	9,799	9,623	9,622	1
Franchise tax	31,869	31,869	31,869	---
Assessments and memberships	850	770	770	---
Administrative fee expense	84,125	84,125	84,125	---
Miscellaneous	50	4	4	---
<u>Total Administration</u>	<u>\$ 127,193</u>	<u>\$127,374</u>	<u>\$127,372</u>	<u>\$ 2</u>
<u>Natural Gas Purchases</u>	<u>\$ 795,116</u>	<u>\$597,073</u>	<u>\$589,702</u>	<u>\$7,371</u>
<u>Natural Gas Distribution:</u>				
Payroll	\$ 48,045	\$ 47,802	\$ 46,584	\$1,218
Payroll taxes	3,942	3,589	3,589	---
Employee benefits	6,031	9,186	9,184	2
Uniforms	350	238	232	6
Office expense	1,040	1,024	971	53
Fuel	2,600	3,050	2,780	270
Supplies and maintenance	6,850	5,481	5,729	(248)
Distribution materials	8,000	8,275	7,026	1,249
Telephone	700	679	683	(4)
Transportation and training	1,600	1,325	1,359	(34)
Utilities	2,500	2,238	2,253	(15)
Safety and compliance	2,200	1,488	1,501	(13)
Miscellaneous	3,210	1,280	1,280	---
<u>Total Natural Gas Distribution</u>	<u>\$ 87,068</u>	<u>\$ 85,655</u>	<u>\$ 83,171</u>	<u>\$2,484</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, 2012
(CONTINUED)

	<u>Budget -</u> <u>Original</u>	<u>Budget -</u> <u>Revised</u>	<u>Actual</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Capital Outlay:</u>				
Administration	\$ ----	\$ ----	\$ ----	\$ ----
Natural gas distribution	<u>16,267</u>	<u>17,582</u>	<u>17,582</u>	<u>----</u>
<u>Total Capital Outlay</u>	<u>\$ 16,267</u>	<u>\$ 17,582</u>	<u>\$ 17,582</u>	<u>\$ ----</u>
<u>Total Operating Expenses</u>	<u>\$1,025,644</u>	<u>\$827,684</u>	<u>\$ 817,827</u>	<u>\$ 9,857</u>
<u>Operating Income (Loss)</u>	<u>\$ 53,018</u>	<u>\$ 58,266</u>	<u>\$ 68,025</u>	<u>\$ 9,759</u>
<u>Non-Operating Revenues (Expenses):</u>				
Interest income	\$ 11,726	\$ 9,955	\$ 9,930	\$ (25)
Sales tax adjustments	----	----	(31)	(31)
Interest expense and fiscal charges	----	----	----	----
Principal payments	----	----	----	----
Bad debt recovery (expense)	<u>(7,606)</u>	<u>(669)</u>	<u>(83)</u>	<u>586</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 4,120</u>	<u>\$ 9,286</u>	<u>\$ 9,816</u>	<u>\$ 530</u>
<u>Net Income (Loss) Before Other Financing</u> <u>Sources (Uses)</u>	<u>\$ 57,138</u>	<u>\$ 67,552</u>	<u>\$ 77,841</u>	<u>\$10,289</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ 18,000	\$ 18,000	\$ 18,000	\$ ----
Operating transfers (out)	<u>(175,000)</u>	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (157,000)</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ ----</u>
<u>Net Income (Loss) (Modified Cash Basis)</u>	<u>\$ (99,862)</u>	<u>\$ 85,552</u>	<u>\$ 95,841</u>	<u>\$10,289</u>
<u>Modified Accrual to GAAP Adjustment</u> <u>(Note 11)</u>			(22,500)	
<u>Retained Earnings, October 1</u>			<u>1,604,539</u>	
<u>Retained Earnings, September 30</u>			<u>\$1,677,880</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, 2012

