

2021 Annual Comprehensive Financial Report



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Monroe
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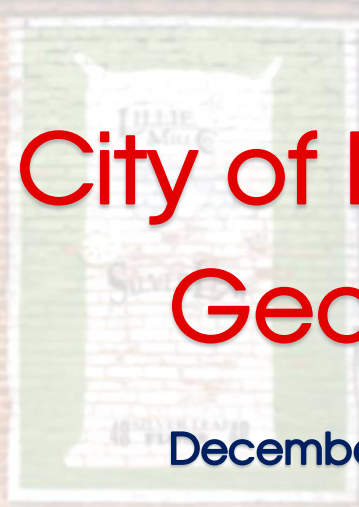
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MONROE

GEORGIA

City of Monroe
Georgia

December 31, 2021



CITY OF MONROE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2021

Prepared by Authority of:
City Council, City of Monroe, Georgia
Beth Thompson, Finance Director

CITY OF MONROE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2021

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John Howard, Mayor
Larry Bradley, Vice Mayor

June 7, 2022

To the Honorable Mayor, Members of the City Council, and Citizens of the
City of Monroe, Georgia

The Annual Comprehensive Financial Report (ACFR) of the City of Monroe, Georgia for the fiscal year ended December 31, 2021 is hereby submitted as mandated by Official Code of Georgia §36-81-7. The financial statements were prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

City Management assumes full responsibility for the accuracy, completeness, and reliability of the presented data. To provide a reasonable basis for making these representations, management of the City of Monroe has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Monroe's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Monroe's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mauldin & Jenkins, LLC, a firm of certified public accountants, issued an unmodified opinion on the City of Monroe's financial statements for the year ended December 31, 2021. The independent auditor's report is located at the front of the financial section of this report.

If the threshold is met, the City of Monroe is required as part of the independent audit of the financial statements, to undergo a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. Information related to the single audit if applicable, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings are included in a separately issued single audit report. For fiscal year 2021, a Single Audit was required.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Monroe's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Monroe was incorporated in 1821, is located in Northeast Georgia, approximately 40 miles east of Atlanta. Monroe is the county seat of Walton County. The City encompasses approximately 15 square miles and serves an estimated population of 14,928. The City of Monroe is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under a Mayor/Council form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and eight other members. The Mayor is elected at large, two Council Members are elected from super districts and six Council Members are elected by districts. Council members and the Mayor serve four-year staggered terms, with an election held every two years. City elections are conducted by the Walton County Board of Elections.

The City Administrator, who is appointed by the Mayor and Council, is responsible for carrying out the policies and ordinances of the Council and for overseeing the day-to-day operations of the City of Monroe.

The City of Monroe provides a full range of municipal services including police and fire protection, maintenance of streets, solid waste, building and zoning, code enforcement and library facilities. In addition to the usual government services, the City also provides a full range of utility services including electric, gas, water, wastewater, storm water, cable, internet and telephone. The city owns and operates the Cy Nunnally Memorial Airport as well as the Georgia Utility Training Academy whereby classes are conducted to train municipal and private sector employees in Electric, Water, Sewer, and Gas utilities.

A goal of the Mayor and City Council is to maintain the highest quality of citizen and business services while keeping the property tax millage rates at some of the lowest among surrounding areas.

Also included as part of the City's reporting are the City of Monroe Downtown Development Authority (DDA) and the Monroe Area Convention and Visitors Bureau Authority (CVB). While both are legally separate entities, they are included as component units in the City of Monroe's financial statements.

The annual budget serves as the foundation for the City of Monroe's financial planning and control. All departments are required to submit budget requests to the City Administrator who compiles the proposed operating and capital budgets. The City Administrator presents a proposed budget to the Council during their annual retreat work session. The final budget is adopted in accordance with state law. Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted.

Local Economy

Monroe has not seen a downturn in the local economy due to pandemic of COVID-19, and instead has embarked into a new period of substantial commercial and residential growth. This has given stability to the overall economy in Monroe and the surrounding area and stabilized the City's revenues and positioned the City for additional growth while also positioning to buffer against a future downturn.

The majority of the City's commercial development lies along the Highway US 78/GA 138 corridor with a new commercial expansion around the Highway 138 extension at Charlotte Rowell Boulevard with what is one of the largest retail projects under construction in the State. This commercial complex is slated to open

first quarter of 2022. Among the top ten employers in the City, four are governments accounting for around 18.9% of the number of jobs in the top ten employers. Two of those government employers, Walton County Board of Commissioners and Walton County Board of Education, are also two of the City's top ten electric, water, gas, and sewer customers.

Economic development is one of the City's main priorities. Local Option Sales Tax (LOST) and Special Purpose Local Option Sale Tax (SPLOST) revenues have steadily increased over the last few years, which is a result of revitalizing our downtown area with more consumer-friendly shopping.

All elements of the City, from Downtown to other commercial and residential corridors have thrived through and during the post COVID eras, contributing to a robust and stable local economy.

Long-term Financial Planning

The City began construction in 2018 on the transportation-oriented, Livable Centers Initiative (LCI) project which will extend along North Broad Street from West Marable Street to Mayfield Drive. In addition to constructing new or expanded sidewalks along both sides of the corridor, this project includes planting trees and shrubs, raised curbs, a center median, defined pedestrian crossings, pedestrian scale lighting and ADA-accessible curb ramps. Concurrent with this work, storm water sewer upgrades will be completed with project funds. This is also a mostly federally funded program with a total cost of over \$2 million dollars. This project was completed in early 2020.

This is a continuation of a previously funded TE project and will complement on-going efforts within the Broad Street Corridor providing connectivity between neighborhood and commercial uses along the Broad Street Corridor and Historic Downtown. In addition to the 1.5 mile, \$2 million-plus West Spring St. streetscape and sidewalk project under construction linking downtown with the west-end commercial corridor. Additionally, in 2018 the City applied for (and was later awarded in early 2019) a Transportation Alternatives Project (TAP) Grant that will link the N. Broad project with the rest of Downtown's streetscaping that will create approximately two continuous miles of downtown streetscaping along the Broad St. corridor. Design and engineering for the TAP grant is currently underway with construction slated for 2022.

In 2020, the City issued Combined Utility Revenue Bonds in the amount of \$43.7 million for several major projects throughout the City. The proceeds of the bonds will be used for construction, extending and/or improving the City's water, sewer, natural gas, and telecommunications systems.

Capital projects are generally financed using available grants and the SPLOST fund. A SPLOST continuation was passed by voters in 2018 with collections to begin in 2019. Capital Projects in the Enterprise Fund are paid from an Expansion and Repair fund and the Utility Municipal Competitive Trust fund.

Major Initiatives

The City of Monroe continues to work closely with Georgia Department of Transportation and Walton County to implement the area's transportation initiatives. The Highway US 78/GA 138 area's growth has seen the need to address traffic in this area. This is one example of the partnership to improve our local transportation network. Another example is the partnership between Monroe and Walton County to complete a truck by-pass around the historic downtown area. This much needed connector is managed and now funded by the Georgia DOT and is in the initial stages of right-of-way acquisition. Construction is

expected to commence in early 2022 with anticipated full completion in 2024. Additional intergovernmental partnership initiatives include an East-bound on-ramp from W. Spring to Hwy 78, a West-bound on-ramp from Charlotte Rowell Boulevard to Hwy 78, and a possible interchange improvement at Hwy 78 and Hwy 11 to align with the forthcoming truck connector. These projects aim to keep Monroe and Walton County traffic moving.

Other major initiatives completed in 2021 include a new Police Department and Municipal Court complex. The City purchased and renovated a long-defunct Food Lion shopping center in 2019. This was made possible through its conduit of the Urban Redevelopment Agency, by borrowing \$3.6 million to fully renovate the complex. The City hopes this project will breathe new life into redevelopment of the E. Spring St. area of the City as a catalyst for the vacant and now City-owned Walton Plaza shopping center.

Additionally, the City has begun to address the public's need for quality passive parks. One of the major initiatives in this realm is the property acquisition and Brownfield completion of a new Downtown Green. This almost two-acre site along Church St. and S. Madison Ave. will be redeveloped into an all-year park and entertainment space that will eventually feature a splash pad, outdoor amphitheater, walking space, open green space, and tree plantings. The redevelopment of this site will help to broaden the feel of the City's general downtown area just two blocks east of Broad St. Construction is expected to start in 2022.

Additional City Park initiatives involve rehabilitation of existing parks throughout the City as well as master planning the newly acquired 143-acre park along the Alcovy River, which will contain river access for canoeing, kayaking, and walking and bicycle trails. A full Parks Master plan is being created now.

Relevant Financial Policies

The purpose of the City of Monroe's financial management policy is to ensure that the City conducts its investment, cash, and debt management activities in a responsible manner in full compliance with Federal and State Law. The City is committed to providing adequate cash flows to meet all current and future obligations. Adherence to this policy has allowed the City to maintain financial stability, all cash funds are properly collateralized, and no short-term financing has been needed to meet operations.

Additionally, it is the City's policy to maintain budgetary controls to ensure compliance with legal requirements of the State of Georgia. Policies are amended and kept up to date as often as possible to ensure legality and efficiency in our controls. The budget development is led by the City Administrator who according to local ordinance shall prepare and submit the annual operating budget and capital budget to the Mayor and Council. The annual appropriation resolution approved by the Mayor and Council is adopted for all fund types with the legal level of control at the department level. Finally, a public hearing is advertised and held, and the final budget is advertised. The adopted budget may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made without provision also being made for financing same. During the year the budget was amended by Council; further detail on these amendments can be found in the MD&A.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Monroe for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2020. This was the 19th consecutive year that the City has received this

award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual report, whose contents conform to program standards. The ACFR must satisfy both GAAP and applicable legal requirements.

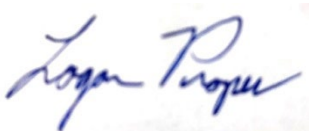
A Certificate of Achievement is valid for a period of one year. We believe our current ACFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

In addition, the City submitted to GFOA the 2020 Popular Annual Financial Report (PAFR) for Outstanding Achievement in Popular Annual Financial Reporting Award for the fiscal year ended December 31, 2020. The City was awarded this prestigious award for the 17th year for the 2020 PAFR. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, the City must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. This award is valid for a period of one year.

Last but not least, the City submitted to GFOA its annual budget for the 10th consecutive year for the fiscal year beginning January 1, 2022. Last year was the 9th consecutive year the City has received this prestigious award for Distinguished Budget Presentation for fiscal year beginning January 1, 2021. In order to receive this award, the City must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our budget continues to meet the program requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Monroe's finances.

Respectfully submitted,



Logan Propes
City Administrator



Beth Thompson
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Monroe
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF MONROE, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS

DECEMBER 31, 2021

ELECTED OFFICIALS

Mayor	John Howard
Council Member, District 4 & Vice Mayor	Larry Bradley
Council Member, District 1	Lee Malcom
Council Member, District 2	Myoshia Crawford
Council Member, District 3	Ross Bradley
Council Member, District 5	Norman Garrett
Council Member, District 6	Tyler Gregory
Council Member, District 7	Nathan Little
Council Member, District 8	David Dickinson

APPOINTED OFFICIALS

City Administrator	Logan Propes
Assistant City Administrator	Chris Bailey
Code Director	Patrick Kelley
Economic Development & Planning Director	Sadia Krawczyk
Electric & Telecommunications Director	Brian Thompson
Finance Director	Beth Thompson
Fire Chief	Andrew Dykes
Human Resources Director	Les Russell
Police Chief	R.V. Watts
Solid Waste Director	Danny Smith
Streets and Transportation Director	Jeremiah Still
Water, Sewer & Natural Gas Director	Rodney Middlebrooks

City of Monroe, Georgia Organizational Chart

December 31, 2021

Citizens of Monroe

MAYOR & CITY COUNCIL

Mayor	John Howard
Vice-Mayor &	
District 4 Council Member	Larry A. Bradley
District 1 Council Member	Lee Malcom
District 2 Council Member	Myoshia Crawford
District 3 Council Member	Ross Bradley
District 5 Council Member	Norman Garrett
District 6 Council Member	Tyler Gregory
District 7 Council Member	C. Nathan Little
District 8 Council Member	David Dickinson

**City Clerk
Debbie Kirk**

City Attorney

**City Administrator
Logan Propes**

**Court Administrator
Joseph Bryant**

**Assistant
City Administrator
Chris Bailey**

**Director of Code
Patrick Kelley**

**Director of
Economic
Development
Sadie Krawczyk**

**Director
of Electric &
Telecom
Brian Thompson**

**Director of
Finance
Beth
Thompson**

**Fire Chief
Andrew Dykes**

**Director of
Human
Resources
Les Russell**

**Police Chief
R. V. Watts**

**Director of
Water & Gas
Rodney
Middlebrooks**

**Director of Streets &
Transportation
Jeremiah Still**

**Director of Solid Waste
Danny Smith**

Central Services

Building & Grounds

Airport

Internet Technology

Stormwater

**City Planner
Brad Callender**

Utility Billing

**Customer
Service**

GUTA

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of City Council
City of Monroe, Georgia**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Monroe, Georgia** (the "City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, Georgia, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, as well as the schedule of expenditures of special purpose local option sales tax proceeds (the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 7, 2022

CITY OF MONROE, GEORGIA
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2021

As management of the City of Monroe, we offer readers of the City of Monroe's financial statements this narrative overview and analysis of the financial activities of the City of Monroe, Georgia (the "City") for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the City of Monroe exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$138,734,420 (reported as "net position"). Of this amount, \$26,132,262 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position increased by \$10,386,728 during 2021 resulting primarily from business-type activities.
- As of the close of the fiscal year, the City of Monroe's governmental funds reported combined fund balances of \$11,124,638 an increase of \$652,953 in comparison with the prior year. Approximately 48% or \$5,332,318 of this amount is available for spending at the government's discretion (unassigned fund balance). At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the General Fund was \$5,337,869 or approximately 34% of total General Fund expenditures.
- At the close of the fiscal year, assets and deferred outflows of resources in the City of Monroe's Utilities Fund exceeded its liabilities and deferred inflows by \$99,589,863. Of this, \$23,460,146 (unrestricted net position) is available to meet the Utilities' on-going obligations to its customers and creditors.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City of Monroe's net position changed during the fiscal year ended December 31, 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. The business-type activities of the City include utilities, solid waste and utility training academy.

The government-wide financial statements include not only the City of Monroe itself (known as the primary government), but also a legally separate Downtown Development Authority and Convention & Visitors Bureau for which the City of Monroe exercises control over these component units by appointing its members. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements. The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monroe, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Monroe maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and SPLOST Fund, which are considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 62 and 63 of this report.

The City adopts an annual appropriated budget for its General Fund, Special Revenue funds and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget and can be found on page 21 of this report. Budgetary comparisons for Special Revenue funds and Debt Service Fund can be found on pages 65-67 of this report.

Proprietary Funds. The City of Monroe maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utility, solid waste and training center operations. The Utility and Solid Waste funds are considered major. They are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

The City's proprietary fund financial statements are presented on pages 22-24.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-59 of this report.

Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Monroe's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 60 and 61 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. In the case of the City of Monroe, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$138,734,420 at the close of the most recent fiscal year.

By far the largest portion of the City's net position, \$99,420,938 (71.7%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (streets, bridges, sidewalks and utility service lines) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The table on the following page summarizes the City's net position as of December 31, 2021 compared to the prior year end.

CITY OF MONROE, GEORGIA

Net Position

Fiscal Years 2021 and 2020

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 15,204,432	\$ 12,092,665	\$ 80,681,535	\$ 86,530,843	\$ 95,885,967	\$ 98,623,508
Capital assets	34,514,723	31,009,653	92,705,071	82,640,655	127,219,794	113,650,308
Total assets	<u>49,719,155</u>	<u>43,102,318</u>	<u>173,386,606</u>	<u>169,171,498</u>	<u>223,105,761</u>	<u>212,273,816</u>
Total deferred outflow s of resources	<u>1,518,310</u>	<u>2,956,941</u>	<u>1,686,618</u>	<u>3,353,201</u>	<u>3,204,928</u>	<u>6,310,142</u>
Long-term liabilities	9,652,983	13,033,968	63,296,078	69,612,942	72,949,061	82,646,910
Other liabilities	3,984,381	1,517,860	6,198,134	6,063,916	10,182,515	7,581,776
Total liabilities	<u>13,637,364</u>	<u>14,551,828</u>	<u>69,494,212</u>	<u>75,676,858</u>	<u>83,131,576</u>	<u>90,228,686</u>
Total deferred inflow s of resources	<u>2,213,091</u>	<u>3,660</u>	<u>2,231,602</u>	<u>3,920</u>	<u>4,444,693</u>	<u>7,580</u>
Net Position:						
Net investment in capital assets	28,359,259	25,489,636	71,061,679	65,203,406	99,420,938	90,693,042
Restricted	5,723,863	5,229,284	7,457,357	8,300,811	13,181,220	13,530,095
Unrestricted	1,303,888	784,851	24,828,374	23,339,704	26,132,262	24,124,555
Total net position	<u>\$ 35,387,010</u>	<u>\$ 31,503,771</u>	<u>\$ 103,347,410</u>	<u>\$ 96,843,921</u>	<u>\$ 138,734,420</u>	<u>\$ 128,347,692</u>

An additional portion of the City's net position (9.5%) represents resources that are subject to external restrictions on how they may be used. Finally, the remaining balance of net position, classified as unrestricted net position, totals \$26,132,262 (18.8%) and may be used to meet the government's ongoing obligations to citizens and creditors.

Although the net position in our business-type activities represents 74.5% of total net position, the City generally can only use these resources to finance the continuing operations of the business-type activities.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position. The overall net position of the City increased \$10,386,728 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF MONROE, GEORGIA

Changes in Net Position

Fiscal Years 2021 and 2020

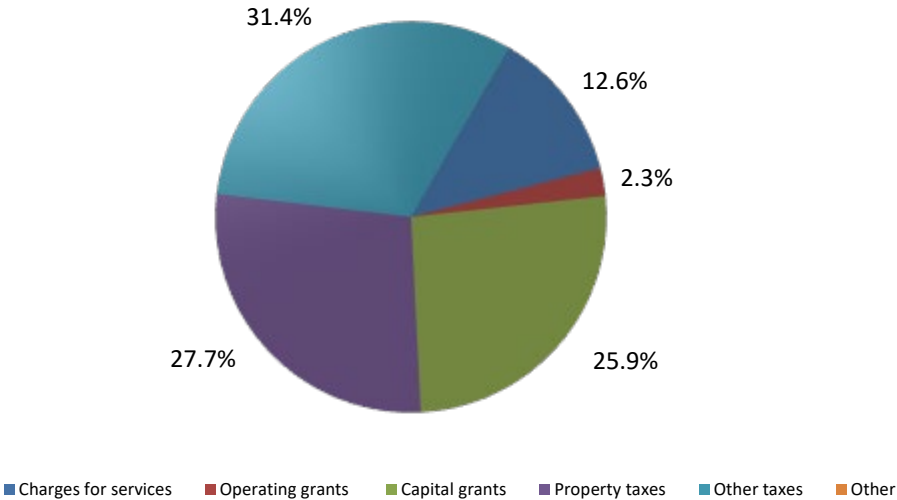
	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 2,026,884	\$ 1,817,223	\$ 50,882,963	\$ 46,994,871	\$ 52,909,847	\$ 48,812,094
Operating grants	371,937	1,217,152	-	-	371,937	1,217,152
Capital grants	4,161,444	4,544,584	1,612,424	4,119,604	5,773,868	8,664,188
General revenues:						
Property taxes	4,445,499	3,920,564	-	-	4,445,499	3,920,564
Other taxes	5,045,655	4,606,438	-	-	5,045,655	4,606,438
Other	2,144	21,623	(35,489)	339,291	(33,345)	360,914
Total revenues	<u>16,053,563</u>	<u>16,127,584</u>	<u>52,459,898</u>	<u>51,453,766</u>	<u>68,513,461</u>	<u>67,581,350</u>
Expenses:						
General government	1,957,147	1,721,026	-	-	1,957,147	1,721,026
Judicial	196,437	107,436	-	-	196,437	107,436
Public Safety	7,508,143	7,774,304	-	-	7,508,143	7,774,304
Public Works	2,240,826	1,629,163	-	-	2,240,826	1,629,163
Health and welfare	129,405	110,172	-	-	129,405	110,172
Culture and recreation	743,703	721,854	-	-	743,703	721,854
Housing and development	1,721,414	1,580,085	-	-	1,721,414	1,580,085
Interest on long-term debt	178,258	188,998	-	-	178,258	188,998
Utilities	-	-	37,604,762	37,126,841	37,604,762	37,126,841
Solid Waste	-	-	5,846,638	5,832,852	5,846,638	5,832,852
Total expenses	<u>14,675,333</u>	<u>13,833,038</u>	<u>43,451,400</u>	<u>42,959,693</u>	<u>58,126,733</u>	<u>56,792,731</u>
Increase in net position						
before transfers	1,378,230	2,294,546	9,008,498	8,494,073	10,386,728	10,788,619
Transfers	<u>2,505,009</u>	<u>2,097,183</u>	<u>(2,505,009)</u>	<u>(2,097,183)</u>	<u>-</u>	<u>-</u>
Increase in net position	3,883,239	4,391,729	6,503,489	6,396,890	10,386,728	10,788,619
Net position, beginning	<u>31,503,771</u>	<u>27,112,042</u>	<u>96,843,921</u>	<u>90,447,031</u>	<u>128,347,692</u>	<u>117,559,073</u>
Net position, ending	<u>\$ 35,387,010</u>	<u>\$ 31,503,771</u>	<u>\$ 103,347,410</u>	<u>\$ 96,843,921</u>	<u>\$ 138,734,420</u>	<u>\$ 128,347,692</u>

Governmental Activities. Governmental activities increased the City of Monroe’s net position by \$3,883,239. Key elements of this increase are as follows:

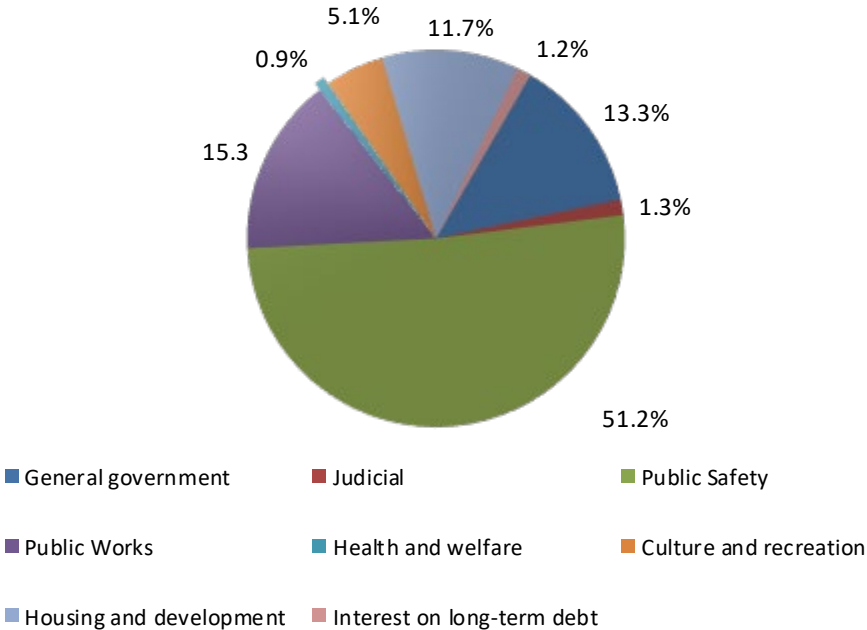
- Transfers in from business-type activities totaling \$2,505,009.
- Local Option Sales Tax totaling \$3,507,991, which was the key reason for an increase in other taxes during the year.
- Various departments in the General Fund exceeding budget for revenues.
- The primary reason for the increase in property taxes was due to assessed property value increases.

