

CITY OF MONROE CITY, MISSOURI

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2018

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, 2018
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of each fund of the City of Monroe City, Missouri, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Monroe City's basic financial statements as listed in the table of contents.

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 and business-type activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the City's governmental activities and business-type activities 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, 2018, or the changes in financial position or, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require budgetary comparison information on pages 38 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe City, Missouri's basic financial statements. Combining and individual fund statements and schedules, and the supplementary information including operating statistics of the utility departments are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit

To the Honorable Mayor and
Board of Aldermen
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of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedules of operating statistics of the utility departments have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

Luck, Humphreys and Associates

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

January 15, 2019

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2018

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>		<u>Account Groups</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>General Capital Assets</u>	<u>Long-Term Debt</u>	<u>Totals</u>	
<u>Assets:</u>								
Cash	\$205,009	\$1,224,165	\$ ----	\$ 1,391,068	\$ ----	\$ ----	\$ 2,820,242	
Receivables	58,394	869,519	----	779,716	----	----	1,707,629	
Due from other funds	----	----	----	644,000	----	----	644,000	
Inventory	33,510	----	----	319,441	----	----	352,951	
Restricted assets:								
Cash	25,134	----	----	274,614	----	----	299,748	
Capital assets	----	----	----	10,702,440	12,727,211	----	23,429,651	
Amount to be provided for retirement of long-term debt	----	----	----	----	----	1,185,000	1,185,000	
<u>Total Assets</u>	<u>\$322,047</u>	<u>\$2,093,684</u>	<u>\$ ----</u>	<u>\$14,111,279</u>	<u>\$12,727,211</u>	<u>\$1,185,000</u>	<u>\$30,439,221</u>	
<u>Liabilities:</u>								
Accounts payable	\$ 20,266	\$ 511	\$ ----	\$ 343,800	\$ ----	\$ ----	\$ 364,577	
Accrued payroll	26,461	----	----	9,435	----	----	35,896	
Accrued compensated absences	45,971	----	----	14,031	----	----	60,002	
Due to other funds	----	644,000	----	----	----	----	644,000	
Customer deposits	----	----	----	35,600	----	----	35,600	
Accrued interest	----	----	14,447	2,795	----	----	17,242	
USDA - Revenue Bond	----	----	----	4,121,909	----	----	4,121,909	
Certificates of participation	----	----	----	----	----	1,185,000	1,185,000	
<u>Total Liabilities</u>	<u>\$ 92,698</u>	<u>\$ 644,511</u>	<u>\$14,447</u>	<u>\$ 4,527,570</u>	<u>\$ ----</u>	<u>\$1,185,000</u>	<u>\$ 6,464,226</u>	

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2018

(CONTINUED)

	<u>Governmental Fund Types</u>			<u>Proprietary</u>	<u>Account Groups</u>		
	<u>General</u>	<u>Special</u>	<u>Debt</u>	<u>Fund Types</u>	<u>General</u>	<u>Long-Term</u>	<u>Totals</u>
		<u>Revenue</u>	<u>Service</u>	<u>Enterprise</u>	<u>Capital</u>	<u>Debt</u>	
<u>Fund Equity:</u>							
Investment in general capital assets	\$ ----	\$ ----	\$ ----	\$ ----	\$12,727,211	\$ ----	\$12,727,211
Net position	----	----	----	9,583,709	----	----	9,583,709
Fund balances:							
Nonspendable	33,510	----	----	----	----	----	33,510
Restricted	25,134	----	----	----	----	----	25,134
Committed	----	----	----	----	----	----	----
Assigned	----	----	----	----	----	----	----
Unassigned	170,705	1,449,173	(14,447)	----	----	----	1,605,431
<u>Total Fund Equity</u>	<u>\$229,349</u>	<u>\$1,449,173</u>	<u>\$(14,447)</u>	<u>\$ 9,583,709</u>	<u>\$12,727,211</u>	<u>\$ ----</u>	<u>\$23,974,995</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$322,047</u>	<u>\$2,093,684</u>	<u>\$ ----</u>	<u>\$14,111,279</u>	<u>\$12,727,211</u>	<u>\$1,185,000</u>	<u>\$30,439,221</u>

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

CITY OF MONROE CITY, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals</u>
<u>Revenues:</u>				
Taxes	\$ 996,704	\$ 492,362	\$ ----	\$1,489,066
Licenses and permits	13,033	99,688	----	112,721
Intergovernmental revenue	376,244	35,122	----	411,366
Charges for services	24,057	----	----	24,057
Fines and forfeits	38,114	214	----	38,328
Interest income	442	48,394	----	48,836
Miscellaneous revenues	887,569	60,620	----	948,189
<u>Total Revenues</u>	<u>\$2,336,163</u>	<u>\$ 736,400</u>	<u>\$ ----</u>	<u>\$3,072,563</u>
<u>Expenditures:</u>				
Current:				
City administration	\$ 371,617	\$ ----	\$ ----	\$ 371,617
Public safety	736,021	8,366	----	744,387
Humane officer	3,630	----	----	3,630
Inspection and zoning	7,275	----	----	7,275
Street Department	328,772	325,492	----	654,264
Culture and recreation	171,931	60,009	----	231,940
Industrial Development	----	58,849	----	58,849
Airport	29,046	----	----	29,046
Cemetery	37,392	----	----	37,392
Capital outlay	569,275	294,664	----	863,939
Debt service	----	----	179,686	179,686
<u>Total Expenditures</u>	<u>\$2,254,959</u>	<u>\$ 747,380</u>	<u>\$ 179,686</u>	<u>\$3,182,025</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 81,204</u>	<u>\$ (10,980)</u>	<u>\$(179,686)</u>	<u>\$ (109,462)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ 300,000	\$ ----	\$ 180,395	\$ 480,395
Operating transfers out	(253,272)	(104,160)	----	(357,432)
<u>Total Other Sources (Uses)</u>	<u>\$ 46,728</u>	<u>\$ (104,160)</u>	<u>\$ 180,395</u>	<u>\$ 122,963</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ 127,932</u>	<u>\$ (115,140)</u>	<u>\$ 709</u>	<u>\$ 13,501</u>
<u>Fund Balances, October 1</u>	<u>101,417</u>	<u>1,564,313</u>	<u>(15,156)</u>	<u>1,650,574</u>
<u>Fund Balances, September 30</u>	<u>\$ 229,349</u>	<u>\$1,449,173</u>	<u>\$ (14,447)</u>	<u>\$1,664,075</u>

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

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF POSITION

ALL ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Assets:</u>			
Cash	\$ 436,737	\$ 173,725	\$ 376,283
Receivables (net of allowance for uncollectibles):			
Accounts	549,302	71,955	62,927
Inventory of supplies, at cost	114,899	111,488	12,670
Due from Industrial Development Fund	----	----	----
<u>Total Current Assets</u>	<u>\$1,100,938</u>	<u>\$ 357,168</u>	<u>\$ 451,880</u>
Restricted assets:			
Cash	13,200	11,600	237,514
Capital assets (net of accumulated depreciation - Note 2)	<u>2,138,182</u>	<u>3,479,369</u>	<u>4,953,250</u>
<u>Total Assets</u>	<u><u>\$3,252,320</u></u>	<u><u>\$3,848,137</u></u>	<u><u>\$5,642,644</u></u>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 289,546	\$ 4,826	\$ 4,383
Accrued payroll	5,666	1,256	1,256
Accrued interest	----	----	2,795
Current portion of:			
Revenue Bonds payable	----	----	81,000
Capitalized lease certificates of participation	----	----	----
<u>Total Current Liabilities</u>	<u>\$ 295,212</u>	<u>\$ 6,082</u>	<u>\$ 89,434</u>
<u>Noncurrent Liabilities:</u>			
Customer deposits	13,600	10,800	----
Accrued compensated absences	5,554	----	----
Revenue Bonds payable	----	----	4,040,909
Capitalized lease certificates of participation	----	----	----
<u>Total Liabilities</u>	<u>\$ 314,366</u>	<u>\$ 16,882</u>	<u>\$4,130,343</u>