	<u>Balance</u> <u>10-1-11</u>	<u>Additions</u>	<u>Sales/</u> <u>Retirements</u>	<u>Balance</u> <u>9-30-12</u>
<u>Function and Activity:</u>				
<u>General Government</u>				
City administration	<u>\$2,233,994</u>	<u>\$ 24,239</u>	<u>\$ ----</u>	<u>\$2,258,233</u>
<u>Public Safety:</u>				
Police	\$ 395,743	\$ 95,960	\$ ----	\$ 491,703
Fire	1,639,392	26,930	----	1,666,322
Humane Officer	<u>28,402</u>	<u>----</u>	<u>----</u>	<u>28,402</u>
<u>Total Public Safety</u>	<u>\$2,063,537</u>	<u>\$122,890</u>	<u>\$ ----</u>	<u>\$2,186,427</u>
<u>Street Department</u>	<u>\$1,008,935</u>	<u>\$ 10,396</u>	<u>\$ ----</u>	<u>\$1,019,331</u>
<u>Culture and Recreation:</u>				
Parks	\$ 974,857	\$ 8,800	\$ ----	\$ 983,657
Library	155,230	----	----	155,230
Mosswood Golf Course	<u>386,298</u>	<u>----</u>	<u>----</u>	<u>386,298</u>
<u>Total Culture and Recreation</u>	<u>\$1,516,385</u>	<u>\$ 8,800</u>	<u>\$ ----</u>	<u>\$1,525,185</u>
<u>Airport</u>	<u>\$1,753,423</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,753,423</u>
<u>St. Jude's Cemetery</u>	<u>\$ 99,167</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 99,167</u>
<u>Industrial Park</u>	<u>\$ ----</u>	<u>\$ 35,753</u>	<u>\$ ----</u>	<u>\$ 35,753</u>
<u>Total General Capital Assets</u>	<u>\$8,675,441</u>	<u>\$202,078</u>	<u>\$ ----</u>	<u>\$8,877,519</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, 2012

	COST			
	BALANCE 09-30-11	ADDITIONS	RETIREMENTS	BALANCE 09-30-11
ELECTRIC DEPARTMENT				
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	\$9,348.56	—	2,378,563.55
Office Equipment	44,162.67	—	—	44,162.67
TOTAL ELECTRIC DEPARTMENT	\$8,751,532.11	\$9,348.56	\$0.00	\$8,760,880.67
NATURAL GAS DEPARTMENT				
Land	\$14,691.00	—	—	\$14,691.00
Natural Gas System	1,362,483.78	17,581.61	—	1,380,065.39
Office Equipment	41,798.32	—	—	41,798.32
TOTAL NATURAL GAS DEPARTMENT	\$1,418,973.10	\$17,581.61	\$0.00	\$1,436,554.71
WATER DEPARTMENT				
Production System	\$2,763,261.19	\$9,395.35	—	\$2,772,656.54
Distribution System	3,646,851.01	516.77	—	3,647,367.78
Office Equipment	10,072.71	—	—	10,072.71
TOTAL WATER DEPARTMENT	\$6,420,184.91	\$9,912.12	\$0.00	\$6,430,097.03
SEWER DEPARTMENT				
Treatment System	\$549,468.86	\$353,372.64	—	\$902,841.50
Collection System	1,413,556.58	516.46	—	1,414,073.04
Office Equipment	1426.08	—	—	1,426.08
Construction in progress	233,262.00	126,110.64	353,372.64	6,000.00
TOTAL SEWER DEPARTMENT	\$2,197,713.52	\$479,999.74	\$353,372.64	\$2,324,340.62
TOTAL PROPRIETARY FUND TYPES	\$18,788,403.64	\$516,842.03	\$353,372.64	\$18,951,873.03

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

ACCUMULATED DEPRECIATION

BALANCE 09-30-11	ADDITIONS	RETIREMENTS	BALANCE 09-30-11
\$0.00	—	—	\$0.00
3,848,289.87	153,184.90	—	4,001,474.77
225,442.94	5,264.19	—	230,707.13
1,233,299.71	47,166.05	—	1,280,465.76
35,411.48	481.12	—	35,892.60
<u>\$5,342,444.00</u>	<u>\$206,096.26</u>	<u>\$0.00</u>	<u>\$5,548,540.26</u>
\$0.00	—	—	\$0.00
1,161,380.09	21,348.46	—	1,182,728.55
36,050.45	733.20	—	36,783.65
<u>\$1,197,430.54</u>	<u>\$22,081.66</u>	<u>\$0.00</u>	<u>\$1,219,512.20</u>
\$1,162,703.23	\$69,849.85	—	\$1,232,553.08
861,870.64	94,063.44	—	955,934.08
10,073.00	—	—	10,073.00
<u>\$2,034,646.87</u>	<u>\$163,913.29</u>	<u>\$0.00</u>	<u>\$2,198,560.16</u>
\$485,780.38	\$21,583.52	—	\$507,363.90
895,184.58	38,549.74	—	933,734.32
1426.08	—	—	1426.08
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$1,382,391.04</u>	<u>\$60,133.26</u>	<u>\$0.00</u>	<u>\$1,442,524.30</u>
<u>\$9,956,912.45</u>	<u>\$452,224.47</u>	<u>\$0.00</u>	<u>\$10,409,136.92</u>