The following graphs show the breakdown by percentage of governmental revenues and expenses.

Governmental Revenues FY 2021



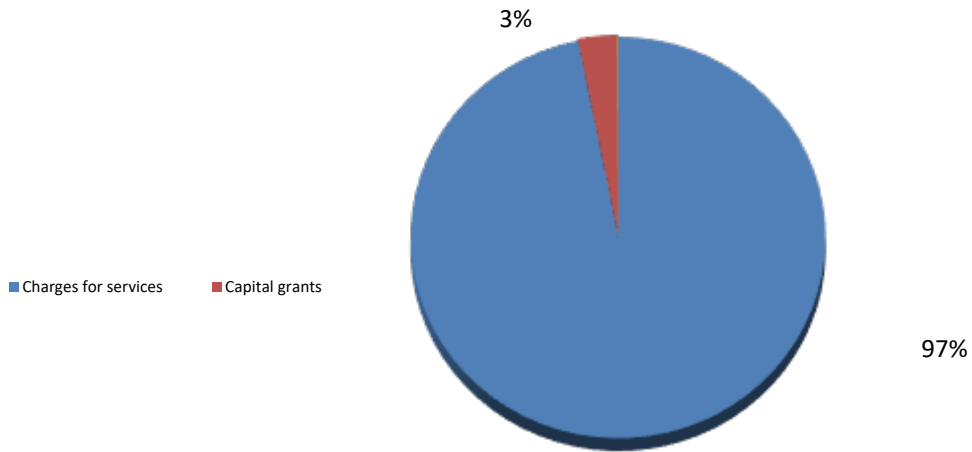
Governmental Expenses FY 2021



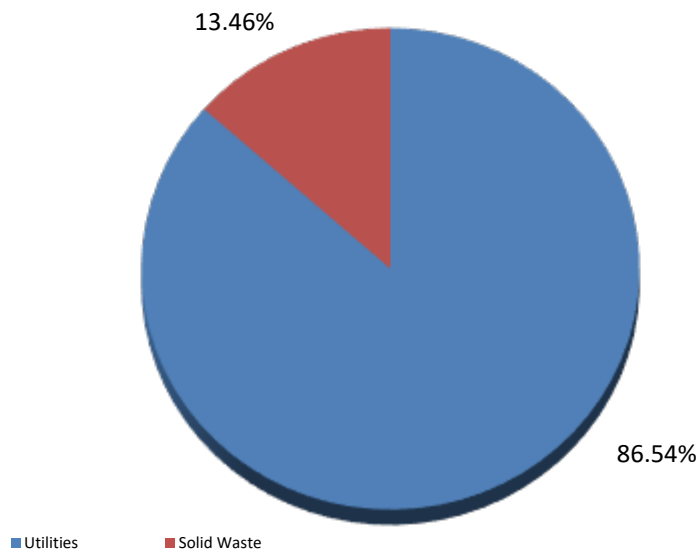
Business-Type Activities. Business-type activities increased the City of Monroe’s net position by \$6,503,489. The Utilities Fund, largest of the City’s business-type activities, accounted for 87% of the operating expenses and approximately 87% of the operating revenues among business-type activities. Key elements are as follows:

- Increase in Solid Waste revenue due in part to the increase in solid waste service revenues.
- Slight decrease in Utility revenues due to decrease in sales of service of electricity & natural gas due to milder temperatures in summer & winter months.

Business-type Revenues FY 2021



Business-type Expenses FY 2021



Financial Analysis of Governmental Funds

As noted earlier, the City of Monroe uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Monroe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Mayor and City Council.

The City's governmental funds reported combined fund balances of \$111,124,638, an increase of \$652,953 in comparison with the prior year. Approximately 47.9% of this amount (\$5,332,318) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$74,138), 2) restricted for particular purposes (\$5,712,631), or 3) assigned for particular purposes (\$5,551).

The General Fund is the chief operating fund of the City of Monroe. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$5,332,318 of the total General Fund fund balance of \$5,412,007. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34.2% of total General Fund expenditures, while total fund balance represents 34.7% of total General Fund expenditures.

The amount of nonspendable fund balance for the General Fund is made up of prepaid expenditures of \$74,138 or 1.4% of the General Fund's total fund balance.

Fund balance of the City of Monroe's General Fund increased by \$373,928 during the current fiscal year. A key factor in this increase was due to transfers in from other funds of \$2,945,905, intergovernmental revenues totaling \$404,202 and tax revenues totaling \$9,433,380. Taxes increased primarily due to increases in assessed property values, while intergovernmental revenues decreased in 2021 due to the CARES grant revenue being recognized in 2020, but not in the current year.

Fund balance of the City of Monroe's SPLOST Fund increased by \$415,563 during the current fiscal year. A key factor in this increase was due to an overall increase in revenues of \$1,102,817 in 2021.

Total fund balance for nonmajor special revenue funds at year-end was \$195,135. This total had a net increase of \$40,470. Included above are the Forfeited Drug Fund, the Hotel/Motel Tax Fund and the American Rescue Plan Act Fund (ARPA). In the Forfeited Drug Fund, the increase of \$38,460 was primarily due to an increase in revenue from cases forfeited through the court system with funds restricted for law enforcement purposes from prior years. The Hotel/Motel Tax Fund showed a slight increase of only \$1,669. This fund accounts for local room taxes collected with the fund balance restricted for tourism in the City. The ARPA Fund had an ending fund balance of \$341 as a result of interest collected on the funds. This fund accounts for federal funds passed to local governments to lessen the burden of the coronavirus pandemic.

Fund Balance of the nonmajor governmental funds in total decreased \$136,538 from 2020, primarily due to increased capital expenditures in the Urban Redevelopment Agency Fund (URA).

Proprietary Funds. The proprietary funds share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. This provides a perspective like that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

Unrestricted net position of the Utilities Fund at the end of the year amounted to \$23,460,146 and the Solid Waste Fund amounted to \$1,368,228. The combined increase in total net position for these funds was \$6,503,489.

For the year, the total net position of the Utilities Fund increased by \$6,093,483 and the Solid Waste Fund increased by \$410,006. Financial analysis in regards to these funds can be found in the business-type activities section. This gives a total increase in proprietary funds net position of \$6,503,489.

General Fund Budgetary Highlights

The City of Monroe's General Fund budget is prepared according to Georgia Law and was amended as necessary by Council during the fiscal year. Primary differences between the original budget and the final amended budget for the General Fund are summarized as follows:

Revenues:

- Total budgeted revenues were amended from original to final budgets from \$10,535,598 to \$11,637,794, respectively.
- Actual revenues were \$195,360 more than final budgeted amounts.
- The largest variance comes from a significant increase in property tax collections & Local Option Sales Tax (LOST) collections.

Expenditures:

- Total budgeted expenditures increased from original to final budgets from \$13,756,878 to \$15,890,885, respectively.
- Total expenditures were \$279,640 less than final budgeted amounts.

A comparison on General Fund actual expenditures to budget can be found on page 21. The most significant variances in budget to actual within revenues came from a significant increase in property tax collections & LOST collections, for a total variance of \$195,360.

Capital Asset and Debt Administration

Capital Assets. The City of Monroe's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$127,219,794 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment, furniture & vehicles, and construction in progress.

Major capital asset events during the current fiscal year included the following:

Governmental type activities:

- Purchase of \$690,547 in machinery, equipment and vehicles.
- Purchase or donation of land totaling \$1,157,398.
- Construction in progress as of the end of the current fiscal year totaling \$5,862,512.
- Disposals or sale of equipment, furniture or vehicles totaled \$566,675.

Business-type activities:

- Purchase of \$1,829,137 in specialized service installation equipment and vehicles.
- Construction in progress additions of \$11,561,671 in utility infrastructure & improvements.
- Construction in progress as of the end of the current fiscal year totaling \$19,592,769 for electric, gas, sewer, water and cable upgrades and projects.
- Purchase or donation of land, \$10,000.
- Disposals or sale of equipment, furniture or vehicles totaled \$802,002.

CITY OF MONROE, GEORGIA
Capital Assets
(net of depreciation)
Fiscal Years 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,828,727	\$ 4,671,329	\$ 2,676,238	\$ 2,666,238	\$ 8,504,965	\$ 7,337,567
Infrastructure	14,031,699	12,981,667	44,616,653	41,289,854	58,648,352	54,271,521
Buildings and Improvements	6,746,222	6,800,001	17,785,696	18,564,492	24,531,918	25,364,493
Equipment, furniture & vehicles	2,045,563	1,830,856	8,033,715	8,022,653	10,079,278	9,853,509
Construction in progress	5,862,512	4,725,800	19,592,769	12,097,418	25,455,281	16,823,218
Total	<u>\$ 34,514,723</u>	<u>\$ 31,009,653</u>	<u>\$ 92,705,071</u>	<u>\$ 82,640,655</u>	<u>\$ 127,219,794</u>	<u>\$ 113,650,308</u>

Additional information on the capital assets can be found in the Notes to Financial Statements on pages 42 and 43 of this report.

Long-term Debt. As of December 31, 2021, the City of Monroe's total long-term debt outstanding is \$66,260,053. The majority of this balance represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Outstanding Debt
General Obligation and Revenue Bonds
(net of premiums & discounts)
Fiscal Years 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ 3,100,300	\$ 3,501,300	\$ 59,009,607	\$ 60,940,575	\$ 62,109,907	\$ 64,441,875
Financed purchases	923,932	947,942	-	-	923,932	947,942
Notes payable	2,120,000	1,275,000	1,106,214	1,214,752	3,226,214	2,489,752
Total	<u>\$ 6,144,232</u>	<u>\$ 5,724,242</u>	<u>\$ 60,115,821</u>	<u>\$ 62,155,327</u>	<u>\$ 66,260,053</u>	<u>\$ 67,879,569</u>

The City of Monroe's total debt decreased a net of \$1,619,516 during the current fiscal year. State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City of Monroe is \$53.8 million. The City paid off the General Obligation bond in 2019. The City incurred a utility revenue bond in the amount of \$50 million in 2020 for water, sewer, gas & telecom projects.

The City of Monroe's outstanding governmental activity debt or general obligation (GO) debt enjoys a favorable rating of A+ from Standard & Poor's Rating Service. The City's outstanding business-type activity debt or utility revenue bond debt is rated A- by Standard & Poor's Rating Service and A2 by Moody's Investors Service.

Additional information on the City of Monroe's long-term debt can be found in the Notes to Financial Statements on pages 44-48.

Economic Factors and Next Year's Budgets and Rates

In 2020 and into 2021, the City encountered the pandemic crisis of COVID-19 as the rest of the world, however, the City showed continued signs of growth effects on property taxes, and other economic-related remittances such as sales taxes and permits. Although the City is seeing revenue and overall economic improvement, Council and the Finance Department are keen to carefully manage fund balances and to maintain an adequate amount of fund balance to meet debt obligations and help to mitigate against any future economic downturns.

The following indicators were taken into account when adopting the General Fund budget for 2022:

- Revenue from Local Option Sales Tax (LOST) collections was increased due to increased local shopping and commercial growth.
- A slight increase in property tax was budgeted for 2021. Although the City adopted the full rollback rate of 7.404 mills, the increase in budgeted collections is attributed to new growth.
- Building Permit collections were slightly increased due to local growth.
- Cost of implementation of up to a 3% merit increase for employee salaries was included for a half year.
- Nine positions were added City-wide for fiscal year 2022. We previously unfunded eight positions in 2021 in order to decrease overall expenses, due to the unknowns of the COVID pandemic.
- Implementation of the new SPLOST passed in 2018; budgeted an increase in collections for 2022.

Anticipated revenues in the General Fund 2022 budget are \$15.5 million which includes transfers and other financing sources, or approximately \$1.7 million more than the 2021 budget. The 2022 budget was developed and adopted before 2021 fiscal year-end and reflects conservative revenue figures.

Requests for Information

This financial report is designed to provide a general overview of City of Monroe's finances for all those with an interest in our government's finances. Questions concerning this report or requests for additional information may be addressed to:

Beth Thompson
Finance Director
City of Monroe
P.O. Box 1249
Monroe, GA 30655
770-267-7536

CITY OF MONROE, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention & Visitors Bureau
ASSETS					
Cash and cash equivalents	\$ 13,503,719	\$ 9,220,485	\$ 22,724,204	\$ 478,801	\$ 21,862
Investments	-	18,399,853	18,399,853	-	-
Accounts receivable, net of allowances	274,956	4,904,084	5,179,040	8,492	16,819
Taxes receivable	214,900	-	214,900	-	-
Internal balances	326,893	(326,893)	-	-	-
Due from other governments	809,826	-	809,826	-	-
Inventories and prepaid items	74,138	962,976	1,037,114	-	-
Restricted assets:					
Cash and cash equivalents	-	45,937,848	45,937,848	-	-
Investments	-	1,583,182	1,583,182	-	-
Land held for development	-	-	-	92,242	-
Capital assets:					
Non-depreciable	11,691,239	22,269,007	33,960,246	-	-
Depreciable, net of accumulated depreciation	22,823,484	70,436,064	93,259,548	-	-
Total assets	49,719,155	173,386,606	223,105,761	579,535	38,681
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	-	155,609	155,609	-	-
Pension related items	1,518,310	1,531,009	3,049,319	-	-
Total deferred outflows of resources	1,518,310	1,686,618	3,204,928	-	-
LIABILITIES					
Accounts payable	979,867	3,537,420	4,517,287	13,204	-
Retainage payable	11,232	282,640	293,872	-	-
Accrued liabilities	652,621	2,378,074	3,030,695	-	-
Unearned revenues	2,340,661	-	2,340,661	-	-
Long-term liabilities:					
Portion due or payable within one year:					
Compensated absences	601,138	550,446	1,151,584	-	-
Financed purchases	334,182	-	334,182	-	-
Notes payable	119,917	109,081	228,998	242,500	-
Bonds payable	411,000	1,605,000	2,016,000	-	-
Portion due or payable in more than one year:					
Compensated absences	299,616	-	299,616	-	-
Financed purchases	589,750	-	589,750	-	-
Notes payable	2,000,083	997,133	2,997,216	-	-
Bonds payable	2,689,300	57,404,607	60,093,907	-	-
Net pension liability	2,607,997	2,629,811	5,237,808	-	-
Total liabilities	13,637,364	69,494,212	83,131,576	255,704	-
DEFERRED INFLOWS OF RESOURCES					
Pension related items	2,213,091	2,231,602	4,444,693	-	-
Total deferred inflows of resources	2,213,091	2,231,602	4,444,693	-	-
NET POSITION					
Net investment in capital assets	28,359,259	71,061,679	99,420,938	-	-
Restricted for law enforcement	188,709	-	188,709	-	-
Restricted for debt service	-	282,650	282,650	-	-
Restricted for federal programs	341	-	341	-	-
Restricted for capital projects	5,528,728	7,174,707	12,703,435	-	-
Restricted for tourism	6,085	-	6,085	-	38,681
Unrestricted	1,303,888	24,828,374	26,132,262	323,831	-
Total net position	\$ 35,387,010	\$ 103,347,410	\$ 138,734,420	\$ 323,831	\$ 38,681

The accompanying notes are an integral part of these financial statements.

CITY OF MONROE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 1,957,147	\$ 957,149	\$ 94,625	\$ 1,210,887
Judicial	196,437	293,141	-	152,099
Public safety	7,508,143	156,682	223,979	74,240
Public works	2,240,826	48,398	-	953,992
Health and welfare	129,405	-	18,333	-
Culture and recreation	743,703	4,508	-	524,060
Housing and development	1,721,414	567,006	35,000	1,246,166
Interest on long-term debt	178,258	-	-	-
Total governmental activities	<u>14,675,333</u>	<u>2,026,884</u>	<u>371,937</u>	<u>4,161,444</u>
Business-type activities:				
Utilities	37,604,762	44,515,756	-	1,612,424
Solid waste	5,846,638	6,367,207	-	-
Total business-type activities	<u>43,451,400</u>	<u>50,882,963</u>	<u>-</u>	<u>1,612,424</u>
Total primary government	<u>\$ 58,126,733</u>	<u>\$ 52,909,847</u>	<u>\$ 371,937</u>	<u>\$ 5,773,868</u>
Component units:				
Downtown Development Authority	\$ 85,056	\$ 53,972	\$ 500	\$ -
Convention & Visitors Bureau	54,829	-	-	-
Total component units	<u>\$ 139,885</u>	<u>\$ 53,972</u>	<u>\$ 500</u>	<u>\$ -</u>

General revenues:
Property taxes
Sales taxes
Franchise taxes
Business taxes
Unrestricted investment earnings (loss)
Miscellaneous
Gain on sale of capital assets
Transfers
Total general revenues and transfers
Change in net position
Net position, beginning of year
Net position, end of year

The accompanying notes are an integral part of these financial statements.

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention & Visitors Bureau
\$ 305,514	\$ -	\$ 305,514	\$ -	\$ -
248,803	-	248,803	-	-
(7,053,242)	-	(7,053,242)	-	-
(1,238,436)	-	(1,238,436)	-	-
(111,072)	-	(111,072)	-	-
(215,135)	-	(215,135)	-	-
126,758	-	126,758	-	-
(178,258)	-	(178,258)	-	-
<u>(8,115,068)</u>	<u>-</u>	<u>(8,115,068)</u>	<u>-</u>	<u>-</u>
-	8,523,418	8,523,418	-	-
-	520,569	520,569	-	-
-	9,043,987	9,043,987	-	-
<u>\$ (8,115,068)</u>	<u>\$ 9,043,987</u>	<u>\$ 928,919</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (30,584)	\$ -
-	-	-	-	(54,829)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,584)</u>	<u>\$ (54,829)</u>
\$ 4,445,499	\$ -	\$ 4,445,499	\$ -	\$ -
3,507,991	-	3,507,991	25,000	60,794
316,483	-	316,483	-	-
1,221,181	-	1,221,181	-	-
2,144	(40,683)	(38,539)	27,042	-
-	-	-	64,225	432
-	5,194	5,194	-	-
2,505,009	(2,505,009)	-	-	-
<u>11,998,307</u>	<u>(2,540,498)</u>	<u>9,457,809</u>	<u>116,267</u>	<u>61,226</u>
3,883,239	6,503,489	10,386,728	85,683	6,397
31,503,771	96,843,921	128,347,692	238,148	32,284
<u>\$ 35,387,010</u>	<u>\$ 103,347,410</u>	<u>\$ 138,734,420</u>	<u>\$ 323,831</u>	<u>\$ 38,681</u>