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$ 396,053	\$ 8,270	\$ 1,391,068
84,959	10,573	779,716
30,384	----	319,441
<u>644,000</u>	<u>----</u>	<u>644,000</u>
\$1,205,396	\$18,843	\$ 3,134,225
12,300	----	274,614
<u>131,639</u>	<u>----</u>	<u>10,702,440</u>
<u>\$1,349,335</u>	<u>\$18,843</u>	<u>\$14,111,279</u>
\$ 36,685	\$ 8,360	\$ 343,800
1,257	----	9,435
----	----	2,795
----	----	81,000
<u>----</u>	<u>----</u>	<u>----</u>
\$ 37,942	\$ 8,360	\$ 437,030
11,200	----	35,600
8,477	----	14,031
----	----	4,040,909
<u>----</u>	<u>----</u>	<u>----</u>
<u>\$ 57,619</u>	<u>\$ 8,360</u>	<u>\$ 4,527,570</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF POSITION
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(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	\$2,138,182	\$3,479,369	\$ 828,546
Restricted	----	----	237,514
Unrestricted	<u>799,772</u>	<u>351,886</u>	<u>446,241</u>
<u>Total Net Position</u>	<u>\$2,937,954</u>	<u>\$3,831,255</u>	<u>\$1,512,301</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>
\$ 131,639	\$ ----	\$6,577,736
----	----	237,514
<u>1,160,077</u>	<u>10,483</u>	<u>2,768,459</u>
<u>\$1,291,716</u>	<u>\$10,483</u>	<u>\$9,583,709</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, 2018

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Operating Revenues:</u>			
Charges for services	\$4,730,325	\$ 623,879	\$ 548,287
Other revenues	<u>7,919</u>	<u>263</u>	<u>2,052</u>
<u>Total Operating Revenues</u>	<u>\$4,738,244</u>	<u>\$ 624,142</u>	<u>\$ 550,339</u>
<u>Operating Expenses:</u>			
Administration	\$ 682,679	\$ 161,681	\$ 57,038
Utility production/treatment	7,976	284,384	198,554
Utility purchases/interconnect	3,389,537	----	----
Utility distribution/collection	270,690	125,435	95,036
Depreciation	<u>195,982</u>	<u>168,795</u>	<u>174,514</u>
<u>Total Operating Expenses</u>	<u>\$4,546,864</u>	<u>\$ 740,295</u>	<u>\$ 525,142</u>
<u>Operating Income (Loss)</u>	<u>\$ 191,380</u>	<u>\$ (116,153)</u>	<u>\$ 25,197</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 3,633	\$ 1,588	\$ 5,518
Pole rental income	----	----	----
Interest expense and fiscal charges	(1,041)	(722)	(114,479)
Demolish old house	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 2,592</u>	<u>\$ 866</u>	<u>\$ (108,961)</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ 193,972</u>	<u>\$ (115,287)</u>	<u>\$ (83,764)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ 104,601	\$ 72,436	\$ ----
Operating transfers (out)	<u>(150,000)</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (45,399)</u>	<u>\$ 72,436</u>	<u>\$ ----</u>
<u>Net Income (Loss)</u>	<u>\$ 148,573</u>	<u>\$ (42,851)</u>	<u>\$ (83,764)</u>
<u>Net Position, October 1</u>	<u>2,789,381</u>	<u>3,874,106</u>	<u>1,596,065</u>
<u>Net Position, September 30</u>	<u>\$2,937,954</u>	<u>\$3,831,255</u>	<u>\$1,512,301</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>
\$1,149,269	\$106,235	\$7,157,995
534	----	10,768
<u>\$1,149,803</u>	<u>\$106,235</u>	<u>\$7,168,763</u>
\$ 169,484	\$ 582	\$1,071,464
----	----	490,914
804,606	99,918	4,294,061
115,739	----	606,900
38,893	----	578,184
<u>\$1,128,722</u>	<u>\$100,500</u>	<u>\$7,041,523</u>
<u>\$ 21,081</u>	<u>\$ 5,735</u>	<u>\$ 127,240</u>
\$ 5,202	\$ 126	\$ 16,067
----	----	----
----	----	(116,242)
<u>----</u>	<u>(9,215)</u>	<u>(9,215)</u>
<u>\$ 5,202</u>	<u>\$ (9,089)</u>	<u>\$ (109,390)</u>
<u>\$ 26,283</u>	<u>\$ (3,354)</u>	<u>\$ 17,850</u>
\$ ----	\$ ----	\$ 177,037
(150,000)	----	(300,000)
<u>\$ (150,000)</u>	<u>\$ ----</u>	<u>\$ (122,963)</u>
\$ (123,717)	\$ (3,354)	\$ (105,113)
<u>1,415,433</u>	<u>13,837</u>	<u>9,688,822</u>
<u>\$1,291,716</u>	<u>\$ 10,483</u>	<u>\$9,583,709</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Cash Flows from Operating Activities:</u>			
Cash receipts from customers	\$ 4,681,699	\$ 609,700	\$ 539,576
Cash payments to suppliers	(4,203,183)	(451,153)	(260,081)
Cash payments to employees	(154,480)	(147,399)	(89,450)
Cash payments for payroll taxes	<u>(11,363)</u>	<u>(10,916)</u>	<u>(6,427)</u>
<u>Net Cash Provided (Used) by</u>			
<u>Operating Activities</u>	<u>\$ 312,673</u>	<u>\$ 232</u>	<u>\$ 183,618</u>
<u>Cash Flow from Non-Capital</u>			
<u>Financing Activities:</u>			
Operating transfers in (out)	<u>\$ (45,399)</u>	<u>\$ 72,436</u>	<u>\$ ----</u>
<u>Cash Flows from Capital and Related</u>			
<u>Financing Activities:</u>			
Acquisition and construction of			
capital assets	\$ ----	\$ (38,282)	\$ (6,535)
Principal payments	(103,250)	(71,500)	(79,363)
Interest and loan fees paid	<u>(1,351)</u>	<u>(936)</u>	<u>(114,533)</u>
<u>Net Cash Provided (Used) for Capital</u>			
<u>and Related Activities</u>	<u>\$ (104,601)</u>	<u>\$(110,718)</u>	<u>\$(200,431)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest income received	\$ 3,633	\$ 1,588	\$ 5,518
Interfund loan	<u>----</u>	<u>----</u>	<u>----</u>
<u>Net Cash Provided (Used) from</u>			
<u>Investing Activities</u>	<u>\$ 3,633</u>	<u>\$ 1,588</u>	<u>\$ 5,518</u>
<u>Increase (Decrease) in Cash and Cash</u>			
<u>Equivalents</u>	<u>\$ 166,306</u>	<u>\$ (36,462)</u>	<u>\$ (11,295)</u>
<u>Cash and Cash Equivalents, October 1,</u>			
<u>2017</u>	<u>283,631</u>	<u>221,787</u>	<u>625,092</u>
<u>Cash and Cash Equivalents,</u>			
<u>September 30, 2018</u>	<u>\$ 449,937</u>	<u>\$ 185,325</u>	<u>\$ 613,797</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>
\$ 1,150,194	\$ 104,121	\$ 7,085,290
(1,027,518)	(109,310)	(6,051,245)
(50,525)	----	(441,854)
<u>(3,761)</u>	<u>----</u>	<u>(32,467)</u>
<u>\$ 68,390</u>	<u>\$ (5,189)</u>	<u>\$ 559,724</u>
<u>\$ (150,000)</u>	<u>\$ ----</u>	<u>\$ (122,963)</u>
\$ (23,503)	\$ ----	\$ (68,320)
----	----	(254,113)
<u>----</u>	<u>----</u>	<u>(116,820)</u>
<u>\$ (23,503)</u>	<u>\$ ----</u>	<u>\$ (439,253)</u>
\$ 5,202	\$ 126	\$ 16,067
<u>----</u>	<u>----</u>	<u>----</u>
<u>\$ 5,202</u>	<u>\$ 126</u>	<u>\$ 16,067</u>
\$ (99,911)	\$ (5,063)	\$ 13,575
<u>508,264</u>	<u>13,333</u>	<u>1,652,107</u>
<u>\$ 408,353</u>	<u>\$ 8,270</u>	<u>\$ 1,665,682</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(CONTINUED)