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
ELECTRIC DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gross KWHRS generated at plant	62,476	0.17%
KWHRS purchased	37,004,524	<u>99.83%</u>
Total KWHRS generated and purchased	37,067,000	<u>100.00%</u>
KWHRS distributed from plant	<u>34,664,200</u>	<u>93.51%</u>
Power plant loss	<u>2,402,800</u>	<u>6.48%</u>
KWHRS distributed from plant	34,664,200	
KWHRS billed to customers	33,243,823	
KWHRS used by power plant and street lights	320,289	
Total KWHRS accounted for	<u>33,564,112</u>	
Unaccounted KWHRS distributed	<u>1,100,088</u>	
Total KWHRS generated and purchased	37,067,000	
Total KWHRS accounted for	<u>33,564,112</u>	
Total KWHRS unaccounted for	<u>3,502,888</u>	<u>9.45%</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	\$ 6,097	\$ ----
Lubricating oil	----	----
Natural gas	----	----
Total fuel cost per generated KWHR	\$ 6,097	<u>\$ ----</u>
Purchased	<u>2,604,222</u>	<u>\$ 0.070</u>
<u>Combined Cost per KWHR Generated and Purchased</u>	<u>\$2,610,319</u>	<u>\$ 0.070</u>

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
ELECTRIC DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012
(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	1,092	\$ 1,332,349	11,706,651	\$ 0.114
Commercial	256	1,148,533	10,233,612	0.112
Industrial	4	985,559	11,303,560	0.087
	<u>1,352</u>	<u>\$34,666,441</u>	<u>33,243,823</u>	<u>\$ 0.104</u>
			<u>Total KWHRS Sold per Customer</u>	<u>Average Annual Bill</u>
Residential			10,720	\$ 1,220
Commercial			39,975	\$ 4,486
Industrial			2,825,890	\$246,390
<u>Statement of Revenues and Expenses per KWHR Generated and Purchased:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 0.098	
Other			<u>0.000</u>	
<u>Total Operating Revenues</u>				\$ 0.098
<u>Operating Expenses:</u>				
Administration			\$ 0.014	
Production			0.000	
Interconnect			0.070	
Distribution			0.006	
Depreciation			<u>0.005</u>	
<u>Total Operating Expenses</u>				<u>0.095</u>
<u>Operating Income (Loss)</u>				\$ 0.003
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 0.000	
Expenses			<u>(0.001)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>				<u>(0.001)</u>
<u>Net Income (Loss)</u>				<u>\$ 0.002</u>

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

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
WATER DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>		
<u>Generation and Usage Statistics:</u>				
Gallons of water pumped	96,700,000	100.00%		
Gallons of water sold to customers	<u>93,573,000</u>	<u>96.77%</u>		
Total gallons unaccounted for	<u>3,127,000</u>	<u>3.23%</u>		
	<u>Total Cost</u>	<u>Cost per 1,000 Gallons</u>		
<u>Chemical Cost per 1,000 Gallons</u>				
<u>Pumped</u>	<u>\$ 108,088</u>	<u>\$1.1178</u>		
	<u>Gallons Sold</u>	<u>Charge per 1,000 Gallons Sold</u>		
<u>Customer Statistics:</u>				
Residential	46,150,000	\$ 8.056		
Commercial	19,906,000	\$ 7.351		
Industrial	5,365,000	\$ 6.857		
Water Districts	<u>22,152,000</u>	\$ 4.848		
	<u>93,573,000</u>	\$ 7.078		
	<u>Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Total Gallons Sold per Customer</u>	<u>Average Annual Bill</u>
Residential	1,022	\$371,825	45,157	\$ 364
Commercial	163	146,347	122,123	\$ 898
Industrial	4	36,792	1,341,250	\$ 9,198
Water districts	<u>2</u>	<u>107,396</u>	11,076,000	\$ 53,698
	<u>1,191</u>	<u>\$662,360</u>		

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS

WATER DEPARTMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

(UNAUDITED)

(CONTINUED)

Statement of Revenues and Expenses per 1,000 Gallons

Pumped:

Operating Revenues:

Charges for services \$ 6.903

Other 0.098

Total Operating Revenues \$ 7.001

Operating Expenses:

Administration \$ 1.896

Production 2.898

Distribution 1.191

Depreciation 1.695

Total Operating Expenses 7.680

Operating Income (Loss) \$(0.679)

Non-Operating Revenues (Expenses):

Revenues \$ 0.071

Expenses (0.304)

Total Non-Operating Revenues (Expenses) (0.233)

Net Income (Loss) \$(0.912)

