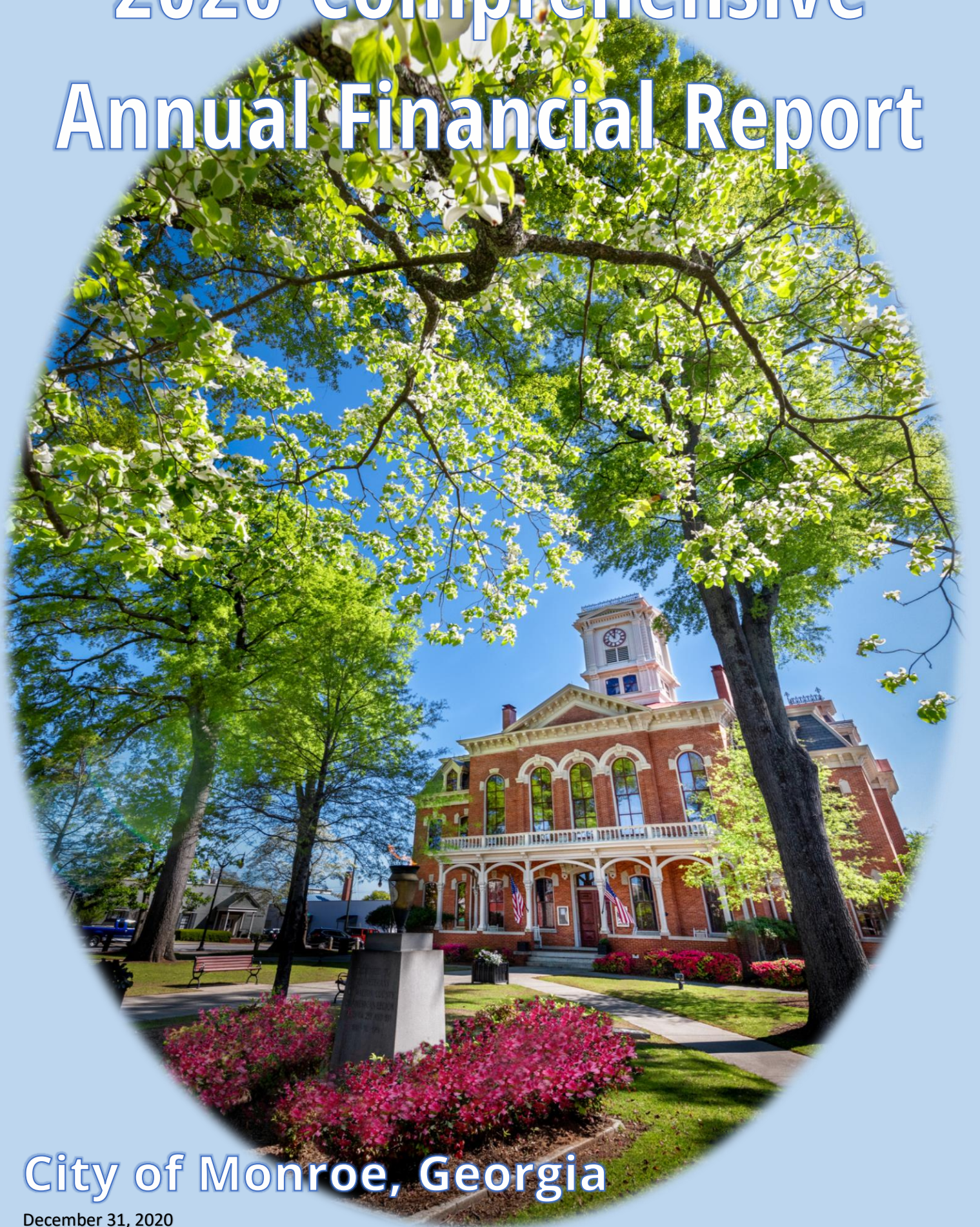


2020 Comprehensive Annual Financial Report



City of Monroe, Georgia

December 31, 2020

CITY OF MONROE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2020

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

CITY OF MONROE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2020

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Post Office Box 1249 • Monroe, Georgia 30655
Telephone 770-267-7536 • Fax 770-267-2319

John Howard, Mayor
Larry Bradley, Vice Mayor

May 18, 2021

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

The Comprehensive Annual Financial Report of the City of Monroe, Georgia for the fiscal year ended December 31, 2020 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, 2020. 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 2020, a Single Audit was required.

GAAP require 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.

***Councilmembers: Larry A. Bradley • Ross Bradley • Myoshia Crawford
David Dickinson • Norman Garrett • Nathan Little • Lee P. Malcom***

Profile of the Government

The City of Monroe 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 13,484. 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 a component unit 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 risen out of the previous economic downturn and 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. The City is positioned 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 planned around the Highway 138 extension at Charlotte Rowell Boulevard with what is one of the largest retail projects under construction in the State. 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.