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Cash and Cash Equivalents at the End of the Year Consists of:</u>			
Cash	\$436,737	\$ 173,725	\$376,283
Restricted Cash	<u>13,200</u>	<u>11,600</u>	<u>237,514</u>
	<u>\$449,937</u>	<u>\$ 185,325</u>	<u>\$613,797</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
<u>Operating Income (Loss)</u>	\$191,380	\$(116,153)	\$ 25,197
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Depreciation	195,982	168,795	174,514
(Increase) decrease in accounts receivable	(56,545)	(14,442)	(10,763)
(Increase) decrease in supplies inventory	(11,620)	(9,751)	844
Increase (decrease) in accounts payable	(2,741)	(17,712)	(540)
Increase (decrease) in accrued payroll	373	(3,317)	(1,718)
Increase (decrease) in accrued compensated absences	(4,556)	(6,388)	(3,916)
Increase (decrease) in customer deposits	400	(800)	----
Demolish old house	<u>----</u>	<u>----</u>	<u>----</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$312,673</u>	<u>\$ 232</u>	<u>\$183,618</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>
\$396,053	\$ 8,270	\$1,391,068
<u>12,300</u>	<u>----</u>	<u>274,614</u>
<u>\$408,353</u>	<u>\$ 8,270</u>	<u>\$1,665,682</u>
\$ 21,081	\$ 5,735	\$ 127,240
38,893	----	578,184
391	(2,114)	(83,473)
5,685	----	(14,842)
(1,249)	405	(21,837)
(135)	----	(4,797)
4,824	----	(10,036)
(1,100)	----	(1,500)
<u>----</u>	<u>(9,215)</u>	<u>(9,215)</u>
<u>\$ 68,390</u>	<u>\$(5,189)</u>	<u>\$ 559,724</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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, 2018.

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: Rural Fire Association Fund - Special Revenue Fund and Monroe City Public Library - Special Revenue Fund.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(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.

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, 2018
(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, 2018
(CONTINUED)

1. Summary of Significant Accounting Policies: (Continued)

Proprietary fund types use the accrual basis of accounting and the flow of all economic resources (measurement focus). The basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred.

D. Cash and Cash Equivalents

The City pools cash resources of its various funds into a common interest-bearing bank account to facilitate the management of cash and to maximize investment opportunities.

E. Receivables

All receivables and amounts due from other governments are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

F. Inventories

The City has not maintained perpetual inventory cost records. For the Enterprise Funds and the General Fund (Airport Fuel), a physical inventory as of the balance sheet date was taken and priced using the lower of cost (on a first in, first out (FIFO) basis) or market value. Inventories of all other governmental funds are deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

G. Restricted Assets

Because of certain revenue bond covenants, the City is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. These assets are stated at cost. The difference between cost and fair market value is not material.

H. 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, 2018
(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, 2018
(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 2017 for the purposes of local taxation was:

General Fund	\$0.7262
Library Fund	<u>0.1928</u>
	<u>\$0.9119</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(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, 2018.

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, 2018 totaled \$60,002 and was allocated to the following funds:

General	\$45,971
Electric	5,554
Water	----
Sewer	----
Gas	<u>8,477</u>
	<u>\$60,002</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, and the 2016 Sewer System Revenue Bonds.

3. Deposits and Temporary Cash Investments:

At year-end, the City's deposits consisted of two interest bearing checking accounts in a local FDIC insured financial institution. The carrying amount of the City's deposits was \$3,116,265 and the bank balance was \$3,459,706. 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, 2018
(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 of 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, 2018
(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	\$ 697	\$ 178	\$ ----	\$ ----	\$ ----	\$ 875
Sales tax	27,020	----	12,321	12,317	----	51,658
Use tax	2,018	----	1,009	1,009	----	4,036
Motor fuel tax	8,968	----	----	----	----	8,968
Notes receivable:						
Lakeside						
Casting LLC	----	----	----	----	842,685	842,685
Mosswood Golf Course	19,691	----	----	----	----	19,691
Allowance for uncollectible accounts	----	----	----	----	----	----
<u>Total</u>	<u>\$58,394</u>	<u>\$ 178</u>	<u>\$13,330</u>	<u>\$13,326</u>	<u>\$842,685</u>	<u>\$927,913</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	\$586,076	\$75,783	\$66,579	\$89,677	\$11,455	\$829,570
Allowance for uncollectible accounts	(36,774)	(3,828)	(3,652)	(4,718)	(882)	(49,854)
<u>Total</u>	<u>\$549,302</u>	<u>\$71,955</u>	<u>\$62,927</u>	<u>\$84,959</u>	<u>\$10,573</u>	<u>\$779,716</u>

5. Capital Assets:

A summary of changes in general capital assets follows:

	<u>Balance 10-1-17</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance 9-30-18</u>
Total General Capital Assets	<u>\$12,027,080</u>	<u>\$863,939</u>	<u>\$163,808</u>	<u>\$12,727,211</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(CONTINUED)

5. Capital Assets: (Continued)

A summary of changes in enterprise fund capital assets follows:

	Balance 10-1-17	Additions	Retirements/ Trade-Ins	Balance 9-30-18
Electric system	\$ 8,863,366	\$ ----	\$ ----	\$ 8,863,366
Water system	6,586,056	38,282	----	6,624,338
Sewerage system	7,003,377	6,535	----	7,009,912
Natural gas system	<u>1,586,091</u>	<u>23,503</u>	----	<u>1,609,594</u>
	\$ 24,038,890	\$ 68,320	\$ ----	\$ 24,107,210
Less: Accumulated depreciation	<u>(12,826,586)</u>	<u>(578,184)</u>	----	<u>(13,404,770)</u>
Net capital assets	<u>\$ 11,212,304</u>	<u>\$(509,864)</u>	<u>\$ ----</u>	<u>\$ 10,702,440</u>
Construction in progress	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</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, 2018:

	Balance 10-1-17	Additions	Principal Payments	Balance 9-30-18
Lease Refunding and Improvements Certificates of Participation, Series 2012	\$1,500,000	\$ ----	\$315,000	\$1,185,000
Sewer System Revenue Bonds Dated July 21, 2016	<u>4,201,272</u>	----	<u>79,363</u>	<u>4,121,909</u>
	<u>\$5,701,272</u>	<u>\$ ----</u>	<u>\$394,363</u>	<u>\$5,306,909</u>
<u>Totals</u>				

Long-term debt at September 30, 2018 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% to 3.75%. Fund allocation of this obligation is as follows:

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(CONTINUED)

6. Long-Term Debt: (Continued)

Long-Term Debt Account Group - Park Sales Tax Fund	<u>\$1,185,000</u>
---	--------------------

The maturity analysis to amortize this issue as of September 30, 2018 follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2024-2028	385,000	117,763	502,763
2029-2033	<u>460,000</u>	<u>44,331</u>	<u>504,331</u>
<u>Total</u>	<u>\$1,185,000</u>	<u>\$334,332</u>	<u>\$1,519,332</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.

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

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(CONTINUED)

6. Long-Term Debt: (Continued)

\$4,322,000 Sewer System Revenue Bonds dated July 21, 2016, due in monthly installments of \$16,158 including interest of 2¾%.

Following is a summary of the transactions of this bond issue for the fiscal year ended September 30, 2018:

<u>Balance October 1, 2017</u>	<u>Proceeds</u>	<u>Principal Repayment</u>	<u>Balance September 30, 2018</u>
<u>\$4,201,268</u>	<u>\$ ----</u>	<u>\$79,363</u>	<u>\$4,121,905</u>

The maturity analysis to amortize this issue as of September 30, 2018 follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 80,896	\$ 113,000	\$ 193,896
2020	82,944	110,952	193,896
2021	84,958	108,938	193,896
2022	87,028	106,868	193,896
2023	89,150	104,746	193,896
2024-2028	494,768	474,712	969,480
2029-2033	557,916	411,564	969,480
2034-2038	629,665	339,815	969,480
2039-2043	711,757	257,723	969,480
2044-2048	805,447	164,033	969,480
2049-2050	<u>497,380</u>	<u>6,839</u>	<u>504,219</u>
<u>Totals</u>	<u>\$4,121,909</u>	<u>\$2,199,190</u>	<u>\$6,321,099</u>

There are a number of limitations and restrictions contained in this revenue bond issue. The City is in compliance with all significant limitations and restrictions.

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.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(CONTINUED)

8. Litigation:

As of September 30, 2018, there were no lawsuits pending or claims outstanding against the City that would have a material effect on the financial statements.

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 City'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, 2018
(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:

Inspection and Zoning	<u>\$ 304</u>
Street Department	<u>\$ 20,236</u>
Swimming Pool	<u>\$ 9,256</u>
Cemetery	<u>\$ 2,155</u>
Capital Outlay	<u>\$144,936</u>

13. Construction Commitments:

As of September 30, 2018, the City has no ongoing significant construction commitments.

14. Prior Period Adjustment:

During the current year, we discovered an error that occurred during completion of fiscal year September 30, 2017 financial statements. The valuation of September 30, 2017 capital improvement sales tax fund balance was overstated by \$9,564.

The correct amount of fund balance at the beginning of the current year for the capital improvement sales tax fund was \$408,531.

15. Contract with People Service, Inc. to Provide Management and Oversight for the Water Plant, Waste Water Plant, Water Distribution and Sewer Collection Processes:

On June 21, 2018, the City entered into an agreement with People Service, Inc. whereby the City will outsource the management responsibility of the Water and Sewer Departments to a company that specializes in this service.

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2018

	<u>Library Fund</u>	<u>Rural Fire Association Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>Park Sales Tax Fund</u>	<u>Industrial Development Fund</u>	<u>Totals</u>
<u>Assets:</u>						
Cash	\$156,928	\$335,970	\$84,343	\$466,939	\$ 179,985	\$1,224,165
Receivables:						
Notes	----	----	----	----	842,685	842,685
Taxes	178	----	13,330	13,326	----	26,834
<u>Total Assets</u>	<u>\$157,106</u>	<u>\$335,970</u>	<u>\$97,673</u>	<u>\$480,265</u>	<u>\$1,022,670</u>	<u>\$2,093,684</u>
<u>Liabilities and Fund Equity:</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 228	\$ 283	\$ ----	\$ ----	\$ ----	\$ 511
Due to Gas Fund	----	----	----	----	644,000	644,000
<u>Total Liabilities</u>	<u>\$ 228</u>	<u>\$ 283</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 644,000</u>	<u>\$ 644,511</u>
<u>Fund Equity:</u>						
Nonspendable	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Restricted	----	----	----	----	----	----
Assigned	----	----	----	----	----	----
Unassigned	156,878	335,687	97,673	480,265	378,670	1,449,173
<u>Total Fund Equity</u>	<u>\$156,878</u>	<u>\$335,687</u>	<u>\$97,673</u>	<u>\$480,265</u>	<u>\$ 378,670</u>	<u>\$1,449,173</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$157,106</u>	<u>\$335,970</u>	<u>\$97,673</u>	<u>\$480,265</u>	<u>\$1,022,670</u>	<u>\$2,093,684</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, 2018

	<u>Library Fund</u>	<u>Rural Fire Association Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>Park Sales Tax Fund</u>	<u>Industrial Development Fund</u>	<u>Totals</u>
<u>Revenues:</u>						
Taxes	\$57,151	\$ ----	\$ 242,408	\$ 192,803	\$ ----	\$ 492,362
Licenses and permits	----	99,688	----	----	----	99,688
Intergovernmental revenue	2,406	----	32,716	----	----	35,122
Charges for services	----	----	----	----	----	----
Fines and forfeits	214	----	----	----	----	214
Interest income	1,711	3,454	3,001	3,841	36,327	48,394
Miscellaneous revenues	477	2,000	----	3,092	55,051	60,620
<u>Total Revenues</u>	<u>\$62,019</u>	<u>\$105,142</u>	<u>\$ 278,125</u>	<u>\$ 199,736</u>	<u>\$91,378</u>	<u>\$ 736,400</u>
<u>Expenditures:</u>						
<u>Current:</u>						
Public safety	\$ ----	\$ 8,366	\$ ----	\$ ----	\$ ----	\$ 8,366
Street improvements	----	----	325,492	----	----	325,492
Culture and recreation	60,009	----	----	----	----	60,009
Industrial Development	----	----	----	----	58,849	58,849
Capital outlay	----	20,248	263,491	10,925	----	294,664
<u>Total Expenditures</u>	<u>\$60,009</u>	<u>\$ 28,614</u>	<u>\$ 588,983</u>	<u>\$ 10,925</u>	<u>\$58,849</u>	<u>\$ 747,380</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 2,010</u>	<u>\$ 76,528</u>	<u>\$ (310,858)</u>	<u>\$ 188,811</u>	<u>\$32,529</u>	<u>\$ (10,980)</u>
<u>Other Financing Sources (Uses):</u>						
Operating transfers in	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Operating transfers out	----	----	----	(104,160)	----	(104,160)
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ (104,160)</u>	<u>\$ ----</u>	<u>\$ (104,160)</u>

