

CITY OF MONROE CITY, MISSOURI

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2014

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, 2014  
TABLE OF CONTENTS

	<u>PAGE</u>
<u>FINANCIAL SECTION:</u>	
<u>INDEPENDENT AUDITOR'S REPORT</u>	1 - 2
<u>GENERAL PURPOSE FINANCIAL STATEMENTS (GPFS):</u>	
Combined Balance Sheet - All Fund Types and Account Groups	3 - 4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Government Fund Types	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	6 - 7
Combining Statement of Position - All Enterprise Funds	8 - 11
Combining Statement of Revenues, Expenses and Changes in Net Position - All Enterprise Funds	12 - 13
Combining Statement of Cash Flows - All Enterprise Funds	14 - 17
Notes to Financial Statements	18 - 32
<u>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:</u>	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	33 - 39
Combining Balance Sheet - All Special Revenue Funds	40
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - All Special Revenue Funds	41 - 42
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Library - Special Revenue Fund	43 - 44
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Fire Department - Special Revenue Fund	45

CITY OF MONROE CITY, MISSOURI  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

TABLE OF CONTENTS

(CONTINUED)

	<u>PAGE</u>
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Sales Tax - Special Revenue Fund	46
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Park Sales Tax - Special Revenue Fund	47
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Industrial Development - Special Revenue Fund	48
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - D.A.R.E. Fund - Special Revenue Fund	49
Combining Statement of Operating Expenses - All Enterprise Funds	50 - 53

SUPPLEMENTARY INFORMATION:

Schedule of Changes in General Capital Assets	54
Statement of Changes in Capital Assets - All Enterprise Funds	55 - 56
Schedule of Operating Statistics - Electric Department (Unaudited)	57 - 58
Schedule of Operating Statistics - Water Department (Unaudited)	59
Schedule of Operating Statistics - Sewer Department (Unaudited)	60
Schedule of Operating Statistics - Natural Gas Department (Unaudited)	61
Schedule of Rural Water Rate Calculation - Water Department (Unaudited)	62
Schedule of Assessed Valuation and Tax Rate	63

<u>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING</u>	64 - 65
--	---------

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

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

CERTIFIED PUBLIC ACCOUNTANTS  
3334 WEST ELY ROAD  
P.O. BOX 1066  
HANNIBAL, MISSOURI 63401-1066

108 NORTH MAIN  
MONROE CITY, MISSOURI 63456

(573) 735-4222

**JAMES R. HUMPHREYS, C.P.A.**

(573) 221-4650 FAX (573) 221-4687  
E-mail: luckhumphreys@sbcglobal.net

**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, 2014, 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.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Adverse Opinion on Financial Statements as a Whole**

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities, business-type activities, and discretely presented component units. 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, business-type activities, and discretely presented component units have not been determined.

### **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Financial Statements as a Whole" paragraph, the financial statements referred to above do not present fairly the financial position of the City of Monroe City, Missouri, as of September 30, 2014, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

Respectfully submitted,

*Luck, Humphreys and Associates*

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

December 15, 2014

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2014

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Account Groups</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>General Capital Assets</u>	<u>General Long-Term Debt</u>
<u>Assets:</u>						
Cash	\$ 43,411	\$ 1,114,448	\$ ----	\$ 2,322,926	\$ ----	\$ ----
Receivables	251,923	1,146,693	----	682,957	----	----
Due from other funds	----	----	----	562,000	----	----
Inventory of supplies, at cost	15,189	----	----	357,459	----	----
Restricted assets:						
Cash	20,840	----	----	205,400	----	----
Capital assets	----	----	----	8,270,324	10,531,380	----
Amount to be provided for retirement of long-term debt	----	----	----	----	----	----
<u>Total Assets</u>	<u>\$331,363</u>	<u>\$2,261,141</u>	<u>\$ ----</u>	<u>\$12,401,066</u>	<u>\$10,531,380</u>	<u>\$1,900,438</u>
						<u>\$27,425,388</u>
<u>Liabilities:</u>						
Accounts payable	\$ 27,967	\$ 6,166	\$ ----	\$ 406,011	\$ ----	\$ ----
Accrued payroll	5,840	----	----	4,182	----	----
Accrued compensated absences	53,304	----	----	35,473	----	----
Due to other funds	----	562,000	----	----	----	----
Deposits	----	----	----	33,300	----	----
Construction costs payable	----	----	----	10,164	----	----
Accrued interest	----	----	16,063	5,343	----	----
USDA - construction loan	----	----	----	172,100	----	----
Certificates of participation	----	----	----	936,660	----	----
Capitalized lease payable	----	----	----	----	----	1,843,340
<u>Total Liabilities</u>	<u>\$ 87,111</u>	<u>\$ 568,166</u>	<u>\$16,063</u>	<u>\$ 1,603,233</u>	<u>\$ ----</u>	<u>\$1,884,375</u>
						<u>\$ 4,158,948</u>

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

SEPTEMBER 30, 2014

(CONTINUED)

	Governmental Fund Types			Proprietary Fund Types	Account Groups			Totals
	General	Special Revenue	Debt Service		General Capital Assets	Long-Term Debt		
Fund Equity:								
Investment in general capital assets	\$ ----	\$ ----	\$ ----	\$ ----	\$10,531,380	\$ ----	\$10,531,380	
Net position	----	----	----	10,797,833	----	----	10,797,833	
Fund balances:								
Nonspendable	15,189	29,849	----	----	----	----	45,038	
Restricted	20,840	----	----	----	----	----	20,840	
Committed	----	----	----	----	----	----	----	
Assigned	4,829	----	----	----	----	----	4,829	
Unassigned	203,394	1,663,126	(16,063)	----	----	16,063	1,866,520	
Total Fund Equity	\$244,252	\$1,692,975	\$ (16,063)	\$10,797,833	\$10,531,380	\$ 16,063	\$23,266,440	
Total Liabilities and Fund Equity	\$331,363	\$2,261,141	\$ ----	\$12,401,066	\$10,531,380	\$1,900,438	\$27,425,388	

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, 2014

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals</u>
<u>Revenues:</u>				
Taxes	\$ 947,971	\$ 433,590	\$ ----	\$1,381,561
Licenses and permits	13,909	----	----	13,909
Intergovernmental revenue	7,913	12,626	----	20,539
Charges for services	18,256	----	----	18,256
Fines and forfeits	31,265	318	----	31,583
Miscellaneous revenues	<u>873,665</u>	<u>164,785</u>	<u>3,123</u>	<u>1,041,573</u>
<u>Total Revenues</u>	<u>\$1,892,979</u>	<u>\$ 611,319</u>	<u>\$ 3,123</u>	<u>\$2,507,421</u>
<u>Expenditures:</u>				
Current:				
City administration	\$ 350,012	\$ ----	\$ ----	\$ 350,012
Public safety	580,882	9,744	----	590,626
Humane officer	4,176	----	----	4,176
Inspection and zoning	5,368	----	----	5,368
Street Department	304,398	148,706	----	453,104
Culture and recreation	133,597	71,128	----	204,725
Industrial Development	----	115,340	----	115,340
Airport	49,038	----	----	49,038
Cemetery	16,504	----	----	16,504
Capital outlay	36,493	125,861	----	162,354
Debt service	----	----	216,556	216,556
<u>Total Expenditures</u>	<u>\$1,480,468</u>	<u>\$ 470,779</u>	<u>\$ 216,556</u>	<u>\$2,167,803</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 412,511</u>	<u>\$ 140,540</u>	<u>\$(213,433)</u>	<u>\$ 339,618</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ----	\$ ----	\$ 212,395	\$ 212,395
Operating transfers out	<u>(365,817)</u>	<u>(100,817)</u>	<u>----</u>	<u>(466,634)</u>
<u>Total Other Sources (Uses)</u>	<u>\$ (365,817)</u>	<u>\$ (100,817)</u>	<u>\$ 212,395</u>	<u>\$ (254,239)</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ 46,694</u>	<u>\$ 39,723</u>	<u>\$ (1,038)</u>	<u>\$ 85,379</u>
<u>Fund Balances, October 1</u>	<u>197,558</u>	<u>1,653,252</u>	<u>(15,025)</u>	<u>1,835,785</u>
<u>Fund Balances, September 30</u>	<u>\$ 244,252</u>	<u>\$1,692,975</u>	<u>\$ (16,063)</u>	<u>\$1,921,164</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, 2014

	<u>General Funds</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Taxes	\$ 941,023	\$ 947,971	\$ 6,948
Licenses and permits	14,015	13,909	(106)
Intergovernmental revenue	7,912	7,913	1
Charges for services	18,249	18,256	7
Fines and forfeits	31,263	31,265	2
Miscellaneous revenues	876,748	873,665	(3,083)
<u>Total Revenues</u>	<u>\$1,889,210</u>	<u>\$1,892,979</u>	<u>\$ 3,769</u>
<u>Expenditures:</u>			
Current:			
City administration	\$ 344,520	\$ 350,012	\$ (5,492)
Public safety	598,614	580,882	17,732
Humane officer	4,315	4,176	139
Inspection and zoning	5,223	5,368	(145)
Street Department	301,879	304,398	(2,519)
Culture and recreation	137,356	133,597	3,759
Airport	55,354	49,038	6,316
Cemetery	17,461	16,504	957
Industrial Development	----	----	----
Capital outlay	36,494	36,493	1
<u>Total Expenditures</u>	<u>\$1,501,216</u>	<u>\$1,480,468</u>	<u>\$20,748</u>
<u>Excess of Revenues Over (Under)</u>			
<u>Expenditures</u>	<u>\$ 387,994</u>	<u>\$ 412,511</u>	<u>\$24,517</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ ----	\$ ----	\$ ----
Operating transfers out	(365,818)	(365,817)	1
<u>Total Other Sources (Uses)</u>	<u>\$ (365,818)</u>	<u>\$ (365,817)</u>	<u>\$ 1</u>
<u>Excess of Revenues and Other Sources</u>			
<u>Over (Under) Expenditures and Other</u>			
<u>Uses</u>	<u>\$ 22,176</u>	<u>\$ 46,694</u>	<u>\$24,518</u>
<u>Fund Balances, October 1</u>		<u>197,558</u>	
<u>Fund Balances, September 30</u>		<u>\$ 224,252</u>	

