

CITY OF MONROE CITY, MISSOURI

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2017

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, 2017
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LUCK, HUMPHREYS AND ASSOCIATES, C.P.A., P.C.

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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, 2017, 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, 2017, 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 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. The required information (budgetary comparison), 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 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 budgetary comparison and 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

December 27, 2017

CITY OF MONROE CITY, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2017

	Governmental Fund Types			Proprietary Fund Types	Account Groups			Totals
	General	Special Revenue	Debt Service		Enterprise	General	Long-Term	
						Capital Assets	Debt	
<u>Assets:</u>								
Cash	\$136,026	\$1,329,591	\$ ----	\$ 1,566,527	\$ ----	\$ ----	\$	\$ 3,032,144
Receivables	37,295	943,405	----	696,243	----	----		1,676,943
Due from other funds	----	----	----	644,000	----	----		644,000
Inventory of supplies, at cost	7,240	----	----	304,599	----	----		311,839
Restricted assets:								
Cash	49,120	----	----	85,580	----	----		134,700
Capital assets	----	----	----	11,212,304	12,027,080	----		23,239,384
Amount to be provided for retirement of long-term debt	----	----	----	----	----	1,325,250		1,325,250
<u>Total Assets</u>	<u>\$229,681</u>	<u>\$2,272,996</u>	<u>\$ ----</u>	<u>\$14,509,253</u>	<u>\$12,027,080</u>	<u>\$1,325,250</u>		<u>\$30,364,260</u>
<u>Liabilities:</u>								
Accounts payable	\$ 50,597	\$ 55,119	\$ ----	\$ 365,637	\$ ----	\$ ----	\$	\$ 471,353
Accrued payroll	27,583	----	----	14,232	----	----		41,815
Accrued compensated absences	50,084	----	----	24,067	----	----		74,151
Due to other funds	----	644,000	----	----	----	----		644,000
Customer deposits	----	----	----	37,100	----	----		37,100
Accrued interest	----	----	15,156	3,373	----	----		18,529
USDA - Revenue Bond	----	----	----	4,201,272	----	----		4,201,272
Certificates of participation	----	----	----	174,750	----	1,325,250		1,500,000
<u>Total Liabilities</u>	<u>\$128,264</u>	<u>\$ 699,119</u>	<u>\$15,156</u>	<u>\$ 4,820,431</u>	<u>\$ ----</u>	<u>\$1,325,250</u>		<u>\$ 6,988,220</u>

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

SEPTEMBER 30, 2017

(CONTINUED)

	Governmental Fund Types			Proprietary Fund Types		Account Groups		
	General	Special Revenue	Debt Service	Enterprise		General Capital Assets	Long-Term Debt	Totals
<u>Fund Equity:</u>								
Investment in general capital assets	\$ ---	\$ ---	\$ ---	\$ ---		\$12,027,080	\$ ---	\$12,027,080
Net position	---	---	---	9,688,822		---	---	9,688,822
Fund balances:								
Nonspendable	7,240	---	---	---		---	---	7,240
Restricted	49,120	---	---	---		---	---	49,120
Committed	---	---	---	---		---	---	---
Assigned	---	1,573,877	(15,156)	---		---	---	1,558,721
Unassigned	45,057	---	---	---		---	---	45,057
<u>Total Fund Equity</u>	<u>\$101,417</u>	<u>\$1,573,877</u>	<u>\$(15,156)</u>	<u>\$ 9,688,822</u>		<u>\$12,027,080</u>	<u>\$ ---</u>	<u>\$23,376,040</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$229,681</u>	<u>\$2,272,996</u>	<u>\$ ---</u>	<u>\$14,509,253</u>		<u>\$12,027,080</u>	<u>\$1,325,250</u>	<u>\$30,364,260</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, 2017

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals</u>
<u>Revenues:</u>				
Taxes	\$ 965,845	\$ 419,822	\$ ----	\$1,385,667
Licenses and permits	12,407	----	----	12,407
Intergovernmental revenue	12,564	1,708	----	14,272
Charges for services	27,753	----	----	27,753
Fines and forfeits	53,347	267	----	53,614
Miscellaneous revenues	993,177	164,653	----	1,157,830
<u>Total Revenues</u>	<u>\$2,065,093</u>	<u>\$ 586,450</u>	<u>\$ ----</u>	<u>\$2,651,543</u>
<u>Expenditures:</u>				
Current:				
City administration	\$ 388,794	\$ ----	\$ ----	\$ 388,794
Public safety	742,855	8,501	----	751,356
Humane officer	3,743	----	----	3,743
Inspection and zoning	4,815	----	----	4,815
Street Department	297,965	557	----	298,522
Culture and recreation	165,472	55,115	----	220,577
Industrial Development	----	66,206	----	66,206
Airport	55,452	----	----	55,452
Cemetery	27,847	----	----	27,847
Capital outlay	398,166	322,348	----	720,514
Debt service	----	----	230,450	230,450
<u>Total Expenditures</u>	<u>\$2,085,099</u>	<u>\$ 452,727</u>	<u>\$ 230,450</u>	<u>\$2,768,276</u>
<u>Excess of Revenues Over (Under)</u> <u>Expenditures</u>	<u>\$ (20,006)</u>	<u>\$ 133,723</u>	<u>\$(230,450)</u>	<u>\$ (116,733)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ 310,238	\$ ----	\$ 231,900	\$ 542,138
Operating transfers out	(387,245)	(135,495)	----	(522,740)
<u>Total Other Sources (Uses)</u>	<u>\$ (77,007)</u>	<u>\$ (135,495)</u>	<u>\$ 231,900</u>	<u>\$ 19,398</u>
<u>Excess of Revenues and Other Sources</u> <u>Over (Under) Expenditures and Other</u> <u>Uses</u>	<u>\$ (97,013)</u>	<u>\$ (1,772)</u>	<u>\$ 1,450</u>	<u>\$ (97,335)</u>
<u>Fund Balances, October 1</u>	<u>198,430</u>	<u>1,575,649</u>	<u>(16,606)</u>	<u>1,757,473</u>
<u>Fund Balances, September 30</u>	<u>\$ 101,417</u>	<u>\$1,573,877</u>	<u>\$ (15,156)</u>	<u>\$1,660,138</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, 2017

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Assets:</u>			
Cash	\$ 270,431	\$ 210,187	\$ 576,612
Receivables (net of allowance for uncollectibles):			
Accounts	492,757	57,513	52,164
Inventory of supplies, at cost	103,279	101,737	13,514
Due from Industrial Development Fund	----	----	----
<u>Total Current Assets</u>	<u>\$ 866,467</u>	<u>\$ 369,437</u>	<u>\$ 642,290</u>
Restricted assets:			
Cash	13,200	11,600	48,480
Capital assets (net of accumulated depreciation - Note 2)	<u>2,334,164</u>	<u>3,609,882</u>	<u>5,121,229</u>
<u>Total Assets</u>	<u>\$3,213,831</u>	<u>\$3,990,919</u>	<u>\$5,811,999</u>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 292,287	\$ 22,538	\$ 4,923
Accrued payroll	5,293	4,573	2,974
Accrued interest	310	214	2,849
Current portion of:			
Revenue Bonds payable	----	----	80,896
Capitalized lease certificates of participation	<u>103,250</u>	<u>71,500</u>	<u>----</u>
<u>Total Current Liabilities</u>	<u>\$ 401,140</u>	<u>\$ 98,825</u>	<u>\$ 91,642</u>
<u>Noncurrent Liabilities:</u>			
Customer deposits	13,200	11,600	----
Accrued compensated absences	10,110	6,388	3,916
Revenue Bonds payable	----	----	4,120,376
Capitalized lease certificates of participation	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Liabilities</u>	<u>\$ 424,450</u>	<u>\$ 116,813</u>	<u>\$4,215,934</u>