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, 2012
(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	1,007	\$365,976	45,349	\$ 8.070
Commercial	145	120,550	16,382	\$ 7.358
Industrial	<u>4</u>	<u>36,791</u>	<u>5,365</u>	<u>\$ 6.857</u>
	<u>1,156</u>	<u>\$523,317</u>	<u>67,096</u>	<u>\$ 7.799</u>
			<u>Total Gallons Billed per Customer</u>	<u>Average Annual Bill</u>
Residential			45,034	\$ 363
Commercial			112,979	\$ 831
Industrial			1,341,250	\$ 9,198
<u>Statement of Revenues and Expenses per</u>				
<u>1,000 Gallons Billed:</u>				
<u>Operating Revenues:</u>				
Charges for services			\$ 9.403	
Other			<u>0.036</u>	
<u>Total Operating Revenues</u>				\$9.439
<u>Operating Expenses:</u>				
Administration			\$ 2.219	
Treatment			2.357	
Collection			1.620	
Depreciation			<u>0.896</u>	
<u>Total Operating Expenses</u>				<u>7.092</u>
<u>Operating Income (Loss)</u>				\$2.347
<u>Non-Operating Revenues (Expenses):</u>				
Revenues			\$ 3.046	
Expenses			<u>(0.629)</u>	
<u>Total Non-Operating Revenues</u>				
<u>(Expenses)</u>				<u>2.417</u>
<u>Net Income</u>				<u>\$4.764</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, 2012
(UNAUDITED)

			<u>Quantity</u>	<u>Percent</u>
<u>Purchase and Usage Statistics:</u>				
Total MCFS of gas transported by				
Panhandle Eastern			143,691	
Deduct Perry and Pace			<u>23,917</u>	
Total MCFS of gas available for				
Monroe City			<u>119,774</u>	<u>100.00%</u>
Total MCFS transported			119,774	100.00%
MCFS of gas sold to customers			<u>118,857</u>	<u>99.23%</u>
MCFS unaccounted or			<u>917</u>	<u>0.77%</u>
	<u>Number of</u>	<u>Charges -</u>	<u>MCFS Sold</u>	<u>Charges per</u>
	<u>Customers</u>	<u>Unadjusted</u>		<u>MCF Sold</u>
<u>Customer Statistics:</u>				
Residential	948	\$439,258	50,115	\$ 8.765
Commercial	154	172,203	22,407	\$ 7.685
Industrial	<u>3</u>	<u>262,157</u>	<u>46,335</u>	\$ 5.657
	<u>1,105</u>	<u>\$873,618</u>	<u>118,857</u>	\$ 7.350
			<u>Total MCF's</u>	<u>Average</u>
			<u>Sold per</u>	<u>Annual Bill</u>
			<u>Customer</u>	
Residential			52.836	\$ 463
Commercial			145.500	\$ 1,118
Industrial			15,445.000	\$ 87,386

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
NATURAL GAS DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012
(UNAUDITED)
(CONTINUED)

Statement of Revenues and Expenses per MCF Billed:

<u>Operating Revenues:</u>		
Charges for services	\$ 7.394	
Other	<u>0.059</u>	
<u>Total Operating Revenues</u>		\$7.453
 <u>Operating Expenses:</u>		
Administration	\$ 1.072	
Purchased gas	4.961	
Distribution	0.700	
Depreciation	<u>0.186</u>	
<u>Total Operating Expenses</u>		<u>6.919</u>
 <u>Operating Income (Loss)</u>		 \$0.534
 <u>Non-Operating Revenues (Expenses):</u>		
Revenues	\$ 0.084	
Expenses	<u>(0.001)</u>	
<u>Total Non-Operating Revenues (Expenses)</u>		<u>0.083</u>
 <u>Net Income (Loss)</u>		 <u>\$0.617</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, 2012
(UNAUDITED)

Water Production Costs:

Payroll	\$ 71,305.90	
Payroll tax	5,391.59	
Employee benefits	14,493.92	
Uniforms	408.14	
Office expense	659.90	
Fuel	1,149.82	
Supplies and maintenance	25,881.19	
Chemicals	108,088.45	
Telephone	2,547.44	
Transportation and training	497.45	
Utilities	44,268.33	
Safety and compliance	272.65	
Miscellaneous	<u>5,235.28</u>	
<u>Total Water Production</u>		\$280,200.06
<u>Water Production Depreciation</u>		<u>69,849.85</u>
<u>Total Allowable Costs</u>		<u>\$350,049.91</u>
<u>Total Gallons of Water Metered - Fiscal Year Ended</u> <u>September 30, 2012</u>		<u>93,573,000</u>
<u>Total Allowable Cost per 1,000 Gallons of Metered Water</u>		\$ 3.74
<u>Add-On Amount per Water Contract</u>		<u>.70</u>
<u>Revised Price of Water Sold to Water Districts</u>		<u>\$ 4.44</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 2011

Assessed Valuation:

Monroe County	\$15,920,302
Marion County	6,863,025
Ralls County	<u>1,805,570</u>

Total Assessed Valuation

\$24,588,897

Tax Rate per \$100 of Assessed Valuation:

General Fund	\$0.7324
Library Fund	<u>0.2000</u>

Total tax levy	<u>\$0.9324</u>
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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, 2012 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 12, 2012