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.

Other major initiatives in progress include a new Police Department and Municipal Court complex that will take over a long-defunct Food Lion shopping center and will act as a catalyst for the vacant and now city-owned Walton Plaza shopping center. The city hopes this project will breathe new life into redevelopment of the E. Spring St. area of the city. In 2019 the city, through its conduit of the Urban Redevelopment Agency, borrowed \$3.6 million to renovate the police department.

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.

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.

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 comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the 18th 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 comprehensive annual financial report must satisfy both GAAP and applicable legal requirements.

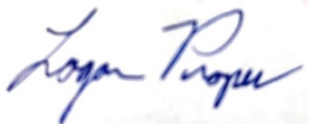
A Certificate of Achievement is valid for a period of one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

In addition, the City submitted to GFOA the 2019 Popular Annual Financial Report (PAFR) for Outstanding Achievement in Popular Annual Financial Reporting Award for the fiscal year ended December 31, 2019. If awarded, this will be the 16th year the City has received this award. 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 9th consecutive year for the fiscal year beginning January 1, 2021. Last year was the 8th consecutive year the City has received this prestigious award for Distinguished Budget Presentation for fiscal year beginning January 1, 2020. 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF MONROE, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS

DECEMBER 31, 2020

ELECTED OFFICIALS

Mayor	John Howard
Vice Mayor and Council Member, District 4	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	Sadie Krawczyk
Electric & Telecommunications Director	Brian Thompson
Finance Director	Beth Thompson
Fire Chief	Vacant
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, 2020

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
(VACANT)**

**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 Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the 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 the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2021 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
May 18, 2021

CITY OF MONROE, GEORGIA

Management's Discussion and Analysis

For the Fiscal Year Ended December 31, 2020

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, 2020. 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 \$128,347,692 (reported as "net position"). Of this amount, \$24,124,555 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position increased by \$10,788,619 during 2020 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 \$10,471,685 an increase of \$57,043 in comparison with the prior year. Approximately 47% or \$4,913,245 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 \$4,922,273 or approximately 38% 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 \$93,496,380. Of this, \$22,323,397 (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, 2020. 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 of the 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 15 and 16 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 three categories: governmental funds, proprietary funds, and a fiduciary fund.

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 seven 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 five 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 63 and 64 of this report.

The City adopts an annual appropriated budget for its General, Special Revenue and Debt Service Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget and can be found on page 20 of this report. Budgetary comparisons for Special Revenue and Debt Service Funds 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 21-23.

Fiduciary Fund. The City of Monroe maintains one type of fiduciary fund to account for the custodial activities of the City's Municipal Court. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The balance is excluded from the City's government-wide financial statements because the City cannot use the assets to finance its operations.

The City's fiduciary fund financial statements are presented on pages 24 and 25.

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 26-60 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 61 and 62 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 \$128,347,692 at the close of the most recent fiscal year.

By far the largest portion of the City's net position, \$90,693,042 (70.7%) 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, 2020 compared to the prior year end.

CITY OF MONROE, GEORGIA

Net Position

Fiscal Years 2020 and 2019

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 12,092,665	\$ 12,167,777	\$ 86,530,843	\$ 39,232,623	\$ 98,623,508	\$ 51,400,400
Capital assets	31,009,653	25,638,498	82,640,655	71,577,893	113,650,308	97,216,391
Total assets	<u>43,102,318</u>	<u>37,806,275</u>	<u>169,171,498</u>	<u>110,810,516</u>	<u>212,273,816</u>	<u>148,616,791</u>
Total deferred outflow s of resources	<u>2,956,941</u>	<u>1,053,772</u>	<u>3,353,201</u>	<u>1,297,949</u>	<u>6,310,142</u>	<u>2,351,721</u>
Long-term liabilities	13,033,968	10,115,608	69,612,942	17,309,401	82,646,910	27,425,009
Other liabilities	1,517,860	1,421,605	6,063,916	4,314,197	7,581,776	5,735,802
Total liabilities	<u>14,551,828</u>	<u>11,537,214</u>	<u>75,676,858</u>	<u>21,623,598</u>	<u>90,228,686</u>	<u>33,160,812</u>
Total deferred inflow s of resources	<u>3,660</u>	<u>210,791</u>	<u>3,920</u>	<u>37,836</u>	<u>7,580</u>	<u>248,627</u>
Net Position:						
Net investment in capital assets	25,489,636	22,930,759	65,203,406	58,967,998	90,693,042	81,898,757
Restricted	5,229,284	4,481,498	8,300,811	9,951,743	13,530,095	14,433,241
Unrestricted	<u>784,851</u>	<u>(300,215)</u>	<u>23,339,704</u>	<u>21,527,290</u>	<u>24,124,555</u>	<u>21,227,075</u>
Total net position	<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>