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

Special Revenue Funds

<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 426,954	\$ 433,590	\$ 6,636
----	----	----
12,626	12,626	----
----	----	----
342	318	(24)
<u>226,835</u>	<u>164,785</u>	<u>(62,050)</u>
<u>\$ 666,757</u>	<u>\$ 611,319</u>	<u>\$ (55,438)</u>
\$ ----	\$ ----	\$ ----
10,271	9,744	527
----	----	----
----	----	----
37,361	148,706	(111,345)
66,129	71,128	(4,999)
----	----	----
----	----	----
115,340	115,340	----
<u>237,208</u>	<u>125,861</u>	<u>111,347</u>
<u>\$ 466,309</u>	<u>\$ 470,779</u>	<u>\$ (4,470)</u>
<u>\$ 200,448</u>	<u>\$ 140,540</u>	<u>\$ (59,908)</u>
\$ ----	\$ ----	\$ ----
<u>(100,817)</u>	<u>(100,817)</u>	<u>----</u>
<u>\$(100,817)</u>	<u>\$ (100,817)</u>	<u>\$ ----</u>
<u>\$ 99,631</u>	<u>\$ 39,723</u>	<u>\$ (59,908)</u>
	<u>1,653,252</u>	
	<u>\$1,692,975</u>	

CITY OF MONROE CITY, MISSOURI  
COMBINING STATEMENT OF POSITION  
ALL ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Assets:</u>			
Cash	\$ 579,163	\$ 325,126	\$ 212,230
Receivables (net of allowance for uncollectibles):			
Accounts	483,296	46,150	61,407
Inventory of supplies, at cost	179,447	103,006	10,758
Due from Industrial Development Fund	146,000	----	----
<u>Total Current Assets</u>	<u>\$1,387,906</u>	<u>\$ 474,282</u>	<u>\$ 284,395</u>
 Restricted assets:			
Cash	\$ 14,700	\$ 9,200	\$ 172,100
Capital assets (net of accumulated depreciation - Note 2)	<u>2,847,727</u>	<u>3,940,390</u>	<u>1,203,357</u>
<u>Total Assets</u>	<u>\$4,250,333</u>	<u>\$4,423,872</u>	<u>\$1,659,852</u>
 <u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 311,198	\$ 26,207	\$ 10,618
Accrued payroll	1,284	1,250	1,154
Construction costs payable	----	----	10,164
Accrued interest	3,157	2,186	----
Current portion of:			
Capitalized lease payable	----	----	----
Capitalized lease certificates of participation	148,680	102,960	----
<u>Total Current Liabilities</u>	<u>\$ 464,319</u>	<u>\$ 132,603</u>	<u>\$ 21,936</u>
 <u>Noncurrent Liabilities:</u>			
Deposits	\$ 14,700	\$ 9,200	\$ ----
Accrued compensated absences	12,380	14,839	4,127
Revenue bonds payable	----	----	172,100
Capitalized lease certificates of participation	404,740	280,280	----
<u>Total Liabilities</u>	<u>\$ 896,139</u>	<u>\$ 436,922</u>	<u>\$ 198,163</u>

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$1,196,803	\$ 9,604	\$ 2,322,926
80,441	11,663	682,957
64,248	----	357,459
<u>416,000</u>	<u>----</u>	<u>562,000</u>
<u>\$1,757,492</u>	<u>\$21,267</u>	<u>\$ 3,925,342</u>
\$ 9,400	\$ ----	\$ 205,400
<u>278,850</u>	<u>----</u>	<u>8,270,324</u>
<u>\$2,045,742</u>	<u>\$21,267</u>	<u>\$12,401,066</u>
\$ 49,951	\$ 8,037	\$ 406,011
494	----	4,182
----	----	10,164
----	----	5,343
----	----	----
<u>----</u>	<u>----</u>	<u>251,640</u>
<u>\$ 50,445</u>	<u>\$ 8,037</u>	<u>\$ 677,340</u>
\$ 9,400	\$ ----	\$ 33,300
4,127	----	35,473
----	----	172,100
<u>----</u>	<u>----</u>	<u>685,020</u>
<u>\$ 63,972</u>	<u>\$ 8,037</u>	<u>\$ 1,603,233</u>

CITY OF MONROE CITY, MISSOURI  
COMBINING STATEMENT OF POSITION  
ALL ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014  
(CONTINUED)

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Net Position:</u>			
Invested in capital assets net of related debt	\$2,291,150	\$3,554,964	\$1,203,357
Restricted	----	----	----
Unrestricted	<u>1,063,044</u>	<u>431,986</u>	<u>258,332</u>
<u>Total Net Position</u>	<u>\$3,354,194</u>	<u>\$3,986,950</u>	<u>\$1,461,689</u>

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

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$ 278,850	\$ ----	\$ 7,328,321
----	----	----
<u>1,702,920</u>	<u>13,230</u>	<u>3,469,512</u>
<u>\$1,981,770</u>	<u>\$13,230</u>	<u>\$10,797,833</u>

CITY OF MONROE CITY, MISSOURI  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - ALL ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Operating Revenues:</u>			
Charges for services	\$4,397,589	\$ 605,142	\$ 520,137
Other revenues	4,727	863	24
<u>Total Operating Revenues</u>	<u>\$4,402,316</u>	<u>\$ 606,005</u>	<u>\$ 520,161</u>
<u>Operating Expenses:</u>			
Administration	\$ 644,772	\$ 184,782	\$ 49,343
Utility production/treatment	10,975	262,890	168,127
Utility purchases/interconnect	3,588,316	----	----
Utility distribution/collection	221,068	146,851	78,950
Depreciation	190,866	157,401	59,509
<u>Total Operating Expenses</u>	<u>\$4,655,997</u>	<u>\$ 751,924</u>	<u>\$ 355,929</u>
<u>Operating Income (Loss)</u>	<u>\$ (253,681)</u>	<u>\$ (145,919)</u>	<u>\$ 164,232</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 10,346	\$ 6,054	\$ 1,768
Pole rental income	1,136	----	----
Interest expense and fiscal charges	(5,812)	(4,024)	----
Grant revenue	----	----	----
Demolish old house	----	----	----
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 5,670</u>	<u>\$ 2,030</u>	<u>\$ 1,768</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ (248,011)</u>	<u>\$ (143,889)</u>	<u>\$ 166,000</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ 150,216	\$ 104,023	\$ ----
Operating transfers (out)	----	----	----
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 150,216</u>	<u>\$ 104,023</u>	<u>\$ ----</u>
<u>Net Income (Loss)</u>	<u>\$ (97,795)</u>	<u>\$ (39,866)</u>	<u>\$ 166,000</u>
<u>Net Position, October 1</u>	<u>3,451,989</u>	<u>4,026,816</u>	<u>1,295,689</u>
<u>Net Position, September 30</u>	<u>\$3,354,194</u>	<u>\$3,986,950</u>	<u>\$1,461,789</u>

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

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$1,407,936	\$102,590	\$ 7,033,394
872	----	6,486
<u>\$1,408,808</u>	<u>\$102,590</u>	<u>\$ 7,039,880</u>
\$ 147,188	\$ 1,084	\$ 1,027,169
----	----	441,992
1,131,150	96,559	4,816,025
97,671	----	544,540
26,662	----	434,438
<u>\$1,402,671</u>	<u>\$ 97,643</u>	<u>\$ 7,264,164</u>
<u>\$ 6,137</u>	<u>\$ 4,947</u>	<u>\$ (224,284)</u>
\$ 13,711	\$ 121	\$ 32,000
----	----	1,136
----	----	(9,836)
----	----	----
<u>----</u>	<u>(2,858)</u>	<u>(2,858)</u>
<u>\$ 13,711</u>	<u>\$ (2,737)</u>	<u>\$ 20,442</u>
<u>\$ 19,848</u>	<u>\$ 2,210</u>	<u>\$ (203,842)</u>
\$ ----	\$ ----	\$ 254,239
----	----	----
<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 254,239</u>
\$ 19,848	\$ 2,210	\$ 50,397
<u>1,961,922</u>	<u>11,020</u>	<u>10,747,436</u>
<u>\$1,981,770</u>	<u>\$ 13,230</u>	<u>\$10,797,833</u>



CITY OF MONROE CITY, MISSOURI  
COMBINING STATEMENT OF CASH FLOWS  
ALL ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Cash Flows from Operating Activities:</u>			
Cash receipts from customers	\$ 4,429,666	\$ 587,733	\$ 515,154
Cash payments to suppliers	(4,339,962)	(465,435)	(277,162)
Cash payments to employees	(116,108)	(114,900)	(97,930)
Cash payments for taxes	<u>(8,309)</u>	<u>(8,423)</u>	<u>(7,129)</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ (34,713)</u>	<u>\$ (1,025)</u>	<u>\$ 132,933</u>
<u>Cash Flow from Non-Capital Financing Activities:</u>			
Operating transfers	<u>\$ 150,216</u>	<u>\$ 104,023</u>	<u>\$ ----</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (16,262)	\$ (10,000)	\$(201,004)
Proceeds from revenue bonds	----	----	172,100
Principal payments	(146,615)	(101,530)	----
Interest paid	(7,887)	(5,461)	----
Demolition costs	<u>----</u>	<u>----</u>	<u>----</u>
<u>Net Cash Provided (Used) for Capital and Related Activities</u>	<u>\$ (170,764)</u>	<u>\$(116,991)</u>	<u>\$ (28,904)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest income received	\$ 10,346	\$ 6,054	\$ 1,768
Interfund loan repayment	<u>18,000</u>	<u>----</u>	<u>----</u>
<u>Net Cash Provided from Investing Activities</u>	<u>\$ 28,346</u>	<u>\$ 60,054</u>	<u>\$ 1,768</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ (26,915)</u>	<u>\$ (7,939)</u>	<u>\$ 105,797</u>
<u>Cash, October 1, 2013</u>	<u>620,778</u>	<u>342,265</u>	<u>278,533</u>
<u>Cash, September 30, 2014</u>	<u>\$ 593,863</u>	<u>\$ 334,326</u>	<u>\$ 384,330</u>