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$ 495,964	\$13,333	\$ 1,566,527
85,350	8,459	696,243
86,069	----	304,599
<u>644,000</u>	<u>----</u>	<u>644,000</u>
\$1,311,383	\$21,792	\$ 3,211,369
12,300	----	85,580
<u>147,029</u>	<u>----</u>	<u>11,212,304</u>
<u>\$1,470,712</u>	<u>\$21,792</u>	<u>\$14,509,253</u>
\$ 37,934	\$ 7,955	\$ 365,637
1,392	----	14,232
----	----	3,373
----	----	80,896
<u>----</u>	<u>----</u>	<u>174,750</u>
\$ 39,326	\$ 7,955	\$ 638,888
12,300	----	37,100
3,653	----	24,067
----	----	4,120,376
<u>----</u>	<u>----</u>	<u>----</u>
<u>\$ 55,279</u>	<u>\$ 7,955</u>	<u>\$ 4,820,431</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF POSITION
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
(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	\$2,230,604	\$3,538,168	\$ 917,108
Restricted	----	----	48,480
Unrestricted	<u>558,777</u>	<u>335,938</u>	<u>630,477</u>
<u>Total Net Position</u>	<u>\$2,789,381</u>	<u>\$3,874,106</u>	<u>\$1,596,065</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>
\$ 147,029	\$ ----	\$6,832,909
----	----	48,480
<u>1,268,404</u>	<u>13,837</u>	<u>2,807,433</u>
<u>\$1,415,433</u>	<u>\$13,837</u>	<u>\$9,688,822</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, 2017

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Operating Revenues:</u>			
Charges for services	\$4,445,881	\$ 623,358	\$ 537,669
Other revenues	<u>6,096</u>	<u>780</u>	<u>189</u>
<u>Total Operating Revenues</u>	<u>\$4,451,977</u>	<u>\$ 624,138</u>	<u>\$ 537,858</u>
<u>Operating Expenses:</u>			
Administration	\$ 747,072	\$ 198,836	\$ 57,567
Utility production/treatment	5,139	253,094	182,584
Utility purchases/interconnect	3,460,865	----	----
Utility distribution/collection	243,512	136,020	71,228
Depreciation	<u>192,938</u>	<u>160,164</u>	<u>163,296</u>
<u>Total Operating Expenses</u>	<u>\$4,649,526</u>	<u>\$ 748,114</u>	<u>\$ 474,675</u>
<u>Operating Income (Loss)</u>	<u>\$ (197,549)</u>	<u>\$ (123,976)</u>	<u>\$ 63,183</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 2,618	\$ 932	\$ 6,813
Pole rental income	4,180	----	----
Interest expense and fiscal charges	(2,045)	(1,416)	(116,631)
Demolish old house	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 4,753</u>	<u>\$ (484)</u>	<u>\$ (109,818)</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ (192,796)</u>	<u>\$ (124,460)</u>	<u>\$ (46,635)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ 153,975	\$ 206,627	\$ ----
Operating transfers (out)	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 153,975</u>	<u>\$ 206,627</u>	<u>\$ ----</u>
<u>Net Income (Loss)</u>	<u>\$ (38,821)</u>	<u>\$ 82,167</u>	<u>\$ (46,635)</u>
<u>Impairment Loss</u>	<u>(70,305)</u>	<u>----</u>	<u>----</u>
<u>Net Position, October 1</u>	<u>2,898,507</u>	<u>3,791,939</u>	<u>1,642,700</u>
<u>Net Position, September 30</u>	<u>\$2,789,381</u>	<u>\$3,874,106</u>	<u>\$1,596,065</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>
\$ 964,293	\$101,737	\$ 6,672,938
<u>1,468</u>	<u>----</u>	<u>8,533</u>
<u>\$ 965,761</u>	<u>\$101,737</u>	<u>\$ 6,681,471</u>
\$ 175,987	\$ 742	\$ 1,180,204
<u>----</u>	<u>----</u>	<u>440,817</u>
713,269	96,429	4,270,563
114,007	<u>----</u>	564,767
<u>35,277</u>	<u>----</u>	<u>551,675</u>
<u>\$1,038,540</u>	<u>\$ 97,171</u>	<u>\$ 7,008,026</u>
<u>\$ (72,779)</u>	<u>\$ 4,566</u>	<u>\$ (326,555)</u>
\$ 7,791	\$ 164	\$ 18,318
<u>----</u>	<u>----</u>	<u>4,180</u>
<u>----</u>	<u>----</u>	<u>(120,092)</u>
<u>----</u>	<u>(7,337)</u>	<u>(7,337)</u>
<u>\$ 7,791</u>	<u>\$ (7,173)</u>	<u>\$ (104,931)</u>
<u>\$ (64,988)</u>	<u>\$ (2,607)</u>	<u>\$ (431,486)</u>
\$ ----	\$ ----	\$ 360,602
<u>(380,000)</u>	<u>----</u>	<u>(380,000)</u>
<u>\$ (380,000)</u>	<u>\$ ----</u>	<u>\$ (19,398)</u>
\$ (444,988)	\$ (2,607)	\$ (450,884)
<u>----</u>	<u>----</u>	<u>(70,305)</u>
<u>1,860,421</u>	<u>16,444</u>	<u>10,210,011</u>
<u>\$1,415,433</u>	<u>\$ 13,837</u>	<u>\$ 9,688,822</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Cash Flows from Operating Activities:</u>			
Cash receipts from customers	\$ 4,276,525	\$ 605,457	\$ 516,937
Cash payments to suppliers	(4,331,194)	(459,347)	(213,293)
Cash payments to employees	(141,482)	(126,261)	(98,025)
Cash payments for payroll taxes	<u>(10,349)</u>	<u>(9,454)</u>	<u>(7,199)</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ (206,500)</u>	<u>\$ 10,395</u>	<u>\$ 198,420</u>
<u>Cash Flow from Non-Capital Financing Activities:</u>			
Operating transfers	<u>\$ 153,975</u>	<u>\$ 206,627</u>	<u>\$ ----</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	\$ (23,632)	\$ (78,415)	\$(125,548)
Principal payments	(150,745)	(104,390)	(77,213)
Interest and loan fees paid	<u>(3,230)</u>	<u>(2,237)</u>	<u>(116,683)</u>
<u>Net Cash Provided (Used) for Capital and Related Activities</u>	<u>\$ (177,607)</u>	<u>\$(185,042)</u>	<u>\$(319,444)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest income received	\$ 2,618	\$ 932	\$ 6,813
Interfund loan	<u>----</u>	<u>----</u>	<u>----</u>
<u>Net Cash Provided (Used) from Investing Activities</u>	<u>\$ 2,618</u>	<u>\$ 932</u>	<u>\$ 6,813</u>
<u>Increase (Decrease) in Cash</u>	<u>\$ (227,514)</u>	<u>\$ 32,912</u>	<u>\$(114,211)</u>
<u>Cash, October 1, 2016</u>	<u>511,145</u>	<u>188,875</u>	<u>739,303</u>
<u>Cash, September 30, 2017</u>	<u>\$ 283,631</u>	<u>\$ 221,787</u>	<u>\$ 625,092</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>
\$ 916,760	\$ 102,196	\$ 6,417,875
(966,046)	(104,409)	(6,074,289)
(42,413)	----	(408,181)
<u>(3,076)</u>	<u>----</u>	<u>(30,078)</u>
<u>\$ (94,775)</u>	<u>\$ (2,213)</u>	<u>\$ (94,673)</u>
<u>\$(380,000)</u>	<u>\$ ----</u>	<u>\$ (19,398)</u>
\$ (33,372)	\$ ----	\$ (260,967)
----	----	(332,348)
<u>----</u>	<u>----</u>	<u>(122,150)</u>
<u>\$ (33,372)</u>	<u>\$ ----</u>	<u>\$ (715,465)</u>
\$ 7,791	\$ 164	\$ 18,318
<u>36,000</u>	<u>----</u>	<u>36,000</u>
<u>\$ 43,791</u>	<u>\$ 164</u>	<u>\$ 54,318</u>
\$(464,356)	\$ (2,049)	\$ (775,218)
<u>972,620</u>	<u>15,382</u>	<u>2,427,325</u>
<u>\$ 508,264</u>	<u>\$ 13,333</u>	<u>\$ 1,652,107</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
(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	\$ 270,431	\$ 210,187	\$576,612
Restricted Cash	<u>13,200</u>	<u>11,600</u>	<u>48,480</u>
	<u>\$ 283,631</u>	<u>\$ 221,787</u>	<u>\$625,092</u>
<u>Reconciliation of Operating Income to</u> <u>Net Cash Provided by Operating</u> <u>Activities:</u>			
Operating Income (Loss)	\$(197,549)	\$(123,976)	\$ 63,183
<u>Adjustments to Reconcile</u> <u>Operating Income (Loss) to</u> <u>Net Cash Provided by Operating</u> <u>Activities:</u>			
Depreciation	192,938	160,164	163,296
(Increase) decrease in accounts receivable	(175,452)	(18,681)	(20,921)
(Increase) decrease in supplies inventory	(3,452)	4,404	(722)
Increase (decrease) in accounts payable	(24,770)	(10,718)	(920)
Increase (decrease) in accrued payroll	213	(316)	(1,711)
Increase (decrease) in accrued compensated absences	592	18	(3,785)
Increase (decrease) in customer deposits	(3,200)	(500)	----
Pole rental	4,180	----	----
Demolish old house	<u>----</u>	<u>----</u>	<u>----</u>
<u>Net Cash Provided (Used) by Operating</u> <u>Activities</u>	<u>\$(206,500)</u>	<u>\$ 10,395</u>	<u>\$198,420</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>
\$495,964	\$13,333	\$1,566,527
<u>12,300</u>	<u>----</u>	<u>85,580</u>
<u>\$508,264</u>	<u>\$13,333</u>	<u>\$1,652,107</u>
\$ (72,779)	\$ 4,566	\$ (326,555)
35,277	----	551,675
(49,001)	459	(263,596)
(7,383)	----	(7,153)
(773)	99	(37,082)
(165)	----	(1,979)
549	----	(2,626)
(500)	----	(4,200)
----	----	4,180
<u>----</u>	<u>(7,337)</u>	<u>(7,337)</u>
<u>\$ (94,775)</u>	<u>\$ (2,213)</u>	<u>\$ (94,673)</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2017.