An additional portion of the City's net position (10.5%) 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 \$24,124,555 (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 75.5% 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 \$10,788,619 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 2020 and 2019

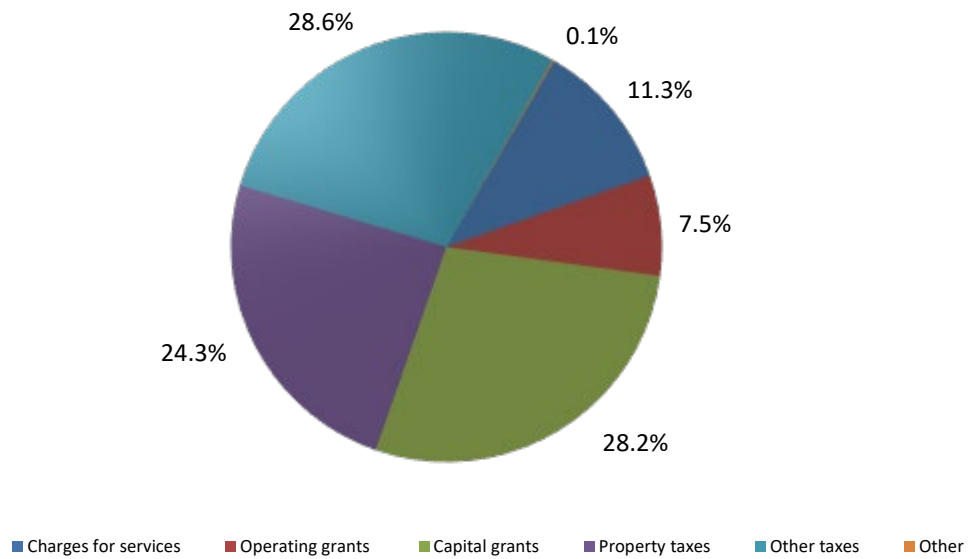
	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,817,223	\$ 1,846,193	\$ 46,994,871	\$ 48,376,158	\$ 48,812,094	\$ 50,222,351
Operating grants	1,217,152	640,872	-	-	1,217,152	640,872
Capital grants	4,544,584	4,096,477	4,119,604	283,684	8,664,188	4,380,161
General revenues:						
Property taxes	3,920,564	3,684,076	-	-	3,920,564	3,684,076
Other taxes	4,606,438	4,173,801	-	-	4,606,438	4,173,801
Other	21,623	55,803	339,291	687,025	360,914	742,828
Total revenues	16,127,584	14,497,222	51,453,766	49,346,867	67,581,350	63,844,089
Expenses:						
General government	1,721,026	1,657,185	-	-	1,721,026	1,657,185
Judicial	107,436	84,279	-	-	107,436	84,279
Public Safety	7,774,304	7,032,501	-	-	7,774,304	7,032,501
Public Works	1,629,163	2,302,320	-	-	1,629,163	2,302,320
Health and welfare	110,172	28,153	-	-	110,172	28,153
Culture and recreation	721,854	523,148	-	-	721,854	523,148
Housing and development	1,580,085	1,547,514	-	-	1,580,085	1,547,514
Interest on long-term debt	188,998	245,557	-	-	188,998	245,557
Utilities	-	-	37,126,841	35,171,102	37,126,841	35,171,102
Solid Waste	-	-	5,832,852	5,159,271	5,832,852	5,159,271
Total expenses	13,833,038	13,420,657	42,959,693	40,330,373	56,792,731	53,751,030
Increase (decrease) in net						
position before transfers	2,294,546	1,076,565	8,494,073	9,016,494	10,788,619	10,093,059
Transfers	2,097,183	2,159,068	(2,097,183)	(2,159,068)	-	-
Increase in net position	4,391,729	3,235,633	6,396,890	6,857,426	10,788,619	10,093,059
Net position, beginning	27,112,042	23,876,409	90,447,031	83,589,605	117,559,073	107,466,014
Net position, ending	\$ 31,503,771	\$ 27,112,042	\$ 96,843,921	\$ 90,447,031	\$ 128,347,692	\$ 117,559,073

Governmental Activities. Governmental activities increased the City of Monroe’s net position by \$4,391,729. Key elements of this increase are as follows:

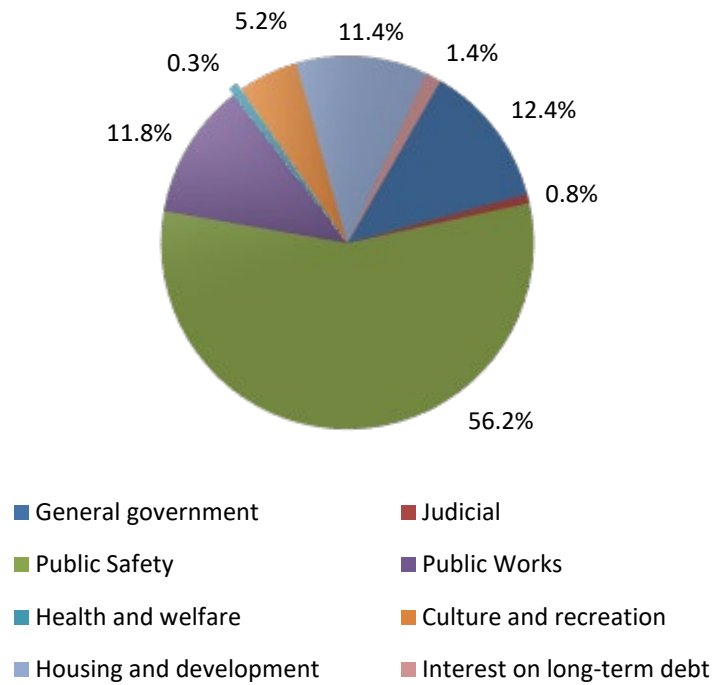
- Transfers in from business-type activities totaling \$2,097,183.
- Local Option Sales Tax totaling \$3,098,527.
- Various departments in the General Fund exceeding budget for revenues.

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

Governmental Revenues FY 2020



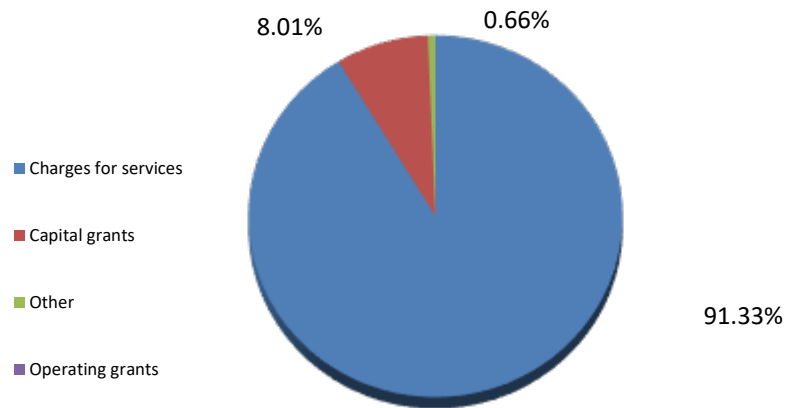
Governmental Expenses FY 2020



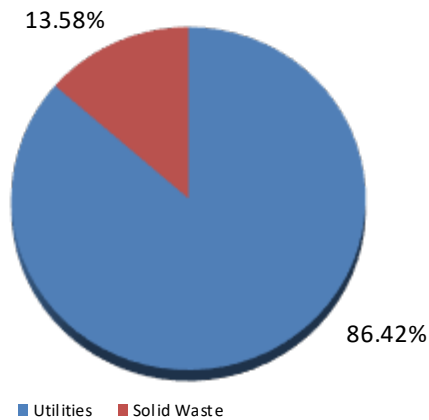
Business-Type Activities. Business-type activities increased the City of Monroe’s net position by \$6,396,890. The Utilities Fund, largest of the City’s business-type activities, accounted for 86% of the operating expenses and approximately 87% of the operating revenues among business-type activities. 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 2020



Business-type Expenses FY 2020



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 \$10,471,685, a slight increase of \$57,043 in comparison with the prior year. Approximately 47% of this amount (\$4,913,245) 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 (\$115,806), 2) restricted for particular purposes (\$5,433,509), or 3) assigned for particular purposes (\$9,125).

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 \$4,913,245 of the total General Fund fund balance of \$5,038,079. 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 37.5% of total General Fund expenditures, while total fund balance represents 38.5% of total General Fund expenditures.

The amount of nonspendable fund balance for the General Fund is made up of prepaid expenditures of \$115,806 or 2.3% of the General Fund's total fund balance.

Fund balance of the City of Monroe's General Fund increased by \$1,846,415 during the current fiscal year. A key factor in this increase was due to a decrease in liabilities by \$283,811, transfers in from other funds of \$2,645,444, intergovernmental revenues totaling \$1,274,207 and tax revenues totaling \$8,517,060.