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

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$ 1,407,013	\$102,880	\$ 7,042,446
(1,328,863)	(97,472)	(6,508,894)
(46,562)	----	(375,500)
<u>(3,447)</u>	<u>----</u>	<u>(27,308)</u>
<u>\$ 28,141</u>	<u>\$ 5,408</u>	<u>\$ 130,744</u>
<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 254,239</u>
\$ (110,000)	\$ ----	\$ (337,266)
----	----	172,100
----	----	(248,145)
----	----	(13,348)
<u>----</u>	<u>(2,858)</u>	<u>(2,858)</u>
<u>\$ (110,000)</u>	<u>\$ (2,858)</u>	<u>\$ (429,517)</u>
\$ 13,711	\$ 121	\$ 32,000
<u>18,000</u>	<u>----</u>	<u>36,000</u>
<u>\$ 31,711</u>	<u>\$ 121</u>	<u>\$ 68,000</u>
\$ (50,148)	\$ 2,671	\$ 23,466
<u>1,256,351</u>	<u>6,933</u>	<u>2,504,860</u>
<u>\$ 1,206,203</u>	<u>\$ 9,604</u>	<u>\$ 2,528,326</u>

CITY OF MONROE CITY, MISSOURI  
COMBINING STATEMENT OF CASH FLOWS  
ALL ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014  
(CONTINUED)

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Cash at the End of the Year Consists</u> <u>of:</u>			
Cash	\$ 579,163	\$ 325,126	\$212,230
Restricted Cash	<u>14,700</u>	<u>9,200</u>	<u>172,100</u>
	<u>\$ 593,863</u>	<u>\$ 334,326</u>	<u>\$384,330</u>
 <u>Reconciliation of Operating Income to</u> <u>Net Cash Provided by Operating</u> <u>Activities:</u>			
<u>Operating Income (Loss)</u>	\$(253,681)	\$(145,919)	\$164,232
 <u>Adjustments to Reconcile</u> <u>Operating Income (Loss) to</u> <u>Net Cash Provided by Operating</u> <u>Activities:</u>			
Depreciation	190,866	157,401	59,509
(Increase) decrease in accounts receivable	27,350	(18,272)	(5,007)
(Increase) decrease in supplies inventory	9,150	8,627	(335)
Increase (decrease) in accounts payable	(8,116)	1,201	(1,358)
Increase (decrease) in accrued payroll	(567)	(618)	(1,065)
Increase (decrease) in accrued compensated absences	1,147	(1,345)	(1,245)
Increase (decrease) in construction costs payable	----	----	(81,799)
Increase (decrease) in customer deposits	(2,000)	(2,100)	----
Pole rental	1,136	----	----
Rounding	<u>2</u>	<u>----</u>	<u>1</u>
<u>Net Cash Provided (Used) by Operating</u> <u>Activities</u>	<u>\$ (34,713)</u>	<u>\$ (1,025)</u>	<u>\$132,933</u>

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

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$1,196,803	\$ 9,604	\$2,322,926
<u>9,400</u>	<u>----</u>	<u>205,400</u>
<u>\$1,206,203</u>	<u>\$ 9,604</u>	<u>\$2,528,326</u>
\$ 6,137	\$ 4,947	\$ (224,284)
26,662	----	434,438
(1,795)	290	2,566
(9,504)	----	7,938
10,867	171	2,765
(481)	----	(2,731)
(1,245)	----	(2,688)
----	----	(81,799)
(2,500)	----	(6,600)
----	----	1,136
<u>----</u>	<u>----</u>	<u>3</u>
<u>\$ 28,141</u>	<u>\$ 5,408</u>	<u>\$ 130,744</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

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, 2014.

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, 2014  
(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, 2014  
(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 Capital Asset 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, 2014  
(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. The Series 2012 Certificates of Participation has no such covenants.

H. Capital Assets

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, 2014  
(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 Capital 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 enterprise funds' balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

I. 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.

J. 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 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.

Enterprise fund equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014  
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

2. Restricted net position—Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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.

K. 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 enterprise funds are recognized in essentially the same manner as used in commercial accounting.

L. 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 2013 for the purposes of local taxation was:

General Fund	\$0.7407
Library Fund	<u>0.2000</u>
	<u>\$0.9407</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014  
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

Property taxes are recorded as revenue using the modified accrual basis of accounting and include amounts collected through November, 2014.

M. 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, 2014 totaled \$88,777 and was allocated to the following funds:

General	\$53,304
Electric	12,380
Water	14,839
Sewer	4,127
Gas	<u>4,127</u>
	<u>\$88,777</u>

N. Estimates Used in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

2. Stewardship, Compliance, and Accountability:

Compliance with Bond Covenants - The City is in compliance with the terms of the Series 2012 Certificates of Participation debt issue.

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 \$3,705,601 and the bank balance was \$3,730,736. 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.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014  
(CONTINUED)

3. Deposits and Temporary Cash Investments: (Continued)

For the purposes of the basic financial statements, the City considers cash equivalents to be highly liquid short-term investments that are readily convertible to known amount os cash and mature within three months of the date they are acquired.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City does not have a formal policy to limit exposure to credit risk.

Concentration of Credit Risk

The City does not have a formal investment policy that limits the total amount of securities that can be held with any one company or government agency.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal policy to limit exposure to a custodial credit risk.

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, 2014

(CONTINUED)

4. Receivables: (Continued)

<u>Governmental Fund Types</u>	<u>General</u>	<u>Library</u>	<u>Capital Improvement Sales Tax</u>	<u>Park Sales Tax</u>	<u>Industrial Development</u>	<u>Total</u>
Property taxes	\$ 577	\$ 156	\$ ---	\$ ---	\$ ---	\$ 733
Sales tax	29,138	---	13,634	13,634	---	56,406
Use tax	2,455	---	1,228	1,227	---	4,910
Motor fuel tax	8,006	---	---	---	---	8,006
Notes receivable:						
Mosswood						
Golf Course	17,597	---	---	---	---	\$17,597
Lakeside						
Casting LLC	---	---	---	---	1,116,814	1,116,814
MODOT and BNRR	194,150	---	---	---	---	194,150
Allowance for uncollectible accounts	---	---	---	---	---	---
<u>Total</u>	<u>\$251,923</u>	<u>\$ 156</u>	<u>\$14,862</u>	<u>\$14,861</u>	<u>\$1,116,814</u>	<u>\$1,398,616</u>

<u>Proprietary Fund Types</u>	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Natural Gas</u>	<u>Sanitation</u>	<u>Total</u>
Billings	\$531,094	\$50,656	\$67,480	\$88,389	\$12,817	\$750,436
Allowance for uncollectible accounts	(47,798)	(4,506)	(6,073)	(7,948)	(1,154)	(67,479)
<u>Total</u>	<u>\$483,296</u>	<u>\$46,150</u>	<u>\$61,407</u>	<u>\$80,441</u>	<u>\$11,663</u>	<u>\$682,957</u>

5. Capital Assets:

A summary of changes in general capital assets follows:

	<u>Balance 10-1-13</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance 9-30-14</u>
Total General Capital Assets	<u>\$10,405,622</u>	<u>\$125,758</u>	<u>\$ ---</u>	<u>\$10,531,380</u>

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014  
(CONTINUED)

5. Capital Assets: (Continued)

A summary of changes in enterprise fund capital assets follows:

	<u>Balance</u> <u>10-1-13</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance</u> <u>9-30-14</u>
Electric system	\$ 8,770,881	\$ 16,261	\$ ----	\$ 8,787,142
Water system	6,444,760	10,000	----	6,454,760
Sewerage system	2,318,340	257,528	----	2,575,868
Natural gas system	<u>1,436,554</u>	<u>110,000</u>	----	<u>1,546,554</u>
	\$ 18,970,535	\$ 393,789	\$ ----	\$ 19,364,324
Less: Accumulated depreciation	<u>(10,847,380)</u>	<u>(434,438)</u>	----	<u>(11,281,818)</u>
Net capital assets	<u>\$ 8,123,155</u>	<u>\$ (40,649)</u>	<u>\$ ----</u>	<u>\$ 8,082,506</u>
Construction in progress	<u>\$ 244,340</u>	<u>\$ 191,004</u>	<u>\$247,528</u>	<u>\$ 187,817</u>

6. Long-Term Debt:

The following is a summary of bonds payable and capitalized lease transactions of the City for the year ended September 30, 2014:

	<u>Balance</u> <u>10-1-13</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>9-30-14</u>
Capitalized Lease with Commerce Bank	\$ ----	\$55,458	\$ 14,423	\$ 41,035
Lease Refunding and Improvements				
Certificates of Participation, Series 2012	<u>3,195,000</u>	----	<u>415,000</u>	<u>2,780,000</u>
<u>Totals</u>	<u>\$3,195,000</u>	<u>\$55,458</u>	<u>\$429,423</u>	<u>\$2,821,035</u>

Long-term debt at September 30, 2014 consists of the following issues:

\$3,195,000 Lease Refunding and Improvements Certificates of Participation, Series 2012 dated November 15, 2012, due in annual installments of \$415,000 to \$430,000 through September 30, 2017; \$315,000 in September, 2018; and \$60,000 to \$100,000 from September, 2019 through September, 2033, plus interest of .75 percent to 3.75 percent. Fund allocation of this obligation is as follows:

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014  
(CONTINUED)

6. Long-Term Debt: Continued

Long-Term Debt Account Group -	
General Fund	\$ 403,340
Park Sales Tax Fund	1,440,000
Electric Fund	553,420
Water Fund	<u>383,240</u>
 <u>Total</u>	 <u>\$2,780,000</u>

The annual requirements to amortize this issue as of September 30, 2014 follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 420,000	\$ 57,082	\$ 477,082
2016	430,000	52,402	482,402
2017	430,000	46,813	476,813
2018	315,000	41,282	356,282
2019	65,000	37,950	102,950
2020	65,000	36,325	101,325
2021	70,000	34,638	104,638
2022	70,000	32,712	102,712
2023	70,000	30,613	100,613
2024	75,000	28,438	103,438
9-25	75,000	26,074	101,074
9-26	75,000	23,656	98,656
9-27	80,000	21,138	101,138
9-28	80,000	18,437	98,437
9-29	85,000	15,550	100,550
9-30	90,000	12,375	102,375
9-31	90,000	9,000	99,000
9-32	95,000	5,531	100,531
9-33	<u>100,000</u>	<u>1,875</u>	<u>101,875</u>
 <u>Total</u>	 <u>\$2,780,000</u>	 <u>\$531,891</u>	 <u>\$3,311,891</u>

There are a number of limitations and restrictions contained in the certificate of participation issue. The City is in compliance with all significant limitations and restrictions.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014  
(CONTINUED)

6. Long-Term Debt: (Continued)

Capitalized lease with Commerce Bank payable in annual installments of \$14,423.39 including interest at 2.7 percent through January 31, 2017.