CITY OF MONROE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2021

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 5,775,413	\$ 5,193,590	\$ 2,534,716	\$ 13,503,719
Taxes receivable	209,155	-	5,745	214,900
Accounts receivable	274,956	-	-	274,956
Due from other governments	443,416	366,405	5	809,826
Due from other funds	326,893	-	89,507	416,400
Prepaid items	74,138	-	-	74,138
Total assets	<u>\$ 7,103,971</u>	<u>\$ 5,559,995</u>	<u>\$ 2,629,973</u>	<u>\$ 15,293,939</u>
LIABILITIES				
Accounts payable	\$ 826,873	\$ 123,514	\$ 29,480	\$ 979,867
Retainage payable	-	-	11,232	11,232
Accrued liabilities	624,357	-	-	624,357
Due to other funds	89,507	-	-	89,507
Unearned revenue	27,550	-	2,313,111	2,340,661
Total liabilities	<u>1,568,287</u>	<u>123,514</u>	<u>2,353,823</u>	<u>4,045,624</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	123,677	-	-	123,677
Total deferred inflows of resources	<u>123,677</u>	<u>-</u>	<u>-</u>	<u>123,677</u>
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	74,138	-	-	74,138
Restricted:				
Law enforcement	-	-	188,709	188,709
Capital projects	-	5,436,481	81,015	5,517,496
Tourism	-	-	6,085	6,085
Federal programs	-	-	341	341
Assigned:				
Public safety	5,551	-	-	5,551
Unassigned	5,332,318	-	-	5,332,318
Total fund balances	<u>5,412,007</u>	<u>5,436,481</u>	<u>276,150</u>	<u>11,124,638</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,103,971</u>	<u>\$ 5,559,995</u>	<u>\$ 2,629,973</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	34,514,723
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	123,677
Deferred outflows and inflows of resources as well as the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(3,302,778)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(7,073,250)</u>
Net position of governmental activities	<u>\$ 35,387,010</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MONROE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 9,433,380	\$ -	\$ 62,464	\$ 9,495,844
Licenses and permits	496,979	-	-	496,979
Intergovernmental	404,202	3,769,458	239,887	4,413,547
Fines and forfeitures	293,141	-	151,576	444,717
Charges for services	849,452	-	-	849,452
Interest income	428	1,261	455	2,144
Miscellaneous	355,572	-	-	355,572
Total revenues	<u>11,833,154</u>	<u>3,770,719</u>	<u>454,382</u>	<u>16,058,255</u>
Expenditures				
Current:				
General government	2,336,054	-	61,525	2,397,579
Judicial	197,999	-	-	197,999
Public safety	7,937,138	-	113,116	8,050,254
Public works	1,474,913	530,722	-	2,005,635
Health and welfare	23,280	-	-	23,280
Culture and recreation	1,352,137	-	-	1,352,137
Housing and development	1,394,437	-	60,795	1,455,232
Capital outlay	-	2,495,917	177,025	2,672,942
Debt service:				
Principal retirements	729,438	56,686	-	786,124
Interest	165,849	9,394	-	175,243
Total expenditures	<u>15,611,245</u>	<u>3,092,719</u>	<u>412,461</u>	<u>19,116,425</u>
Excess (deficiency) of revenues over expenditures	<u>(3,778,091)</u>	<u>678,000</u>	<u>41,921</u>	<u>(3,058,170)</u>
Other financing sources (uses):				
Financed purchases	286,114	-	-	286,114
Issuance of note payable	920,000	-	-	920,000
Transfers in	2,945,905	-	-	2,945,905
Transfers out	-	(262,437)	(178,459)	(440,896)
Total other financing sources, net	<u>4,152,019</u>	<u>(262,437)</u>	<u>(178,459)</u>	<u>3,711,123</u>
Net change in fund balances	373,928	415,563	(136,538)	652,953
Fund balances, beginning of year	<u>5,038,079</u>	<u>5,020,918</u>	<u>412,688</u>	<u>10,471,685</u>
Fund balances, end of year	<u>\$ 5,412,007</u>	<u>\$ 5,436,481</u>	<u>\$ 276,150</u>	<u>\$ 11,124,638</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MONROE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 652,953
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	3,559,769
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(4,692)
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net position.	(54,699)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(419,990)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>149,898</u>
Change in net position - governmental activities.	<u>\$ 3,883,239</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MONROE, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 8,325,740	\$ 9,219,089	\$ 9,433,380	\$ 214,291
Licenses and permits	383,800	483,785	496,979	13,194
Fines and forfeitures	475,000	475,000	293,141	(181,859)
Charges for services	756,800	756,800	849,452	92,652
Intergovernmental	287,699	388,888	404,202	15,314
Interest	-	-	428	428
Miscellaneous	306,559	314,232	355,572	41,340
Total revenues	<u>10,535,598</u>	<u>11,637,794</u>	<u>11,833,154</u>	<u>195,360</u>
Expenditures				
Current:				
General government:				
Legislative	250,791	250,790	240,604	10,186
Executive	403,555	403,555	389,602	13,953
Board of elections	15,300	17,700	17,700	-
General administration	145,244	145,244	144,744	500
Financial administration	355,918	1,285,118	1,285,060	58
Law	105,000	218,844	218,844	-
Internal audit	40,000	40,000	39,500	500
Total general government	<u>1,315,808</u>	<u>2,361,251</u>	<u>2,336,054</u>	<u>25,197</u>
Judicial:				
Municipal court	105,625	197,999	197,999	-
Total judicial	<u>105,625</u>	<u>197,999</u>	<u>197,999</u>	<u>-</u>
Public safety:				
Police	5,272,913	5,433,573	5,407,923	25,650
Fire	2,556,103	2,619,968	2,529,215	90,753
Total public safety	<u>7,829,016</u>	<u>8,053,541</u>	<u>7,937,138</u>	<u>116,403</u>
Public works:				
Highways and streets administration	1,548,926	1,548,926	1,474,913	74,013
Total public works	<u>1,548,926</u>	<u>1,548,926</u>	<u>1,474,913</u>	<u>74,013</u>
Health and welfare:				
Community center	17,600	23,280	23,280	-
Total health and welfare	<u>17,600</u>	<u>23,280</u>	<u>23,280</u>	<u>-</u>
Culture and recreation:				
Special facilities	607,135	1,217,086	1,217,014	72
Library	124,075	135,123	135,123	-
Total culture and recreation	<u>731,210</u>	<u>1,352,209</u>	<u>1,352,137</u>	<u>72</u>
Housing and development:				
Protective inspection administration	649,658	749,643	715,584	34,059
Planning and zoning	4,844	4,844	4,844	-
Economic development	649,626	694,626	674,009	20,617
Total housing and development	<u>1,304,128</u>	<u>1,449,113</u>	<u>1,394,437</u>	<u>54,676</u>
Debt service:				
Principal	737,093	737,093	729,438	7,655
Interest	167,472	167,473	165,849	1,624
Total debt service	<u>904,565</u>	<u>904,566</u>	<u>895,287</u>	<u>9,279</u>
Total expenditures	<u>13,756,878</u>	<u>15,890,885</u>	<u>15,611,245</u>	<u>279,640</u>
Deficiency of revenues over expenditures	<u>(3,221,280)</u>	<u>(4,253,091)</u>	<u>(3,778,091)</u>	<u>475,000</u>
Other financing sources				
Financed purchases	310,000	310,000	286,114	(23,886)
Proceeds from note	-	920,000	920,000	-
Transfers in	2,911,280	3,023,091	2,945,905	(77,186)
Total other financing sources	<u>3,221,280</u>	<u>4,253,091</u>	<u>4,152,019</u>	<u>(101,072)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>373,928</u>	<u>373,928</u>
Fund balance, beginning of year	<u>5,038,079</u>	<u>5,038,079</u>	<u>5,038,079</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,038,079</u>	<u>\$ 5,038,079</u>	<u>\$ 5,412,007</u>	<u>\$ 373,928</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MONROE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2021

ASSETS	Utilities Fund	Solid Waste Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	\$ 7,487,070	\$ 1,733,415	\$ 9,220,485
Investments	18,399,853	-	18,399,853
Accounts receivable, net of allowances	4,560,871	343,213	4,904,084
Due from other funds	-	356,294	356,294
Prepaid items	101,117	6,977	108,094
Inventories	854,882	-	854,882
	31,403,793	2,439,899	33,843,692
RESTRICTED ASSETS			
Cash and cash equivalents	45,937,848	-	45,937,848
Investments	1,583,182	-	1,583,182
	47,521,030	-	47,521,030
Total current assets	78,924,823	2,439,899	81,364,722
CAPITAL ASSETS			
Non-depreciable	21,927,337	341,670	22,269,007
Depreciable, net of accumulated depreciation	68,388,415	2,047,649	70,436,064
	90,315,752	2,389,319	92,705,071
Total assets	169,240,575	4,829,218	174,069,793
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	155,609	-	155,609
Pension related items	1,264,192	266,817	1,531,009
	1,419,801	266,817	1,686,618
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	3,147,834	389,586	3,537,420
Accrued liabilities	148,886	20	148,906
Retainage payable	282,640	-	282,640
Compensated absences payable	458,291	92,155	550,446
Due to other funds	673,684	9,503	683,187
	4,711,335	491,264	5,202,599
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Revenue bonds payable	1,605,000	-	1,605,000
Notes payable	109,081	-	109,081
Customer deposits	2,065,497	-	2,065,497
Accrued interest	163,671	-	163,671
	3,943,249	-	3,943,249
Total current liabilities	8,654,584	491,264	9,145,848
NONCURRENT LIABILITIES			
Revenue bonds payable	57,404,607	-	57,404,607
Notes payable	997,133	-	997,133
Net pension liability	2,171,500	458,311	2,629,811
	60,573,240	458,311	61,031,551
Total noncurrent liabilities	60,573,240	458,311	61,031,551
Total liabilities	69,227,824	949,575	70,177,399
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,842,689	388,913	2,231,602
NET POSITION			
Net investment in capital assets	68,672,360	2,389,319	71,061,679
Restricted for capital projects	7,174,707	-	7,174,707
Restricted for debt service	282,650	-	282,650
Unrestricted	23,460,146	1,368,228	24,828,374
Total net position	\$ 99,589,863	\$ 3,757,547	\$ 103,347,410

The accompanying notes are an integral part of these financial statements.

CITY OF MONROE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Utilities Fund	Solid Waste Fund	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 44,515,756	\$ 6,367,207	\$ 50,882,963
Total operating revenues	44,515,756	6,367,207	50,882,963
OPERATING EXPENSES			
Cost of sales and services	17,887,393	3,585,980	21,473,373
General operating expenses	14,994,941	1,980,943	16,975,884
Depreciation	3,056,677	279,715	3,336,392
Total operating expenses	35,939,011	5,846,638	41,785,649
Operating income	8,576,745	520,569	9,097,314
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	(40,683)	-	(40,683)
Gain on sale of capital assets	-	5,194	5,194
Interest and fiscal charges	(1,665,751)	-	(1,665,751)
Total non-operating revenues (expenses)	(1,706,434)	5,194	(1,701,240)
Income before capital contributions and transfers	6,870,311	525,763	7,396,074
Capital contributions	1,612,424	-	1,612,424
Transfers in	66,551	262,437	328,988
Transfers out	(2,455,803)	(378,194)	(2,833,997)
	(776,828)	(115,757)	(892,585)
Change in net position	6,093,483	410,006	6,503,489
Net position, beginning of year	93,496,380	3,347,541	96,843,921
Net position, end of year	<u>\$ 99,589,863</u>	<u>\$ 3,757,547</u>	<u>\$ 103,347,410</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MONROE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Utilities Fund	Solid Waste Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 44,257,409	\$ 6,352,646	\$ 50,610,055
Payments to suppliers	(23,630,822)	(4,423,480)	(28,054,302)
Payments to employees	(8,529,263)	(1,420,365)	(9,949,628)
Net cash provided by operating activities	<u>12,097,324</u>	<u>508,801</u>	<u>12,606,125</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	66,551	262,437	328,988
Transfers out to other funds	(2,455,803)	(378,194)	(2,833,997)
Net cash used in non-capital financing activities	<u>(2,389,252)</u>	<u>(115,757)</u>	<u>(2,505,009)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(11,586,097)	(337,800)	(11,923,897)
Principal payments on bonds	(1,570,000)	-	(1,570,000)
Principal payments on notes	(108,538)	-	(108,538)
Interest paid on long-term borrowings	(1,998,463)	-	(1,998,463)
Proceeds from sale of capital assets	-	5,194	5,194
Receipt of intergovernmental revenues	135,513	-	135,513
Cash capital contributions	-	-	-
Net cash used in capital and related financing activities	<u>(15,127,585)</u>	<u>(332,606)</u>	<u>(15,460,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment loss	(40,683)	-	(40,683)
Purchase of investments	(1,598,057)	-	(1,598,057)
Net cash used in investing activities	<u>(1,638,740)</u>	<u>-</u>	<u>(1,638,740)</u>
Net increase (decrease) in cash and cash equivalents	(7,058,253)	60,438	(6,997,815)
Cash and cash equivalents, beginning of year	60,483,171	1,672,977	62,156,148
Cash and cash equivalents, end of year	<u>\$ 53,424,918</u>	<u>\$ 1,733,415</u>	<u>\$ 55,158,333</u>
Classified as:			
Cash and cash equivalents	\$ 7,487,070	\$ 1,733,415	\$ 9,220,485
Restricted cash and cash equivalents	45,937,848	-	45,937,848
	<u>\$ 53,424,918</u>	<u>\$ 1,733,415</u>	<u>\$ 55,158,333</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 8,576,745	\$ 520,569	\$ 9,097,314
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	3,056,677	279,715	3,336,392
Change in assets and liabilities:			
Increase in accounts receivable	(227,534)	(14,561)	(242,095)
Decrease in due from other governments	608,172	-	608,172
Increase in due from other funds	-	(19,881)	(19,881)
(Increase) decrease in prepaid items	(27,640)	9,219	(18,421)
Decrease in inventories	22,981	-	22,981
Decrease in deferred outflows of resources for pension items	1,366,772	268,689	1,635,461
Increase (decrease) in accounts payable	411,941	(233,187)	178,754
Decrease in accrued liabilities	(10,857)	-	(10,857)
Decrease in customer deposits	(30,813)	-	(30,813)
Increase (decrease) in compensated absences payable	(47,435)	6,942	(40,493)
Increase in due to other funds	92,782	6,012	98,794
Decrease in net pension liability	(3,533,899)	(702,966)	(4,236,865)
Increase in deferred inflows of resources for pension items	1,839,432	388,250	2,227,682
Net cash provided by operating activities	<u>\$ 12,097,324</u>	<u>\$ 508,801</u>	<u>\$ 12,606,125</u>
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributions of capital assets	\$ 1,476,911	\$ -	\$ 1,476,911

The accompanying notes are an integral part of these financial statements.

CITY OF MONROE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Monroe, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. Reporting Entity

Incorporated in 1821, under the laws of the State of Georgia, the City of Monroe is governed by a nine member Mayor/Council form of government. The mayor is elected to a four-year term, and council members are elected to staggered four-year terms. The Mayor serves as the Chief Executive Officer and the other eight council members serve on a part-time basis. The Mayor is assisted by a city administrator to handle the daily operations of the City.

The City’s major operations include public safety, fire protection, public works maintenance, utility services and general administrative services. In addition, the City exercises sufficient control over other governmental authorities that are included as part of the City’s reporting entity.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable and can impose its will. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

The Downtown Development Authority was activated by resolution in 1985 to promote and further develop trade, commerce, industry and employment opportunities within the City of Monroe, Georgia. It operates under an eight member board appointed by the City, one of which is a member of the City Council. The City has the ability to impose its will on the Authority. The Authority does not issue separate financial statements and is included as a discretely presented component unit in the City’s financial report.

The Monroe Area Convention and Visitors Bureau Authority was activated by resolution in 2008 to promote and further develop trade and tourism opportunities within the City of Monroe, Georgia. It operates under an eight member board appointed by the City, one of which is a member of the City Council. The City has the ability to impose its will on the Convention and Visitors Bureau. The Convention and Visitors Bureau does not issue separate financial statements and is included as a discretely presented component unit in the City’s financial report.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Urban Redevelopment Authority was activated by resolution in 2018 to promote and further develop trade and tourism opportunities within the City of Monroe, Georgia. It operates under an eight-member board appointed by the Mayor and approved by the City Council. All debt issued by the Authority is expected to be repaid entirely with City resources. The Authority does not issue separate financial statements and is included as a blended component unit in the City's financial report.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes received up to sixty days after year end, sales taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **SPLOST Fund** is used to account for the one percent Special Purpose Local Option Tax (SPLOST) funds collected by Walton County and disbursed to the City. The funds are used for specific capital projects as approved by voter referendum.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major proprietary funds:

The **Utilities Fund** accounts for the operation and maintenance of the City's water and sewer, gas, electric, and cable utility services.

The **Solid Waste Fund** accounts for the operation and maintenance of the City's transfer station and solid waste disposal.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are restricted or committed to expenditure for specific purposes.

The **Capital Project Funds** account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of facilities or other capital assets.

The **Debt Service Fund** accounts for the accumulation of resources and payments made of principal and interest on the City's debt.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of interfund services provided and used.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Annual appropriated budgets are adopted for all governmental funds, with the exception of capital projects funds for which project length budgets are adopted. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year-end. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is used in the City's General Fund. Encumbrances outstanding at year end are reported as committed or assigned fund balance since they do not constitute expenditures or liabilities. There were no outstanding encumbrances at December 31, 2021.

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's nonparticipating interest earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Inventories

The costs of governmental fund type inventories (which are not significant to the City) are recorded as expenditures when purchased rather than when consumed (purchase method). Inventories of the proprietary funds are valued at cost using the first-in/first-out (FIFO) method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items in both government-wide and fund financial statements. The City accounts for prepaid items using the consumption method (i.e., the cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased).

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The City capitalizes intangible assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	15-50
Buildings and improvements	20-50
Vehicles	5
Furniture and fixtures	10
Machinery and equipment	5-15

J. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. In addition, the City has a certificate of deposit account that is used to cover any customer deposit refunds for utilities services.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred charge on refunding reported in the proprietary fund statement of net position qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category. The governmental funds balance sheet reports unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available under the modified accrual basis of accounting.

The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. These contributions will reduce the net pension liability in the subsequent period.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are expensed in the period in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (passage of a resolution) of the City Council. Furthermore, a resolution of the City Council is also required to rescind the commitment of fund balance.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The resolution passed by the City Council which adopted the City's fund balance policy has delegated the Finance Director the authority to assign amounts to be used for specific purposes.

Unassigned – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The General Fund is the only fund of the City that may report a positive unassigned fund balance. Deficits in fund balance in other funds will be reported as unassigned.

The City has established a minimum fund balance policy in the General Fund for working capital purposes to eliminate cash flow issues, cover the cost of expenditures caused by unforeseen emergencies, cover shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. The City will maintain the equivalent of approximately two (2) months of operating and debt service expenditures, including transfers to other funds, which amounts to approximately 17% of budgeted General Fund expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Monroe Retirement Plan (the “Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “deferred outflows and inflows of resources as well as the net pension liability related to the City’s pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.” The details of this \$3,302,778 difference are as follows:

Deferred outflows of resources - pension related items	\$ 1,518,310
Deferred inflows of resources - pension related items	(2,213,091)
Net pension liability	(2,607,997)
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (3,302,778)

Another element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$7,073,250 difference are as follows:

Revenue bonds payable	\$ (3,100,300)
Notes payable	(2,120,000)
Financed purchases payable	(923,932)
Accrued interest payable	(28,264)
Compensated absences	(900,754)
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (7,073,250)

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$3,559,769 difference are as follows:

Capital outlay	\$ 5,020,499
Depreciation expense	<u>(1,460,730)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 3,559,769</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$419,990 difference are as follows:

Principal repayments:	
Revenue bonds	\$ 401,000
Financed purchases	310,124
Notes	75,000
Financed purchase	(286,114)
Issuance of note payable	<u>(920,000)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (419,990)</u>

The final element of that reconciliation explains that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$149,898 difference are as follows:

Compensated absences	\$ (3,329)
Accrued interest	(3,015)
Pension expense	<u>156,242</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 149,898</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The City of Monroe, Georgia employs the following procedures in establishing its annual budget:

1. Prior to January 1, the City Administrator submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means for financing them.
2. The City Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of the City of Monroe, Georgia.
3. The budget is then revised and adopted or amended by the City Council at a subsequent regular meeting in the year to which it applies and within forty-five days following January 1.
4. The adopted budget may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made therein without provision also being made for financing same, for anything above the legal level of budgetary control, which is the department level. However, transfers within a department may be made within any fund without council approval. The final budget amounts shown in these financial statements reflect amendments approved by the City Council.

B. Excess of Expenditures over Appropriations.

For the year ended December 31, 2021, expenditures exceeded appropriations in the housing and development department within the Hotel/Motel Tax Fund by \$46,000. Expenditures in excess of appropriations were funded by greater than anticipated revenues.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2021 are summarized as follows:

Amounts as presented on the entity wide statement of net position:

Cash and cash equivalents	\$ 22,724,204
Investments	18,399,853
Restricted cash and cash equivalents	45,937,848
Restricted investments	1,583,182
Total	<u>\$ 88,645,087</u>
Deposits with financial institutions	\$ 31,497,127
Fidelity Treasury Portfolio	38,748,107
Investments in the Municipal Competitive Trust	18,399,853
	<u>\$ 88,645,087</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2021, the City had the following investments:

Investment	Weighted Average Maturities	Balance
Municipal Competitive Trust - Short-term	172 days	\$ 6,611,500
Municipal Competitive Trust - Intermediate	3.37 years	3,283,668
Municipal Competitive Trust - Intermediate Extended Maturity	4.34 years	8,504,685
Certificate of deposit	12 months	1,583,182
Total		\$ 19,983,035

Credit risk: State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations, and political subdivisions of the State of Georgia, negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. The City's investments in the Municipal Competitive Trust were not rated.

The Fidelity Treasury Portfolio trades exclusively in short term cash equivalents and U.S. Treasury securities and is rated AAAM by Standard & Poor's criteria. As of December 31, 2021, the weighted-average maturity of the fund was 49 days.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City's only investments that are required to be disclosed in the fair value hierarchy are its holdings in the Municipal Competitive Trust, which are considered to be Level 2 investments. These investments are valued using comparative observable input market data, including, but not limited to: benchmark yields or yield curves; historic sector, security, or issuer relative pricing; observed or reported trades of like assets broker dealer quotes; or quantitative pricing models using any or all of these market data.

The City's certificate of deposit is a nonparticipating interest-earning investment contract and, accordingly, is recorded at cost.

The Fidelity Treasury Portfolio is a money market mutual fund and is classified in level 1 of the hierarchy. It is valued using prices quoted in active markets for the exact same money market mutual funds.

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.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2021, the City had deposits with three (3) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The Walton County Tax Commissioner bills and collects the City's property taxes. The taxes are levied by August 1 based on the assessed value of property as listed on the previous January 1 and are due on November 15 of each year.

The billings are considered past due on November 16, at which time the applicable property is subject to lien and penalties and interest are assessed.

Property taxes are recorded as receivables and deferred inflows of resources in the General Fund when assessed and revenues are recognized when available.