CITY OF MONROE CITY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2018

(CONTINUED)

	<u>Library Fund</u>	<u>Rural Fire Association Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>Park Sales Tax Fund</u>	<u>Industrial Development Fund</u>	<u>Totals</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	\$ 2,010	\$ 76,528	\$(310,858)	\$ 84,651	\$ 32,529	\$ (115,140)
<u>Fund Balances, October 1</u>	<u>154,868</u>	<u>259,159</u>	<u>408,531</u>	<u>395,614</u>	<u>346,141</u>	<u>1,564,313</u>
<u>Fund Balances, September 30</u>	<u>\$156,878</u>	<u>\$335,687</u>	<u>\$ 97,673</u>	<u>\$480,265</u>	<u>\$378,670</u>	<u>\$1,449,173</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, 2018

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Administration:</u>			
Professional services	\$ 398	\$ 199	\$ 199
Insurance	45,011	20,045	15,153
Franchise tax	132,240	15,840	8,856
Assessments and memberships	1,636	1,239	55
Administrative fee	490,186	122,552	30,433
Bad debts, net	13,145	1,806	2,342
Miscellaneous	63	----	----
<u>Total Administration</u>	<u>\$ 682,679</u>	<u>\$161,681</u>	<u>\$ 57,038</u>
<u>Production/Sewer Treatment:</u>			
Payroll	\$ ----	\$ 89,838	\$ 36,712
Payroll taxes	----	7,290	2,889
Employee benefits	----	7,770	10,720
Contract payment	----	13,254	13,254
Uniforms	----	441	409
Office expense	----	843	872
Fuel	----	990	141
Supplies and maintenance	1,617	32,486	28,174
Chemicals/testing and reports	----	77,319	4,856
Telephone	----	3,035	1,603
Transportation and training	----	2,682	2,607
Utilities	6,359	46,089	85,595
Safety and compliance	----	2,347	10,722
Miscellaneous	----	----	----
<u>Total Production/Sewer Treatment</u>	<u>\$ 7,976</u>	<u>\$284,384</u>	<u>\$198,554</u>
<u>Utility Purchase/Interconnect:</u>			
Power purchases	\$3,389,537	\$ ----	\$ ----
Natural gas purchases	----	----	----
Sanitation contract	----	----	----
<u>Total Utility Purchase/Interconnect</u>	<u>\$3,389,537</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>
\$ 398	\$ ----	\$ 1,194
11,555	----	91,764
38,304	----	195,240
818	----	3,748
115,802	----	858,973
2,607	582	20,482
----	----	63
<u>\$169,484</u>	<u>\$ 582</u>	<u>\$1,071,464</u>
\$ ----	\$ ----	\$ 126,550
----	----	10,179
----	----	18,490
----	----	26,508
----	----	850
----	----	1,715
----	----	1,131
----	----	62,277
----	----	82,175
----	----	4,638
----	----	5,289
----	----	138,043
----	----	13,069
----	----	----
<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 490,914</u>
\$ ----	\$ ----	\$3,389,537
804,606	----	804,606
----	99,918	99,918
<u>\$804,606</u>	<u>\$99,918</u>	<u>\$4,294,061</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF OPERATING EXPENSES
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(CONTINUED)

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Distribution/Collection:</u>			
Payroll	\$150,297	\$ 47,856	\$ 47,104
Payroll taxes	11,363	3,626	3,538
Employee benefits	36,598	10,249	10,305
Contract payment	----	13,254	13,254
Uniforms	3,093	1,150	1,150
Office expense	171	415	413
Fuel	6,708	1,837	1,837
Supplies and maintenance	23,044	6,181	7,726
Distribution/collection materials	16,471	21,550	6,054
Telephone	1,949	1,379	1,256
Utilities	2,341	2,087	2,087
Travel and training	6,392	580	----
Safety and compliance	9,107	890	211
Railroad easement	3,156	----	----
Engineering fees	----	14,280	----
Miscellaneous	----	101	101
<u>Total Distribution/Collection</u>	<u>\$270,690</u>	<u>\$125,435</u>	<u>\$ 95,036</u>
<u>Depreciation:</u>			
Administration	\$ 481	\$ 95	\$ ----
Production/treatment	139,075	73,168	31,045
Interconnect	----	----	----
Distribution/collection	56,426	95,532	143,469
<u>Total Depreciation</u>	<u>\$195,982</u>	<u>\$168,795</u>	<u>\$174,514</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>
\$ 55,214	\$ ----	\$300,471
3,761	----	22,288
16,267	----	73,419
----	----	26,508
1,150	----	6,543
434	----	1,433
2,245	----	12,627
7,578	----	44,529
21,436	----	65,511
1,415	----	5,999
2,087	----	8,602
2,854	----	9,826
1,197	----	11,405
----	----	3,156
----	----	14,280
101	----	303
<u>\$115,739</u>	<u>\$ ----</u>	<u>\$606,900</u>
\$ 380	\$ ----	\$ 956
----	----	243,288
----	----	----
38,513	----	333,940
<u>\$ 38,893</u>	<u>\$ ----</u>	<u>\$578,184</u>

REQUIRED SUPPLEMENTARY INFORMATION

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, 2018

	<u>Budget - Original and Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>			
<u>Taxes:</u>			
Property taxes	\$201,500	\$212,015	\$ 10,515
Railroad and utility	6,500	6,510	10
Surtax	3,360	8,783	5,423
Financial institution	15	971	956
Sales tax	373,727	368,820	(4,907)
Use tax	46,000	45,555	(445)
Motor vehicle taxes	97,100	102,308	5,208
Cigarette tax	16,086	14,707	(1,379)
Telephone franchise tax	23,200	16,420	(6,780)
Cable TV franchise tax	22,104	25,375	3,271
Municipal utilities franchise tax	195,230	195,240	10
<u>Total Taxes</u>	<u>\$984,822</u>	<u>\$996,704</u>	<u>\$ 11,882</u>
<u>Licenses and Permits:</u>			
Liquor licenses	\$ 2,800	\$ 2,750	\$ (50)
Business licenses	5,600	5,200	(400)
Building permits	2,200	1,453	(747)
Animal licenses	265	290	25
Street excavation permits	500	2,650	2,150
Planning and zoning fees	550	690	140
<u>Total Licenses and Permits</u>	<u>\$ 11,915</u>	<u>\$ 13,033</u>	<u>\$ 1,118</u>
<u>Intergovernmental Revenue:</u>			
Grant income	<u>\$ 10,000</u>	<u>\$376,244</u>	<u>\$366,244</u>
<u>Charges for Services:</u>			
Swimming pool/Route J	\$ 22,365	\$ 19,722	\$ (2,643)
Fire calls	3,000	4,250	1,250
Animal control and shelter fees	350	85	(265)
<u>Total Charges for Services</u>	<u>\$ 25,715</u>	<u>\$ 24,057</u>	<u>\$ (1,658)</u>
<u>Fines and Forfeits:</u>			
Fines and court costs	<u>\$ 55,125</u>	<u>\$ 38,114</u>	<u>\$ (17,011)</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, 2018