Proceeds of the financing was the purchase of two 2014 Taurus police cars.

The annual requirements to amortize this issue as of September 30, 2014 follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$13,315	\$1,108	\$14,423
2016	13,675	748	14,423
2017	<u>14,044</u>	<u>379</u>	<u>14,423</u>
<u>Total</u>	<u>\$41,034</u>	<u>\$2,235</u>	<u>\$43,269</u>

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

7. Interfund Transactions:

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

8. Litigation:

As of September 30, 2014, there were no lawsuits pending or claims outstanding against the City that would have a material effect on the financial statements.



CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014  
(CONTINUED)

9. Contingent Liabilities:

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

10. 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.

Defined Contribution 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.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014  
(CONTINUED)

11. 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.

12. Unfavorable Fund Variances:

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

City Administration	<u>\$5,492</u>
Inspection and Zoning	<u>\$ 145</u>
Street Department	<u>\$2,519</u>

13. Committed Contracts:

At September 30, 2014, the City owed Huey Construction Company \$10,164 for a contract related to the Waste Water Treatment Plant Improvement Project.

The fire station addition at 135 East Summer Street in Monroe City is ongoing at September 30, 2014. The City is obligated to Heimer Construction Company, Inc. in the amount of \$327,092 for completion of the fire station addition.

The following contracts pertaining to the Sewer System Upgrade were authorized by the Board of Aldermen during the current fiscal year, but as of December 15, 2014, work had not yet begun:

Municipal Pipe Tool - Lining	<u>\$1,591,675</u>
K & N Excavating, Inc. - Replacement and extension	<u>\$1,499,920</u>
Visu-Sewer of Missouri, LLC - Manhole rehabilitation	<u>\$ 465,400</u>

The revenue bond obtained from the United States Department of Agriculture - Rural Development will be used to finance this project.

The City has an unpaid obligation of \$40,922 with Klingner & Associates, PC for engineering design related to this project.

CITY OF MONROE CITY, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

(CONTINUED)

14. Retroactive Application of Change in Accounting Principle:

Debt issuance cost under GASB No. 65 requires debt issuance cost (other than prepaid insurance) to be expensed in the period incurred rather than being deferred and amortized as an interest expense adjustment over the life of the long-term debt issue.

The following retroactive adjustment was made effective September 30, 2013:

	<u>Debt Service</u> <u>Fund</u>	<u>Electric</u>	<u>Water</u>
<u>Fund Balance/Net Position</u> <u>as of September 30, 2013</u>	\$ 27,028	\$3,466,633	\$4,036,954
<u>Debt Issuance Cost as of</u> <u>September 30, 2013</u>	<u>(42,053)</u>	<u>(14,644)</u>	<u>(10,138)</u>
<u>Revised Fund Balance/</u> <u>Net Position as of</u> <u>September 30, 2013</u>	<u>\$(15,025)</u>	<u>\$3,451,989</u>	<u>\$4,026,816</u>

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

CITY OF MONROE CITY, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Taxes:</u>				
Property taxes	\$192,800	\$195,238	\$195,352	\$ 114
Railroad and utility	6,178	5,547	5,547	---
Surtax	7,800	7,199	7,200	1
Financial institution	1,257	---	---	---
Sales tax	318,000	362,972	369,051	6,079
Use tax	18,000	44,003	44,883	880
Motor vehicle taxes	95,110	94,878	94,752	(126)
Cigarette tax	15,000	14,852	14,852	---
Telephone franchise tax	22,194	27,506	27,506	---
Cable TV franchise tax	17,840	20,624	20,624	---
Municipal utilities franchise tax	<u>168,207</u>	<u>168,204</u>	<u>168,204</u>	<u>---</u>
<u>Total Taxes</u>	<u>\$862,386</u>	<u>\$941,023</u>	<u>\$947,971</u>	<u>\$ 6,948</u>
<u>Licenses and Permits:</u>				
Liquor licenses	\$ 3,525	\$ 2,725	\$ 2,725	\$ ---
Business licenses	5,600	5,600	5,525	(75)
Building permits	1,800	1,800	1,769	(31)
Animal licenses	300	250	250	---
Street excavation permits	500	2,750	2,750	---
Planning and zoning fees	<u>500</u>	<u>890</u>	<u>890</u>	<u>---</u>
<u>Total Licenses and Permits</u>	<u>\$ 12,225</u>	<u>\$ 14,015</u>	<u>\$ 13,909</u>	<u>\$ (106)</u>
<u>Intergovernmental Revenue:</u>				
Grant income	<u>\$ ---</u>	<u>\$ 7,912</u>	<u>\$ 7,913</u>	<u>\$ 1</u>
<u>Charges for Services:</u>				
Swimming pool/Route J	\$ 14,383	\$ 18,124	\$ 18,131	\$ 7
Animal control and shelter fees	<u>150</u>	<u>125</u>	<u>125</u>	<u>---</u>
<u>Total Charges for Services</u>	<u>\$ 14,533</u>	<u>\$ 18,249</u>	<u>\$ 18,256</u>	<u>\$ 7</u>
<u>Fines and Forfeits:</u>				
Fines and court costs	<u>\$ 16,515</u>	<u>\$ 31,263</u>	<u>\$ 31,265</u>	<u>\$ 2</u>

CITY OF MONROE CITY, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014  
(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Miscellaneous Revenues:</u>				
Interest	\$ 1,370	\$ 3,024	\$ 3,013	\$ (11)
Administrative fee income	804,098	786,456	786,456	---
Agent fees	37,962	39,183	39,184	1
Airport retail sales	52,200	35,016	35,538	522
Rent income	1,700	1,700	1,700	---
Sale of graves	4,000	2,600	2,600	---
Return check charges	40	80	80	---
Sale of fixed assets	1,000	---	---	---
Contributions	50	---	---	---
Transfer from Mosswood	7,267	7,267	---	(7,267)
Other	2,500	1,422	5,094	3,672
<u>Total Miscellaneous Revenues</u>	<u>\$ 912,187</u>	<u>\$ 876,748</u>	<u>\$ 873,665</u>	<u>\$(3,083)</u>
 <u>Total Revenues</u>	 <u>\$1,817,846</u>	 <u>\$1,889,210</u>	 <u>\$1,892,979</u>	 <u>\$ 3,769</u>
 <u>Expenditures:</u>				
<u>City Administration:</u>				
Payroll	\$ 193,118	\$ 172,660	\$ 172,604	\$ 56
Payroll taxes	14,593	12,206	12,208	(2)
Employee benefits	37,743	32,581	32,533	48
Office expense	28,500	29,962	29,904	58
Advertising	6,000	5,008	4,793	215
Fuel	1,000	250	216	34
Supplies and maintenance	19,700	17,419	23,261	(5,842)
Safety and compliance	450	273	233	40
Professional services	30,000	28,802	30,374	(1,572)
Telephone	4,500	4,163	3,648	515
Travel and training	5,500	6,732	6,206	526
Insurance	12,000	12,196	12,195	1
Utilities - City Hall	5,000	5,668	5,236	432
Election expense	3,500	1,921	1,920	1
Assessments and memberships	1,450	1,604	1,603	1
Donations	10,450	9,330	9,330	---
Meals and mileage	25	---	---	---
Miscellaneous	600	3,745	3,748	(3)
<u>Total City Administration</u>	<u>\$ 374,129</u>	<u>\$ 344,520</u>	<u>\$ 350,012</u>	<u>\$(5,492)</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, 2014  
(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>Public Safety:</u>				
<u>Municipal Court:</u>				
Office expense	\$ 500	\$ ---	\$ ---	\$ ---
Incarceration fees	250	75	75	---
Professional services	8,000	8,671	9,751	(1,080)
Travel and training	150	125	125	---
Miscellaneous	---	---	---	---
<u>Total Municipal Court</u>	<u>\$ 8,900</u>	<u>\$ 8,871</u>	<u>\$ 9,951</u>	<u>\$ (1,080)</u>
<u>Police Department:</u>				
Payroll	\$255,338	\$259,759	\$258,221	\$ 1,538
Payroll taxes	19,050	19,379	19,375	4
Employee benefits	49,158	37,741	37,739	2
Employee clothing allowance	4,200	3,189	3,189	---
Office expense	5,000	6,473	6,349	124
Fuel	13,500	15,325	16,441	(1,116)
Supplies and maintenance	7,400	11,503	9,519	1,984
Safety and compliance	500	744	617	127
Drug enforcement	10,460	3,197	3,140	57
DARE expenses	---	---	---	---
Telephone	5,700	6,850	6,076	774
Insurance	18,000	16,848	16,847	1
Utilities	7,000	7,745	7,041	704
Travel and training	1,500	1,059	1,107	(48)
Assessments and memberships	200	75	75	---
Miscellaneous	1,800	313	313	---
Dispatching fees	68,680	68,680	68,680	---
<u>Total Police Department</u>	<u>\$467,486</u>	<u>\$458,880</u>	<u>\$454,729</u>	<u>\$ 4,151</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, 2014