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, 2017
(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, 2017
(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 used or are expected to use current expendable financial resources.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017
(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, 2017
(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 be enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the City Council through approval of resolutions. Assigned fund balances is a limitation imposed by the City Council. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four categories.

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, 2017
(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 2016 for the purposes of local taxation was:

General Fund	\$0.7202
Library Fund	<u>0.1913</u>
	<u>\$0.9115</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017
(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, 2017.

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, 2017 totaled \$74,151 and was allocated to the following funds:

General	\$50,084
Electric	10,110
Water	6,388
Sewer	3,916
Gas	<u>3,653</u>
	<u>\$74,151</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 an interest bearing checking account in a local FDIC insured financial institution. The carrying amount of the City's deposits was \$3,165,131 and the bank balance was \$3,161,449. 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, 2017
(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, 2017
(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	\$ 1,133	\$ 301	\$ ---	\$ ---	\$ ---	\$ 1,434
Sales tax	25,450	---	12,708	12,708	---	50,866
Use tax	2,290	---	1,145	1,145	---	4,580
Motor fuel tax	8,422	---	---	---	---	8,422
Notes receivable:						
Lakeside						
Casting LLC	---	---	---	---	915,398	915,398
Allowance for uncollectible accounts	---	---	---	---	---	---
<u>Total</u>	<u>\$37,295</u>	<u>\$ 301</u>	<u>\$13,853</u>	<u>\$13,853</u>	<u>\$915,398</u>	<u>\$980,700</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	\$529,531	\$61,341	\$55,816	\$90,068	\$9,341	\$746,097
Allowance for uncollectible accounts	(36,774)	(3,828)	(3,652)	(4,718)	(882)	(49,854)
<u>Total</u>	<u>\$492,757</u>	<u>\$57,513</u>	<u>\$52,164</u>	<u>\$85,350</u>	<u>\$8,459</u>	<u>\$696,243</u>

5. Capital Assets:

A summary of changes in general capital assets follows:

	<u>Balance 10-1-16</u>	<u>Additions</u>	<u>Retirements/ Trade-Ins</u>	<u>Balance 9-30-17</u>
Total General Capital Assets	<u>\$11,310,816</u>	<u>\$720,514</u>	<u>\$4,250</u>	<u>\$12,027,080</u>

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017
(CONTINUED)

5. Capital Assets: (Continued)

A summary of changes in enterprise fund capital assets follows:

	Balance 10-1-16	Additions	Retirements/ Trade-Ins	Balance 9-30-17
Electric system	\$ 8,839,734	\$ 23,632	\$ ----	\$ 8,863,366
Water system	6,507,641	78,415	----	6,586,056
Sewerage system	6,877,829	125,548	----	7,003,377
Natural gas system	<u>1,552,719</u>	<u>33,372</u>	<u>----</u>	<u>1,586,091</u>
	\$ 23,777,923	\$ 260,967	\$ ----	\$ 24,038,890
Less: Accumulated depreciation	<u>(12,274,911)</u>	<u>(551,675)</u>	<u>----</u>	<u>(12,826,586)</u>
Net capital assets	<u>\$ 11,503,012</u>	<u>\$(290,708)</u>	<u>\$ ----</u>	<u>\$ 11,212,304</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, 2017:

	Balance 10-1-16	Additions	Principal Payments	Balance 9-30-17
Capitalized Lease with Commerce Bank	\$ 14,044	\$ ----	\$ 14,044	\$ ----
Lease Refunding and Improvements				
Certificates of Participation, Series 2012	1,930,000	----	430,000	1,500,000
Sewer System Revenue Bonds Dated				
July 21, 2016	<u>4,278,485</u>	<u>----</u>	<u>77,213</u>	<u>4,201,272</u>
<u>Totals</u>	<u>\$6,222,529</u>	<u>\$ ----</u>	<u>\$521,257</u>	<u>\$5,701,272</u>

Long-term debt at September 30, 2017 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, 2017
(CONTINUED)

6. Long-Term Debt: (Continued)

Long-Term Debt Account Group -	
General Fund	\$ 75,250
Park Sales Tax Fund	1,250,000
Electric Fund	103,250
Water Fund	<u>71,500</u>
<u>Total</u>	<u>\$1,500,000</u>