Fund balance of the City of Monroe's SPLOST Fund increased by \$598,199 during the current fiscal year. A key factor in this increase was due to an overall decrease in expenditures of \$1,659,649 in 2020.

Total fund balance for nonmajor special revenue funds at year-end was \$155,603. This total had a net increase of \$87,432. Included above are the Forfeited Drug Fund & the Hotel/Motel Tax Fund. In the Forfeited Drug Fund, the increase of \$87,012 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 \$420. This fund accounts for local room taxes collected with the fund balance restricted for tourism in the City.

The debt service fund has a total fund balance of \$97, all of which is restricted for the payment of debt service. Fund Balance of the nonmajor governmental funds in total decreased \$2,387,571 from 2019, primarily due to capital outlay increase in the Urban Redevelopment Agency Fund (URA) related to bond proceeds received in 2019.

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 similar to 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 \$22,323,397, the Solid Waste Fund amounted to \$1,016,307. The combined increase in total net position for these funds was \$6,396,890.

For the year, the total net position of the Utilities Fund increased by \$6,034,779, the Solid Waste Fund increased by \$362,111. 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 \$6,396,890.

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 \$9,841,589 to \$10,239,161, respectively.
- Actual revenues were \$1,365,613 more than final budgeted amounts.
- The largest variance comes from a significant increase in property tax collections, Local Option Sales Tax (LOST) collections & intergovernmental CARES funding.

Expenditures:

- Total budgeted expenditures increased from original to final budgets from \$12,576,341 to \$13,757,345, respectively.
- Total expenditures were \$660,955 less than final budgeted amounts.

A comparison on General Fund actual expenditures to budget can be found on page 20. The most significant variances in budget to actual within revenues came from a significant increase in property tax collections, LOST collections & intergovernmental CARES funding, for a total variance of \$1,365,613.

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, 2020, amounts to \$113,650,308 (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 \$2,081,918 in machinery, equipment and vehicles.
- Donation of land totaling \$971,000.
- Construction in progress as of the end of the current fiscal year totaling approximately \$4,725,800.
- Disposals or sale of equipment, furniture or vehicles totaled \$461,261.

Business-type activities:

- Purchase of \$2,594,691 in specialized service installation equipment and vehicles.
- Construction in progress additions of \$11,422,657 in utility infrastructure & improvements.
- Construction in progress as of the end of the current fiscal year totaling \$12,097,418 for electric, gas, sewer, water and cable upgrades and projects.
- Donation of land, \$146,080.
- Disposals or sale of equipment, furniture or vehicles totaled \$117,531.

CITY OF MONROE, GEORGIA
Capital Assets
(net of depreciation)
Fiscal Years 2020 and 2019

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,671,329	\$ 3,700,329	\$ 2,666,238	\$ 2,520,158	\$ 7,337,567	\$ 6,220,487
Infrastructure	12,981,667	7,780,364	41,289,854	41,599,412	54,271,521	49,379,776
Buildings and Improvements	6,800,001	6,939,434	18,564,492	18,963,925	25,364,493	25,903,359
Equipment, furniture & vehicles	1,830,856	1,269,309	8,022,653	6,126,597	9,853,509	7,395,906
Construction in progress	4,725,800	5,949,062	12,097,418	2,367,801	16,823,218	8,316,863
Total	<u>\$ 31,009,653</u>	<u>\$ 25,638,498</u>	<u>\$ 82,640,655</u>	<u>\$ 71,577,893</u>	<u>\$ 113,650,308</u>	<u>\$ 97,216,391</u>

Additional information on the capital assets can be found in the Notes to Financial Statements on pages 43 and 44 of this report.

Long-term Debt. As of December 31, 2020, the City of Monroe's total long-term debt outstanding is \$67,879,569. 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 2020 and 2019

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ 3,501,300	\$ 3,600,000	\$ 60,940,575	\$ 11,505,000	\$ 64,441,875	\$ 15,105,000
Financed purchases	947,942	468,202	-	-	947,942	468,202
Notes payable	1,275,000	1,350,000	1,214,752	1,322,748	2,489,752	2,672,748
Total	<u>\$ 5,724,242</u>	<u>\$ 5,418,202</u>	<u>\$ 62,155,327</u>	<u>\$ 12,827,748</u>	<u>\$ 67,879,569</u>	<u>\$ 18,245,950</u>

The City of Monroe's total debt increased a net of \$51,780,064 during the current fiscal year. This increase is due to the inception of a new utility revenue bond.

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 \$49.7 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 45-49.