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Fire Department:</u>				
Payroll	\$ 36,210	\$ 30,155	\$ 27,570	\$ 2,585
Payroll taxes	3,153	2,102	2,136	(34)
Contract labor	5,000	16,480	16,450	30
Office expense	3,500	195	179	16
Fuel	5,500	5,795	5,283	512
Fire prevention/investigation	2,500	----	----	----
Supplies and maintenance	17,500	27,905	27,160	745
Recruitment and retention	1,000	950	950	----
Emergency preparedness	3,000	1,697	1,697	----
Telephone	2,700	2,638	2,344	294
Travel and training	6,000	----	----	----
Insurance	18,000	29,271	19,270	10,001
Utilities	6,000	7,032	6,520	512
Public relations	4,000	5,739	5,739	----
Assessments and memberships	500	260	260	----
Miscellaneous	900	644	644	----
<u>Total Fire Department</u>	<u>\$115,463</u>	<u>\$130,863</u>	<u>\$116,202</u>	<u>\$14,661</u>
<u>Total Public Safety</u>	<u>\$591,849</u>	<u>\$598,614</u>	<u>\$580,882</u>	<u>\$17,732</u>
<u>Humane Officer:</u>				
Payroll	\$ 2,200	\$ 2,260	\$ 2,220	\$ 40
Payroll taxes	168	170	169	1
Supplies and maintenance	800	992	912	80
Telephone	----	----	----	----
Insurance	400	65	65	----
Utilities	800	828	810	18
Animal transfers	500	----	----	----
Miscellaneous	----	----	----	----
<u>Total Humane Officer</u>	<u>\$ 4,868</u>	<u>\$ 4,315</u>	<u>\$ 4,176</u>	<u>\$ 139</u>
<u>Inspection and Zoning Department:</u>				
Payroll	\$ 4,400	\$ 4,338	\$ 4,484	\$ (146)
Payroll taxes	337	332	332	----
Office expense	200	150	150	----
Advertising	100	----	----	----
Travel and training	500	403	402	1
<u>Total Inspection and Zoning Department</u>	<u>\$ 5,537</u>	<u>\$ 5,223</u>	<u>\$ 5,368</u>	<u>\$ (145)</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, 2014

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Park Maintenance:</u>				
Payroll	\$ 4,096	\$ 4,094	\$ 3,964	\$ 130
Payroll taxes	559	309	309	---
Employee benefits	2,056	1,285	1,284	1
Office expense	---	---	---	---
Contract payments	19,000	15,307	14,213	1,094
Travel and training	---	---	---	---
Supplies and maintenance	10,000	5,198	4,388	810
Telephone	---	---	---	---
Insurance	1,300	1,956	1,956	---
Utilities	12,000	14,038	14,055	(17)
Mosswood Golf Course expenses	35,000	35,000	33,773	1,227
Park Board expenses	6,000	271	207	64
Miscellaneous	---	---	---	---
<u>Total Park Maintenance</u>	<u>\$ 90,011</u>	<u>\$ 77,458</u>	<u>\$ 74,149</u>	<u>\$ 3,309</u>
<u>Street Department:</u>				
Payroll	\$143,000	\$143,561	\$144,860	\$ (1,299)
Payroll taxes	10,940	10,421	10,420	1
Employee benefits	33,610	33,209	33,209	---
Office expense	100	223	222	1
Uniforms	650	980	913	67
Fuel	25,000	26,716	28,895	(2,179)
Supplies and maintenance	23,500	26,089	24,194	1,895
Safety and compliance	2,000	2,912	2,716	196
Street maintenance materials	20,000	20,918	22,794	(1,876)
Winter mix supplies	7,500	12,619	12,618	1
Telephone	1,900	1,546	1,323	223
Travel and training	500	---	---	---
Insurance	15,638	15,448	15,447	1
Utilities	7,000	7,044	6,594	450
Miscellaneous	250	193	193	---
<u>Total Street Department</u>	<u>\$291,588</u>	<u>\$301,879</u>	<u>\$304,398</u>	<u>\$ (2,519)</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, 2014

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Swimming Pool:</u>				
Payroll	\$30,600	\$28,123	\$28,122	\$ 1
Payroll taxes	2,341	2,152	2,151	1
Office expense	100	22	22	---
Supplies and maintenance	9,300	13,771	13,769	2
Safety and compliance	2,900	1,014	1,013	1
Telephone	325	282	271	11
Utilities	10,710	8,677	8,244	433
Insurance	3,800	4,443	4,443	---
Travel and training	778	1,158	1,157	1
Miscellaneous	200	256	256	---
<u>Total Swimming Pool</u>	<u>\$61,054</u>	<u>\$59,898</u>	<u>\$59,448</u>	<u>\$ 450</u>
<u>Airport:</u>				
Contract payments	\$ 4,300	\$ 4,100	\$ 4,100	\$ ---
Office expense	1,500	984	846	138
Supplies and maintenance	2,500	3,177	3,172	5
Purchases for resale	51,831	37,730	32,095	5,635
Telephone	1,065	1,453	1,358	95
Insurance	2,855	2,304	2,204	100
Utilities	4,600	5,606	5,263	343
Miscellaneous	---	---	---	---
<u>Total Airport</u>	<u>\$68,651</u>	<u>\$55,354</u>	<u>\$49,038</u>	<u>\$ 6,316</u>
<u>Cemetery:</u>				
Payroll	\$ 3,896	\$ 4,094	\$ 4,023	\$ 71
Payroll taxes	378	309	309	---
Employee benefits	1,385	870	869	1
Contract payments	12,600	11,761	10,921	840
Supplies and maintenance	500	176	176	---
Insurance	---	---	---	---
Utilities	600	251	206	45
Miscellaneous	---	---	---	---
<u>Total Cemetery</u>	<u>\$19,359</u>	<u>\$17,461</u>	<u>\$16,504</u>	<u>\$ 957</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, 2014  
(Continued)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Capital Outlay:</u>				
City administration	\$ ---	\$ ---	\$ ---	\$ ---
Municipal court	---	---	---	---
Police Department	---	8,994	8,993	1
Fire Department	---	27,500	27,500	---
Humane Officer	---	---	---	---
Parks Department	---	---	---	---
Street Department	---	---	---	---
Airport	---	---	---	---
Cemetery	---	---	---	---
<u>Total Capital Outlay</u>	<u>\$ ---</u>	<u>\$ 36,494</u>	<u>\$ 36,493</u>	<u>\$ 1</u>
<u>Total Expenditures</u>	<u>\$1,507,046</u>	<u>\$1,501,216</u>	<u>\$1,480,468</u>	<u>\$20,748</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 310,800</u>	<u>\$ 387,994</u>	<u>\$ 412,511</u>	<u>\$24,517</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ ---	\$ ---	\$ ---	\$ ---
Operating transfers out	(375,922)	(365,818)	(365,817)	1
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (375,922)</u>	<u>\$ (365,818)</u>	<u>\$ (365,817)</u>	<u>\$ 1</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ (65,122)</u>	<u>\$ 22,176</u>	<u>\$ 46,694</u>	<u>\$24,518</u>
<u>Fund Balance, October 1</u>			<u>197,559</u>	
<u>Fund Balance, September 30</u>			<u>\$ 244,253</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, 2014

	Library Fund	Fire Department Fund	Sales Tax Fund	Park Sales Tax Fund	Industrial Development Fund	Monroe City, Missouri Community Foundation	D.A.R.E.	St. Jude Cemetery Endowment Fund	Totals
<u>Assets:</u>									
Cash	\$156,093	\$510,362	\$226,610	\$139,912	\$ 51,122	\$ 389	\$ 111	\$29,849	\$1,114,448
Receivables:									
Notes	----	----	----	----	1,116,814	----	----	----	1,116,814
Taxes	156	----	14,862	14,861	----	----	----	----	29,879
<u>Total Assets</u>	<u>\$156,249</u>	<u>\$510,362</u>	<u>\$241,472</u>	<u>\$154,773</u>	<u>\$1,167,936</u>	<u>\$ 389</u>	<u>\$ 111</u>	<u>\$29,849</u>	<u>\$2,261,141</u>
<u>Liabilities and Fund Equity:</u>									
<u>Liabilities:</u>									
Accounts payable	\$ 6,166	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ 6,166
Due to Electric Fund	----	----	----	----	146,000	----	----	----	146,000
Due to Gas Fund	----	----	----	----	416,000	----	----	----	416,000
<u>Total Liabilities</u>	<u>\$ 6,166</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 562,000</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 568,166</u>
<u>Fund Equity:</u>									
Nonspendable	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$29,849	\$ 29,849
Restricted	----	----	----	----	----	----	----	----	----
Assigned	----	----	----	----	----	----	----	----	----
Unassigned	150,083	510,362	241,472	154,773	605,936	389	111	----	1,663,126
<u>Total Fund Equity</u>	<u>\$150,083</u>	<u>\$510,362</u>	<u>\$241,472</u>	<u>\$154,773</u>	<u>\$ 605,936</u>	<u>\$ 389</u>	<u>\$ 111</u>	<u>\$29,849</u>	<u>\$1,692,975</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$156,249</u>	<u>\$510,362</u>	<u>\$241,472</u>	<u>\$154,773</u>	<u>\$1,167,936</u>	<u>\$ 389</u>	<u>\$ 111</u>	<u>\$29,849</u>	<u>\$2,261,141</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, 2014