The maturity analysis to amortize this issue as of September 30, 2017 follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2022-2026	365,000	141,513	506,513
2027-2031	425,000	76,500	501,500
2032-2033	<u>195,000</u>	<u>7,406</u>	<u>202,406</u>
<u>Total</u>	<u>\$1,500,000</u>	<u>\$375,614</u>	<u>\$1,875,614</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, 2017
(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, 2017:

<u>Balance October 1, 2016</u>	<u>Proceeds</u>	<u>Principal Repayment</u>	<u>Balance September 30, 2017</u>
<u>\$4,278,481</u>	<u>\$ ----</u>	<u>\$77,213</u>	<u>\$4,201,268</u>

The maturity analysis to amortize this issue as of September 30, 2017 follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 80,896	\$ 113,000	\$ 193,896
2019	82,944	110,952	193,896
2020	84,958	108,938	193,896
2021	87,028	106,868	193,896
2022	89,150	104,746	193,896
2023-2027	479,768	489,712	969,480
2028-2032	542,416	427,064	969,480
2033-2037	614,165	355,315	969,480
2038-2042	696,337	273,143	969,480
2043-2047	790,447	179,033	969,480
2048-2050	<u>653,159</u>	<u>7,633</u>	<u>660,792</u>
<u>Totals</u>	<u>\$4,201,268</u>	<u>\$2,276,404</u>	<u>\$6,477,672</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, 2017
(CONTINUED)

8. Litigation:

As of September 30, 2017, 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 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, 2017
(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:

Police Department	<u>\$ 276</u>
Fire Department	<u>\$12,913</u>
Inspection and Zoning	<u>\$ 64</u>
Airport	<u>\$18,437</u>
Capital Outlay	<u>\$ 4,646</u>

13. Construction Commitments:

As of September 30, 2017, the City has the following construction commitments:

Airport Improvements

<u>Engineer</u>	<u>\$ 55,015</u>
<u>Contractor</u>	<u>\$382,030</u>

This project was completed in December, 2017. The City received a grant from the Missouri Department of Transportation for \$417,942 to pay for this project.

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017
(CONTINUED)

13. Construction Commitments: (Continued)

Main Street Project
Sidewalk Upgrade/Replacement

Engineer \$ 49,709

Contractor \$ 418,139

Sewer Plant Evaluation

Engineer \$ 26,000

14. Prior Period Adjustment:

During the current year, we discovered an error that occurred during completion of fiscal year September 30, 2016 financial statements. The valuation of September 30, 2016 utility department accumulated depreciation was incorrect due to a miscalculation of depreciation.

This miscalculation resulted in the following (overstatement) understatement of accumulated depreciation and net position balance:

Electric Department \$ (3,576)

Water Department \$ 34,309

Natural Gas Department \$ 72,862

The correct amount of net position at the beginning of the current year is:

Electric Department \$2,898,507

Water Department \$3,791,939

Natural Gas Department \$1,860,421

CITY OF MONROE CITY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

(CONTINUED)

15. Impairment Loss:

The City recognized an impairment loss during the current fiscal year. The value of diesel fuel and lube oil for the electricity generating engines was reduced by \$70,305 due to lack of use.

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

CITY OF MONROE CITY, MISSOURI

COMBINING BALANCE SHEET

ALL SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2017

	<u>Library Fund</u>	<u>Fire Department Fund</u>	<u>Capital Improvement 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>Assets:</u>									
Cash	\$154,803	\$314,042	\$404,242	\$381,761	\$ 74,743	\$ ----	\$ ----	\$ ----	\$1,329,591
Receivables:									
Notes	----	----	----	----	915,398	----	----	----	915,398
Taxes	301	-----	13,853	13,853	-----	-----	-----	-----	28,007
Total Assets	<u>\$155,104</u>	<u>\$314,042</u>	<u>\$418,095</u>	<u>\$395,614</u>	<u>\$990,141</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$2,272,996</u>
<u>Liabilities and Fund Equity:</u>									
<u>Liabilities:</u>									
Accounts payable	\$ 236	\$ 54,883	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ 55,119
Due to Gas Fund	-----	-----	-----	-----	644,000	-----	-----	-----	644,000
Total Liabilities	<u>\$ 236</u>	<u>\$ 54,883</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$644,000</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 699,119</u>
<u>Fund Equity:</u>									
Nonspendable	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Restricted	-----	-----	-----	-----	-----	-----	-----	-----	-----
Assigned	154,868	259,159	418,095	395,614	346,141	-----	-----	-----	1,573,877
Unassigned	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Fund Equity	<u>\$154,868</u>	<u>\$259,159</u>	<u>\$418,095</u>	<u>\$395,614</u>	<u>\$346,141</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,573,877</u>
Total Liabilities and Fund Equity	<u>\$155,104</u>	<u>\$314,042</u>	<u>\$418,095</u>	<u>\$395,614</u>	<u>\$990,141</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$2,272,996</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, 2017

	<u>Library Fund</u>	<u>Fire Department Fund</u>	<u>Capital Improvement 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>Revenues:</u>									
Taxes	\$54,328	\$ ----	\$182,747	\$182,747	\$ ----	\$ ----	\$ ----	\$ ----	\$ 419,822
Licenses and permits	----	----	----	----	----	----	----	----	----
Intergovernmental revenue	1,708	----	----	----	----	----	----	----	1,708
Charges for services	----	----	----	----	----	----	----	----	----
Fines and forfeits	267	----	----	----	----	----	----	----	267
Miscellaneous revenues	2,810	108,662	3,239	3,146	46,791	----	5	----	164,653
<u>Total Revenues</u>	<u>\$59,113</u>	<u>\$108,662</u>	<u>\$185,986</u>	<u>\$185,893</u>	<u>\$46,791</u>	<u>\$ ----</u>	<u>\$ 5</u>	<u>\$ ----</u>	<u>\$ 586,450</u>
<u>Expenditures:</u>									
<u>Current:</u>									
Public safety	\$ ----	\$ 7,840	\$ ----	\$ ----	\$ ----	\$ ----	\$ 661	\$ ----	\$ 8,501
Street improvements	----	----	557	----	----	----	----	----	557
Culture and recreation	55,115	----	----	----	----	----	----	----	55,115
Industrial Development	----	----	----	----	66,206	----	----	----	66,206
Capital outlay	----	304,647	11,742	----	5,959	----	----	----	322,348
<u>Total Expenditures</u>	<u>\$55,115</u>	<u>\$312,487</u>	<u>\$12,299</u>	<u>\$ ----</u>	<u>\$72,165</u>	<u>\$ ----</u>	<u>\$ 661</u>	<u>\$ ----</u>	<u>\$ 452,727</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ 3,998</u>	<u>\$ (203,825)</u>	<u>\$173,687</u>	<u>\$185,893</u>	<u>\$ (25,374)</u>	<u>\$ ----</u>	<u>\$ (656)</u>	<u>\$ ----</u>	<u>\$ 133,723</u>
<u>Other Financing Sources (Uses):</u>									
Operating transfers in	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Operating transfers out	----	----	----	(105,275)	----	(389)	----	(29,849)	(135,495)
<u>Total Other Financing Sources (Uses)</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ (105,275)</u>	<u>\$ ----</u>	<u>\$ (389)</u>	<u>\$ ----</u>	<u>\$ (29,849)</u>	<u>\$ (135,495)</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017
(CONTINUED)