Receivables at December 31, 2021, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>SPLOST</u>	<u>Utilities</u>	<u>Solid Waste</u>	<u>Nonmajor Governmental Funds</u>
Receivables:					
Taxes	\$ 209,155	\$ -	\$ -	\$ -	\$ 5,745
Accounts	274,956	-	4,682,323	343,213	-
Due from other governments	443,416	366,405	-	-	5
Less allowance for uncollectible	-	-	(121,452)	-	-
Net total receivable	<u>\$ 927,527</u>	<u>\$ 366,405</u>	<u>\$ 4,560,871</u>	<u>\$ 343,213</u>	<u>\$ 5,750</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 4,671,329	\$ 1,157,398	\$ -	\$ -	\$ 5,828,727
Construction in progress	4,725,800	3,172,554	-	(2,035,842)	5,862,512
Total	<u>9,397,129</u>	<u>4,329,952</u>	<u>-</u>	<u>(2,035,842)</u>	<u>11,691,239</u>
Capital assets, being depreciated:					
Infrastructure	32,538,287	-	-	1,632,535	34,170,822
Buildings and improvements	14,064,202	26,656	(164,419)	391,022	14,317,461
Equipment, furniture & vehicles	7,533,498	663,891	(402,256)	12,285	7,807,418
Total	<u>54,135,987</u>	<u>690,547</u>	<u>(566,675)</u>	<u>2,035,842</u>	<u>56,295,701</u>
Less accumulated depreciation for:					
Infrastructure	(19,556,620)	(582,503)	-	-	(20,139,123)
Buildings and improvements	(7,264,201)	(418,293)	111,255	-	(7,571,239)
Equipment, furniture & vehicles	(5,702,642)	(459,934)	400,721	-	(5,761,855)
Total	<u>(32,523,463)</u>	<u>(1,460,730)</u>	<u>511,976</u>	<u>-</u>	<u>(33,472,217)</u>
Total capital assets, being depreciated, net	<u>21,612,524</u>	<u>(770,183)</u>	<u>(54,699)</u>	<u>2,035,842</u>	<u>22,823,484</u>
Governmental activities capital assets, net	<u>\$ 31,009,653</u>	<u>\$ 3,559,769</u>	<u>\$ (54,699)</u>	<u>\$ -</u>	<u>\$ 34,514,723</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 2,666,238	\$ 10,000	\$ -	\$ -	\$ 2,676,238
Construction in progress	12,097,418	11,561,671	-	(4,066,320)	19,592,769
Total	<u>14,763,656</u>	<u>11,571,671</u>	<u>-</u>	<u>(4,066,320)</u>	<u>22,269,007</u>
Capital assets, being depreciated:					
Infrastructure	68,700,734	689,243	-	3,968,186	73,358,163
Buildings and improvements	35,930,287	9,480	-	-	35,939,767
Equipment, furniture & vehicles	26,136,489	1,130,414	(802,002)	98,134	26,563,035
Total	<u>130,767,510</u>	<u>1,829,137</u>	<u>(802,002)</u>	<u>4,066,320</u>	<u>135,860,965</u>
Less accumulated depreciation for:					
Infrastructure	(27,410,880)	(1,330,630)	-	-	(28,741,510)
Buildings and improvements	(17,365,795)	(788,276)	-	-	(18,154,071)
Equipment, furniture & vehicles	(18,113,836)	(1,217,486)	802,002	-	(18,529,320)
Total	<u>(62,890,511)</u>	<u>(3,336,392)</u>	<u>802,002</u>	<u>-</u>	<u>(65,424,901)</u>
Total capital assets, being depreciated, net	<u>67,876,999</u>	<u>(1,507,255)</u>	<u>-</u>	<u>4,066,320</u>	<u>70,436,064</u>
Business-type activities capital assets, net	<u>\$ 82,640,655</u>	<u>\$ 10,064,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,705,071</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 517,666
Public safety	143,085
Public works	208,324
Health and welfare	106,124
Housing and development	318,846
Culture and recreation	166,685
	<u>1,460,730</u>

Total depreciation expense - governmental activities

\$ 1,460,730

Business-type activities:

Utilities	\$ 3,056,677
Solid waste	279,715
	<u>3,336,392</u>

Total depreciation expense - business-type activities

\$ 3,336,392

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds - direct placement	\$ 3,501,300	\$ -	\$ (401,000)	\$ 3,100,300	\$ 411,000
Financed purchases	947,942	286,114	(310,124)	923,932	334,182
Note payable from direct borrowing	1,275,000	920,000	(75,000)	2,120,000	119,917
Compensated absences	897,425	602,245	(598,916)	900,754	601,138
Net pension liability	6,412,301	1,769,332	(5,573,636)	2,607,997	-
Governmental activity					
Long-term liabilities	<u>\$ 13,033,968</u>	<u>\$ 3,577,691</u>	<u>\$ (6,958,676)</u>	<u>\$ 9,652,983</u>	<u>\$ 1,466,237</u>
Business-type activities:					
Revenue bonds - direct placement	\$ 53,665,000	\$ -	\$ (1,570,000)	\$ 52,095,000	\$ 1,605,000
Bond premium	7,275,575	-	(360,968)	6,914,607	-
Note payable from direct borrowings	1,214,752	-	(108,538)	1,106,214	109,081
Compensated absences	590,939	639,067	(679,560)	550,446	550,446
Net pension liability	6,866,676	1,784,131	(6,020,996)	2,629,811	-
Business-type activity					
Long-term liabilities	<u>\$ 69,612,942</u>	<u>\$ 2,423,198</u>	<u>\$ (8,740,062)</u>	<u>\$ 63,296,078</u>	<u>\$ 2,264,527</u>

For governmental funds, compensated absences and the net pension liability are liquidated by the General Fund. The City estimates the current portion of compensated absences based on historical trends of usage by employees. Based on historical data collected by the City, the City deems it appropriate to classify the entire compensated absences balance of the business-type activities as short term.

A. Governmental Activities

Direct Placement Revenue Bonds. In February 2019, the Urban Redevelopment Authority issued direct placement, Series 2019 Revenue Bonds to finance the City's urban redevelopment project. The bonds were issued for an original amount of \$3,600,000 bearing interest at 2.46% per annum payable quarterly on February 1, May 1, August 1, and November 1 and maturing in November 2028. As of December 31, 2021, the outstanding principal is \$3,100,300. The bonds are secured by an ad valorem tax levied by the City. In the event of default, outstanding bonds payable accrue additional interest, but there is no acceleration clause enforceable for immediate payment upon default.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Direct Placement Revenue Bonds (Continued). The debt service to maturity on the direct placement revenue bond is as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 411,000	\$ 72,496	\$ 483,496
2023	421,200	62,382	483,582
2024	431,600	51,834	483,434
2025	442,400	41,117	483,517
2026	453,400	30,134	483,534
2027-2028	940,700	26,219	966,919
	<u>\$ 3,100,300</u>	<u>\$ 284,182</u>	<u>\$ 3,384,482</u>

Notes Payable from Direct Borrowing. In December 2017, the City entered into an agreement with Walton Plaza Shopping Center, LLC in order to finance the purchase of a building. The original amount of the loan was \$1,500,000 bearing interest at 3.00% per annum payable quarterly in equal principal installments until maturity on December 31, 2037.

In September 2021, the City entered into an agreement with a financial institution to in order to finance the purchase of land for transportation projects. The original amount of the loan was \$920,000 bearing interest at 4.25% per annum payable yearly until maturity on September 30, 2036.

The City's total notes payable debt service requirements to maturity are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 119,917	\$ 75,282	\$ 195,199
2023	121,852	71,066	192,918
2024	123,774	66,950	190,724
2025	125,973	62,382	188,355
2026	128,169	57,905	186,074
2027-2031	677,170	219,044	896,214
2032-2036	748,145	91,020	839,165
2037	75,000	1,420	76,420
Total	<u>\$ 2,120,000</u>	<u>\$ 645,069</u>	<u>\$ 2,765,069</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Financed Purchases from Direct Borrowing. In April 2017, the City entered into a financed purchase agreement in the amount of \$245,900 for the acquisition of vehicles. Annual principal and interest payments are required until May 2020 at an interest rate of 2.86%.

In January 2018, the City entered into a financed purchase agreement in the amount of \$322,523 for the acquisition of fleet management vehicles. Annual principal and interest payments are required until July 2022 at an interest rates ranging from 1.60% to 1.95%.

July 2019, the City entered into a financed purchase agreement in the amount of \$226,855 for the acquisition of vehicles. Annual principal and interest payments are required until July 2023 at an interest rate of 4.71%.

In June 2020, the City entered into a financed purchase agreement in the amount of \$459,932 for the acquisition of vehicles. Annual principal and interest payments are required until June 2024 at an interest rate of 4.88%.

In February 2020, the City entered into a financed purchase agreement in the amount of \$323,500 for the acquisition of a report management system for the police department. Annual principal and interest payments are required until February 2026 at an interest rate of 5.20%.

In November 2021, the City entered into a financed purchase agreement in the amount of \$286,114 for the acquisition of vehicles. Annual principal and interest payments are required until November 2025 at an interest rate of 3.75%.

As of December 31, 2021, the City had \$1,828,816 of capital assets under the financed purchase agreements with \$722,934 of accumulated depreciation. Annual amortization of these assets is included in depreciation expense. The City's total debt service requirements to maturity on its financed purchases are as follows:

	Principal	Interest	Total
Year Ending December 31,			
2022	\$ 334,182	\$ 55,968	\$ 390,150
2023	263,430	42,569	305,999
2024	173,473	28,358	201,831
2025	105,821	18,669	124,490
2026	47,026	10,355	57,381
Total	\$ 923,932	\$ 155,919	\$ 1,079,851

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Business-Type Activities

Direct Placement Revenue Bonds. In December 2016, the City issued the direct placement Combined Utility Revenue Bonds (Series 2016) to provide funds to advance refund \$12,865,000 and \$1,065,000 in aggregate principal amount of the City's Series 2006 and Series 2003 Combined Utility Revenue Bonds, respectively. Additionally, proceeds from the bonds were also used to retire a note payable to the Georgia Environmental Finance Authority with an outstanding balance of \$2,610,111. These bonds were issued for an original amount of \$16,770,000 bearing interest at 2.19% per annum payable semi-annually on June 1 and December 1 and maturing in 2026. The Series 2016 bonds contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 115 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts are due immediately.

In December 2020, the City issued direct placement Combined Utility Revenue Bonds (Series 2020) in the original amount of \$43,700,000 bearing interest at rates ranging from 3.0% to 5.0% payable each June 1 and December 1 beginning 2020 through 2050. The proceeds of the bonds were used for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements to the City's combined water and sewerage system, gas distribution system, electric distribution system, telecommunications and internet system (b) paying the premium for debt service reserve surety bond to be issued by the insurer and the premium for a municipal bond insurance policy to be issued by the insurer and (c) paying the costs of issuing the Series 2020 bonds. The Series 2020 bonds contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 115 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts are due immediately.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Business-Type Activities (Continued)

The debt service to maturity on the Series 2016 and Series 2020 direct placement revenue bonds is as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,605,000	\$ 1,958,091	\$ 3,563,091
2023	1,640,000	1,922,722	3,562,722
2024	1,680,000	1,886,587	3,566,587
2025	1,715,000	1,849,576	3,564,576
2026-2030	7,725,000	8,421,199	16,146,199
2031-2035	7,390,000	6,977,800	14,367,800
2036-2040	8,985,000	5,377,200	14,362,200
2041-2045	10,935,000	3,430,200	14,365,200
2046-2050	10,420,000	1,062,000	11,482,000
Total	<u>\$ 52,095,000</u>	<u>\$ 32,885,375</u>	<u>\$ 84,980,375</u>

Notes Payable from Direct Borrowings. The City has incurred debt to the Georgia Environmental Finance Authority (GEFA) to replace 7,000 water meters with new automated meter reading technology, repayment of which commenced in December 2016. The note bears interest at 5.00% and is due in equal monthly installments of \$9,530 until it matures on November 1, 2031. The note contains (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 115 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts are due immediately. Debt service requirements to maturity on this note payable to GEFA are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 109,081	\$ 5,281	\$ 114,362
2023	109,628	4,735	114,363
2024	110,177	4,185	114,362
2025	110,730	3,633	114,363
2026	111,284	3,078	114,362
2027-2031	555,314	6,970	562,284
Total	<u>\$ 1,106,214</u>	<u>\$ 27,882</u>	<u>\$ 1,134,096</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2021 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Utilities Fund	\$ 317,390
General Fund	Solid Waste Fund	9,503
	Total	<u>\$ 326,893</u>
Solid Waste Fund	Utilities Fund	\$ 356,294
		<u> </u>
Nonmajor governmental funds	General Fund	\$ 89,507
		<u> </u>

The outstanding balances between funds result mainly from the time lag between the dates that reimbursable expenditures occurred and the payments between funds were made. Interfund balances are expected to be repaid in the next year.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Utilities Fund	\$ 2,455,803
General Fund	Solid Waste Fund	378,194
General Fund	Nonmajor Govt Funds	111,908
		<u>\$ 2,945,905</u>
Utilities Fund	Nonmajor Govt Funds	\$ 66,551
		<u> </u>
Solid Waste Fund	SPLOST Fund	\$ 262,437
		<u> </u>

Transfers were used to: (1) use unrestricted revenues collected in the Utilities and Solid Waste Funds to finance various programs accounted for in other funds and (2) to reimburse the Utilities Fund for certain project costs incurred, (3) to move residual Debt Service fund cash to the General Fund, and (4) fund Solid Waste improvements projects in accordance with the SPLOST 2013 Series project listing.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Monroe Retirement Plan) covering all full-time employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.0% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$30 for each year of service after reaching normal retirement age.

The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend, from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street NW, Atlanta, Georgia, 30303 or by calling (404) 688-0472.

Plan membership. As of July 1, 2021, the date of the most recent actuarial valuation, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	109
Terminated vested participants not yet receiving benefits	91
Active employees - vested	154
Active employees - nonvested	88
Total	<u>442</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. For the year ended December 31, 2021, the City's contribution rate was 15.33% of annual payroll and contributions to the Plan totaled \$1,812,084. Currently, Plan members do not contribute although some participants still have contributions remaining in the Plan.

Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2021.

Actuarial assumptions. The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.25%
Salary increases	2.25% plus service based merit increases
Investment rate of return	7.38%, net of pension plan investment expense, including inflation

Mortality rates for the July 1, 2020 valuation were based on the sex-distinct Pri-2012 head-count weighted Healthy Mortality Rate Table with rates multiplied by 1.25.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015–June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2021 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	7.05
Global fixed income	5%	1.25
Real estate	10%	4.50
Domestic fixed income	20%	1.15
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.38%. This is the same as the discount rate used in the prior year. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Amounts reported for the year ending December 31, 2021 and later reflect assumption changes based on an actuarial study conducted in November and December 2019. This study recommended changes in mortality tables, retirement rates, and inflation rate changes from 2.75% to 2.25%.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended December 31, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/20	\$ 35,183,122	\$ 21,904,145	\$ 13,278,977
Changes for the year:			
Service cost	598,509	-	598,509
Interest	2,583,337	-	2,583,337
Differences between expected and actual experience	325,510	-	325,510
Contributions—employer	-	1,613,609	(1,613,609)
Contributions—employee	-	29,619	(29,619)
Net investment income	-	9,951,404	(9,951,404)
Benefit payments, including refunds of employee contributions	(1,506,677)	(1,506,677)	-
Administrative expense	-	(46,107)	46,107
Net changes	2,000,679	10,041,848	(8,041,169)
Balances at 12/31/21	\$ 37,183,801	\$ 31,945,993	\$ 5,237,808

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.38 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38 percent) or 1-percentage-point higher (8.38 percent) than the current rate:

	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's net pension liability	\$ 10,036,295	\$ 5,237,808	\$ 1,229,745

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2021 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the City recognized pension expense of \$1,285,920. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 803,078	\$ 3,790
Changes in assumptions	887,178	-
Net difference between projected and actual earnings on pension plan investments	-	4,440,903
City contributions subsequent to the measurement date	1,359,063	-
Total	\$ 3,049,319	\$ 4,444,693

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of \$1,359,063 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2022	\$ 454,742
2023	261,947
2024	436,322
2025	<u>1,601,426</u>
Total	<u><u>\$ 2,754,437</u></u>

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the 12 county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC). Dues to the RC are assessed at the County level and are, accordingly, paid by Walton County. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RC. Separate financial statements may be obtained from the RC's administrative office at 305 Research Drive, Athens, Georgia 30605.

NOTE 11. RELATED ORGANIZATIONS

The City's council is responsible for appointing a majority of the board members of the City of Monroe, Georgia Housing Authority. However, the City has no further accountability for the Authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issues, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defined by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims have not exceeded coverage in the past three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

The City is self-insured for employee group health insurance. The City maintains specific stop loss coverage in the amount \$50,000 per covered individual for employee group health insurance. A liability for employee group health insurance and workers' compensation claims is recognized in the General Fund when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability includes an estimate for claims that have been incurred but not reported.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

Changes in the balances of claims liabilities during the past two years are as follows:

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims
2021	\$ 150,519	\$ 2,151,293	\$ 2,085,157	\$ 216,656
2020	345,034	2,867,629	3,062,144	150,519

The ending claims liability is expected to be paid during 2022 and, therefore, has been classified as a current liability.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Agreements with the Municipal Electric Authority of Georgia:

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of December 31, 2021, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$12,401,829 in 2021.

At December 31, 2021, the outstanding debt of MEAG was approximately \$7.68 billion. The City's guarantee varies by individual projects undertaken by MEAG and as of December 31, 2021 totals approximately \$130.5 million.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Gas Authority of Georgia:

The City has also entered into a contract for wholesale natural gas purchases with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire the bonds issued by MGAG, the City is obligated to pay its "obligation share" of the costs of the gas supply and related services MGAG provides to the City, which costs includes amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2021, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to MGAG are made monthly based on actual usage. The total payments under these contracts amounted to \$1,803,560 in 2021.

At December 31, 2021, the outstanding debt of MGAG was approximately \$155 million. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately \$1.1 million at December 31, 2021.

Grant Contingencies:

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Contractual Commitments:

As of December 31, 2021, the City has contractual commitments on uncompleted contracts of \$6,544,976 primarily for infrastructure improvements to its highways and streets as well as to its utilities system.

Litigation:

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. HOTEL/MOTEL LODGING TAX

The City imposes a 5% hotel/motel tax on lodging facilities within the City. Revenues were \$62,464 for the year ended December 31, 2021. Of this amount \$60,795, or 99% was expended for the promotion of tourism.

NOTE 15. TAX ABATEMENTS

For the year ended December 31, 2021, City property tax revenues were reduced by \$36,929 under agreements entered into by the Walton County Development Authority. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

NOTE 16. RESTATEMENTS

In accordance with GASB Statement No. 84, *Fiduciary Activities*, management of the City has determined that the activity of the City's Municipal Court Fund should be consolidated and reported within the City's General Fund. As a result, previously reported net position of the Municipal Court Fund as of December 31, 2020 is restated to be zero. The City's municipal court activity is properly accounted for within the City's General Fund as of December 31, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MONROE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability				
Service cost	\$ 598,509	\$ 546,700	\$ 518,359	\$ 490,025
Interest on total pension liability	2,583,337	2,339,127	2,239,018	2,078,904
Differences between expected and actual experience	325,510	904,448	(15,158)	793,401
Changes of assumptions	-	1,478,629	-	527,237
Benefit payments, including refunds of employee contributions	<u>(1,506,677)</u>	<u>(1,454,885)</u>	<u>(1,416,673)</u>	<u>(1,341,167)</u>
Net change in total pension liability	<u>2,000,679</u>	<u>3,814,019</u>	<u>1,325,546</u>	<u>2,548,400</u>
Total pension liability - beginning	<u>35,183,122</u>	<u>31,369,103</u>	<u>30,043,557</u>	<u>27,495,157</u>
Total pension liability - ending (a)	<u>\$ 37,183,801</u>	<u>\$ 35,183,122</u>	<u>\$ 31,369,103</u>	<u>\$ 30,043,557</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,613,609	\$ 1,574,328	\$ 1,595,213	\$ 1,476,334
Contributions - employee	29,619	-	-	151,350
Net investment income	9,951,404	(1,676,580)	824,327	2,489,925
Benefit payments, including refunds of member contributions	(1,506,677)	(1,454,885)	(1,416,673)	(1,341,167)
Administrative expenses	<u>(46,107)</u>	<u>(47,619)</u>	<u>(41,474)</u>	<u>(39,798)</u>
Net change in plan fiduciary net position	<u>10,041,848</u>	<u>(1,604,756)</u>	<u>961,393</u>	<u>2,736,644</u>
Plan fiduciary net position - beginning	<u>21,904,145</u>	<u>23,508,901</u>	<u>22,547,508</u>	<u>19,810,864</u>
Plan fiduciary net position - ending (b)	<u>\$ 31,945,993</u>	<u>\$ 21,904,145</u>	<u>\$ 23,508,901</u>	<u>\$ 22,547,508</u>
City's net pension liability - ending (a) - (b)	<u>\$ 5,237,808</u>	<u>\$ 13,278,977</u>	<u>\$ 7,860,202</u>	<u>\$ 7,496,049</u>
Plan fiduciary net position as a percentage of the total pension liability	85.91%	62.26%	74.94%	75.05%
Covered payroll	\$ 11,411,180	\$ 10,727,956	\$ 9,703,676	\$ 9,334,662
City's net pension liability as a percentage of covered payroll	45.90%	123.78%	81.00%	80.30%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Total pension liability				
Service cost	\$ 483,726	\$ 502,642	\$ 535,685	
Interest on total pension liability	2,005,035	1,821,757	1,734,555	
Differences between expected and actual experience	(253,518)	1,184,399	261,577	
Changes of assumptions	-	-	(381,710)	
Benefit payments, including refunds of employee contributions	<u>(1,223,017)</u>	<u>(1,064,806)</u>	<u>(985,044)</u>	
Net change in total pension liability	<u>1,012,226</u>	<u>2,443,992</u>	<u>1,165,063</u>	
Total pension liability - beginning	<u>26,482,931</u>	<u>24,038,939</u>	<u>22,873,876</u>	
Total pension liability - ending (a)	<u>\$ 27,495,157</u>	<u>\$ 26,482,931</u>	<u>\$ 24,038,939</u>	
Plan fiduciary net position				
Contributions - employer	\$ 1,446,150	\$ 1,460,554	\$ 1,498,029	
Contributions - employee	-	-	38,115	
Net investment income	2,202,837	46,793	1,473,880	
Benefit payments, including refunds of member contributions	(1,223,017)	(1,064,806)	(985,044)	
Administrative expenses	<u>(39,342)</u>	<u>(27,372)</u>	<u>(24,874)</u>	
Net change in plan fiduciary net position	<u>2,386,628</u>	<u>415,169</u>	<u>2,000,106</u>	
Plan fiduciary net position - beginning	<u>17,424,236</u>	<u>17,009,067</u>	<u>15,008,961</u>	
Plan fiduciary net position - ending (b)	<u>\$ 19,810,864</u>	<u>\$ 17,424,236</u>	<u>\$ 17,009,067</u>	
City's net pension liability - ending (a) - (b)	<u>\$ 7,684,293</u>	<u>\$ 9,058,695</u>	<u>\$ 7,029,872</u>	
Plan fiduciary net position as a percentage of the total pension liability	72.05%	65.79%	70.76%	
Covered payroll	\$ 8,834,774	\$ 8,409,066	\$ 8,717,479	
City's net pension liability as a percentage of covered payroll	86.98%	107.73%	80.64%	
Notes to the Schedule:				
The schedule will present 10 years of information once it is accumulated.				