	Library Fund	Fire Department Fund	Sales Tax Fund	Park Sales Tax Fund	Industrial Development Fund	Monroe City, Missouri Community Foundation	D.A.R.E.	St. Jude Cemetery Endowment Fund	Totals
<u>Revenues:</u>									
Taxes	\$ 50,090	\$ ----	\$191,744	\$ 191,756	\$ ----	\$ ----	\$ ----	\$ ----	\$ 433,590
Licenses and permits	----	----	----	----	----	----	----	----	----
Intergovernmental revenue	2,626	----	----	10,000	----	----	----	----	12,626
Charges for services	----	----	----	----	----	----	----	----	----
Fines and forfeits	318	----	----	----	----	----	----	----	318
Miscellaneous revenues	3,314	106,090	2,957	735	51,676	----	13	----	164,785
Total Revenues	\$ 56,348	\$106,090	\$194,701	\$202,491	\$ 51,676	\$ ----	\$ 13	\$ ----	\$ 611,319
<u>Expenditures:</u>									
Current:									
Public safety	\$ ----	\$ 7,464	\$ ----	\$ ----	\$ ----	\$ ----	\$ 2,280	\$ ----	\$ 9,744
Street improvements	----	----	148,706	----	----	----	----	----	148,706
Culture and recreation	71,128	----	----	----	----	----	----	----	71,128
Industrial Development	----	----	----	----	115,340	----	----	----	115,340
Capital outlay	----	52,792	53,503	19,566	----	----	----	----	125,861
Total Expenditures	\$ 71,128	\$ 60,256	\$202,209	\$ 19,566	\$115,340	\$ ----	\$ 2,280	\$ ----	\$ 470,779
Excess of Revenues Over (Under) Expenditures	\$ (14,780)	\$ 45,834	\$ (7,508)	\$ 182,925	\$ (63,664)	\$ ----	\$ (2,267)	\$ ----	\$ 140,540
<u>Other Financing Sources (Uses):</u>									
Operating transfers in	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Operating transfers out	----	----	----	(100,817)	----	----	----	----	(100,817)
Total Other Financing Sources (Uses)	\$ ----	\$ ----	\$ ----	\$ (100,817)	\$ ----	\$ ----	\$ ----	\$ ----	\$ (100,817)

CITY OF MONROE CITY, MISSOURI  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2014

(CONTINUED)

	<u>Library Fund</u>	<u>Fire Department Fund</u>	<u>Sales Tax Fund</u>	<u>Park Sales Tax Fund</u>	<u>Industrial Development Fund</u>	<u>Monroe City, Missouri Community Foundation</u>	<u>D.A.R.E.</u>	<u>St. Jude Cemetery Endowment Fund</u>	<u>Totals</u>
<u>Excess of Revenues and Other Sources Over (Under)</u>									
<u>Expenditures and Other Uses</u>	\$ (14,780)	\$ 45,834	\$ (7,508)	\$ 82,108	\$ (63,664)	\$ ----	\$(2,267)	\$ ----	\$ 39,723
<u>Fund Balances, October 1</u>	<u>164,863</u>	<u>464,528</u>	<u>248,980</u>	<u>72,665</u>	<u>669,600</u>	<u>389</u>	<u>2,378</u>	<u>29,849</u>	<u>1,653,252</u>
<u>Fund Balances, September 30</u>	<u>\$150,083</u>	<u>\$510,362</u>	<u>\$241,472</u>	<u>\$154,773</u>	<u>\$605,936</u>	<u>\$ 389</u>	<u>\$ 111</u>	<u>\$29,849</u>	<u>\$1,692,975</u>

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

CITY OF MONROE CITY, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - LIBRARY - SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Taxes:</u>				
Property taxes	\$45,830	\$46,577	\$46,609	\$ 32
Surtax	2,100	1,966	1,966	----
Railroad and utility	<u>1,687</u>	<u>1,514</u>	<u>1,515</u>	<u>1</u>
<u>Total Taxes</u>	<u>\$49,617</u>	<u>\$50,057</u>	<u>\$50,090</u>	<u>\$ 33</u>
<u>Intergovernmental Revenues:</u>				
State aid	<u>\$ 1,228</u>	<u>\$ 2,626</u>	<u>\$ 2,626</u>	<u>\$ ----</u>
<u>Fines and Forfeits:</u>				
Overdue book fines	<u>\$ 525</u>	<u>\$ 342</u>	<u>\$ 318</u>	<u>\$ (24)</u>
<u>Miscellaneous Revenues:</u>				
Interest	\$ 1,790	\$ 2,014	\$ 2,008	\$ (6)
Contributions	70	10	10	----
Other	<u>422</u>	<u>1,267</u>	<u>1,296</u>	<u>29</u>
<u>Total Miscellaneous Revenues</u>	<u>\$ 2,282</u>	<u>\$ 3,291</u>	<u>\$ 3,314</u>	<u>\$ 23</u>
<u>Total Revenues</u>	<u>\$53,652</u>	<u>\$56,316</u>	<u>\$56,348</u>	<u>\$ 32</u>
<u>Expenditures:</u>				
<u>Library:</u>				
Payroll	\$30,000	\$28,616	\$28,925	\$ (309)
Payroll taxes	2,295	2,160	2,183	(23)
Employee benefits	7,136	9,138	9,063	75
Office expense	3,800	3,900	4,648	(748)
Summer reading program	250	125	125	----
Books and periodicals	9,000	5,852	5,239	613
Supplies and maintenance	4,000	4,915	9,788	(4,873)
Digital consortium	2,500	5,588	5,588	----
Telephone	760	916	840	76
Travel and training	75	----	----	----
Insurance	1,870	2,254	2,254	----
Utilities	2,500	2,645	2,465	180
Miscellaneous	<u>50</u>	<u>20</u>	<u>10</u>	<u>10</u>
<u>Total Library</u>	<u>\$64,236</u>	<u>\$66,129</u>	<u>\$71,128</u>	<u>\$ (4,999)</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, 2014  
(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Total Expenditures</u>	<u>\$ 65,236</u>	<u>\$66,129</u>	<u>\$ 71,128</u>	<u>\$ (4,999)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$(11,584)</u>	<u>\$(9,813)</u>	<u>\$ (14,780)</u>	<u>\$ (4,967)</u>
<u>Other Financing Sources (Uses):</u>				
<u>Operating transfers in (out)</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$(11,584)</u>	<u>\$(9,813)</u>	<u>\$ (14,780)</u>	<u>\$ (4,967)</u>
<u>Fund Balance, October 1</u>			<u>164,863</u>	
<u>Fund Balance, September 30</u>			<u>\$150,083</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, 2014

	<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	\$ 99,200	\$ 99,914	\$ 99,914	\$ ---
Interest	4,533	6,208	6,176	(32)
Contributions	----	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$103,733</u>	<u>\$106,122</u>	<u>\$106,090</u>	<u>\$ (32)</u>
<u>Total Revenues</u>	<u>\$103,733</u>	<u>\$106,122</u>	<u>\$106,090</u>	<u>\$ (32)</u>
<u>Expenditures:</u>				
Capital Outlay	\$126,497	\$ 52,793	\$ 52,792	\$ 1
Public safety	10,309	7,991	7,464	527
<u>Total Expenditures</u>	<u>\$136,806</u>	<u>\$ 60,784</u>	<u>\$ 60,256</u>	<u>\$ 528</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ (33,073)</u>	<u>\$ 45,338</u>	\$ 45,834	<u>\$ 496</u>
<u>Fund Balance, October 1</u>			<u>464,528</u>	
<u>Fund Balance, September 30</u>			<u>\$510,362</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, 2014

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Taxes:</u>				
Sales tax	\$145,000	\$166,441	\$169,302	\$ 2,861
Use tax	9,500	22,001	22,442	441
<u>Total Taxes</u>	<u>\$154,500</u>	<u>\$188,442</u>	<u>\$191,744</u>	<u>\$ 3,302</u>
<u>Miscellaneous Revenues:</u>				
Interest	\$ 1,796	\$ 2,943	\$ 2,957	\$ 14
Miscellaneous	----	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$ 1,796</u>	<u>\$ 2,943</u>	<u>\$ 2,957</u>	<u>\$ 14</u>
<u>Total Revenues</u>	<u>\$156,296</u>	<u>\$191,385</u>	<u>\$194,701</u>	<u>\$ 3,316</u>
<u>Expenditures:</u>				
Infrastructure	\$ ----	\$ 36,246	\$147,591	\$(111,345)
Sidewalk improvements	5,000	1,115	1,115	----
Capital outlay	173,948	164,848	53,503	111,345
<u>Total Expenditures</u>	<u>\$178,948</u>	<u>\$202,209</u>	<u>\$202,209</u>	<u>\$ ----</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ (22,652)</u>	<u>\$ (10,824)</u>	<u>\$ (7,508)</u>	<u>\$ 3,316</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>\$ (22,652)</u>	<u>\$ (10,824)</u>	<u>\$ (7,508)</u>	<u>\$ 3,316</u>
<u>Fund Balance, October 1</u>			<u>248,980</u>	
<u>Fund Balance, September 30</u>			<u>\$241,472</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 - PARK SALES TAX - SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Taxes:</u>				
Sales tax	\$ 145,000	\$ 166,454	\$ 169,315	\$ 2,861
Use tax	<u>9,500</u>	<u>22,001</u>	<u>22,441</u>	<u>440</u>
<u>Total Taxes</u>	\$ 154,500	\$ 188,455	\$ 191,756	\$ 3,301
<u>Intergovernmental:</u>				
Grant	10,000	10,000	10,000	----
<u>Miscellaneous Revenues:</u>				
Interest income	<u>1,242</u>	<u>720</u>	<u>735</u>	<u>15</u>
<u>Total Revenues</u>	<u>\$ 165,742</u>	<u>\$ 199,175</u>	<u>\$ 202,491</u>	<u>\$ 3,316</u>
<u>Expenditures:</u>				
Capital outlay	<u>\$ 27,664</u>	<u>\$ 19,567</u>	<u>\$ 19,566</u>	<u>\$ 1</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 138,078</u>	<u>\$ 179,608</u>	<u>\$ 182,925</u>	<u>\$ 3,317</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in (out)	<u>\$(102,318)</u>	<u>\$(100,818)</u>	<u>\$(100,817)</u>	<u>\$ 1</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ 35,760</u>	<u>\$ 78,790</u>	<u>\$ 82,108</u>	<u>\$ 3,318</u>
<u>Fund Balance, October 1</u>			<u>72,665</u>	
<u>Fund Balance, September 30</u>			<u>\$ 154,773</u>	