(CONTINUED)

	<u>Budget - Original and Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Miscellaneous Revenues:</u>			
Interest	\$ 1,610	\$ 442	\$ (1,168)
Administrative fee income	758,956	758,974	18
Agent fees	42,768	45,334	2,566
Airport retail sales	38,288	45,184	6,896
Rent income - hangar	1,700	1,700	----
Sale of graves	3,000	2,800	(200)
Return check charges	100	----	(100)
Contributions	30,848	----	(30,848)
Sale of capital assets	35,000	23,030	(11,970)
Other	3,300	10,547	7,247
<u>Total Miscellaneous Revenues</u>	<u>\$ 915,570</u>	<u>\$ 888,011</u>	<u>\$ (27,559)</u>
 <u>Total Revenues</u>	 <u>\$2,003,147</u>	 <u>\$2,336,163</u>	 <u>\$333,016</u>
 <u>Expenditures:</u>			
<u>City Administration:</u>			
Payroll	\$ 234,490	\$ 195,795	\$ 38,695
Payroll taxes	17,938	14,078	3,860
Employee benefits	47,472	43,489	3,983
Office expense	35,000	24,090	10,910
Advertising	5,000	9,114	(4,114)
Fuel	200	30	170
Supplies and maintenance	12,200	13,371	(1,171)
Safety and compliance	800	1,310	(510)
Professional services	33,000	24,030	8,970
Telephone	5,700	5,122	578
Travel and training	2,000	4,183	(2,183)
Insurance	13,750	15,387	(1,637)
Utilities - City Hall	5,000	8,085	(3,085)
Election expense	2,500	3,016	(516)
Assessments and memberships	2,000	1,833	167
Donations	10,715	8,519	2,196
Meals and mileage	50	47	3
Miscellaneous	850	118	732
<u>Total City Administration</u>	<u>\$ 428,665</u>	<u>\$ 371,617</u>	<u>\$ 57,048</u>

CITY OF MONROE CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

(CONTINUED)

	<u>Budget - Original and Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Public Safety:</u>			
<u>Municipal Court:</u>			
Payroll and related	\$ 22,876	\$ 1,043	\$21,833
Office expense	500	3,525	(3,025)
Incarceration fees	200	113	87
Professional services	16,000	12,400	3,600
Travel and training	<u>1,000</u>	<u>----</u>	<u>1,000</u>
<u>Total Municipal Court</u>	<u>\$ 40,576</u>	<u>\$ 17,081</u>	<u>\$23,495</u>
<u>Police Department:</u>			
Payroll	\$346,788	\$340,948	\$ 5,840
Payroll taxes	26,529	25,834	695
Employee benefits	89,303	43,921	45,382
Employee clothing allowance	5,000	5,167	(167)
Office expense	11,000	11,658	(658)
Fuel	12,000	19,686	(7,686)
Supplies and maintenance	21,000	14,794	6,206
Safety and compliance	1,500	1,117	383
Drug enforcement	11,500	10,673	827
Telephone	7,700	8,140	(440)
Insurance	27,000	25,999	1,001
Utilities	7,000	9,069	(2,069)
Travel and training	5,000	4,966	34
Assessments and memberships	200	200	----
Miscellaneous	1,550	----	1,550
Dispatching fees	<u>68,680</u>	<u>57,233</u>	<u>11,447</u>
<u>Total Police Department</u>	<u>\$641,750</u>	<u>\$579,405</u>	<u>\$62,345</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, 2018

(CONTINUED)

	<u>Budget - Original and Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Fire Department:</u>			
Payroll	\$ 58,260	\$ 56,913	\$ 1,347
Payroll taxes	4,457	4,344	113
Clothing allowance	600	63	537
Contract labor	3,600	3,600	----
Office expense	1,000	331	669
Fuel	5,500	5,754	(254)
Fire prevention/investigation	2,500	----	2,500
Supplies and maintenance	46,000	19,288	26,712
Recruitment and retention	1,100	----	1,100
Emergency preparedness	3,000	----	3,000
Telephone	3,300	3,330	(30)
Travel and training	6,000	1,451	4,549
Insurance	28,000	23,935	4,065
Utilities	9,000	10,966	(1,966)
Public relations	5,200	9,136	(3,936)
Assessments and memberships	1,000	----	1,000
Miscellaneous	800	424	376
<u>Total Fire Department</u>	<u>\$179,317</u>	<u>\$139,535</u>	<u>\$ 39,782</u>
 <u>Total Public Safety</u>	 <u>\$861,643</u>	 <u>\$736,021</u>	 <u>\$125,622</u>
 <u>Humane Officer:</u>			
Payroll	\$ 2,260	\$ 2,260	\$ ----
Payroll taxes	175	167	8
Supplies and maintenance	800	455	345
Telephone	----	----	----
Insurance	250	78	172
Utilities	600	670	(70)
Animal transfers	250	----	250
Miscellaneous	----	----	----
<u>Total Humane Officer</u>	<u>\$ 4,335</u>	<u>\$ 3,630</u>	<u>\$ 705</u>
 <u>Inspection and Zoning</u>			
<u>Department:</u>			
Payroll	\$ 5,700	\$ 4,914	\$ 786
Payroll taxes	437	404	33
Office expense	154	558	(404)
Advertising	180	586	(406)
Travel and training	500	813	(313)
<u>Total Inspection and Zoning</u>			
<u>Department</u>	<u>\$ 6,971</u>	<u>\$ 7,275</u>	<u>\$ (304)</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, 2018

(CONTINUED)

	<u>Budget - Original and Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Park Maintenance:</u>			
Payroll	\$ 8,618	\$ 3,632	\$ 4,986
Payroll taxes	660	278	382
Employee benefits	2,668	1,270	1,398
Contract payments	30,000	31,927	(1,927)
Supplies and maintenance	5,550	7,122	(1,572)
Insurance	2,400	2,520	(120)
Utilities	15,000	14,700	300
Mosswood Golf Course expenses	35,000	37,410	(2,410)
Park Board expenses	6,000	843	5,157
<u>Total Park Maintenance</u>	<u>\$105,896</u>	<u>\$ 99,702</u>	<u>\$ 6,194</u>
<u>Street Department:</u>			
Payroll	\$151,717	\$157,720	\$ (6,003)
Payroll taxes	11,614	11,589	25
Employee benefits	37,875	41,410	(3,535)
Office expense	300	----	300
Uniforms	1,080	733	347
Fuel	18,000	22,415	(4,415)
Supplies and maintenance	17,950	30,533	(12,583)
Safety and compliance	2,600	3,621	(1,021)
Street maintenance materials	30,000	27,205	2,795
Winter mix supplies	5,000	4,295	705
Telephone	1,500	1,558	(58)
Travel and training	1,000	----	1,000
Insurance	23,000	21,987	1,013
Utilities	6,500	5,804	696
Miscellaneous	400	(98)	498
<u>Total Street Department</u>	<u>\$308,536</u>	<u>\$328,772</u>	<u>\$(20,236)</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, 2018

(CONTINUED)