CITY OF MONROE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN SCHEDULE OF CITY CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,812,084	\$ 1,542,384	\$ 1,582,909	\$ 1,466,150
Contributions in relation to the actuarially determined contribution	<u>1,812,084</u>	<u>1,542,384</u>	<u>1,582,909</u>	<u>1,439,383</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,767</u>
Covered payroll	\$ 11,820,509	\$ 11,274,737	\$ 10,545,696	\$ 9,423,002
Contributions as a percentage of covered payroll	15.33%	13.68%	15.01%	15.28%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,514,182	\$ 1,422,940	\$ 1,472,825	\$ 1,506,697
Contributions in relation to the actuarially determined contribution	<u>1,576,845</u>	<u>1,422,940</u>	<u>1,472,825</u>	<u>1,506,697</u>
Contribution deficiency (excess)	<u>\$ (62,663)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,305,215	\$ 8,677,960	\$ 8,319,435	\$ 8,850,160
Contributions as a percentage of covered payroll	16.95%	16.40%	17.70%	17.02%

Notes to the Schedule of Contributions and Related Assumptions:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.38%
Projected Salary Increases	2.25% plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

(2) The schedule will present 10 years of information once it is accumulated.

CITY OF MONROE, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditures for specified purposes.

Forfeited Drug Fund – This fund is used to account for the City’s share of monies that have been forfeited through the court system that are restricted for law enforcement purposes.

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel taxes collected that are restricted for promotion of trade and tourism in the City.

American Rescue Plan Fund – This fund is used to account for the proceeds and expenditures related to the American Rescue Plan Act grant.

DEBT SERVICE FUND

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, principal and interest on the City’s general obligation bonds.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Capital Projects Fund – This fund is used to account for the receipts and disbursements of grant money used to fund various capital outlay projects of the City.

Urban Redevelopment Authority Fund – This fund is used to account for the proceeds of the Series 2019 Revenue Bond issuance, which is to be used to fund the City’s urban redevelopment plan.

CITY OF MONROE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue Funds			Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Forfeited Drug Fund	Hotel/Motel Tax Fund	American Rescue Plan Fund		Capital Projects Fund	Urban Redevelopment Authority Fund	
ASSETS							
Cash and cash equivalents	\$ 201,371	\$ 17,153	\$ 2,313,452	\$ -	\$ 2,740	\$ -	\$ 2,534,716
Taxes receivable	-	5,745	-	-	-	-	5,745
Due from other governments	-	5	-	-	-	-	5
Due from other funds	-	-	-	-	-	89,507	89,507
Total assets	\$ 201,371	\$ 22,903	\$ 2,313,452	\$ -	\$ 2,740	\$ 89,507	\$ 2,629,973
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 12,662	\$ 16,818	\$ -	\$ -	\$ -	\$ -	\$ 29,480
Retainage payable	-	-	-	-	-	11,232	11,232
Unearned revenue	-	-	2,313,111	-	-	-	2,313,111
Total liabilities	12,662	16,818	2,313,111	-	-	11,232	2,353,823
FUND BALANCES							
Restricted:							
Law enforcement	188,709	-	-	-	-	-	188,709
Capital projects	-	-	-	-	2,740	78,275	81,015
Tourism	-	6,085	-	-	-	-	6,085
Federal programs	-	-	341	-	-	-	341
Total fund balances	188,709	6,085	341	-	2,740	78,275	276,150
Total liabilities and fund balances	\$ 201,371	\$ 22,903	\$ 2,313,452	\$ -	\$ 2,740	\$ 89,507	\$ 2,629,973

CITY OF MONROE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds			Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Forfeited Drug Fund	Hotel/Motel Tax Fund	American Rescue Plan Fund		Capital Projects Fund	Urban Redevelopment Authority Fund	
REVENUES							
Taxes	\$ -	\$ 62,464	\$ -	\$ -	\$ -	\$ -	\$ 62,464
Fines and forfeitures	151,576	-	-	-	-	-	151,576
Intergovernmental	-	-	239,887	-	-	-	239,887
Interest	-	-	341	-	-	114	455
Total revenues	151,576	62,464	240,228	-	-	114	454,382
EXPENDITURES							
Current							
General government	-	-	61,525	-	-	-	61,525
Public safety	113,116	-	-	-	-	-	113,116
Housing and development	-	60,795	-	-	-	-	60,795
Capital outlay	-	-	-	-	-	177,025	177,025
Total expenditures	113,116	60,795	61,525	-	-	177,025	412,461
Excess (deficiency) of revenues over expenditures	38,460	1,669	178,703	-	-	(176,911)	41,921
Other Financing Uses:							
Transfers out	-	-	(178,362)	(97)	-	-	(178,459)
Total other financing uses	-	-	(178,362)	(97)	-	-	(178,459)
Net change in fund balances	38,460	1,669	341	(97)	-	(176,911)	(136,538)
FUND BALANCES, beginning of year	150,249	4,416	-	97	2,740	255,186	412,688
FUND BALANCES, end of year	\$ 188,709	\$ 6,085	\$ 341	\$ -	\$ 2,740	\$ 78,275	\$ 276,150

**CITY OF MONROE, GEORGIA
FORFEITED DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines & forfeitures	\$ 45,000	\$ 121,566	\$ 151,576	\$ 30,010
EXPENDITURES				
Public safety	45,000	121,566	113,116	8,450
Net change in fund balances	-	-	38,460	38,460
FUND BALANCES, beginning of year	<u>150,249</u>	<u>150,249</u>	<u>150,249</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 150,249</u>	<u>\$ 150,249</u>	<u>\$ 188,709</u>	<u>\$ 38,460</u>

CITY OF MONROE, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	\$ 14,795	\$ 62,464	\$ 47,669
EXPENDITURES				
Housing and development	-	14,795	60,795	(46,000)
Net change in fund balances	-	-	1,669	1,669
FUND BALANCES, beginning of year	<u>4,416</u>	<u>4,416</u>	<u>4,416</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,416</u>	<u>\$ 4,416</u>	<u>\$ 6,085</u>	<u>\$ 1,669</u>

**CITY OF MONROE, GEORGIA
AMERICAN RESCUE PLAN FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 239,887	\$ 239,887	\$ 239,887	\$ -
Interest	341	341	341	-
Total revenues	<u>240,228</u>	<u>240,228</u>	<u>240,228</u>	<u>-</u>
EXPENDITURES				
General government	<u>61,525</u>	<u>61,525</u>	<u>61,525</u>	<u>-</u>
OTHER FINANCING USES				
Transfers out	<u>(178,362)</u>	<u>(178,362)</u>	<u>(178,362)</u>	<u>-</u>
Net change in fund balances	341	341	341	-
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 341</u></u>	<u><u>\$ 341</u></u>	<u><u>\$ 341</u></u>	<u><u>\$ -</u></u>

**CITY OF MONROE, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
OTHER FINANCING USES				
Transfers out	\$ -	\$ -	\$ (97)	\$ (97)
Net change in fund balances	-	-	(97)	(97)
FUND BALANCES, beginning of year	97	97	97	-
FUND BALANCES, end of year	<u>\$ 97</u>	<u>\$ 97</u>	<u>\$ -</u>	<u>\$ (97)</u>

CITY OF MONROE, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
SPLOST - 2013 SERIES					
Transportation, drainage and sidewalks	\$ 5,900,000	\$ 5,953,753	\$ 5,516,977	\$ 229,169	\$ 5,746,146
Public safety improvements	1,200,000	1,210,933	1,049,552	66,080	1,115,632
Solid waste improvements	2,100,000	2,119,132	1,856,575	262,437	2,119,012
	<u>\$ 9,200,000</u>	<u>\$ 9,283,818</u>	<u>\$ 8,423,104</u>	<u>\$ 557,686</u>	<u>\$ 8,980,790</u>
SPLOST - 2019 SERIES					
Transportation, drainage and sidewalks	\$ 6,139,675	\$ 6,139,675	\$ 957,145	\$ 1,316,177	\$ 2,273,322
Parks improvements	2,631,289	2,631,289	642,064	466,460	1,108,524
	<u>\$ 8,770,964</u>	<u>\$ 8,770,964</u>	<u>\$ 1,599,209</u>	<u>\$ 1,782,637</u>	<u>\$ 3,381,846</u>
Total 2013 and 2019 SPLOST				\$ 2,340,323	
Expenditures funded by non-SPLOST revenues				1,014,833	
Total SPLOST Fund expenditures for year ended December 31, 2021				<u>\$ 3,355,156</u>	

COMPONENT UNITS

CITY OF MONROE, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 53,972
Payments to suppliers	(81,036)
Net cash used in operating activities	<u>(27,064)</u>

CASH FLOWS FROM CAPITAL

FINANCING ACTIVITIES

Proceeds from note payable	242,500
Net cash provided by non-capital financing activities	<u>242,500</u>

CASH FLOWS FROM NON-CAPITAL

FINANCING ACTIVITIES

Tax receipts	25,000
Operating grants receipts	500
Other nonoperating receipts	64,225
Net cash provided by non-capital financing activities	<u>89,725</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	27,042
Purchase of land for redevelopment	(92,242)
Net cash used in investing activities	<u>(65,200)</u>

Net increase in cash 239,961

Cash, beginning of year 238,840

Cash, end of year \$ 478,801

RECONCILIATION OF OPERATING LOSS TO NET

CASH USED IN OPERATING ACTIVITIES

Operating loss	(31,084)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Increase in accounts payable	4,020
Net cash used in operating activities	<u>\$ (27,064)</u>

CITY OF MONROE, GEORGIA
BALANCE SHEET
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
DECEMBER 31, 2021

ASSETS

Cash	\$ 21,862
Accounts receivable	<u>16,819</u>
 Total assets	 <u><u>\$ 38,681</u></u>

FUND BALANCE

FUND BALANCE	
Restricted - tourism	<u>38,681</u>
 Total liabilities and fund balance	 <u><u>\$ 38,681</u></u>

**CITY OF MONROE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2021**

REVENUES	
Taxes	\$ 60,794
Miscellaneous	432
	61,226
Total revenues	61,226
 EXPENDITURES	
Tourism	54,829
	54,829
Total expenditures	54,829
Net change in fund balance	6,397
FUND BALANCE, beginning of year	32,284
FUND BALANCE, end of year	\$ 38,681

STATISTICAL SECTION

This part of the City of Monroe’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

	<u>Page</u>
Financial Trends	72

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity	79
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These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and utility charges.

Debt Capacity	93
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These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information	98
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information	101
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These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

CITY OF MONROE, GEORGIA
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 28,359,259	\$ 25,489,636	\$ 22,930,759	\$ 20,485,983	\$ 16,771,849	\$ 16,598,632	\$ 16,304,765	\$ 15,731,687	\$ 15,194,056	\$ 16,120,259
Restricted for law enforcement	188,709	150,249	63,237	23,265	7,885	14,495	40,614	45,678	26,451	14,005
Restricted for debt service	-	-	-	310,849	92,856	47,966	83,893	86,421	68,524	80,597
Restricted for federal programs	341	-	-	-	-	-	-	-	-	-
Restricted for capital projects	5,528,728	5,074,619	4,414,265	4,022,139	5,448,014	4,501,818	4,248,927	2,009,916	1,487,470	239,688
Restricted for tourism	6,085	4,416	3,996	4,634	3,537	3,197	8,371	12,639	8,510	-
Unrestricted	1,303,888	784,851	(300,215)	(970,461)	(763,091)	(639,323)	(787,256)	2,382,343	2,193,503	1,304,317
Total governmental activities net position	\$ 35,387,010	\$ 31,503,771	\$ 27,112,042	\$ 23,876,409	\$ 21,561,050	\$ 20,526,785	\$ 19,899,314	\$ 20,268,684	\$ 18,978,514	\$ 17,758,866
Business-type activities										
Net investment in capital assets	\$ 71,061,679	\$ 65,203,406	\$ 58,967,998	\$ 55,240,661	\$ 51,733,299	\$ 50,771,001	\$ 51,299,882	\$ 49,699,327	\$ 48,731,409	\$ 48,358,364
Restricted for debt service	282,650	277,896	255,363	252,617	249,332	186,716	215,898	215,898	215,898	221,200
Restricted for capital projects	7,174,707	8,022,915	9,696,380	9,139,113	12,097,845	9,441,663	8,383,507	15,244,250	12,615,279	11,666,917
Unrestricted	24,828,374	23,339,704	21,527,290	18,957,214	14,621,384	13,463,671	9,252,608	1,883,885	1,338,458	106,205
Total business-type activities net position	\$ 103,347,410	\$ 96,843,921	\$ 90,447,031	\$ 83,589,605	\$ 78,701,860	\$ 73,863,051	\$ 69,151,895	\$ 67,043,360	\$ 62,901,044	\$ 60,352,686
Primary government										
Net investment in capital assets	\$ 99,420,938	\$ 90,693,042	\$ 81,898,757	\$ 75,726,644	\$ 68,505,148	\$ 67,369,633	\$ 67,604,647	65,431,014	\$ 63,925,465	\$ 64,478,623
Restricted for law enforcement	188,709	150,249	63,237	23,265	7,885	14,495	40,614	45,678	26,451	14,005
Restricted for debt service	282,650	277,896	255,363	563,466	342,188	234,682	299,791	302,319	284,422	301,797
Restricted for federal program	341	-	-	-	-	-	-	-	-	-
Restricted for capital projects	12,703,435	13,097,534	14,110,645	13,161,252	17,545,859	13,943,481	12,632,434	17,254,166	14,102,749	11,906,605
Restricted for tourism	6,085	4,416	3,996	4,634	3,537	3,197	8,371	12,639	8,510	-
Unrestricted	26,132,262	24,124,555	21,227,075	17,986,753	13,858,293	12,824,348	8,465,352	4,266,228	3,531,961	1,410,522
Total primary government net position	\$ 138,734,420	\$ 128,347,692	\$ 117,559,073	\$ 107,466,014	\$ 100,262,910	\$ 94,389,836	\$ 89,051,209	\$ 87,312,044	\$ 81,879,558	\$ 78,111,552

CITY OF MONROE, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 1,957,147	\$ 1,721,026	\$ 1,657,185	\$ 1,348,382	\$ 1,517,879	\$ 1,546,075	\$ 1,497,183	\$ 1,355,733	\$ 1,386,060	\$ 1,424,993
Judicial	196,437	107,436	84,279	96,110	103,571	121,714	112,734	97,474	91,707	96,201
Public safety	7,508,143	7,774,304	7,032,501	6,269,746	5,515,442	5,268,876	5,282,765	5,327,544	4,953,432	5,315,309
Public works	2,240,826	1,629,163	2,302,320	2,288,588	2,403,390	2,515,879	2,608,923	2,876,346	2,900,831	3,828,463
Health and welfare	129,405	110,172	28,153	23,470	12,325	14,713	16,296	13,571	12,010	15,638
Culture and recreation	743,703	721,854	523,148	575,482	427,499	389,367	382,685	389,091	418,912	485,611
Housing and development	1,721,414	1,580,085	1,547,514	1,211,958	1,030,921	785,841	755,074	541,373	483,185	568,750
Interest on long-term debt	178,258	188,998	245,557	116,266	64,856	120,015	178,624	208,995	222,051	245,921
Total governmental activities expenses	<u>14,675,333</u>	<u>13,833,038</u>	<u>13,420,657</u>	<u>11,930,002</u>	<u>11,075,883</u>	<u>10,762,480</u>	<u>10,834,284</u>	<u>10,810,127</u>	<u>10,468,188</u>	<u>11,980,886</u>
Business-type activities:										
Utilities	37,604,762	37,126,841	35,171,102	36,101,902	32,120,416	31,479,006	29,794,440	30,534,057	29,840,533	30,418,076
Solid Waste	5,846,638	5,832,852	5,159,271	4,311,889	4,052,539	3,864,628	3,851,963	3,604,884	4,189,968	4,334,093
GUTA	-	-	-	- (3)	333,199	296,924	79,193	54,165	45,617	48,989
Total business-type activities expenses	<u>43,451,400</u>	<u>42,959,693</u>	<u>40,330,373</u>	<u>40,413,791</u>	<u>36,506,154</u>	<u>35,640,558</u>	<u>33,725,596</u>	<u>34,193,106</u>	<u>34,076,118</u>	<u>34,801,158</u>
Total primary government expenses	<u>\$ 58,126,733</u>	<u>\$ 56,792,731</u>	<u>\$ 53,751,030</u>	<u>\$ 52,343,793</u>	<u>\$ 47,582,037</u>	<u>\$ 46,403,038</u>	<u>\$ 44,559,880</u>	<u>\$ 45,003,233</u>	<u>\$ 44,544,306</u>	<u>\$ 46,782,044</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 957,149	\$ 915,960	\$ 828,086	\$ 745,943	\$ 747,865	\$ 801,829	\$ 702,850	\$ 711,630	\$ 739,038	\$ 603,191
Judicial	293,141	269,919	454,901	332,014	275,966	287,674	405,299	408,191	455,532	342,480
Public safety	156,682	129,367	84,181	59,583	73,869	50,448	125,489	97,188	77,546	46,638
Public works	48,398	31,811	34,410	23,748	61,123	30,411	35,930	31,530	22,471	39,805
Culture and recreation	4,508	4,508	3,335	12,496	15,520	12,920	8,785	12,313	12,313	2,775
Housing and development	567,006	465,658	441,280	233,299	328,659	227,155	212,784	70,504	126,510	43,724
Operating grants and contributions	371,937	1,217,152	640,872	587,422	133,651	169,506	182,306	74,634	73,074	377,316
Capital grants and contributions	4,161,444	4,544,584	4,096,477	2,490,759	1,998,249	1,686,099	3,907,075	2,255,155	1,880,433	1,121,183
Total governmental activities program revenues	<u>6,560,265</u>	<u>7,578,959</u>	<u>6,583,542</u>	<u>4,485,264</u>	<u>3,634,902</u>	<u>3,266,042</u>	<u>5,580,518</u>	<u>3,661,145</u>	<u>3,386,917</u>	<u>2,577,112</u>
Business-type activities:										
Charges for services:										
Utilities	44,515,756	40,893,970	42,580,660	42,193,778	37,997,407	37,484,700	35,898,925	35,424,676	33,267,174	31,737,327
Solid Waste	6,367,207	6,100,901	5,795,498	4,481,913	4,580,937	4,272,845	4,413,332	4,207,418	4,402,965	4,481,351
GUTA	-	-	-	- (3)	119,824	120,868	73,468	36,965	56,992	61,133
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,612,424	4,119,604 (4)	283,684	644,842	41,862	43,351	512,575	489,720	492,841	1,066,897
Total business-type activities program revenues	<u>52,495,387</u>	<u>51,114,475</u>	<u>48,659,842</u>	<u>47,320,533</u>	<u>42,740,030</u>	<u>41,921,764</u>	<u>40,898,300</u>	<u>40,158,779</u>	<u>38,219,972</u>	<u>37,346,708</u>
Total primary government program revenues	<u>\$ 59,055,652</u>	<u>\$ 58,693,434</u>	<u>\$ 55,243,384</u>	<u>\$ 51,805,797</u>	<u>\$ 46,374,932</u>	<u>\$ 45,187,806</u>	<u>\$ 46,478,818</u>	<u>\$ 43,819,924</u>	<u>\$ 41,606,889</u>	<u>\$ 39,923,820</u>

CITY OF MONROE, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (expense)/revenue										
Governmental activities	\$ (8,115,068)	\$ (6,254,079)	\$ (6,837,115)	\$ (7,444,738)	\$ (7,440,981)	\$ (7,496,438)	\$ (5,253,766)	\$ (7,148,982)	\$ (7,081,271)	\$ (9,403,774)
Business-type activities	9,043,987	8,154,782	8,329,469	6,906,742	6,233,876	6,281,206	7,172,704	5,965,673	4,143,854	2,545,550
Total primary government net (expense) revenue	\$ 928,919	\$ 1,900,703	\$ 1,492,354	\$ (537,996)	\$ (1,207,105)	\$ (1,215,232)	\$ 1,918,938	\$ (1,183,309)	\$ (2,937,417)	\$ (6,858,224)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 4,445,499	\$ 3,920,564	\$ 3,684,076	\$ 3,448,522	\$ 3,184,467	\$ 2,985,136	\$ 3,158,414	\$ 3,216,546	\$ 3,254,266	\$ 2,931,008
Sales taxes	3,507,991	3,098,527	2,717,391	2,379,975	2,176,049	2,011,809	2,049,892	2,050,222	1,944,524	2,227,932
Franchise taxes	316,483	313,397	320,400	333,951	317,921	303,920	282,669	263,862	281,939	220,358
Other taxes	1,221,181	1,194,514	1,136,010	1,079,020	1,006,432	970,831	898,936	852,020	815,235	788,216
Unrestricted investment earnings	2,144	20,468	55,803	2	78	-	-	-	-	-
Miscellaneous	-	-	-	109,182	91,966	56,691	-	164,450	276,084	205,930
Gain on sale of capital assets	-	1,155	-	-	32,366	-	89,099	25,051	101,227	6,823
Transfers	2,505,009	2,097,183	2,159,068	2,409,445	1,665,967	1,795,522	1,680,148	1,867,001	1,627,644	2,918,105
Total governmental activities	11,998,307	10,645,808	10,072,748	9,760,097	8,475,246	8,123,909	8,159,158	8,439,152	8,300,919	9,298,372
Business-type activities:										
Investment earnings	(40,683)	336,274	669,317	388,841	265,069	175,847	76,109	43,644	32,148	38,506
Gain on sale of capital assets	5,194	3,017	17,708	1,607	5,831	49,625	-	-	-	-
Transfers	(2,505,009)	(2,097,183)	(2,159,068)	(2,409,445)	(1,665,967)	(1,795,522)	(1,680,148)	(1,867,001)	(1,627,644)	(2,918,105)
Total business-type activities	(2,540,498)	(1,757,892)	(1,472,043)	(2,018,997)	(1,395,067)	(1,570,050)	(1,604,039)	(1,823,357)	(1,595,496)	(2,879,599)
Total primary government	\$ 9,457,809	\$ 8,887,916	\$ 8,600,705	\$ 7,741,100	\$ 7,080,179	\$ 6,553,859	\$ 6,555,119	\$ 6,615,795	\$ 6,705,423	\$ 6,418,773
Change in Net Position										
Governmental activities	\$ 3,883,239	\$ 4,391,729	\$ 3,235,633	\$ 2,315,359	\$ 1,034,265	\$ 627,471	\$ 2,905,392	\$ 1,290,170	\$ 1,219,648	\$ (105,402)
Business-type activities	6,503,489	6,396,890	6,857,426	4,887,745	4,838,809	4,711,156	5,568,665	4,142,316	2,548,358	(334,049)
Total primary government	\$ 10,386,728	\$ 10,788,619	\$ 10,093,059	\$ 7,203,104	\$ 5,873,074	\$ 5,338,627	\$ 8,474,057	\$ 5,432,486 ⁽²⁾	\$ 3,768,006 ⁽¹⁾	\$ (439,451)

(1) The City eliminated several positions city wide and redesigned health insurance benefits contributing to an increase in net position which is in line with historic trends.
(2) Utility rates were restructured coupled with an increase in telecommunication customer base.
(3) During 2018, the GUTA fund was consolidated with the Utilities Fund.
(4) Intergovernmental (i.e. grant) revenues are included as capital contributions in 2020.