Economic Factors and Next Year's Budgets and Rates

In 2020 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 2021:

- Revenue from Local Option Sales Tax (LOST) collections was increased due to increased local shopping and growth.
- A slight increase in property tax was budgeted for 2020. Although the city adopted the full rollback rate of 7.588 mills, the increase in budgeted collections is contributed 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.
- Three positions were added in the Police division for fiscal year 2021, while seven vacant positions were unfunded city-wide.
- Implementation of the new SPLOST passed in 2018; budgeted an increase in collections for 2021.

Anticipated revenues in the General Fund 2021 budget are \$13.7 million which includes transfers and other financing sources, or approximately \$1 million more than the 2020 budget. The 2021 budget was developed and adopted before 2020 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, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention & Visitors Bureau
ASSETS					
Cash and cash equivalents	\$ 10,224,969	\$ 9,157,453	\$ 19,382,422	\$ 238,840	\$ 18,908
Investments	-	16,805,736	16,805,736	-	-
Accounts receivable, net of allowances	298,162	4,661,989	4,960,151	8,492	13,376
Taxes receivable	344,080	-	344,080	-	-
Internal balances	247,980	(247,980)	-	-	-
Due from other governments	861,668	608,172	1,469,840	-	-
Inventories and prepaid items	115,806	967,536	1,083,342	-	-
Restricted assets:					
Cash and cash equivalents	-	52,998,695	52,998,695	-	-
Investments	-	1,579,242	1,579,242	-	-
Capital assets:					
Non-depreciable	9,397,129	14,763,656	24,160,785	-	-
Depreciable, net of accumulated depreciation	21,612,524	67,876,999	89,489,523	-	-
Total assets	43,102,318	169,171,498	212,273,816	247,332	32,284
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	-	186,731	186,731	-	-
Pension related items	2,956,941	3,166,470	6,123,411	-	-
Total deferred outflows of resources	2,956,941	3,353,201	6,310,142	-	-
LIABILITIES					
Accounts payable	603,699	3,217,431	3,821,130	9,184	-
Retainage payable	245,555	423,875	669,430	-	-
Accrued liabilities	521,756	2,422,610	2,944,366	-	-
Unearned revenues	146,850	-	146,850	-	-
Long-term liabilities:					
Portion due or payable within one year:					
Compensated absences	505,698	590,939	1,096,637	-	-
Financed purchases	298,542	-	298,542	-	-
Notes payable	75,000	108,537	183,537	-	-
Bonds payable	401,000	1,570,000	1,971,000	-	-
Portion due or payable in more than one year:					
Compensated absences	391,727	-	391,727	-	-
Financed purchases	649,400	-	649,400	-	-
Notes payable	1,200,000	1,106,215	2,306,215	-	-
Bonds payable	3,100,300	59,370,575	62,470,875	-	-
Net pension liability	6,412,301	6,866,676	13,278,977	-	-
Total liabilities	14,551,828	75,676,858	90,228,686	9,184	-
DEFERRED INFLOWS OF RESOURCES					
Pension related items	3,660	3,920	7,580	-	-
Total deferred inflows of resources	3,660	3,920	7,580	-	-
NET POSITION					
Net investment in capital assets	25,489,636	65,203,406	90,693,042	-	-
Restricted for law enforcement	150,249	-	150,249	-	-
Restricted for debt service	-	277,896	277,896	-	-
Restricted for capital projects	5,074,619	8,022,915	13,097,534	-	-
Restricted for tourism	4,416	-	4,416	-	32,284
Unrestricted	784,851	23,339,704	24,124,555	238,148	-
Total net position	\$ 31,503,771	\$ 96,843,921	\$ 128,347,692	\$ 238,148	\$ 32,284

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

CITY OF MONROE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

<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	\$ 1,721,026	\$ 915,960	\$ 60,961	\$ 971,000
Judicial	107,436	269,919	-	174,881
Public safety	7,774,304	129,367	1,107,949	132,130
Public works	1,629,163	31,811	-	2,062,848
Health and welfare	110,172	-	13,242	-
Culture and recreation	721,854	4,508	-	940,121
Housing and development	1,580,085	465,658	35,000	263,604
Interest on long-term debt	188,998	-	-	-
Total governmental activities	<u>13,833,038</u>	<u>1,817,223</u>	<u>1,217,152</u>	<u>4,544,584</u>
Business-type activities:				
Utilities	37,126,841	40,893,970	-	4,119,604
Solid waste	5,832,852	6,100,901	-	-
Total business-type activities	<u>42,959,693</u>	<u>46,994,871</u>	<u>-</u>	<u>4,119,604</u>
Total primary government	<u>\$ 56,792,731</u>	<u>\$ 48,812,094</u>	<u>\$ 1,217,152</u>	<u>\$ 8,664,188</u>
Component units:				
Downtown Development Authority	\$ 208,193	\$ 44,024	\$ 111,500	\$ -
Convention & Visitors Bureau	57,673	-	-	-
Total component units	<u>\$ 265,866</u>	<u>\$ 44,024</u>	<u>\$ 111,500</u>	<u>\$ -</u>