	<u>Budget - Original and Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Swimming Pool:</u>			
Payroll	\$33,000	\$36,648	\$ (3,648)
Payroll taxes	2,448	2,804	(356)
Office expense	100	---	100
Supplies and maintenance	11,500	11,419	81
Safety and compliance	1,000	974	26
Telephone	325	483	(158)
Utilities	6,000	11,468	(5,468)
Insurance	6,600	5,878	722
Travel and training	1,800	2,555	(755)
Miscellaneous	<u>200</u>	<u>---</u>	<u>200</u>
<u>Total Swimming Pool</u>	<u>\$62,973</u>	<u>\$72,229</u>	<u>\$ (9,256)</u>
 <u>Airport:</u>			
Contract payments	\$ 4,300	\$ 4,100	\$ 200
Office expense	1,500	2,593	(1,093)
Supplies and maintenance	3,200	1,385	1,815
Purchases for resale	38,000	11,348	26,652
Telephone	2,100	1,525	575
Insurance	2,700	2,656	44
Utilities	5,800	5,439	361
Miscellaneous	<u>---</u>	<u>---</u>	<u>---</u>
<u>Total Airport</u>	<u>\$57,600</u>	<u>\$29,046</u>	<u>\$28,554</u>
 <u>Cemetery:</u>			
Payroll	\$ 5,778	\$ 3,632	\$ 2,146
Payroll taxes	442	278	164
Employee benefits	1,817	876	941
Contract payments	26,000	29,897	(3,897)
Supplies and maintenance	500	2,211	(1,711)
Insurance	200	---	200
Utilities	500	498	2
Miscellaneous	<u>---</u>	<u>---</u>	<u>---</u>
<u>Total Cemetery</u>	<u>\$35,237</u>	<u>\$37,392</u>	<u>\$ (2,155)</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, 2018

(CONTINUED)

	<u>Budget - Original and Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Capital Outlay:</u>			
City administration	\$ 61,000	\$ 89,729	\$ (28,729)
Municipal court	----	----	----
Police Department	68,300	56,025	12,275
Fire Department	3,666	1,666	2,000
Humane Officer	----	----	----
Parks Department/Mosswood	10,000	10,000	----
Street Department	----	----	----
Airport	65,201	411,855	(346,654)
Cemetery	30,000	----	30,000
<u>Total Capital Outlay</u>	<u>\$ 238,167</u>	<u>\$ 569,275</u>	<u>\$(331,108)</u>
<u>Total Expenditures</u>	<u>\$2,110,023</u>	<u>\$2,254,959</u>	<u>\$(144,936)</u>
<u>Excess of Revenues Over (Under)</u>			
<u>Expenditures</u>	<u>\$ (106,876)</u>	<u>\$ 81,204</u>	<u>\$ 188,080</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ 300,000	\$ 300,000	\$ ----
Operating transfers out	(253,300)	(253,272)	28
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 46,700</u>	<u>\$ 46,728</u>	<u>\$ 28</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ (60,176)</u>	<u>\$ 127,932</u>	<u>\$ 188,108</u>
<u>Fund Balance, October 1</u>		<u>101,417</u>	
<u>Fund Balance, September 30</u>		<u>\$ 229,349</u>	

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

SUPPLEMENTARY INFORMATION

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Balance</u> <u>10-1-17</u>	<u>Additions</u>	<u>Sales/</u> <u>Retirements</u>	<u>Balance</u> <u>9-30-18</u>
<u>Function and Activity:</u>				
<u>General Government:</u>				
City administration	\$ 2,571,095	\$ 89,729	\$ ----	\$ 2,660,824
<u>Public Safety:</u>				
Police	\$ 608,270	\$ 56,025	\$ 56,958	\$ 607,337
Fire	2,515,379	21,914	----	2,537,293
Municipal Court	6,863	----	----	6,863
<u>Total Public Safety</u>	<u>\$ 3,130,512</u>	<u>\$ 77,939</u>	<u>\$ 56,958</u>	<u>\$ 3,151,493</u>
<u>Humane Officer</u>	<u>\$ 28,402</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 28,402</u>
<u>Street Department</u>	<u>\$ 1,142,902</u>	<u>\$263,491</u>	<u>\$ 84,850</u>	<u>\$ 1,321,543</u>
<u>Culture and Recreation:</u>				
Parks	\$ 983,657	\$ ----	\$ ----	\$ 983,657
Library	158,146	----	----	158,146
Mosswood Golf Course	386,298	10,000	----	396,298
Park sales tax	1,511,694	10,925	----	1,522,619
<u>Total Culture and Recreation</u>	<u>\$ 3,039,795</u>	<u>\$ 20,925</u>	<u>\$ ----</u>	<u>\$ 5,060,720</u>
<u>Airport</u>	<u>\$ 1,798,133</u>	<u>\$411,855</u>	<u>\$ ----</u>	<u>\$ 2,209,988</u>
<u>St. Jude's Cemetery</u>	<u>\$ 115,707</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 115,707</u>
<u>Industrial Park</u>	<u>\$ 200,534</u>	<u>\$ ----</u>	<u>\$ 22,000</u>	<u>\$ 178,534</u>
<u>Total General Capital Assets</u>	<u>\$12,027,080</u>	<u>\$863,939</u>	<u>\$163,808</u>	<u>\$12,727,211</u>

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

CITY OF MONROE CITY, MISSOURI
STATEMENT OF CHANGES IN CAPITAL ASSETS
FISCAL YEAR ENDED SEPTEMBER 30, 2018

	COST			
	BALANCE 9/30/2017	ADDITIONS	RETIREMENTS	BALANCE 9/30/2018
ELECTRIC DEPARTMENT				
Land	\$12,278	\$0	\$0	\$12,278
Production	\$6,077,688	\$0	\$0	\$6,077,688
Interconnect	\$248,188	\$0	\$0	\$248,188
Distribution	\$2,481,049	\$0	\$0	\$2,481,049
Office Equipment	\$44,163	\$0	\$0	\$44,163
TOTAL ELECTRIC DEPARTMENT	\$8,863,366	\$0	\$0	\$8,863,366
NATURAL GAS DEPARTMENT				
Land	\$14,695	\$0	\$0	\$14,695
Natural Gas System	\$1,528,654	\$23,503	\$0	\$1,552,157
Office Equipment	\$42,742	\$0	\$0	\$42,742
TOTAL NATURAL GAS DEPARTMENT	\$1,586,091	\$23,503	\$0	\$1,609,594
WATER DEPARTMENT				
Production System	\$2,900,919	\$0	\$0	\$2,900,919
Distribution System	\$3,674,120	\$38,282	\$0	\$3,712,402
Office Equipment	\$11,017	\$0	\$0	\$11,017
TOTAL WATER DEPARTMENT	\$6,586,056	\$38,282	\$0	\$6,624,338
SEWER DEPARTMENT				
Treatment System	\$1,373,388	\$6,535	\$0	\$1,379,923
Collection System	\$5,628,563	\$0	\$0	\$5,628,563
Office Equipment	\$1,426	\$0	\$0	\$1,426
TOTAL SEWER DEPARTMENT	\$7,003,377	\$6,535	\$0	\$7,009,912
TOTAL PROPRIETARY FUND TYPES	\$24,038,890	\$68,320	\$0	\$24,107,210