CITY OF MONROE, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN YEARS (accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Other Tax	Total
2012	\$ 2,931,008	\$ 2,227,932	\$ 220,358	\$ 788,216	\$ 6,167,514
2013	3,254,266	1,944,524	281,939	815,235	6,295,964
2014	3,216,546	2,050,222	263,862	852,020	6,382,650
2015	3,158,414	2,049,892	282,669	898,936	6,389,911
2016	2,985,136 ⁽¹⁾	2,011,809	303,920	970,831	6,271,696
2017	3,184,467	2,176,049	317,921	1,006,432	6,684,869
2018	3,448,522	2,379,975	333,951	1,079,020	7,241,468
2019	3,684,076	2,717,391	320,400	1,136,010	7,857,877
2020	3,920,564	3,098,527	313,397	1,194,514	8,527,002
2021	4,445,499 ⁽²⁾	3,507,991	316,483	1,221,181	9,491,154

(1) Property tax decrease in 2016 due to a decrease in title ad-valorem tax (TAVT) due to a change in the State formula.

(2) Property tax increase in 2021 attributable to a general increase in assessed property values.

CITY OF MONROE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Nonspendable	\$ 74,138	\$ 115,806	\$ 120,013	\$ 115,624	\$ 112,615	\$ 99,052	\$ 79,697	\$ 93,464	\$ 524,692	\$ 565,569
Restricted	-	-	-	310,734	92,741	47,850 (4)	197,243	199,305	68,408	185,354
Assigned	5,551	9,028	6,007	5,500	10,739	17,108	10,359	5,209	2,800	275
Unassigned	5,332,318	4,913,245	3,065,644	2,311,710	2,537,155	2,807,490	2,570,778	2,607,515 (3)	1,907,321 (1)	969,763
Total general fund	<u>\$ 5,412,007</u>	<u>\$ 5,038,079</u>	<u>\$ 3,191,664</u>	<u>\$ 2,743,568</u>	<u>\$ 2,753,250</u>	<u>\$ 2,971,500</u>	<u>\$ 2,858,077</u>	<u>\$ 2,905,493</u>	<u>\$ 2,503,221</u>	<u>\$ 1,720,961</u>
Other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,445	\$ -
Restricted	5,712,631	5,433,509	7,222,881 (7)	4,050,153 (6)	5,459,551	4,519,626 (5)	177,061	1,955,349	1,522,547 (2)	148,936
Assigned	-	97	97	-	-	-	-	-	-	5,130
Total other governmental funds	<u>\$ 5,712,631</u>	<u>\$ 5,433,606</u>	<u>\$ 7,222,978</u>	<u>\$ 4,050,153</u>	<u>\$ 5,459,551</u>	<u>\$ 4,519,626</u>	<u>\$ 177,061</u>	<u>\$ 1,955,349</u>	<u>\$ 1,851,992</u>	<u>\$ 154,066</u>

- (1) The increase in unassigned fund balance of the General Fund was due to a change in health insurance benefits.
- (2) The increase in restricted fund balance of the nonmajor governmental funds was due to an increase in cash in the SPLOST Fund.
- (3) The increase in unassigned fund balance of the General Fund was due to the advance from solid waste, shown in non spendable prior years being repaid.
- (4) Restricted for General Obligation debt service. Decrease due to refunding of General Obligation Bonds.
- (5) Increase in capital projects in the SPLOST Fund for street enhancement projects.
- (6) The decrease in restricted fund balance is due to the expending of funds on capital projects in 2018.
- (7) The increase in restricted fund balance is due to the addition of the Urban Redevelopment Authority Fund in 2019, whose fund balance is restricted for capital projects.

CITY OF MONROE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes	\$ 9,495,844	\$ 8,568,786	\$ 7,892,828	\$ 7,189,628	\$ 6,689,354	\$ 6,357,296	\$ 6,502,341	\$ 6,348,447	\$ 6,325,445	\$ 6,108,042
Licenses and permits	496,979	408,082	375,517	217,263	165,100	248,648 (2)	122,927	138,792	196,760	111,449
Intergovernmental	4,413,547	3,940,345	4,536,646 (7)	3,001,050 (7)	2,093,558	1,850,796 (3)	3,974,481	2,064,479	1,953,507	1,498,499
Fines and forfeitures	444,717	391,462	515,984	371,036	294,986	321,644	494,682	488,314	514,691	371,711
Charges for services	849,452	808,257	741,049	694,141	779,484	647,933	676,607	690,311	710,246	595,453
Interest income	2,144	20,468	55,803	2	78	-	-	-	-	-
Miscellaneous	355,572	327,249	414,346	310,956	385,249	253,712	336,449	176,163	241,020	205,930
Total revenues	<u>16,058,255</u>	<u>14,464,649</u>	<u>14,532,173</u>	<u>11,784,076</u>	<u>10,407,809</u>	<u>9,680,029</u>	<u>12,107,487</u>	<u>9,906,506</u>	<u>9,941,669</u>	<u>8,891,084</u>
Expenditures										
General government	2,397,579	1,225,749	1,412,678	1,191,278	2,764,072	1,433,553	1,508,238	1,212,677	1,136,495	1,205,908
Judicial	197,999	101,493	84,243	96,480	105,338	121,372	115,074	97,474	91,707	96,201
Public safety	8,050,254	8,037,212	6,718,003	6,719,909	5,653,123	4,951,030	5,186,269	5,036,599	4,753,252	5,238,938
Public works	2,005,635	1,383,222	1,700,711	1,762,131	1,946,854	1,704,309	1,889,017	1,916,788	1,968,151	2,879,181
Health and welfare	23,280	23,203	28,153	23,840	12,325	14,713	16,296	13,571	12,010	15,638
Culture and recreation	1,352,137	579,368	542,739	337,518	445,762	372,073	396,114	364,867	393,915	437,876
Housing and development	1,455,232	1,271,228	1,420,204	1,179,170	1,035,645	656,720	633,359	561,720	483,288	569,341
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	2,672,942	4,470,520	4,294,629	3,512,703	333,013	652,189	789,827	1,035,642	445,571	128,408
Debt service										
Principal retirements	786,124	477,392	1,154,552	1,025,524	810,000	961,791	902,070	838,524	525,000	470,000
Issuance Costs	-	-	83,000	-	-	34,693 (4)	-	-	-	-
Interest and fiscal charges	175,243	176,250	144,857	87,496	32,725	145,959	182,929	215,725	228,877	252,103
Total expenditures	<u>19,116,425</u>	<u>17,745,637</u>	<u>17,583,769</u>	<u>15,936,049</u>	<u>13,138,857</u>	<u>11,048,402</u>	<u>11,619,193</u>	<u>11,293,587</u>	<u>10,038,266</u>	<u>11,293,594</u>
Excess (deficiency) of revenues over expenditures	(3,058,170)	(3,280,988)	(3,051,596)	(4,151,973)	(2,731,048)	(1,368,373)	488,294	(1,387,081)	(96,597)	(2,402,510)

CITY OF MONROE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (continued)
LAST TEN YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other financing sources (uses)										
Issuance of note payable	\$ 920,000	\$ -	\$ -	\$ -	\$ 1,500,000 ⁽⁶⁾	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of long-term debt	-	-	3,600,000 ⁽⁸⁾	-	-	2,513,000 ⁽⁵⁾	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(2,478,307) ⁽⁵⁾	-	-	-	-
Financed purchases	286,114	783,432	226,855	322,523	245,900	-	-	-	772,385	-
Proceeds from sale of capital assets	-	1,155	23,086	925	32,366	-	89,099	25,709	176,754	11,360
Transfers in	2,945,905	2,645,444	3,704,520	3,271,585	2,807,434	2,774,323	2,737,479	2,659,802	2,506,264	3,640,105
Transfers out	(440,896)	(92,000)	(881,944)	(862,140)	(1,141,467)	(978,801)	(1,057,331)	(792,801)	(878,620)	(722,000)
Total other financing sources (uses)	<u>3,711,123</u>	<u>3,338,031</u>	<u>6,672,517</u>	<u>2,732,893</u>	<u>3,444,233</u>	<u>1,830,215</u>	<u>1,769,247</u>	<u>1,892,710</u>	<u>2,576,783</u>	<u>2,929,465</u>
Net change in fund balances	<u>\$ 652,953</u>	<u>\$ 57,043</u>	<u>\$ 3,620,921</u>	<u>\$ (1,419,080)</u>	<u>\$ 713,185</u>	<u>\$ 461,842</u>	<u>\$ 2,257,541</u>	<u>\$ 505,629</u>	<u>\$ 2,480,186</u> ⁽¹⁾	<u>\$ 526,955</u>
Debt service as a percentage of noncapital expenditures	6.97%	5.26%	10.52%	9.54%	7.69%	10.99%	10.02%	10.28%	7.86%	6.47%

- (1) Decrease in health insurance expense, reduction of employee count along with other cost saving measures.
(2) Large increase in building permits, specifically a major hospital renovation for a regional mental health center and a new addition to the new hospital.
(3) Large decrease in intergovernmental due to in 2015 the City received a 2007 SPLOST settlement in the amount of \$2.1 million.
(4) Issuance costs broken out for 2016 and forward, prior years not updated.
(5) Result of refunding of General Obligation Bonds in December 2016.
(6) Purchase of the Walton Plaza property & building.
(7) Increase in grant funds.
(8) Issuance of the Urban Redevelopment Authority Revenue Bonds.

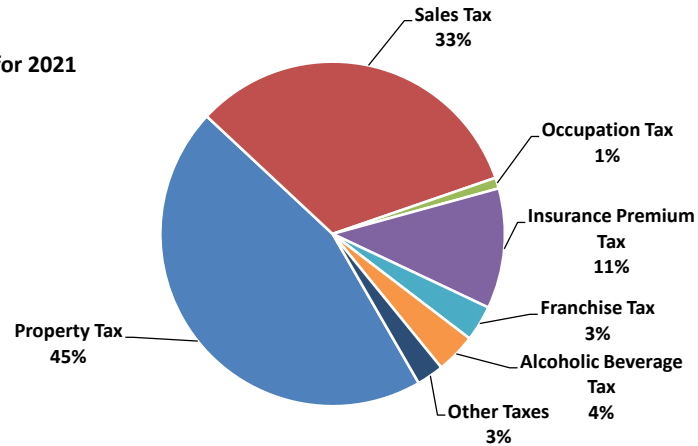
CITY OF MONROE, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN YEARS (modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Occupation Tax	Insurance Premium Tax	Franchise Tax	Alcoholic Beverage Tax	Other Taxes	Total
2012	\$ 2,811,677	\$ 1,904,411	\$ 76,800	\$ 659,319	\$ 220,358	\$ 323,521	\$ 111,956	\$ 6,108,042
2013	3,226,884 ⁽³⁾	1,624,397 ⁽¹⁾	79,100	682,662	281,939	320,128	110,335	6,325,445
2014	3,139,290	1,732,915	81,700	712,964	263,862	317,307	100,409	6,348,447
2015	3,218,624	1,694,943	84,150	761,685	282,669	314,926	105,321	6,462,318
2016	3,045,230	1,672,504	86,200	825,052	303,920	296,799	127,591	6,357,296
2017	3,155,876	1,782,464	87,339	852,827	317,921	347,533	99,342	6,643,302
2018	3,355,741 ⁽⁴⁾	2,027,527 ⁽²⁾	93,850	919,876	333,951	308,455	150,228	7,189,628
2019	3,627,222	2,356,109	93,079	977,418	320,400	313,204	205,396	7,892,828
2020	3,836,132	2,700,402	93,275	1,031,761	313,397	346,399	247,420	8,568,786
2021	4,332,742 ⁽⁵⁾	3,091,556	96,525	1,065,543	316,482	353,971	239,025	9,495,844

- (1) Sales tax decrease in 2013 was due to the renegotiation of allocation from Walton County.
- (2) Sales tax increase due to Local Option Sales Tax (LOST) collections, effect of increased local sales.
- (3) Property tax increase in 2013 was due to a large abated property becoming taxable.
- (4) Property tax increased with collections performed by Walton County Tax Commissioner's office.
- (5) Property tax increased with general increase in assessed property values.

Tax Revenues by Source for 2021



CITY OF MONROE, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012	\$ 109,425,675	\$ 132,208,471	\$ 76,182,889	\$ 27,209,932	\$ 8,170,494	\$ 336,856,473	8.231	\$ 842,141,183	40%
2013	107,348,542	125,669,505	58,924,814	29,444,826	7,518,692	313,868,995 (3)	8.470	784,672,488	40%
2014	111,572,435	151,640,759	65,604,578	24,586,089	13,654,853 (2)	339,749,008	8.353	849,372,520	40%
2015	122,503,729	149,253,961	63,854,238	20,097,713	13,888,756	341,820,885	8.115	854,552,213	40%
2016	138,620,409	155,101,971	77,120,434	17,224,710	21,630,049	366,437,475	7.802	916,093,688	40%
2017	162,883,341	157,978,674	90,977,408	16,089,194	31,688,869	396,239,748	7.421	990,599,370	40%
2018	172,994,149	165,084,770	88,379,597	14,737,546	22,627,411	418,568,651	7.277	1,046,421,628	40%
2019	188,366,699	152,320,597	95,099,296	14,125,236	27,839,611	422,072,217	7.802	1,055,180,543	40%
2020	221,454,383	155,153,319	106,346,324	13,898,876	43,995,439	452,857,463	7.588	1,132,143,658	40%
2021	253,910,497	166,764,263	103,093,385	14,544,499	27,522,333	510,790,311	7.404	1,276,975,778	40%

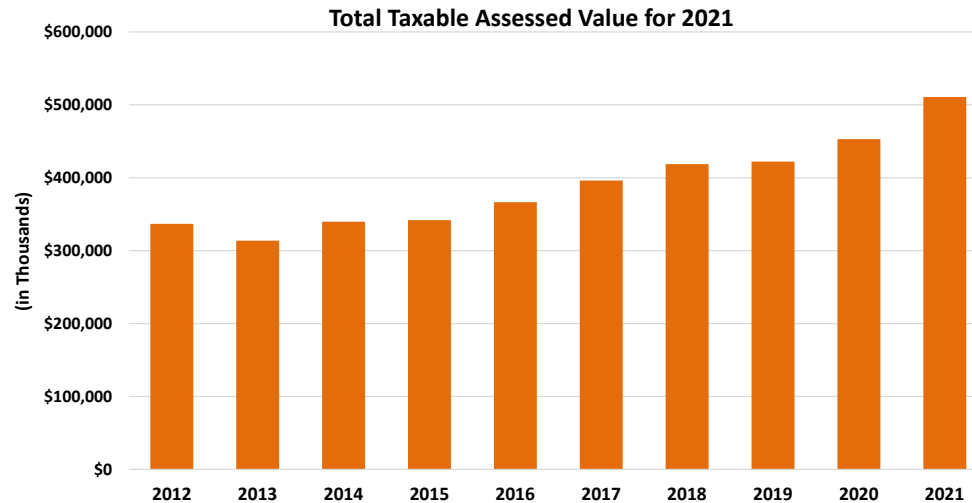
Source: Walton County Tax Assessors Office

Note: Property in the City is reassessed periodically. Property is assessed at 40% of the fair market value; therefore, the assessed values are equal to 40% of the estimated actual value. Tax rates are per \$1,000 of assessed value.

(1) Other property consists of historic, agricultural, conservation use, utility, motor vehicle and mobile homes.

(2) Increase in exempt real property due to Wal-Mart Dist failed to file for freeport exemption.

(3) Decrease in digest values due to reassessments.



CITY OF MONROE, GEORGIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (1) PER \$1,000 OF ASSESSED VALUE LAST TEN YEARS

Fiscal Year	City of Monroe, Georgia			Overlapping Rates ⁽¹⁾					Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	County	School District			State	
					Operating Millage	Debt Service Millage	Total School Millage		
2012	6.020	2.211	8.231	11.998	19.300	3.500	22.800	0.20	43.229
2013	5.971	2.499	8.470	11.928	19.802	3.700	23.502	0.15	44.050
2014	6.017	2.336	8.353	11.773	19.502	3.500	23.002	0.10	43.228
2015	5.734	2.381	8.115	11.194	19.250	3.350	22.600	0.05	41.959
2016	5.582	2.220	7.802	11.325	18.900	3.200	22.100	-	41.227
2017	5.418	2.003	7.421	10.905	18.700	2.900	21.600	-	39.926
2018	5.298	1.979	7.277	10.905	18.600	2.600	21.200	-	39.382
2019	5.821	1.981	7.802	10.905	18.600	2.300	20.900	-	39.607
2020	7.588	-	7.588	10.677	19.100	2.300	21.400	-	39.665
2021	7.404	-	7.404	10.413	18.593	2.239	20.832	-	38.649

Source: Walton County Tax Assessors Office & Ga Dept of Revenue website

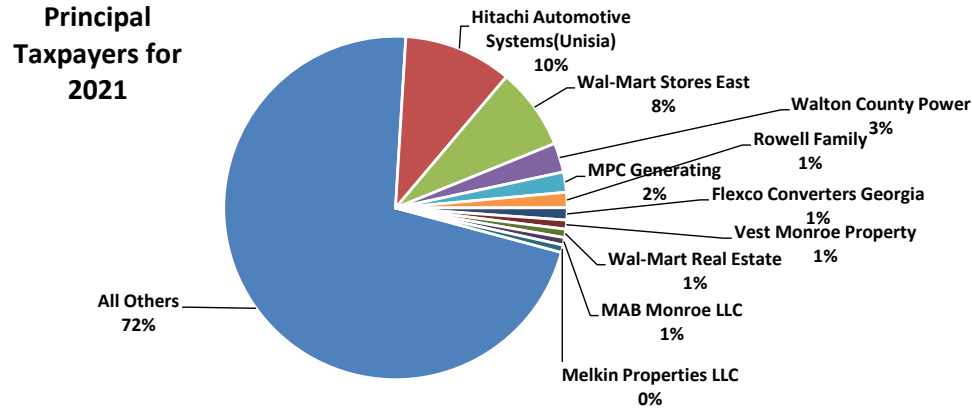
Note: Assessed values are established by the County Assessors on January 1 of each year at 40% of the actual value.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Monroe.

CITY OF MONROE, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
(amounts expressed in thousands)

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Hitachi Automotive Systems (Unisia)	\$ 52,114	1	10.20 %	\$ 7,059	5	2.10 %
Wal-Mart Stores East	39,369	2	7.71	29,637	1	8.80
Walton County Power	14,123	3	2.76	22,406	2	6.65
MPC Generating	9,697	4	1.90	18,775	3	5.57
Rowell Family	7,372	5	1.44			-
Flexco Converters Georgia	5,879	6	1.15			-
Vest Monroe Property	4,307	7	0.84			-
Wal-Mart Real Estate	4,070	8	0.80	4,878	7	1.45
MAB Monroe LLC	3,600	9	0.70			-
Melkin Properties LLC	3,517	10	0.69			-
Monroe HMA LLC dba Clearview Medical				12,419	4	3.69
E. Kenneth Murray				5,538	6	1.64
Angel Food Ministries				3,605	8	1.07
Home Depot USA, Inc.				3,367	9	1.00
WTH II LLC				2,554	10	0.76
Totals	\$ 144,048		28.20 %	\$ 110,238		31.97 %

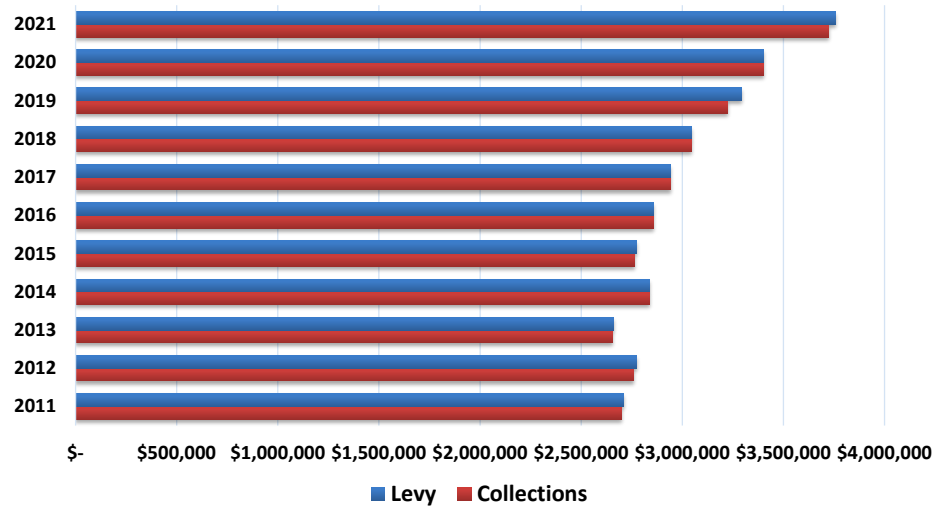
Source: Walton County Tax Commissioner's Office



CITY OF MONROE, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 2,772,666	\$ 2,429,276	87.6 %	\$ 328,616	\$ 2,757,892	99.5 %
2013	2,658,470	2,371,648	89.2	284,256	2,655,904	99.9
2014	2,837,923	2,381,738	83.9	455,018	2,836,756	100.0
2015	2,773,876	2,391,671	86.2	372,216	2,763,887	99.6
2016	2,858,945	2,610,797	91.3	247,059	2,857,856	100.0
2017	2,940,495	2,645,638	90.0	294,391	2,940,029	100.0
2018	3,045,924	2,755,055	90.5	288,605	3,043,660	99.9
2019	3,293,007	3,022,004	91.8	197,028	3,219,032	97.8
2020	3,403,182	3,148,315	92.5	252,111	3,400,426	99.9
2021	3,757,391	3,631,085	96.6	-	3,631,085	96.6