	Library Fund	Fire Department Fund	Capital Improvement 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>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	\$ 3,998	\$(203,825)	\$173,687	\$ 80,636	\$ (25,374)	\$ (389)	\$ (656)	\$ (1,772)	
<u>Fund Balances, October 1</u>	<u>150,870</u>	<u>462,984</u>	<u>244,408</u>	<u>314,978</u>	<u>371,515</u>	<u>389</u>	<u>656</u>	<u>29,849</u>	<u>1,575,649</u>
<u>Fund Balances, September 30</u>	<u>\$154,868</u>	<u>\$ 259,159</u>	<u>\$418,095</u>	<u>\$395,616</u>	<u>\$346,141</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,573,877</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, 2017

	<u>Electric</u> <u>Department</u>	<u>Water</u> <u>Department</u>	<u>Sewer</u> <u>Department</u>
<u>Administration:</u>			
Professional services	\$ 288	\$ 144	\$ 144
Insurance	44,375	18,039	11,242
Franchise tax	132,240	15,840	8,856
Assessments and memberships	----	35	----
Administrative fee	556,130	161,059	33,707
Bad debts, net	13,384	3,409	3,308
Miscellaneous	655	310	310
<u>Total Administration</u>	<u>\$ 747,072</u>	<u>\$198,836</u>	<u>\$ 57,567</u>
<u>Production/Sewer Treatment:</u>			
Payroll	\$ ----	\$ 83,313	\$ 52,530
Payroll taxes	----	6,379	4,124
Employee benefits	----	9,349	15,541
Uniforms	----	215	425
Office expense	----	1,128	1,416
Fuel	----	1,048	994
Supplies and maintenance	139	46,152	20,379
Chemicals/testing and reports	----	58,465	11,840
Telephone	----	3,685	1,947
Transportation and training	----	6,872	1,250
Utilities	5,000	35,278	71,393
Safety and compliance	----	1,203	745
Miscellaneous	----	7	----
<u>Total Production/Sewer Treatment</u>	<u>\$ 5,139</u>	<u>\$253,094</u>	<u>\$182,584</u>
<u>Utility Purchase/Interconnect:</u>			
Power purchases	\$3,460,865	\$ ----	\$ ----
Natural gas purchases	----	----	----
Sanitation contract	----	----	----
<u>Total Utility Purchase/Interconnect</u>	<u>\$3,460,865</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>
\$ 288	\$ ----	\$ 864
8,792	----	82,448
38,304	----	195,240
2,759	----	2,794
122,351	----	873,247
2,953	742	23,796
540	----	1,815
<u>\$175,987</u>	<u>\$ 742</u>	<u>\$1,180,204</u>
\$ ----	\$ ----	\$ 135,843
----	----	10,503
----	----	24,890
----	----	640
----	----	2,544
----	----	2,042
----	----	66,670
----	----	70,305
----	----	5,632
----	----	8,122
----	----	111,671
----	----	1,948
----	----	7
<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 440,817</u>
\$ ----	\$ ----	\$3,460,865
713,269	----	713,269
----	96,429	96,429
<u>\$713,269</u>	<u>\$96,429</u>	<u>\$4,270,563</u>

CITY OF MONROE CITY, MISSOURI
COMBINING STATEMENT OF OPERATING EXPENSES
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
(CONTINUED)

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Distribution/Collection:</u>			
Payroll	\$142,287	\$ 42,650	\$ 39,999
Payroll taxes	10,349	3,075	3,075
Employee benefits	31,718	8,122	8,122
Uniforms	2,859	1,060	1,060
Office expense	259	331	331
Fuel	5,912	1,311	1,344
Supplies and maintenance	15,486	54,000	12,652
Distribution/collection materials	17,844	21,840	1,054
Telephone	2,016	1,308	1,285
Utilities	1,739	2,050	2,050
Travel and training	5,964	10	----
Safety and compliance	4,118	244	244
Railroad easement	2,961	----	----
Miscellaneous	----	12	12
<u>Total Distribution/Collection</u>	<u>\$243,512</u>	<u>\$136,020</u>	<u>\$ 71,228</u>
<u>Depreciation:</u>			
Administration	\$ 481	\$ 94	\$ ----
Production/treatment	139,264	68,226	28,363
Interconnect	----	----	----
Distribution/collection	53,193	91,844	134,933
<u>Total Depreciation</u>	<u>\$192,938</u>	<u>\$160,164</u>	<u>\$163,296</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>
\$ 42,797	\$ ----	\$267,733
3,076	----	19,575
10,036	----	57,998
1,060	----	6,039
491	----	1,412
1,344	----	9,911
9,496	----	91,641
35,589	----	76,327
1,309	----	5,918
2,050	----	7,889
4,930	----	10,904
1,805	----	6,411
----	----	2,961
24	----	48
<u>\$114,007</u>	<u>\$ ----</u>	<u>\$564,767</u>
\$ 829	\$ ----	\$ 1,404
----	----	235,853
----	----	----
<u>34,448</u>	<u>----</u>	<u>314,418</u>
<u>\$ 35,277</u>	<u>\$ ----</u>	<u>\$551,675</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, 2017

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues:</u>				
<u>Taxes:</u>				
Property taxes	\$196,455	\$202,820	\$202,614	\$ (206)
Railroad and utility	6,500	6,799	6,799	---
Surtax	3,360	6,687	6,688	1
Financial institution	15	1,545	1,546	1
Sales tax	373,727	354,818	348,192	(6,626)
Use tax	46,000	41,525	40,253	(1,272)
Motor vehicle taxes	97,100	102,127	101,772	(355)
Cigarette tax	16,086	16,855	16,856	1
Telephone franchise tax	23,200	20,132	20,132	---
Cable TV franchise tax	22,104	25,752	25,753	1
Municipal utilities franchise tax	194,940	195,240	195,240	---
<u>Total Taxes</u>	<u>\$979,487</u>	<u>\$974,300</u>	<u>\$965,845</u>	<u>\$ (8,455)</u>
<u>Licenses and Permits:</u>				
Liquor licenses	\$ 2,800	\$ 2,750	\$ 2,750	\$ ---
Business licenses	5,600	5,550	5,550	---
Building permits	2,200	1,275	1,295	20
Animal licenses	265	230	230	---
Street excavation permits	500	2,382	2,382	---
Planning and zoning fees	550	200	200	---
<u>Total Licenses and Permits</u>	<u>\$ 11,915</u>	<u>\$ 12,387</u>	<u>\$ 12,407</u>	<u>\$ 20</u>
<u>Intergovernmental Revenue:</u>				
Grant income	\$ ---	\$ 12,563	\$ 12,564	\$ 1
<u>Charges for Services:</u>				
Swimming pool/Route J	\$ 22,365	\$ 21,677	\$ 21,678	\$ 1
Fire calls	3,000	6,000	6,000	---
Animal control and shelter fees	350	75	75	---
<u>Total Charges for Services</u>	<u>\$ 25,715</u>	<u>\$ 27,752</u>	<u>\$ 27,753</u>	<u>\$ 1</u>
<u>Fines and Forfeits:</u>				
Fines and court costs	\$ 20,744	\$ 53,347	\$ 53,347	\$ ---