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

CITY OF MONROE CITY, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - INDUSTRIAL DEVELOPMENT - SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Miscellaneous Revenues:</u>				
Rent income - farm	\$ 4,900	\$ 4,900	\$ 4,900	\$ ----
Interest - Lakeside	108,000	108,000	46,024	(61,976)
Interest - bank	856	847	752	(95)
Other	----	----	----	----
<u>Total Miscellaneous Revenues</u>	<u>\$113,756</u>	<u>\$113,747</u>	<u>\$ 51,676</u>	<u>\$(62,071)</u>
<u>Total Revenues</u>	<u>\$113,756</u>	<u>\$113,747</u>	<u>\$ 51,676</u>	<u>\$(62,071)</u>
<u>Expenditures:</u>				
Industrial Development	<u>\$100,000</u>	<u>\$115,340</u>	<u>\$115,340</u>	<u>\$ ----</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 13,756</u>	<u>\$ (1,593)</u>	<u>\$ (63,664)</u>	<u>\$(62,071)</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</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ 13,756</u>	<u>\$ (1,593)</u>	<u>\$ (63,664)</u>	<u>\$(62,071)</u>
<u>Fund Balance, October 1</u>			<u>669,600</u>	
<u>Fund Balance, September 30</u>			<u>\$605,936</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, 2014

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Miscellaneous Revenues:</u>				
Contributions	\$1,000	\$ ---	\$ ---	\$ ---
Interest	19	12	13	1
<u>Total Miscellaneous Revenues</u>	<u>\$1,019</u>	<u>\$ 12</u>	<u>\$ 13</u>	<u>\$ 1</u>
<u>Total Revenues</u>	<u>\$1,019</u>	<u>\$ 12</u>	<u>\$ 13</u>	<u>\$ 1</u>
<u>Expenditures:</u>				
Public Safety	<u>\$2,000</u>	<u>\$ 2,280</u>	<u>\$ 2,280</u>	<u>\$ ----</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ (981)</u>	<u>\$ (2,268)</u>	<u>\$ (2,267)</u>	<u>\$ 1</u>
<u>Fund Balance, October 1</u>			<u>2,378</u>	
<u>Fund Balance, September 30</u>			<u>\$ 111</u>	

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

CITY OF MONROE CITY, MISSOURI  
COMBINING STATEMENT OF OPERATING EXPENSES  
ALL ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Electric</u> <u>Department</u>	<u>Water</u> <u>Department</u>	<u>Sewer</u> <u>Department</u>
<u>Administration:</u>			
Professional services	\$ 107	\$ 86	\$ 86
Insurance	35,450	12,841	6,490
Franchise tax	113,040	15,120	8,844
Assessments and memberships	1,497	539	110
Administrative fee	496,439	154,183	33,274
Bad debts, net	(2,309)	1,969	539
Miscellaneous	548	44	---
<u>Total Administration</u>	<u>\$ 644,772</u>	<u>\$184,782</u>	<u>\$ 49,343</u>
<u>Production/Sewer Treatment:</u>			
Payroll	\$ ----	\$ 67,398	\$ 50,283
Payroll taxes	----	4,978	3,687
Employee benefits	----	19,050	13,367
Uniforms	----	402	378
Office expense	----	508	506
Fuel	----	814	1,497
Supplies and maintenance	137	24,922	12,483
Chemicals/testing and reports	----	102,051	6,623
Telephone	----	2,440	1,554
Transportation and training	----	578	45
Utilities	10,838	38,622	77,127
Safety and compliance	----	1,065	94
Miscellaneous	----	62	483
<u>Total Production/Sewer Treatment</u>	<u>\$ 10,975</u>	<u>\$262,890</u>	<u>\$168,127</u>
<u>Utility Purchase/Interconnect:</u>			
Power purchases	\$3,588,316	\$ ----	\$ ----
Natural gas purchases	----	----	----
Sanitation contract	----	----	----
<u>Total Utility Purchase/Interconnect</u>	<u>\$3,588,316</u>	<u>\$ ----</u>	<u>\$ ----</u>

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

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$ 107	\$ ----	\$ 386
11,448	----	66,229
31,200	----	168,204
749	----	2,895
102,560	----	786,456
649	1,084	1,932
475	----	1,067
<u>\$ 147,188</u>	<u>\$ 1,084</u>	<u>\$1,027,169</u>
\$ ----	\$ ----	\$ 117,681
----	----	8,665
----	----	32,417
----	----	780
----	----	1,014
----	----	2,311
----	----	37,542
----	----	108,674
----	----	3,994
----	----	623
----	----	126,587
----	----	1,159
----	----	545
<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 441,992</u>
\$ ----	\$ ----	\$3,588,316
1,131,150	----	1,131,150
----	96,559	96,559
<u>\$1,131,150</u>	<u>\$96,559</u>	<u>\$4,816,025</u>

CITY OF MONROE CITY, MISSOURI  
COMBINING STATEMENT OF OPERATING EXPENSES  
ALL ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014  
(CONTINUED)

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Distribution/Collection:</u>			
Payroll	\$116,688	\$ 45,539	\$45,337
Payroll taxes	11,189	3,444	3,442
Employee benefits	29,053	9,620	9,636
Uniforms	2,179	974	965
Office expense	64	735	735
Fuel	22,220	2,460	2,460
Supplies and maintenance	20,495	32,376	12,667
Distribution/collection materials	10,118	48,618	688
Telephone	2,079	658	608
Utilities	2,888	2,267	2,272
Travel and training	----	----	----
Safety and compliance	2,963	160	140
Railroad easement	1,132	----	----
Miscellaneous	----	----	----
<u>Total Distribution/Collection</u>	<u>\$221,068</u>	<u>\$146,851</u>	<u>\$78,950</u>
<u>Depreciation:</u>			
Administration	\$ 481	\$ ----	\$ ----
Production/treatment	137,831	62,838	21,294
Interconnect	5,264	----	----
Distribution/collection	47,290	94,563	38,215
<u>Total Depreciation</u>	<u>\$190,866</u>	<u>\$157,401</u>	<u>\$59,509</u>

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



<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$44,836	\$ ----	\$252,400
3,447	----	21,522
10,075	----	58,384
962	----	5,080
736	----	2,270
2,460	----	29,600
12,041	----	77,579
15,918	----	75,342
658	----	4,003
2,267	----	9,694
1,835	----	1,835
2,436	----	5,699
----	----	1,132
----	----	----
<u>\$97,671</u>	<u>\$ ----</u>	<u>\$544,540</u>
\$ 733	\$ ----	\$1,214
----	----	221,963
----	----	5,264
<u>25,929</u>	<u>----</u>	<u>205,997</u>
<u>\$26,662</u>	<u>\$ ----</u>	<u>\$434,438</u>

## SUPPLEMENTARY INFORMATION

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Balance</u> <u>10-1-13</u>	<u>Additions</u>	<u>Sales/</u> <u>Retirements</u>	<u>Balance</u> <u>9-30-14</u>
<u>Function and Activity:</u>				
<u>General Government:</u>				
City administration	\$ 2,258,233	\$ ----	\$ ----	\$ 2,258,233
<u>Public Safety:</u>				
Police	\$ 496,113	\$ 55,458	\$ ----	\$ 551,571
Fire	1,678,321	57,305	----	1,735,626
Humane Officer	28,402	----	----	28,402
<u>Total Public Safety</u>	<u>\$ 2,202,836</u>	<u>\$112,763</u>	<u>\$ ----</u>	<u>\$ 2,315,599</u>
<u>Street Department</u>	<u>\$ 1,019,331</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 1,019,331</u>
<u>Culture and Recreation:</u>				
Parks	\$ 983,657	\$ ----	\$ ----	\$ 983,657
Library	155,230	----	----	155,230
Mosswood Golf Course	386,298	----	----	386,298
Park sales tax	1,511,694	----	----	1,511,694
<u>Total Culture and Recreation</u>	<u>\$ 3,036,879</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 3,036,879</u>
<u>Airport</u>	<u>\$ 1,753,423</u>	<u>\$ 12,995</u>	<u>\$ ----</u>	<u>\$ 1,766,418</u>
<u>St. Jude's Cemetery</u>	<u>\$ 99,167</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 99,167</u>
<u>Industrial Park</u>	<u>\$ 35,753</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 35,753</u>
<u>Total General Capital Assets</u>	<u>\$10,405,622</u>	<u>\$125,758</u>	<u>\$ ----</u>	<u>\$10,531,380</u>

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

STATEMENT OF CHANGES IN CAPITAL ASSETS  
ALL ENTERPRISE FUNDS  
YEAR ENDED SEPTEMBER 30, 2014

		COST			
		BALANCE 09-30-13	ADDITIONS	RETIREMENTS	BALANCE 9/30/2014
<b>ELECTRIC DEPARTMENT</b>					
Land	\$12,278.00	\$	-	\$	\$12,278.00
Production	6,077,688.00		-	-	6,077,688.00
Interconnect	248,188.00		-	-	248,188.00
Distribution	2,388,564.00		16,261.00	-	2,404,825.00
Office Equipment	44,163.00		-	-	44,163.00
<b>TOTAL ELECTRIC DEPARTMENT</b>	<b>\$8,770,881.00</b>		<b>\$16,261.00</b>	<b>\$0.00</b>	<b>\$8,787,142.00</b>
<b>NATURAL GAS DEPARTMENT</b>					
Land	\$14,691.00	\$	-	\$	\$14,691.00
Natural Gas System	1,380,065.00		110,000.00	-	1,490,065.00
Office Equipment	41,798.00		-	-	41,798.00
<b>TOTAL NATURAL GAS DEPARTMENT</b>	<b>\$1,436,554.00</b>		<b>\$110,000.00</b>	<b>\$0.00</b>	<b>\$1,546,554.00</b>
<b>WATER DEPARTMENT</b>					
Production System	\$2,787,319.00	\$	-	\$	\$2,787,319.00
Distribution System	3,647,368.00		10,000.00	-	3,657,368.00
Office Equipment	10,073.00		-	-	10,073.00
<b>TOTAL WATER DEPARTMENT</b>	<b>\$6,444,760.00</b>		<b>\$10,000.00</b>	<b>\$0.00</b>	<b>\$6,454,760.00</b>
<b>SEWER DEPARTMENT</b>					
Treatment System	\$902,841.00	\$	247,528.00	\$	\$1,150,369.00
Collection System	1,414,073.00		10,000.00	-	1,424,073.00
Office Equipment	1426		-	-	1,426.00
Construction in progress	244,341.00		191,004.00	247,528.00	187,817.00
<b>TOTAL SEWER DEPARTMENT</b>	<b>\$2,562,681.00</b>		<b>\$448,532.00</b>	<b>\$247,528.00</b>	<b>\$2,763,685.00</b>
<b>TOTAL PROPRIETARY FUND TYPES</b>	<b>\$19,214,876.00</b>		<b>\$584,793.00</b>	<b>\$247,528.00</b>	<b>\$19,552,141.00</b>