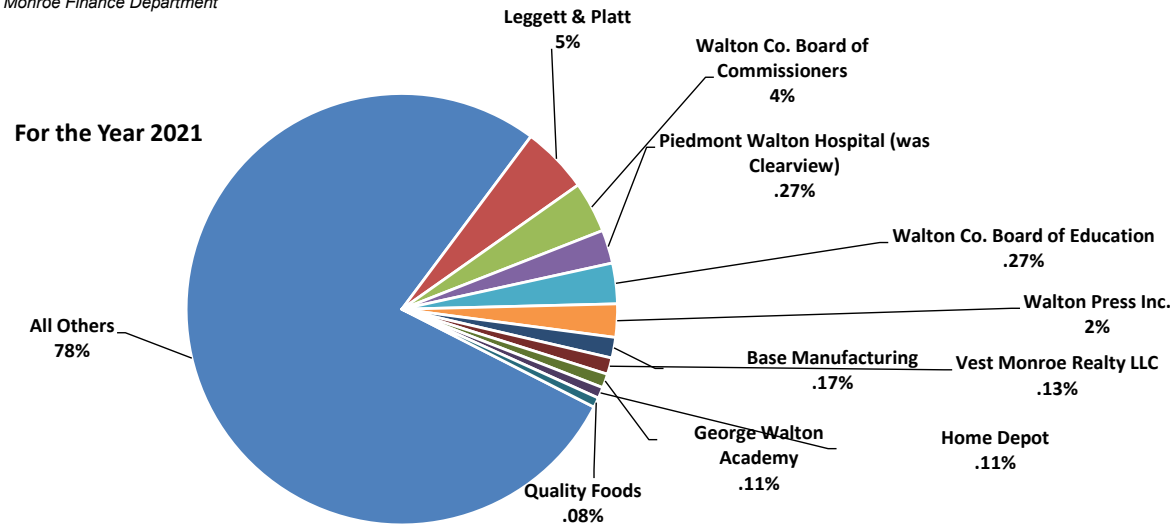


CITY OF MONROE, GEORGIA

TOP TEN ELECTRIC CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2021				2012			
	Usage in MWh	Annual Revenue (in thousands)	Rank	Percentage of Total Revenues	Usage in MWh	Annual Revenue (in thousands)	Rank	Percentage of Total Revenues
Leggett & Platt	9,730	\$ 909	1	5.02 %	8,450	\$ 525	2	3.44 %
Walton Co. Board of Commissioners	5,737	693	2	3.83	6,349	627	1	4.11
Piedmont Walton Hospital (was Clearview)	4,538	454	3	2.51	6,793	497	3	3.26
Walton Co. Board of Education	4,250	551	4	3.04	4,688	494	4	3.24
Walton Press Inc.	3,880	451	5	2.49	3,283	297	5	1.95
Base Manufacturing	2,280	280	6	1.55	2,455	234	6	1.53
Vest Monroe Realty LLC	2,072	224	7	1.24				
George Walton Academy	1,519	190	8	1.05	2,130	210	7	1.38
Home Depot	1,200	151	9	0.83	2,020	174	8	1.14
Quality Foods	1,197	134	10	0.74	1,838	140	10	0.92
Southern Family Markets (BiLo)					1,888	146	9	0.96
Totals	36,403	4,037		22.29	39,894	3,344		21.91
All Others	113,598	14,076		77.71	105,869	11,919		78.09
Annual Totals	150,001	\$ 18,113		100.00 %	145,763	\$ 15,263		100.00 %

Source: City of Monroe Finance Department

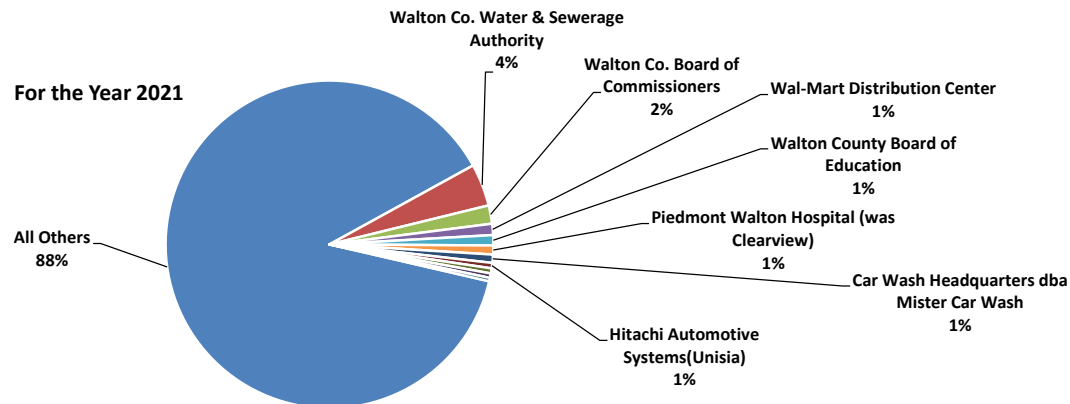


CITY OF MONROE, GEORGIA

TOP TEN WATER CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2021				2012			
	Usage in Gallons (thousands)	Annual Revenue (thousands)	Rank	Percentage of Total Revenues	Usage in Gallons (thousands)	Annual Revenue (thousands)	Rank	Percentage of Total Revenues
Walton Co. Water & Sewerage Authority	55,370	\$ 226	1	4.17	16,400	\$ 34	5	0.92 %
Walton Co. Board of Commissioners	15,033	98	2	1.81 %	18,502	97	1	2.61
Wal-Mart Distribution Center	10,745	60	3	1.11	9,485	38	4	1.02
Walton County Board of Education	6,488	55	4	1.02	11,354	62	3	1.67
Piedmont Walton Hospital (was Clearview)	8,346	48	5	0.89	15,623	62	2	1.67
Car Wash Headquarters dba Mister Car Wash	8,061	44	6	0.81				
Hitachi Automotive Systems (Unisia)	4,485	29	7	0.54				
Silgan PET Corporation	3,172	27	8	0.50				
Walton County Power LLC	4,130	24	9	0.44				
Wow Express Car Wash	3,220	18	10	0.33				
Park Place Nursing Facility					2,919	18	6	0.48
George Walton Academy					2,697	11	10	0.30
Monroe Power					5,017	15	7	0.40
Base Manufacturing					3,313	14	9	0.38
Great Oaks					2,928	14	8	0.38
Totals	119,050	629		11.62	88,238	365		10
All Others	569,950	4,788		88.38	516,762	3,348		90.17
Annual Totals	689,000	\$ 5,417		100.00 %	605,000	\$ 3,713		100.00 %

Source: City of Monroe Finance Department



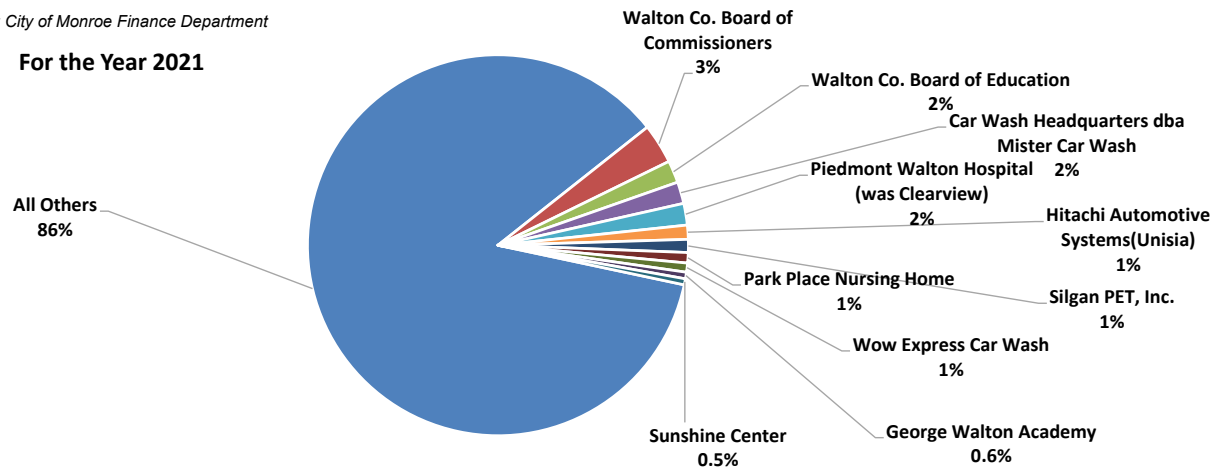
CITY OF MONROE, GEORGIA

TOP TEN SEWER CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2021				2012			
	Usage in Gallons (thousands)	Annual Revenue (thousands)	Rank	Percentage of Total Revenues	Usage in Gallons (thousands)	Annual Revenue (thousands)	Rank	Percentage of Total Revenues
Walton Co. Board of Commissioners	13,308	\$ 153	1	3.65 %	8,601	\$ 79	3	2.42 %
Walton Co. Board of Education	6,318	85	2	2.03	8,090	104	2	3.19
Car Wash Headquarters dba Mister Car Wash	8,061	83	3	1.98				
Piedmont Walton Hospital (was Clearview)	7,860	83	4	1.98	13,872	106	1	3.25
Hitachi Automotive Systems (Unisia)	4,485	54	5	1.29	2,697	21	6	0.64
Silgan PET, Inc.	3,172	50	6	1.19	1,874	22	5	0.68
Park Place Nursing Home	2,552	40	7	0.95	2,914	34	4	1.04
Wow Express Car Wash	3,220	35	8	0.83				
George Walton Academy	2,014	25	9	0.60	1,870	18	8	0.55
Sunshine Center	2,157	23	10	0.55				
Great Oaks of Monroe					1,918	15	10	0.46
Tucker Door & Trim Corp.					1,574	19	7	0.58
Base Manufacturing					1,696	16	9	0.49
Totals	53,147	631		15.05	45,106	434		13.32
All Others		3,565		84.95		2,825		86.68
Annual Totals		\$ 4,196		100.00 %		\$ 3,259		100.00 %

Source: City of Monroe Finance Department

For the Year 2021

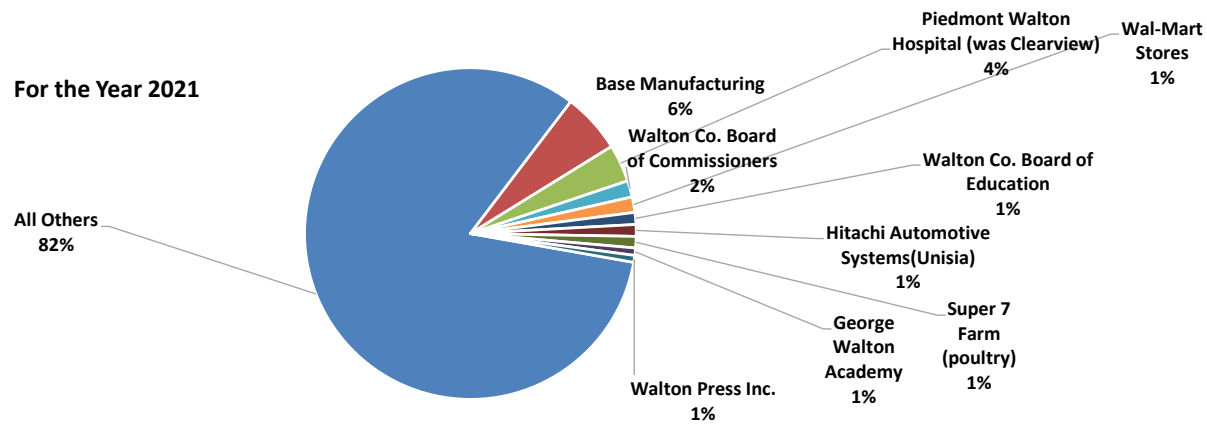


CITY OF MONROE, GEORGIA

TOP TEN GAS CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2021				2012			
	Usage in MCF	Annual Revenue (thousands)	Rank	Percentage of Total Revenues	Usage in MCF	Annual Revenue (thousands)	Rank	Percentage of Total Revenues
Base Manufacturing	23,292	\$ 245	1	5.85 %	29,444	\$ 260	1	7.78 %
Piedmont Walton Hospital (was Clearview)	13,428	153	2	3.65	19,864	196	2	5.87
Leggett & Platt	7,486	79	3		11,217	114	4	3.41
Walton Co. Board of Commissioners	5,604	67	4	1.60	7,827	86	5	2.57
Wal-Mart Stores	5,169	63	5	1.50	3,334	35	8	1.05
Walton Co. Board of Education	4,345	49	6	1.17	4,179	48	6	1.44
Hitachi Automotive Systems (Unisia)	4,105	48	7	1.15				
Super 7 Farm (poultry)	4,819	47	8	1.12				
George Walton Academy	2,602	30	9	0.72	3,298	37	7	1.11
Walton Press Inc.	2,414	28	10	0.67				
A Warrior Roofing					16,565	143	3	4.28
Apple Restaurants, Inc.					2,299	23	9	0.69
Darden Restaurants					1,876	19	10	0.57
Totals	73,264	809		17.43	99,903	961		28.77
All Others	247,205	3,381		82.57	176,187	2,380		71.23
Annual Totals	320,469	\$ 4,190		100.00 %	276,090	\$ 3,341		100.00 %

Source: City of Monroe Finance Department

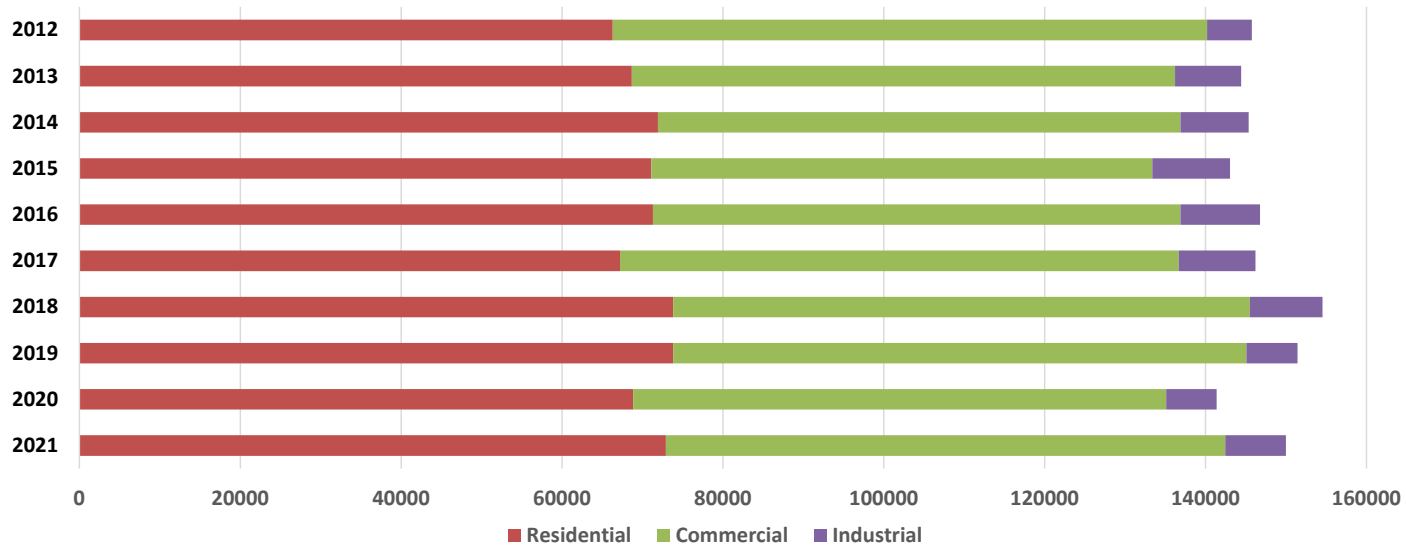


CITY OF MONROE, GEORGIA

ELECTRIC MWH SOLD BY TYPE OF CUSTOMER LAST TEN YEARS

Type of Customer	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Residential	72,903	68,836	73,811	73,816	67,191	71,297	71,109	71,914	68,679	66,309
Commercial	69,534	66,263	71,250	71,693	69,461	65,589	62,282	64,971	67,529	73,865
Industrial	7,564	6,262	6,359	9,025	9,543	9,896	9,651	8,479	8,221	5,589
Total	<u>150,001</u>	<u>141,361</u>	<u>151,420</u>	<u>154,534</u>	<u>146,195</u>	<u>146,782</u>	<u>143,042</u>	<u>145,364</u>	<u>144,429</u>	<u>145,763</u>

Source: City of Monroe Finance Department



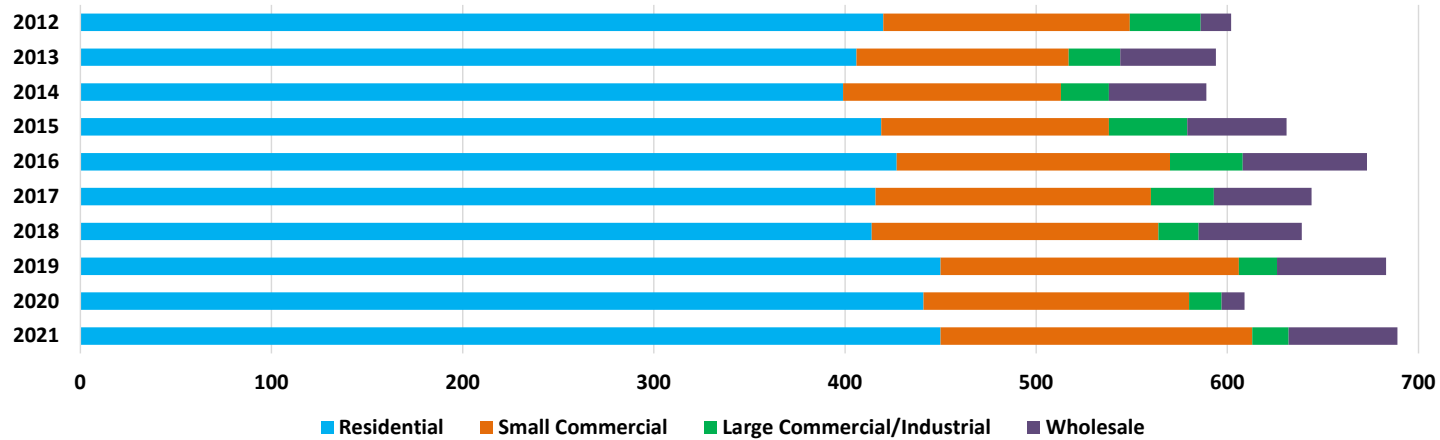
CITY OF MONROE, GEORGIA

WATER GALLONS SOLD BY TYPE OF CUSTOMER LAST TEN YEARS (amounts expressed in millions)

Type of Customer	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Residential	450	441	450	414	416	427	419	399	406	420
Small Commercial (1)	163	139	156	150	144	143	119	114	111	129
Large Commercial & Industrial (1)	19	17	20	21	33	38	41	25	27	37
Wholesale	57	12	57	54	51	65	52	51	50 (1)	16
Total	689	609	683	639	644	673	631	589	594	602

(1) Walton County Water & Sewer Authority purchased a greater amount of wholesale during 2013.

Source: City of Monroe Finance Department



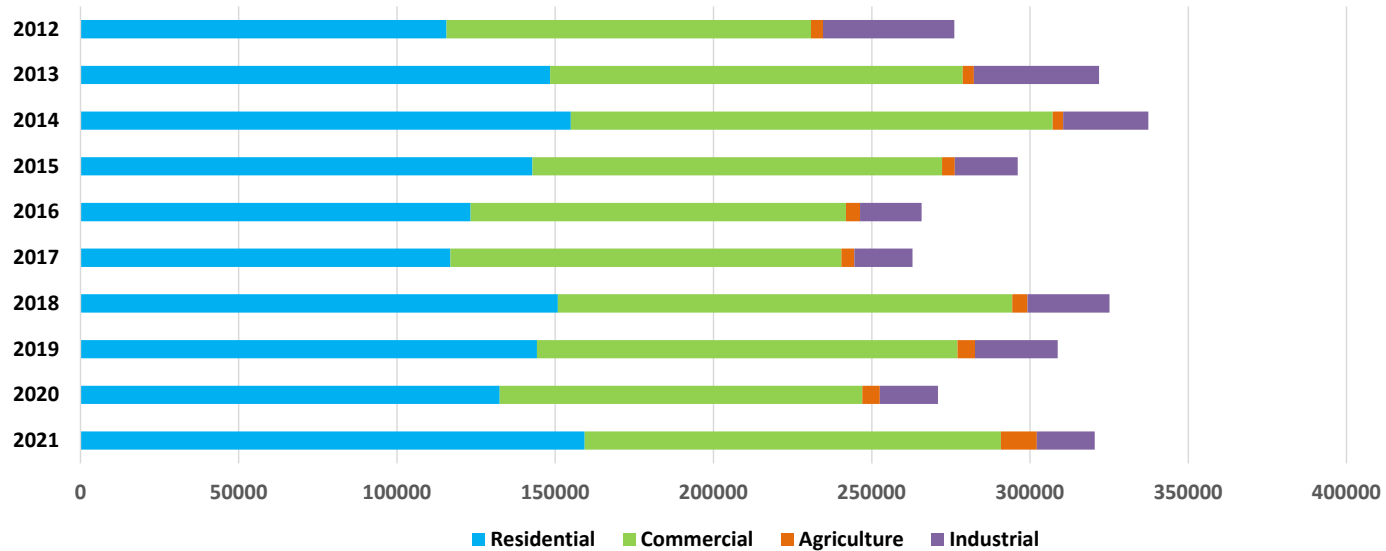
CITY OF MONROE, GEORGIA

GAS MCF SOLD BY TYPE OF CUSTOMER LAST TEN YEARS

Type of Customer	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Residential	159,298	132,481 (2)	144,240	150,822 (1)	116,889	123,276	142,784	154,956	148,391	115,644
Commercial	131,516	114,507 (2)	132,831	143,580	123,504	118,610	129,427	152,196	130,356	115,164
Agriculture	11,324 (3)	5,570	5,581	4,790	4,092	4,448	4,046	3,341	3,517	3,782
Industrial	18,331	18,401 (2)	26,125	25,909	18,428	19,411	19,837	26,870	39,539	41,500
Total	<u>320,469</u>	<u>270,959</u>	<u>308,777</u>	<u>325,101</u>	<u>262,913</u>	<u>265,745</u>	<u>296,094</u>	<u>337,363</u>	<u>321,803</u>	<u>276,090</u>

- (1) Increase as a result of colder winter conditions.
- (2) Decrease as a result of milder weather conditions.
- (3) Increase as a result of new agriculture customers.