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, 2017

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Miscellaneous Revenues:</u>				
Interest	\$ 1,610	\$ 2,572	\$ 2,513	\$ (59)
Administrative fee income	874,395	873,247	873,247	---
Agent fees	42,768	41,500	41,502	2
Airport retail sales	38,288	43,576	43,773	197
Rent income - hangar	1,700	1,700	1,700	---
Sale of graves	3,000	1,200	1,200	---
Return check charges	100	---	---	---
Contributions	50	15,691	15,692	1
Sale of capital assets	---	46,101	3,000	(43,101)
Other	2,300	6,177	10,550	4,373
<u>Total Miscellaneous Revenues</u>	<u>\$ 964,211</u>	<u>\$1,031,764</u>	<u>\$ 993,177</u>	<u>\$(38,587)</u>
<u>Total Revenues</u>	<u>\$2,002,072</u>	<u>\$2,112,113</u>	<u>\$2,065,093</u>	<u>\$(47,020)</u>
<u>Expenditures:</u>				
<u>City Administration:</u>				
Payroll	\$ 233,163	\$ 185,599	\$ 190,611	\$ (5,012)
Payroll taxes	17,837	12,950	12,927	23
Employee benefits	51,862	41,718	41,503	215
Office expense	33,000	48,205	48,587	(382)
Advertising	4,000	9,010	9,010	---
Fuel	500	75	69	6
Supplies and maintenance	20,700	25,234	21,558	3,676
Safety and compliance	450	882	881	1
Professional services	30,000	27,804	22,670	5,134
Telephone	4,000	5,572	6,172	(600)
Travel and training	2,000	1,335	1,334	1
Insurance	13,700	13,342	13,341	1
Utilities - City Hall	5,000	4,696	4,641	55
Election expense	3,000	2,389	2,389	---
Assessments and memberships	1,883	1,809	1,808	1
Donations	10,715	10,011	10,011	---
Meals and mileage	50	---	---	---
Miscellaneous	900	1,300	1,282	18
<u>Total City Administration</u>	<u>\$ 432,760</u>	<u>\$ 391,931</u>	<u>\$ 388,794</u>	<u>\$ 3,137</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, 2017

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Public Safety:</u>				
<u>Municipal Court:</u>				
Office expense	\$ 500	\$ 195	\$ 195	\$ ---
Incarceration fees	150	---	---	---
Professional services	10,000	22,010	19,645	2,365
Travel and training	150	---	119	(119)
Miscellaneous	---	---	---	---
<u>Total Municipal Court</u>	<u>\$ 10,800</u>	<u>\$ 22,205</u>	<u>\$ 19,959</u>	<u>\$ 2,246</u>
<u>Police Department:</u>				
Payroll	\$305,000	\$304,632	\$303,344	\$ 1,288
Payroll taxes	22,721	22,525	22,541	(16)
Employee benefits	42,649	51,537	51,567	(30)
Employee clothing allowance	4,800	4,378	4,378	---
Office expense	5,500	16,447	16,446	1
Fuel	13,500	10,425	11,324	(899)
Supplies and maintenance	17,410	26,478	25,687	791
Safety and compliance	500	1,585	1,585	---
Drug enforcement	15,500	11,053	11,052	1
DARE expenses	1,000	1,766	1,766	---
Telephone	7,700	8,250	9,153	(903)
Insurance	20,250	26,639	26,639	---
Utilities	7,000	7,419	7,484	(65)
Travel and training	4,500	2,206	2,650	(444)
Assessments and memberships	200	75	75	---
Miscellaneous	1,550	254	254	---
Dispatching fees	<u>68,680</u>	<u>68,680</u>	<u>68,680</u>	<u>---</u>
<u>Total Police Department</u>	<u>\$538,460</u>	<u>\$564,349</u>	<u>\$564,625</u>	<u>\$ (276)</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, 2017

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Fire Department:</u>				
Payroll	\$ 58,260	\$ 57,500	\$ 57,178	\$ 322
Payroll taxes	4,457	4,380	4,367	13
Clothing allowance	300	273	273	---
Contract labor	3,600	3,600	3,600	---
Office expense	500	3,320	3,318	2
Fuel	5,500	4,117	4,493	(376)
Fire prevention/investigation	2,500	---	---	---
Supplies and maintenance	31,000	23,831	36,284	(12,453)
Recruitment and retention	1,000	1,020	1,020	---
Emergency preparedness	3,000	---	---	---
Telephone	2,700	3,945	4,198	(253)
Travel and training	6,000	1,754	1,753	1
Insurance	22,000	27,281	27,280	1
Utilities	9,000	8,913	9,086	(173)
Public relations	5,000	5,046	5,045	1
Assessments and memberships	1,000	328	328	---
Miscellaneous	800	50	48	2
<u>Total Fire Department</u>	<u>\$156,617</u>	<u>\$145,358</u>	<u>\$158,271</u>	<u>\$(12,913)</u>
<u>Total Public Safety</u>	<u>\$705,877</u>	<u>\$731,912</u>	<u>\$742,855</u>	<u>\$(10,943)</u>
<u>Humane Officer:</u>				
Payroll	\$ 2,260	\$ 2,394	\$ 2,393	\$ 1
Payroll taxes	173	178	177	1
Supplies and maintenance	800	702	702	---
Telephone	---	---	---	---
Insurance	285	72	72	---
Utilities	800	399	399	---
Animal transfers	500	---	---	---
Miscellaneous	---	---	---	---
<u>Total Humane Officer</u>	<u>\$ 4,818</u>	<u>\$ 3,745</u>	<u>\$ 3,743</u>	<u>\$ 2</u>
<u>Inspection and Zoning Department:</u>				
Payroll	\$ 5,700	\$ 4,182	\$ 4,247	\$ (65)
Payroll taxes	437	317	316	1
Office expense	154	157	157	---
Advertising	180	95	95	---
Travel and training	500	---	---	---
<u>Total Inspection and Zoning Department</u>	<u>\$ 6,971</u>	<u>\$ 4,751</u>	<u>\$ 4,815</u>	<u>\$ (64)</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, 2017

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Park Maintenance:</u>				
Payroll	\$ 4,371	\$ 2,840	\$ 2,676	\$ 164
Payroll taxes	335	215	215	---
Employee benefits	1,433	1,039	1,037	2
Contract payments	27,800	27,800	25,947	1,853
Supplies and maintenance	5,000	6,153	6,153	---
Insurance	2,100	2,337	2,337	---
Utilities	13,700	13,977	14,065	(88)
Mosswood Golf Course expenses	35,000	34,803	35,975	(1,172)
Park Board expenses	6,000	5,702	5,801	(99)
<u>Total Park Maintenance</u>	<u>\$ 95,739</u>	<u>\$ 94,866</u>	<u>\$ 94,206</u>	<u>\$ 660</u>
<u>Street Department:</u>				
Payroll	\$149,108	\$148,783	\$147,855	\$ 928
Payroll taxes	11,407	11,130	11,130	---
Employee benefits	41,196	34,361	34,361	---
Office expense	300	675	674	1
Uniforms	1,000	671	671	---
Fuel	25,000	13,500	14,517	(1,017)
Supplies and maintenance	20,750	24,359	24,357	2
Safety and compliance	2,500	3,239	3,239	---
Street maintenance materials	30,000	36,211	31,936	4,275
Winter mix supplies	6,000	---	---	---
Telephone	1,500	1,264	1,378	(114)
Travel and training	1,000	---	---	---
Insurance	15,000	22,021	22,021	---
Utilities	7,500	5,716	5,706	10
Miscellaneous	250	120	120	---
<u>Total Street Department</u>	<u>\$312,511</u>	<u>\$302,050</u>	<u>\$297,965</u>	<u>\$ 4,085</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, 2017