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

# ACCUMULATED DEPRECIATION

BALANCE 09-30-13	ADDITIONS	RETIREMENTS	BALANCE 9/30/2014
\$0.00	\$ -	\$ -	\$0.00
4,148,613.00	137,831.00	-	4,286,444.00
235,971.00	5,264.00	-	241,235.00
1,327,591.00	47,290.00	-	1,374,881.00
36,374.00	481.00	-	36,855.00
<u>\$5,748,549.00</u>	<u>\$190,866.00</u>	<u>\$0.00</u>	<u>\$5,939,415.00</u>
\$0.00	\$ -	\$ -	\$0.00
1,203,526.00	25,929.00	-	1,229,455.00
37,517.00	733.00	-	38,250.00
<u>\$1,241,043.00</u>	<u>\$26,662.00</u>	<u>\$0.00</u>	<u>\$1,267,705.00</u>
\$1,296,898.00	\$ 62,838.00	\$ -	\$1,359,736.00
1,049,998.00	94,563.00	-	1,144,561.00
10,073.00	-	-	10,073.00
<u>\$2,356,969.00</u>	<u>\$157,401.00</u>	<u>\$0.00</u>	<u>\$2,514,370.00</u>
\$527,754.00	\$ 21,294.00	\$ -	\$549,048.00
971,639.00	38,215.00	-	1,009,854.00
1426	-	-	1426
-	-	-	-
<u>\$1,500,819.00</u>	<u>\$59,509.00</u>	<u>\$0.00</u>	<u>\$1,560,328.00</u>
<u>\$10,847,380.00</u>	<u>\$434,438.00</u>	<u>\$0.00</u>	<u>\$11,281,818.00</u>

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
ELECTRIC DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gross KWHRS generated at plant	----	0.00%
KWHRS purchased	44,377,062	<u>110.00%</u>
Total KWHRS generated and purchased	44,377,062	<u>100.00%</u>
KWHRS distributed from plant	<u>42,677,070</u>	<u>96.17%</u>
Power plant loss	<u>1,699,992</u>	<u>3.83%</u>
KWHRS distributed from plant	42,677,070	
KWHRS billed to customers	39,593,665	
KWHRS used by power plant and street lights	<u>304,009</u>	
Total KWHRS accounted for	<u>39,897,674</u>	
Unaccounted KWHRS distributed	<u>2,779,396</u>	
Total KWHRS generated and purchased	44,377,062	
Total KWHRS accounted for	<u>39,389,674</u>	
Total KWHRS unaccounted for	<u>4,987,388</u>	<u>11.24%</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	\$ ----	\$ ----
Lubricating oil	----	----
Natural gas	<u>----</u>	<u>----</u>
Total fuel cost per generated KWHR	\$ ----	<u>\$ ----</u>
Purchased	<u>3,588,316</u>	<u>\$0.0809</u>
<u>Combined Cost per KWHR Generated and Purchased</u>	<u>\$3,588,316</u>	<u>\$0.0809</u>

CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
ELECTRIC DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014  
(UNAUDITED)  
(CONTINUED)

	<u>Average Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>KWHRS Billed</u>	<u>Charge per KWHR Sold</u>
<u>Customer Statistics:</u>				
Residential	1,091	\$1,474,819	12,115,559	\$ 0.122
Commercial	251	1,256,569	10,266,509	0.122
Industrial	<u>4</u>	<u>1,632,516</u>	<u>17,211,597</u>	<u>0.095</u>
	<u>1,346</u>	<u>\$4,363,904</u>	<u>39,593,665</u>	<u>\$ 0.110</u>
				<u>Average Annual Bill</u>
Residential				<u>\$ 1,352</u>
Commercial				<u>\$ 5,006</u>
Industrial				<u>\$408,129</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, 2014  
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gallons of water pumped	85,563	100.00%
Gallons of water sold to customers	<u>81,133</u>	<u>94.82%</u>
Total gallons unaccounted for	<u>4,430</u>	<u>5.18%</u>

	<u>Total Cost</u>	<u>Cost per 1,000 Gallons</u>
<u>Chemical Cost per 1,000 Gallons</u>		
<u>Pumped</u>	<u>\$102,051</u>	<u>\$ 1.193</u>

	<u>Gallons Sold</u>	<u>Charge per 1,000 Gallons Sold</u>
<u>Customer Statistics:</u>		
Residential	41,774	\$ 8.188
Commercial	16,682	\$ 7.462
Industrial	10,090	\$ 6.806
Water Districts	<u>12,587</u>	<u>\$ 4.926</u>
	<u>81,133</u>	<u>\$ 7.361</u>

	<u>Average Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Average Annual Bill</u>
Residential	1,028	\$342,046	\$ 333
Commercial	159	124,482	\$ 783
Industrial	4	68,669	\$ 17,167
Water districts	<u>2</u>	<u>62,007</u>	<u>\$ 31,004</u>
	<u>1.193</u>	<u>\$597,204</u>	



CITY OF MONROE CITY, MISSOURI  
SCHEDULE OF OPERATING STATISTICS  
SEWER DEPARTMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014  
(UNAUDITED)

	<u>Number of</u> <u>Customers</u>	<u>Charges -</u> <u>Unadjusted</u>	<u>Gallons Billed</u> <u>(1,000's)</u>	<u>Cost per</u> <u>1,000</u> <u>Gallons Sold</u>
<u>Customer Statistics:</u>				
Residential	1,013	\$338,053	41,083	\$ 8.229
Commercial	143	111,635	14,981	7.452
Industrial	<u>4</u>	<u>68,669</u>	<u>10,090</u>	<u>6,806</u>
	<u>1,160</u>	<u>\$518,357</u>	<u>66,154</u>	<u>\$ 7.836</u>
				<u>Average</u> <u>Annual Bill</u>
				<u>\$ 334</u>
Residential				<u>\$ 781</u>
Commercial				<u>\$17,167</u>
Industrial				

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, 2014  
(UNAUDITED)

			<u>Quantity</u>	<u>Percent</u>
<u>Purchase and Usage Statistics:</u>				
Total MCFS of gas transported by				
Panhandle Eastern			232.813	
Deduct Perry			<u>30.814</u>	
Total MCFS of gas available for				
Monroe City			<u>201.999</u>	<u>100.00%</u>
Total MCFS transported			201.999	100.00%
MCFS of gas sold to customers			<u>200.728</u>	<u>99.37%</u>
MCFS unaccounted or			<u>1.271</u>	<u>0.63%</u>
	<u>Average</u>			
	<u>Number of</u>	<u>Charges -</u>		<u>Charges per</u>
	<u>Customers</u>	<u>Unadjusted</u>	<u>MCFS Sold</u>	<u>MCF Sold</u>
<u>Customer Statistics:</u>				
Residential	942	\$ 610,427	75.371	\$ 8.099
Commercial	155	283,441	38.733	\$ 7.318
Industrial	<u>3</u>	<u>513,404</u>	<u>86.625</u>	\$ 5.927
	<u>1,100</u>	<u>\$1,407,272</u>	<u>200.729</u>	\$ 7.011
				<u>Average</u>
				<u>Annual Bill</u>
Residential				<u>\$ 648</u>
Commercial				<u>\$ 1,829</u>
Industrial				<u>\$171,135</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, 2014  
(UNAUDITED)

Water Production Costs:

Payroll	\$ 67,398
Payroll tax	4,978
Employee benefits	19,050
Uniforms	402
Office expense	508
Fuel	814
Supplies and maintenance	24,922
Chemicals	102,051
Telephone	2,440
Transportation and training	578
Utilities	38,622
Safety and compliance	1,065
Miscellaneous	<u>62</u>

<u>Total Water Production</u>		\$ 262,890
-------------------------------	--	------------

<u>Water Production Depreciation</u>		<u>62,838</u>
--------------------------------------	--	---------------

<u>Total Allowable Costs</u>		<u>\$ 325,728</u>
------------------------------	--	-------------------

<u>Total Gallons of Water Metered - Fiscal Year Ended</u>		
<u>September 30, 2014</u>		<u>81,133,000</u>

<u>Total Allowable Cost per 1,000 Gallons of Metered Water</u>		\$ 4.0147
--	--	-----------

<u>Add-On Amount per Water Contract</u>		<u>.70</u>
---	--	------------

<u>Revised Price of Water Sold to Water Districts</u>		<u>\$ 4.7147</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 2014

Assessed Valuation:

Monroe County	\$15,221,614
Marion County	7,083,260
Ralls County	<u>1,903,450</u>

<u>Total Assessed Valuation</u>	<u>\$24,208,324</u>
---------------------------------	---------------------

Tax Rate per \$100 of Assessed Valuation:

General Fund	\$0.7407
Library Fund	<u>0.2000</u>

Total tax levy	<u>\$0.9407</u>
----------------	-----------------

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

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS  
3334 WEST ELY ROAD  
P.O. BOX 1066  
HANNIBAL, MISSOURI 63401-1066

108 NORTH MAIN  
MONROE CITY, MISSOURI 63456

(573) 735-4222

**JAMES R. HUMPHREYS, C.P.A.**

(573) 221-4650 FAX (573) 221-4687  
E-mail: luckhumphreys@sbcglobal.net

**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, 2014 in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

**Inadequate Separation of Duties**

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

Auditor Prepares the Financial Statements

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

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

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

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

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

Respectfully submitted,

*Luck, Humphreys and Associates*

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

December 15, 2014