General revenues:
Property taxes
Sales taxes
Franchise taxes
Business taxes
Unrestricted investment earnings
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
\$ 226,895	\$ -	\$ 226,895	\$ -	\$ -
337,364	-	337,364	-	-
(6,404,858)	-	(6,404,858)	-	-
465,496	-	465,496	-	-
(96,930)	-	(96,930)	-	-
222,775	-	222,775	-	-
(815,823)	-	(815,823)	-	-
(188,998)	-	(188,998)	-	-
<u>(6,254,079)</u>	<u>-</u>	<u>(6,254,079)</u>	<u>-</u>	<u>-</u>
-	7,886,733	7,886,733	-	-
-	268,049	268,049	-	-
-	8,154,782	8,154,782	-	-
<u>\$ (6,254,079)</u>	<u>\$ 8,154,782</u>	<u>\$ 1,900,703</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (52,669)	\$ -
-	-	-	-	(57,673)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,669)</u>	<u>\$ (57,673)</u>
\$ 3,920,564	\$ -	\$ 3,920,564	\$ -	\$ -
3,098,527	-	3,098,527	31,250	51,307
313,397	-	313,397	-	-
1,194,514	-	1,194,514	-	-
20,468	336,274	356,742	22,538	-
-	-	-	60,126	204
1,155	3,017	4,172	-	-
2,097,183	(2,097,183)	-	-	-
<u>10,645,808</u>	<u>(1,757,892)</u>	<u>8,887,916</u>	<u>113,914</u>	<u>51,511</u>
4,391,729	6,396,890	10,788,619	61,245	(6,162)
27,112,042	90,447,031	117,559,073	176,903	38,446
<u>\$ 31,503,771</u>	<u>\$ 96,843,921</u>	<u>\$ 128,347,692</u>	<u>\$ 238,148</u>	<u>\$ 32,284</u>

CITY OF MONROE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 4,794,745	\$ 4,825,770	\$ 604,454	\$ 10,224,969
Taxes receivable	340,314	-	3,766	344,080
Accounts receivable	298,162	-	-	298,162
Due from other governments	531,854	329,814	-	861,668
Due from other funds	247,980	12,650	50,961	311,591
Prepaid items	115,806	-	-	115,806
Total assets	<u>\$ 6,328,861</u>	<u>\$ 5,168,234</u>	<u>\$ 659,181</u>	<u>\$ 12,156,276</u>
LIABILITIES				
Accounts payable	\$ 455,445	\$ 147,316	\$ 938	\$ 603,699
Retainage payable	-	-	245,555	245,555
Accrued liabilities	496,507	-	-	496,507
Due to other funds	63,611	-	-	63,611
Unearned revenue	146,850	-	-	146,850
Total liabilities	<u>1,162,413</u>	<u>147,316</u>	<u>246,493</u>	<u>1,556,222</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	128,369	-	-	128,369
Total deferred inflows of resources	<u>128,369</u>	<u>-</u>	<u>-</u>	<u>128,369</u>
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	115,806	-	-	115,806
Restricted:				
Law enforcement	-	-	150,249	150,249
Capital projects	-	5,020,918	257,926	5,278,844
Tourism	-	-	4,416	4,416
Assigned:				
Public safety	9,028	-	-	9,028
Debt service	-	-	97	97
Unassigned	4,913,245	-	-	4,913,245
Total fund balances	<u>5,038,079</u>	<u>5,020,918</u>	<u>412,688</u>	<u>10,471,685</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,328,861</u>	<u>\$ 5,168,234</u>	<u>\$ 659,181</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.	31,009,653
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	128,369
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.	(3,459,020)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(6,646,916)</u>

Net position of governmental activities	<u>\$ 31,503,771</u>
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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, 2020