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Swimming Pool:</u>				
Payroll	\$30,600	\$34,962	\$34,961	\$ 1
Payroll taxes	2,341	2,675	2,675	---
Office expense	100	8	8	---
Supplies and maintenance	12,100	11,051	10,949	102
Safety and compliance	1,000	1,044	1,043	1
Telephone	325	369	369	---
Utilities	7,000	12,987	12,999	(12)
Insurance	4,700	6,502	6,502	---
Travel and training	2,200	1,750	1,750	---
Miscellaneous	200	---	---	---
<u>Total Swimming Pool</u>	<u>\$60,566</u>	<u>\$71,348</u>	<u>\$71,256</u>	<u>\$ 92</u>
<u>Airport:</u>				
Contract payments	\$ 4,300	\$ 4,100	\$ 4,100	\$ ---
Office expense	1,500	1,342	1,443	(101)
Supplies and maintenance	3,200	3,839	2,804	1,035
Purchases for resale	38,176	19,390	38,668	(19,278)
Telephone	2,100	1,416	1,533	(117)
Insurance	2,500	2,640	2,640	---
Utilities	5,800	4,288	4,264	24
Miscellaneous	---	---	---	---
<u>Total Airport</u>	<u>\$57,576</u>	<u>\$37,015</u>	<u>\$55,452</u>	<u>\$(18,437)</u>
<u>Cemetery:</u>				
Payroll	\$ 5,794	\$ 2,840	\$ 2,676	\$ 164
Payroll taxes	443	215	215	---
Employee benefits	983	783	783	---
Contract payments	22,200	25,715	23,630	2,085
Supplies and maintenance	500	11	10	1
Insurance	228	---	---	---
Utilities	200	529	533	(4)
Miscellaneous	---	---	---	---
<u>Total Cemetery</u>	<u>\$30,348</u>	<u>\$30,093</u>	<u>\$27,847</u>	<u>\$ 2,246</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, 2017

(CONTINUED)

	<u>Budget - Original</u>	<u>Budget - Revised</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Capital Outlay:</u>				
City administration	\$ 290,000	\$ 312,862	\$ 312,862	\$ ----
Municipal court	6,500	6,863	6,863	----
Police Department	52,233	51,172	36,749	14,423
Fire Department	----	20,233	20,232	1
Humane Officer	----	----	----	----
Parks Department	----	----	----	----
Street Department	----	2,390	2,390	----
Airport	----	----	19,070	(19,070)
Cemetery	----	----	----	----
<u>Total Capital Outlay</u>	<u>\$ 348,733</u>	<u>\$ 393,520</u>	<u>\$ 398,166</u>	<u>\$ (4,646)</u>
<u>Total Expenditures</u>	<u>\$2,055,900</u>	<u>\$2,061,231</u>	<u>\$2,085,099</u>	<u>\$(23,868)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>\$ (53,828)</u>	<u>\$ 50,882</u>	<u>\$ (20,006)</u>	<u>\$(70,888)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ 280,000	\$ 280,000	\$ 310,238	\$ 30,238
Operating transfers out	(372,855)	(372,855)	(387,245)	(14,390)
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (92,855)</u>	<u>\$ (92,855)</u>	<u>\$ (77,007)</u>	<u>\$ 15,848</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>\$ (146,683)</u>	<u>\$ (41,973)</u>	<u>\$ (97,013)</u>	<u>\$(55,040)</u>
<u>Fund Balance, October 1</u>			<u>198,430</u>	
<u>Fund Balance, September 30</u>			<u>\$ 101,417</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, 2017

	<u>Balance</u> <u>10-1-16</u>	<u>Additions</u>	<u>Sales/</u> <u>Retirements</u>	<u>Balance</u> <u>9-30-17</u>
<u>Function and Activity:</u>				
<u>General Government:</u>				
City administration	\$ 2,258,233	\$312,862	\$ ----	\$ 2,571,095
<u>Public Safety:</u>				
Police	\$ 571,521	\$ 36,749	\$ ----	\$ 608,270
Fire	2,190,500	324,879	----	2,515,379
Municipal Court	----	6,863	----	6,863
<u>Total Public Safety</u>	<u>\$ 2,762,021</u>	<u>\$368,941</u>	<u>\$ ----</u>	<u>\$ 3,130,512</u>
<u>Humane Officer</u>	<u>\$ 28,402</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 28,402</u>
<u>Street Department</u>	<u>\$ 1,140,512</u>	<u>\$ 2,390</u>	<u>\$ ----</u>	<u>\$ 1,142,902</u>
<u>Culture and Recreation:</u>				
Parks	\$ 983,657	\$ ----	\$ ----	\$ 983,657
Library	158,146	----	----	158,146
Mosswood Golf Course	386,298	----	----	386,298
Park sales tax	1,511,694	----	----	1,511,694
<u>Total Culture and Recreation</u>	<u>\$ 3,039,795</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 3,039,795</u>
<u>Airport</u>	<u>\$ 1,771,571</u>	<u>\$ 30,812</u>	<u>\$ 4,250</u>	<u>\$ 1,798,133</u>
<u>St. Jude's Cemetery</u>	<u>\$ 115,707</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 115,707</u>
<u>Industrial Park</u>	<u>\$ 194,575</u>	<u>\$ 5,959</u>	<u>\$ ----</u>	<u>\$ 200,534</u>
<u>Total General Capital Assets</u>	<u>\$11,310,816</u>	<u>\$720,514</u>	<u>\$ 4,250</u>	<u>\$12,027,080</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, 2017

	COST			
	BALANCE 9/30/2016	ADDITIONS	RETIREMENTS	BALANCE 9/30/2017
ELECTRIC DEPARTMENT				
Land	\$12,278.00	\$ -	\$ -	\$12,278.00
Production	6,077,688.00	-	-	6,077,688.00
Interconnect	248,188.00	-	-	248,188.00
Distribution	2,457,417.00	23,632.00	-	2,481,049.00
Office Equipment	44,163.00	-	-	44,163.00
TOTAL ELECTRIC DEPARTMENT	\$8,839,734.00	\$ 23,632.00	\$ -	\$8,863,366.00
NATURAL GAS DEPARTMENT				
Land	\$14,691.00	\$ -	\$ -	\$14,691.00
Natural Gas System	1,495,286.00	33,372.00	-	1,528,658.00
Office Equipment	42,742.00	-	-	42,742.00
TOTAL NATURAL GAS DEPARTMENT	\$1,552,719.00	\$33,372.00	\$ -	\$1,586,091.00
WATER DEPARTMENT				
Production System	\$2,822,504.00	\$ 78,415.00	\$ -	\$2,900,919.00
Distribution System	3,674,120.00	-	-	3,674,120.00
Office Equipment	11,017.00	-	-	11,017.00
TOTAL WATER DEPARTMENT	\$6,507,641.00	\$78,415.00	\$0.00	\$6,586,056.00
SEWER DEPARTMENT				
Treatment System	\$1,352,311.00	\$ 21,077.00	\$ -	\$1,373,388.00
Collection System	5,524,092.00	104,471.00	-	5,628,563.00
Office Equipment	1426	-	-	1,426.00
Construction in progress				
TOTAL SEWER DEPARTMENT	\$6,877,829.00	\$125,548.00	\$ -	\$7,003,377.00
TOTAL PROPRIETARY FUND TYPES	\$23,777,923.00	\$260,967		\$24,038,890.00