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

ACCUMULATED DEPRECIATION

BALANCE 9/30/2015	ADDITIONS	RETIREMENTS	BALANCE 9/30/2016
\$0	\$0	\$0	\$0
\$4,716,261	\$139,075	\$0	\$4,855,336
\$248,188	\$0	\$0	\$248,188
\$1,526,455	\$56,426	\$0	\$1,582,881
\$38,298	\$481	\$0	\$38,779
\$6,529,202	\$195,982	\$0	\$6,725,184
\$0	\$0	\$0	\$0
\$1,398,344	\$38,513	\$0	\$1,436,857
\$40,718	\$380	\$0	\$41,098
\$1,439,062	\$38,893	\$0	\$1,477,955
\$1,559,498	\$73,168	\$0	\$1,632,666
\$1,406,415	\$95,532	\$0	\$1,501,947
\$10,261	\$95	\$0	\$10,356
\$2,976,174	\$168,795	\$0	\$3,144,969
\$629,177	\$31,045	\$0	\$660,222
\$1,251,545	\$143,469	\$0	\$1,395,014
\$1,426	\$0	\$0	\$1,426
\$1,882,148	\$174,514	\$0	\$2,056,662
\$12,826,586	\$578,184	\$0	\$13,404,770

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
ELECTRIC DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gross KWHRS generated at plant	----	0.00%
KWHRS purchased	44,959,437	<u>100.00%</u>
Total KWHRS generated and purchased	44,959,437	<u>100.00%</u>
KWHRS distributed from plant	<u>42,158,290</u>	<u>93.77%</u>
Power plant loss	<u>2,801,147</u>	<u>6.23%</u>
KWHRS distributed from plant -		
KWHRS billed to customers	41,478,605	
KWHRS used by power plant and street lights	<u>679,685</u>	
Total KWHRS accounted for	<u>42,158,290</u>	
	<u>Total Cost</u>	<u>Cost per KWHR</u>
<u>Cost per KWHR Generated and Purchased:</u>		
<u>Cost per KWHR Purchased</u>	<u>\$3,389,537</u>	<u>\$0.07539</u>

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
ELECTRIC DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(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	1,098	\$1,638,048	12,745,426	\$ 0.1285
Commercial	258	1,475,334	11,429,250	0.1291
Industrial	<u>4</u>	<u>1,551,908</u>	<u>17,303,929</u>	<u>0.0897</u>
	<u>1,360</u>	<u>\$4,665,290</u>	<u>41,478,605</u>	<u>\$ 0.1125</u>
				<u>Average Annual Bill</u>
Residential				<u>\$ 1,492</u>
Commercial				<u>\$ 5,718</u>
Industrial				<u>\$387,977</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, 2018
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gallons of water pumped	93,512	100.00%
Gallons of water sold to customers	<u>79,331</u>	<u>84.84%</u>
Total gallons unaccounted for	<u>14,181</u>	<u>15.16%</u>

	<u>M Gallons Sold</u>	<u>Charge per 1,000 Gallons Sold</u>
<u>Customer Statistics:</u>		
Residential	41,425	\$ 8.96
Commercial	18,413	\$ 8.38
Industrial	7,217	\$ 9.28
Water Districts	<u>12,276</u>	<u>\$ 4.47</u>
	<u>79,331</u>	<u>\$ 8.15</u>

	<u>Average Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Average Annual Bill</u>
Residential	1,040	\$371,071	<u>\$ 357</u>
Commercial	165	154,265	<u>\$ 935</u>
Industrial	4	66,991	<u>\$ 16,748</u>
Water districts	<u>2</u>	<u>54,837</u>	<u>\$ 27,419</u>
	<u>1,211</u>	<u>\$647,164</u>	

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
SEWER DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)

	<u>Average Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Gallons Billed (1,000's)</u>	<u>Charges per 1,000 Gallons Billed</u>
<u>Customer Statistics:</u>				
Residential	1,027	\$365,705	40,420	\$ 9.048
Commercial	147	131,889	15,491	8.514
Industrial	<u>4</u>	<u>58,297</u>	<u>7,355</u>	<u>7.926</u>
	<u>1,178</u>	<u>\$555,891</u>	<u>63,266</u>	<u>\$ 8.787</u>
				<u>Average Annual Bill</u>
Residential				<u>\$ 356</u>
Commercial				<u>\$ 897</u>
Industrial				<u>\$14,574</u>

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

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
NATURAL GAS DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)

			<u>Quantity</u>	<u>Percent</u>
<u>Purchase and Usage Statistics:</u>				
Total MCFS of gas transported by				
Panhandle Eastern			228,023	
Deduct Perry			<u>(27,305)</u>	
Total MCFS of gas available for				
Monroe City			<u>200,718</u>	<u>100.00%</u>
Total MCFS transported			200,718	100.00%
MCFS of gas sold to customers			<u>174,923</u>	<u>87.15%</u>
MCFS unaccounted or			<u>25,795</u>	<u>12.85%</u>
	<u>Average</u>	<u>Charges -</u>	<u>MCFS Sold</u>	<u>Charges per</u>
	<u>Number of</u>	<u>Unadjusted</u>		<u>MCF Sold</u>
	<u>Customers</u>			
<u>Customer Statistics:</u>				
Residential	952	\$ 542,452	70,710	\$ 7.672
Commercial	159	229,985	32,789	\$ 7.014
Industrial	<u>4</u>	<u>356,678</u>	<u>71,424</u>	<u>\$ 4.994</u>
	<u>1,115</u>	<u>\$1,129,115</u>	<u>174,923</u>	<u>\$ 6.455</u>
				<u>Average</u>
				<u>Annual Bill</u>
Residential				<u>\$ 570</u>
Commercial				<u>\$ 1,446</u>
Industrial				<u>\$ 89,170</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, 2018
(UNAUDITED)

Water Production Costs:

Payroll	\$89,838
Payroll tax	7,290
Employee benefits	7,770
Contract payment	13,254
Uniforms	441
Office expense	843
Fuel	990
Supplies and maintenance	32,486
Chemicals	77,319
Telephone	3,035
Transportation and training	2,682
Utilities	46,089
Safety and compliance	2,347
Miscellaneous	----

<u>Total Water Production</u>	\$284,384
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<u>Water Production Depreciation</u>	<u>73,168</u>
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<u>Total Allowable Costs</u>	<u>\$357,552</u>
------------------------------	------------------

<u>Total M Gallons of Water Metered - Fiscal Year Ended</u> <u>September 30, 2018</u>	<u>93,512</u>
--	---------------

<u>Total Allowable Cost per 1,000 Gallons of Metered Water</u>	\$ 3.824
--	----------

<u>Add-On Amount per Water Contract</u>	<u>.700</u>
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<u>Revised Price of Water Sold to Water Districts</u>	<u>\$ 4.524</u>
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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 2018

Assessed Valuation:

Monroe County	\$11,983,624
Marion County	5,325,393
Ralls County	<u>1,827,760</u>

<u>Total Assessed Valuation</u>	<u>\$19,136,777</u>
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Tax Rate per \$100 of Assessed Valuation:

General Fund	\$0.7262
Library Fund	<u>0.1928</u>

Total tax levy	<u>\$0.9190</u>
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Assessed valuations are made each year by the County Assessor on real and personal properties owned by the taxpayers.

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