Source: City of Monroe Finance Department



CITY OF MONROE, GEORGIA

TELECOMMUNICATION SALES LAST TEN YEARS

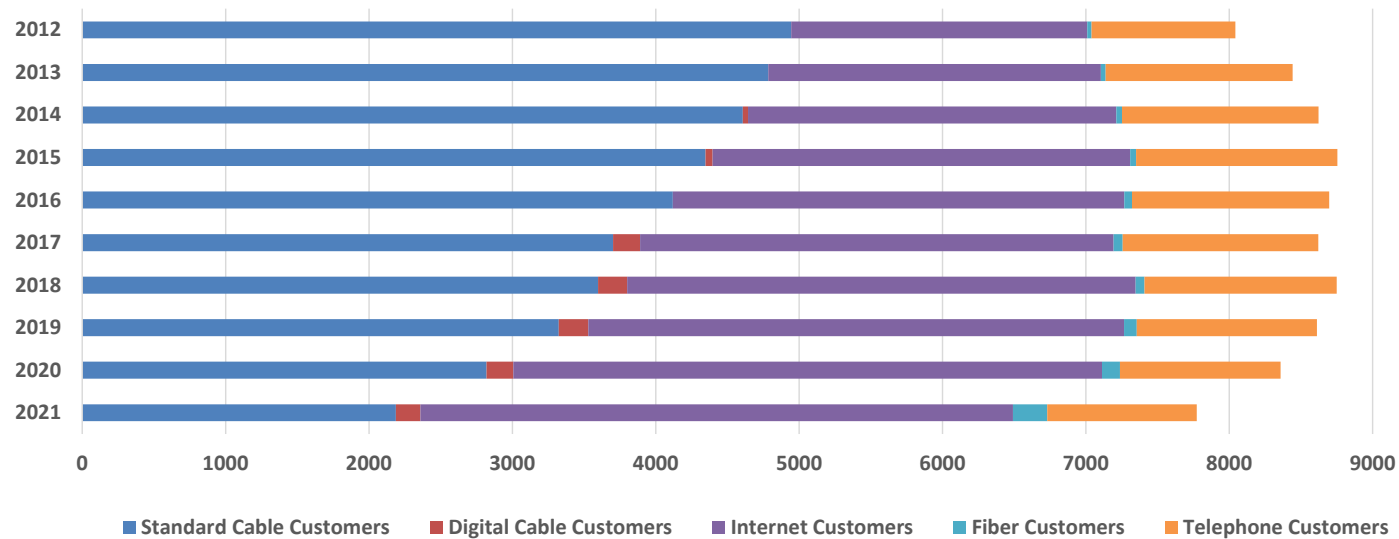
	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Standard Cable Customers	2,188	2,820	3,323	3,598	3,703	4,119	4,348	4,607	4,784	4,944
Digital Cable Customers	170	186	206	202	188 (1)	-	49	36	-	-
Internet Customers	4,133	4,107	3,738	3,547	3,303 (2)	3,149	2,912	2,570	2,321	2,066
Fiber Customers	240	124	88	62	62	54	41	39	33	29
Telephone Customers	1,042	1,121	1,256	1,340	1,365	1,375	1,405	1,371	1,304	1,003
Annual Sales (in thousands)	\$ 7,022	\$ 6,392	\$ 6,383 (3)	\$ 5,511	\$ 5,276	\$ 5,138	\$ 4,911	\$ 4,839	\$ 4,628	\$ 4,065

(1) Digital service started again in 2017.

(2) Wireless Internet service started in 2017.

(3) The City implemented a \$20 programming fee for all cable customers in 2019.

Source: City of Monroe Finance Department



CITY OF MONROE, GEORGIA

RESIDENTIAL UTILITY RATES LAST TEN YEARS

Fiscal Year	Electric				Gas			Water		Sewer	
	Monthly Base Rate	First 700 KWH or less	Over 700 KWH (Summer)	Over 700 KWH (Winter)	Monthly Base Rate	Rate per CCF (Summer)	Rate per CCF (Winter)	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2012	\$ 10.00	\$ 0.0900	\$ 0.1280	\$ 0.0780	\$ 10.00	\$ 0.375	\$ 0.375	\$ 14.00	\$ 1.95	\$ 14.00	\$ 3.58
2013	10.00	0.0900	0.1280	0.0780	10.00	0.375	0.375	14.00	1.95 (3)	14.00	3.58
2014	10.00	0.0900	0.1280	0.0780	12.00 (1)	0.375	0.375	15.00 (1)	2.07 (2)	15.00 (1)	3.58
2015	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2016	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2017	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2018	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2019	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2020	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2021	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58

Note: Rates are plus fuel adjustment and applicable sales tax

(1) Base rate increased on 1/1/2014.

(2) Rates based on 0 - 2,000 gallons, residential in-city and do not include out-of-city or commercial rates. Rates increased 01/01/2014.

(3) Rates based on 0 - 3,000 gallons, residential in-city and do not include out-of-city or commercial rates.

CITY OF MONROE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Notes Payable	Financed Purchases	Utility Revenue Bonds	Notes Payable			
2012	\$ 5,008,878	\$ -	\$ -	\$ -	\$ 21,020,428	\$ 2,354,430	\$ 28,383,736	5.93 %	2,126
2013	4,460,633	-	-	772,385	19,278,131	2,431,888	26,943,037	5.59	2,018
2014	3,853,240	-	-	518,861	17,545,917	3,707,085	25,625,103	5.27	1,903
2015	3,189,021	-	-	261,791	15,863,975	3,998,323	23,313,110	5.21	1,706
2016	2,513,000	-	-	-	16,770,000	1,643,516	20,926,516	4.48	1,532
2017	1,703,000	-	1,500,000	245,900	14,810,000	1,537,127	19,796,027	4.07	1,469
2018	868,000	-	1,425,000	452,899	13,010,000	1,430,205	17,186,104	3.28	1,275
2019	- (3)	3,600,000 (2)	1,350,000	468,202	11,505,000	1,322,748	18,245,950	3.32	1,344
2020	-	3,501,300	1,275,000	947,942	60,940,575 (4)	1,214,752	67,879,569	10.66	4,964
2021	-	3,100,300	2,120,000 (5)	923,932	59,009,607	1,106,214	59,345,446	8.84	3,975

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(2) In 2019 the City issued Revenue Bonds for construction of the new police and municipal court building.

(3) General Obligation Bonds were paid in full in 2019.

(4) In 2020 the City issued Utility Revenue Bonds for water, sewer, gas and telecommunications project.

(5) In 2021 the City issued a note payable to finance the purchase of land for transportation projects.

CITY OF MONROE, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2012	\$ 5,008,878	\$ 293	\$ 5,008,585	0.59 %	\$ 375
2013	4,460,633	116	4,460,517	0.57	334
2014	3,853,240	116	3,853,124	0.45	286
2015	3,189,021	116	3,188,905	0.37	233
2016	2,513,000	116	2,512,884	0.27	184
2017	1,703,000	115	1,702,885	0.17	126
2018	868,000	115	867,885	0.08	64
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for Property Value Data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF MONROE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Monroe (1)</u>	<u>Amount Applicable to City of Monroe</u>
Overlapping:			
Walton County	\$ 8,322,346	13.06%	\$ 1,086,898
Walton County Board of Education	<u>27,390,000</u>	13.97%	<u>3,826,383</u>
Overlapping debt	<u>35,712,346</u>		<u>4,913,281</u>
Direct:			
City of Monroe	<u>6,144,232</u>	100.00%	<u>6,144,232</u>
Total direct and overlapping debt	<u>\$ 41,856,578</u>		<u>\$ 11,057,513</u>

Source: Assessed value data used to estimate applicable percentages provided by the Walton County Tax Assessors and the Georgia Department of Revenue Property Tax Division. Debt outstanding data obtained from Walton County's financial statements.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Monroe, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

CITY OF MONROE, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(amounts expressed in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 53,831	\$ 49,685	\$ 44,991	\$ 44,120	\$ 42,793	\$ 38,807	\$ 35,571	\$ 35,340	\$ 32,139	\$ 34,503
Total Net Debt Applicable to Limit	-	-	-	868	3,203	2,513	4,288	4,286	4,461	4,905
Legal Debt Margin	<u>\$ 53,831</u>	<u>\$ 49,685</u>	<u>\$ 44,991</u>	<u>\$ 43,252</u>	<u>\$ 39,590</u>	<u>\$ 36,294</u>	<u>\$ 31,283</u>	<u>\$ 31,054</u>	<u>\$ 27,678</u>	<u>\$ 29,598</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	1.97%	7.48%	6.48%	12.05%	12.13%	13.88%	14.22%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF MONROE, GEORGIA
COMBINED UTILITY REVENUE BOND COVERAGE
LAST TEN YEARS
(amounts expressed in thousands)

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Bond Coverage Ratio
				Principal	Interest	Total	
2012	\$ 31,500	\$ 26,756	\$ 4,744	\$ 1,660	\$ 910	\$ 2,570	1.85
2013	33,233	26,264	6,969	1,701	873	2,574	2.71
2014	35,357	27,342	8,015	1,691	837	2,528	3.17
2015	35,974	26,544	9,430	1,635	797	2,432	3.88
2016	37,661	27,216	10,445	1,715	721	2,436	4.29
2017	37,996	29,268	8,728	1,960	359	2,319	3.76
2018	42,150	33,018	9,132	1,800	319	2,119	4.31
2019	42,378	32,427	9,951	1,505	281	1,786	5.57
2020	39,524	32,757	6,767	1,561	493	2,054	3.29
2021	42,551	32,882	9,669	1,931	1,990	3,921	2.47

- (1) Total revenues include interest, but not tap fees.
(2) Operating expenses do not include depreciation.
(3) Represents principal and interest for revenue bonds only.

CITY OF MONROE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	Population (1)	Personal Income* (in thousands)	Per Capita Personal Income (2)*	Median Age (1)	Housing Units (1)	Unemployment Rate (3)*	Wage & Salary Employment No. of Jobs (2)*
2012	13,349	478,962	35,880	33	6,250	8.3	23,750
2013	13,349	482,339	36,133	33	6,212	7.5	24,443
2014	13,466	486,567	36,133	35	6,131	6.5	24,443
2015	13,664	447,728	32,767	36	6,446	5.3	25,178
2016	13,664	467,623	34,223	35	6,512	4.8	22,335
2017	13,478	485,801	36,044	32	5,379	3.8	33,151
2018	13,484	524,137	38,871	36	9,611	3.3	36,430
2019	13,573	549,136	40,458	33	9,850 (4)	2.5	37,751
2020	13,673	636,656	46,563	32	10,055 (4)	4.3	24,856
2021	14,928	671,417	44,977	30	10,126 (4)	2.1	37,051

(1) Source: U.S. Census Bureau - all numbers are estimates from the Census Bureau except for 2010.

(2) Source: Bureau of Economic Analysis

(3) Source: BLS/Georgia Stats UGA

(4) Housing Unit information was updated for 2019-2021 based on figures provided by the City's Code Department.

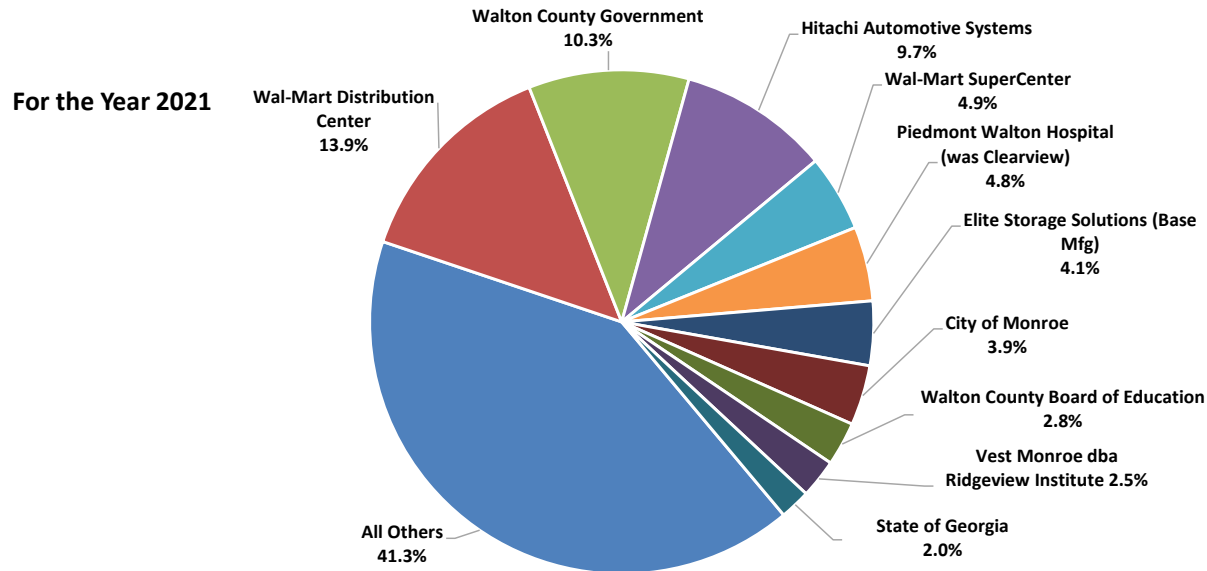
* Data only available at the County level

CITY OF MONROE, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Distribution Center	859	1	13.9 %	863	1	14.8 %
Walton County Government	638	2	10.3	555	2	9.5
Hitachi Automotive Systems	599	3	9.7	252	5	4.3
Wal-Mart SuperCenter	305	4	4.9	232	6	4.0
Piedmont Walton Hospital (was Clearview)	296	5	4.8	263	4	4.5
Elite Storage Solutions (Base Mfg)	256	6	4.1	216	8	3.7
City of Monroe	239	7	3.9	223	7	3.8
Walton County Board of Education	174	8	2.8	456	3	7.8
Vest Monroe dba Ridgeview Institute	154	9	2.5			
State of Georgia	121	10	2.0	114	9	2.0
Walton Press				102	10	1.8
Totals	<u>3,641</u>		<u>58.7 %</u>	<u>3,276</u>		<u>56.2 %</u>

Source: City of Monroe Code Department



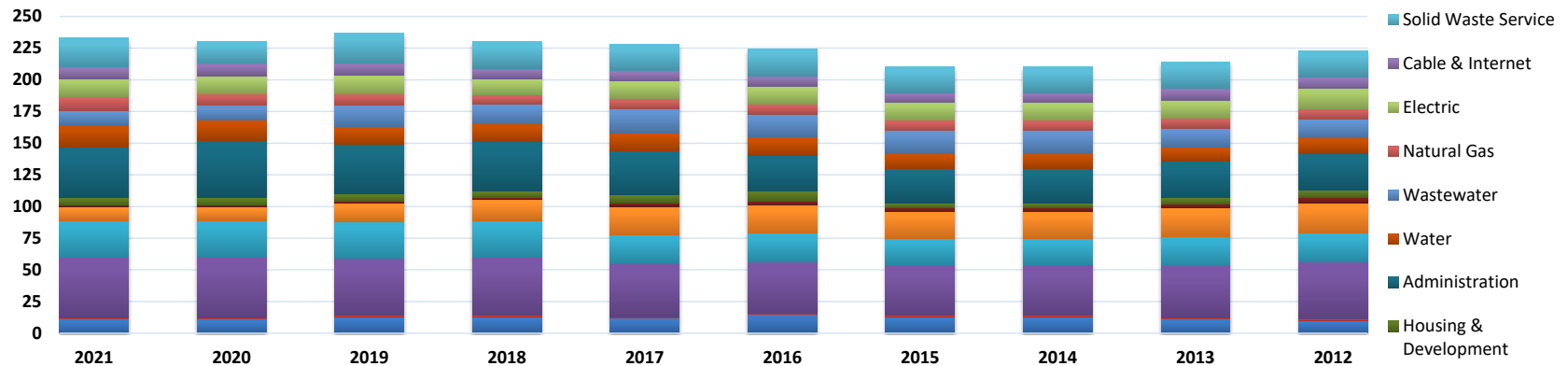
CITY OF MONROE, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	Fiscal Year									
Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	11	11	13	13	12	15	13	13	11	10
Judicial	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	48	48	45	46	42	40	40	40	41	45
Fire	29	29	29	29	23	23	21	21	23	23
Public Works	11	11	15	17	22	22	21	21	23	24
Culture & Recreation										
Parks & Facilities	1	1	1	1	3	3	3	3	3	4
Buildings and Ground:	3									
Housing & Development	6	6	6	5	6	8	4	4	5	6
Utilities										
Administration	40	45	39	39	35	28	27	27	29	29
Water	17	16	14	14	14	15	12	12	11	12
Wastewater	12	12	17	16	19	18	18	18	15	15
Natural Gas	11	9	9	7	8	8	8	8	8	8
Electric	14	14	15	13	14	14	14	14	14	16
Cable & Internet	9	10	9	8	8	8	8	8	9	9
Stormwater	3									
Solid Waste Service	23	17	24	21	21	21	20	20	21	21
Totals	239	230	237	230	228	224	210	210	214	223

Source: City Payroll Department

Employees by Function for 2021



CITY OF MONROE, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Number of dispatches	20,843	20,453	32,256	40,569	38,403	38,353	47,513	45,624	46,763	42,509
Number of traffic citations issued	2,984	2,934	5,310	6,269	3,478	2,087	3,624	4,510	3,738	2,715
Fire										
Number of fire/EMS dispatches	2,525	2,410	2,471	2,721	2,596	2,531	2,223	2,063	2,045	2,030
Highways & Streets										
Street resurfacing (lane miles)	3.1	-	1.9	2.4	2.5	1.6	2.1	2.2	2.3	2.3
Housing & Development										
Value of new building construction (000's) \$	334,577	259,644 (1)	43,230 (1)	24,577	12,638	43,219 (1)	7,110	13,797 (2)	36,969	5,000
Number of permits issued	899	874 (3)	121	174	149	98	76	149 (3)	53	12
Utilities										
Cable & Internet										
Number of customers standard cable	2,188	2,820	3,323	3,598	3,703	4,119	4,348	4,607	4,784	4,945
Number of customers digital cable	170	186	206	202	188	-	49	36	-	-
Number of Internet customers	4,373	4,231	3,826	3,639	3,303	3,149	2,912	2,609	2,354	2,094
Number of phone customers	1,042	1,121	1,256	1,343	1,365	1,375	1,405	1,371	1,304	1,003
Electric										
Number of customers	6,768	6,647	6,444	6,290	6,286	6,252	6,191	6,154	6,117	6,059
Average daily consumption (KWh)	410,962	387,288	414,848	446,257	400,533	416,643	405,877	398,256	382,002	385,935
Natural gas										
Number of customers	4,173	3,997	3,852	3,760	3,756	3,716	3,692	3,700	3,708	2,732
Average daily consumption (MCF)	8,780	742	846	891	720	747	831	924	881	756
Wastewater										
Number of customers	7,667	7,427	7,163	6,937	6,863	6,834	6,804	6,757	6,762	6,644
Average daily sewage treatment (MGD)	1,720	1,870	1,660	1,850	1,770	1,700	1,700	1,600	1,540	1,314
Water										
Number of customers	10,528	10,128	9,545	9,239	9,136	9,059	8,986	8,941	8,876	8,783
Average daily consumption (000's)	1,891	1,669	1,875	1,752	1,763	1,842	1,731	1,615	1,628	1,652
Solid Waste Service										
Refuse collected (tons)	14,684	14,184	13,525	13,004	11,993	10,181	11,604	11,032	10,858	10,302
Recyclables collected (tons)	1,541	1,606	1,392	1,681	1,852	1,463	1,562	1,545 (4)	167	168
Number of residential customers	6,036	5,933	5,735	5,542	5,530	5,378	5,361	5,381	5,348	5,211
Number of commercial customers	613	609	620	653	622	650	625	655	682	665
Number of transfer station customers	18	17	15	14	15	15	15	16	16	14

Source: Various City Departments

- Note: Indicators are not available for the General government function.
- (1) Increase in permit valuation due to increased project square footage and types of projects performed.
- (2) Decrease in permit valuation due to permits purchased in 2013 for Hitachi expansion.
- (3) Increase in permits issued due to physician's building at the hospital and/or general increase in construction.
- (4) Increase in number of tons due to reporting all recovered materials in 2014, prior years was only curbside recycling.

CITY OF MONROE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Administration										
Vehicles	11	11	11	12	12	12	-	-	-	-
Code										
Vehicles	3	3	3	3	5	5	-	-	-	-
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	5	5	8	8	-	-	-	-
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	69	69	65	54	43	52	44	46	45	40
Streets & Transportation										
Streets (miles)	81	81	81	81	81	80	80	80 (1)	75	75
Streetlights	1,139	1,139	1,139	1,124	1,136	1,136	1,136	1,136	1,136	1,136
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Vehicles	14	14	14	16	28	28	-	-	-	-
Utilities										
Cable										
Cable (miles)	331	278	278	273	270	267	267	267	267	267
Vehicles	5	5	5	6	10	10	-	-	-	-
Electric										
Lines (miles)	198	196	193	188	186	185	185	185	185	185
Substations	3	3	3	3	3	3	3	3	3	3
Vehicles	21	21	21	23	21	21	-	-	-	-
Natural Gas										
Mains (miles)	184	183	167 (3)	114	114	114	114	114	114	114
Vehicles	9	9	8	8	8	8	-	-	-	-
Stormwater										
Vehicles	2	2	1	1	2	2	-	-	-	-
Telecom										
Vehicles	2	2	2	1	1	1	-	-	-	-
Wastewater										
Sanitary sewer (miles)	145	143	141	140	140	140	140	140 (2)	154	154
Maximum daily treatment capacity (MGD)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Vehicles	17	17	16	16	16	16				
Water										
Mains (miles)	240	228	220	218	218	218	218	215 (2)	241	241
Maximum daily treatment capacity (MGD)	10	10	10	10	10	10	10	10	10	10
Treated water storage capacity (MG)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Reservoir (raw) storage capacity (MG)	795	795	795	795	795	795	795	795	795	795
Vehicles	8	8	8	8	11	11				

CITY OF MONROE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Solid Waste Service										
Collection trucks	9	9	8	8	11	11	11	11	11	11
Recycling trucks	1	1	1	1	1	1	2	1	1	1
Transfer stations	1	1	1	1	1	1	1	1	1	1
Yard Trimmings trucks	4	4	3	3	3	3	-	-	-	-
Administration vehicles	2	2	2	2	2	2	-	-	-	-
GUTA-Georgia Utility Training Academy Vehicles	1	1	1	1	1	1	-	-	-	-

Source: Various City Departments

Note: Capital asset indicators are not available for the general government and housing and development functions.

- (1) Increase in miles of streets due to streets dedicated to the City.
- (2) Decrease in miles of mains due to corrected data from GIS in 2014.
- (3) Increase in miles of gas mains due to citywide expansion.