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

ACCUMULATED DEPRECIATION

BALANCE 9/30/2016	ADDITIONS	RETIREMENTS	BALANCE 9/30/2016
\$0.00	\$ -	\$ -	\$0.00
4,576,997.00	139,264.00	-	4,716,261.00
248,188.00	-	-	248,188.00
1,473,262.00	53,193.00	-	1,526,455.00
37,817.00	481.00	-	38,298.00
<u>\$6,336,264.00</u>	<u>\$192,938.00</u>	<u>\$0.00</u>	<u>\$6,529,202.00</u>
\$0.00	\$ -	\$ -	\$0.00
1,363,896.00	34,448.00	-	1,398,344.00
39,889.00	829.00	-	40,718.00
<u>\$1,403,785.00</u>	<u>\$35,277.00</u>	<u>\$0.00</u>	<u>\$1,439,062.00</u>
\$1,491,272.00	\$ 68,226.00	\$ -	\$1,559,498.00
1,314,571.00	91,844.00	-	1,406,415.00
10,167.00	94.00	-	10,261.00
<u>\$2,816,010.00</u>	<u>\$160,164.00</u>	<u>\$0.00</u>	<u>\$2,976,174.00</u>
\$600,814.00	\$ 28,363.00	\$ -	\$629,177.00
1,116,612.00	134,933.00	-	1,251,545.00
1426	-	-	1426
-	-	-	----
<u>\$1,718,852.00</u>	<u>\$163,296.00</u>	<u>\$0.00</u>	<u>\$1,882,148.00</u>
<u>\$12,274,911.00</u>	<u>\$551,675.00</u>	<u>\$0.00</u>	<u>\$12,826,586.00</u>

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
ELECTRIC DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gross KWHRS generated at plant	----	0.0%
KWHRS purchased	43,166,539	<u>100.0%</u>
Total KWHRS generated and purchased	43,166,539	<u>100.0%</u>
KWHRS distributed from plant	<u>40,194,320</u>	<u>93.1%</u>
Power plant loss	<u>2,972,219</u>	<u>6.9%</u>
KWHRS distributed from plant	40,194,320	
KWHRS billed to customers	39,516,292	
KWHRS used by power plant and street lights	<u>678,028</u>	
Total KWHRS accounted for	<u>40,194,320</u>	
Unaccounted KWHRS distributed	<u>-----</u>	
Total KWHRS generated and purchased	43,166,539	
Total KWHRS accounted for	<u>40,194,320</u>	
Total KWHRS unaccounted for	<u>2,972,219</u>	<u>6.9%</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>\$3,460,865</u>	<u>\$0.0802</u>

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
ELECTRIC DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
(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	1,096	\$1,452,043	11,354,008	\$0.1279
Commercial	255	1,350,234	10,870,334	0.1242
Industrial	<u>4</u>	<u>1,615,154</u>	<u>17,291,950</u>	<u>0.0934</u>
	<u>1,356</u>	<u>\$4,417,431</u>	<u>39,516,792</u>	<u>\$0.1118</u>
				<u>Average Annual Bill</u>
Residential				<u>\$ 1,325</u>
Commercial				<u>\$ 5,295</u>
Industrial				<u>\$403,789</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, 2017
(UNAUDITED)

	<u>Quantity</u>	<u>Percent</u>
<u>Generation and Usage Statistics:</u>		
Gallons of water pumped	82,239	100.0%
Gallons of water sold to customers	<u>76,993</u>	<u>93.6%</u>
Total gallons unaccounted for	<u>5,246</u>	<u>6.4%</u>

	<u>M Gallons Sold</u>	<u>Charge per 1,000 Gallons Sold</u>
<u>Customer Statistics:</u>		
Residential	39,229	\$ 9.15
Commercial	17,935	\$ 8.52
Industrial	6,436	\$ 7.94
Water Districts	<u>13,393</u>	<u>\$ 6.12</u>
	<u>76,993</u>	<u>\$ 8.38</u>

	<u>Average Number of Customers</u>	<u>Charges - Unadjusted</u>	<u>Average Annual Bill</u>
Residential	1,036	\$359,255	<u>\$ 347</u>
Commercial	165	152,767	<u>\$ 926</u>
Industrial	4	51,076	<u>\$12,769</u>
Water districts	<u>2</u>	<u>81,981</u>	<u>\$40,991</u>
	<u>1,207</u>	<u>\$645,079</u>	

CITY OF MONROE CITY, MISSOURI
SCHEDULE OF OPERATING STATISTICS
SEWER DEPARTMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017.
(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	1,024	\$355,809	38,890	\$ 9.149
Commercial	147	124,778	14,667	8.507
Industrial	<u>4</u>	<u>51,076</u>	<u>6,435</u>	<u>7.937</u>
	<u>1,175</u>	<u>\$531,663</u>	<u>59,992</u>	<u>\$ 8.862</u>
				<u>Average Annual Bill</u>
Residential				<u>\$ 347</u>
Commercial				<u>\$ 849</u>
Industrial				<u>\$12,769</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, 2017
(UNAUDITED)

			<u>Quantity</u>	<u>Percent</u>
<u>Purchase and Usage Statistics:</u>				
Total MCFS of gas transported by				
Panhandle Eastern			189,049	
Deduct Perry			<u>(21,752)</u>	
Total MCFS of gas available for				
Monroe City			<u>167,297</u>	<u>100.0%</u>
Total MCFS transported			167,297	100.0%
MCFS of gas sold to customers			<u>161,803</u>	<u>96.7%</u>
MCFS unaccounted or			<u>5,494</u>	<u>3.3%</u>
	<u>Average</u>	<u>Charges -</u>		<u>Charges per</u>
	<u>Number of</u>	<u>Unadjusted</u>	<u>MCFS Sold</u>	<u>MCF Sold</u>
	<u>Customers</u>			
<u>Customer Statistics:</u>				
Residential	951	\$394,317	55,189	\$ 7.145
Commercial	161	160,760	25,839	\$ 6.222
Industrial	<u>4</u>	<u>378,077</u>	<u>80,775</u>	\$ 4.681
	<u>1,116</u>	<u>\$933,154</u>	<u>161,803</u>	<u>\$ 5.767</u>
				<u>Average</u>
				<u>Annual Bill</u>
Residential				\$ 415
Commercial				\$ 999
Industrial				<u>\$94,159</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, 2017
(UNAUDITED)

Water Production Costs:

Payroll	\$83,313	
Payroll tax	6,379	
Employee benefits	9,349	
Uniforms	215	
Office expense	1,128	
Fuel	1,048	
Supplies and maintenance	46,152	
Chemicals	58,465	
Telephone	3,685	
Transportation and training	6,872	
Utilities	35,278	
Safety and compliance	1,203	
Miscellaneous	<u>7</u>	
<u>Total Water Production</u>		\$253,094
<u>Water Production Depreciation</u>		<u>68,226</u>
<u>Total Allowable Costs</u>		<u>\$321,320</u>
<u>Total M Gallons of Water Metered - Fiscal Year Ended</u> <u>September 30, 2017</u>		<u>82,239</u>
<u>Total Allowable Cost per 1,000 Gallons of Metered Water</u>		\$ 3.907
<u>Add-On Amount per Water Contract</u>		<u>.700</u>
<u>Revised Price of Water Sold to Water Districts</u>		<u>\$ 4.607</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 2017

Assessed Valuation:

Monroe County	\$17,955,970
Marion County	7,250,534
Ralls County	<u>2,520,350</u>

<u>Total Assessed Valuation</u>	<u>\$27,726,854</u>
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Tax Rate per \$100 of Assessed Valuation:

General Fund	\$0.7202
Library Fund	<u>0.1913</u>

Total tax levy	<u>\$0.9115</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.