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 8,517,060	\$ -	\$ 51,726	\$ 8,568,786
Licenses and permits	408,082	-	-	408,082
Intergovernmental	1,274,207	2,666,138	-	3,940,345
Fines and forfeitures	269,919	-	121,543	391,462
Charges for services	808,257	-	-	808,257
Interest income	-	1,764	18,704	20,468
Miscellaneous	327,249	-	-	327,249
Total revenues	<u>11,604,774</u>	<u>2,667,902</u>	<u>191,973</u>	<u>14,464,649</u>
Expenditures				
Current:				
General government	1,225,749	-	-	1,225,749
Judicial	101,493	-	-	101,493
Public safety	8,002,681	-	34,531	8,037,212
Public works	1,355,845	27,377	-	1,383,222
Health and welfare	23,203	-	-	23,203
Culture and recreation	579,368	-	-	579,368
Housing and development	1,219,922	-	51,306	1,271,228
Capital outlay	-	1,976,813	2,493,707	4,470,520
Debt service:				
Principal retirements	421,278	56,114	-	477,392
Interest	166,851	9,399	-	176,250
Total expenditures	<u>13,096,390</u>	<u>2,069,703</u>	<u>2,579,544</u>	<u>17,745,637</u>
Excess (deficiency) of revenues over expenditures	<u>(1,491,616)</u>	<u>598,199</u>	<u>(2,387,571)</u>	<u>(3,280,988)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	1,155	-	-	1,155
Financed purchases	783,432	-	-	783,432
Transfers in	2,645,444	-	-	2,645,444
Transfers out	(92,000)	-	-	(92,000)
Total other financing sources, net	<u>3,338,031</u>	<u>-</u>	<u>-</u>	<u>3,338,031</u>
Net change in fund balances	1,846,415	598,199	(2,387,571)	57,043
Fund balances, beginning of year	<u>3,191,664</u>	<u>4,422,719</u>	<u>2,800,259</u>	<u>10,414,642</u>
Fund balances, end of year	<u>\$ 5,038,079</u>	<u>\$ 5,020,918</u>	<u>\$ 412,688</u>	<u>\$ 10,471,685</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, 2020

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

Net change in fund balances - total governmental funds	\$ 57,043
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.	4,123,852
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(41,784)
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.	1,247,303
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.	(306,040)
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>(688,645)</u>
Change in net position - governmental activities.	<u><u>\$ 4,391,729</u></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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,641,050	\$ 7,756,620	\$ 8,517,060	\$ 760,440
Licenses and permits	342,650	341,750	408,082	66,332
Fines and forfeitures	475,000	475,000	269,919	(205,081)
Charges for services	711,600	712,500	808,257	95,757
Intergovernmental	404,481	666,484	1,274,207	607,723
Miscellaneous	266,808	286,807	327,249	40,442
Total revenues	9,841,589	10,239,161	11,604,774	1,365,613
Expenditures				
Current:				
General government:				
Legislative	261,141	261,140	176,146	84,994
Executive	319,028	319,028	303,168	15,860
General administration	151,966	151,966	149,761	2,205
Financial administration	297,703	400,632	371,393	29,239
Law	203,000	203,000	185,781	17,219
Internal audit	39,500	39,500	39,500	-
Total general government	1,272,338	1,375,266	1,225,749	149,517
Judicial:				
Municipal court	116,233	116,233	101,493	14,740
Total judicial	116,233	116,233	101,493	14,740
Public safety:				
Police	4,831,522	5,691,364	5,564,735	126,629
Fire	2,386,942	2,476,051	2,437,946	38,105
Total public safety	7,218,464	8,167,415	8,002,681	164,734
Public works:				
Highways and streets administration	1,475,655	1,475,655	1,355,845	119,810
Total public works	1,475,655	1,475,655	1,355,845	119,810
Health and welfare:				
Community center	32,850	33,125	23,203	9,922
Total health and welfare	32,850	33,125	23,203	9,922
Culture and recreation:				
Special facilities	458,383	458,383	451,877	6,506
Library	123,600	127,491	127,491	-
Total culture and recreation	581,983	585,874	579,368	6,506
Housing and development:				
Protective inspection administration	909,223	909,223	843,286	65,937
Planning and zoning	4,844	4,844	4,360	484
Economic development	501,580	501,580	372,276	129,304
Total housing and development	1,415,647	1,415,647	1,219,922	195,725
Debt service:				
Principal	315,637	421,279	421,278	1
Interest	147,534	166,851	166,851	-
Total debt service	463,171	588,130	588,129	1
Total expenditures	12,576,341	13,757,345	13,096,390	660,955
Deficiency of revenues over expenditures	(2,734,752)	(3,518,184)	(1,491,616)	2,026,568
Other financing sources (uses)				
Financed purchases	-	783,432	783,432	-
Proceeds from sale of capital assets	-	-	1,155	1,155
Transfers in	2,826,752	2,826,752	2,645,444	(181,308)
Transfers out	(92,000)	(92,000)	(92,000)	-
Total other financing sources (uses)	2,734,752	3,518,184	3,338,031	(180,153)
Net change in fund balances	-	-	1,846,415	1,846,415
Fund balance, beginning of year	3,191,664	3,191,664	3,191,664	-
Fund balance, end of year	\$ 3,191,664	\$ 3,191,664	\$ 5,038,079	\$ 1,846,415

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

CITY OF MONROE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2020

ASSETS	Utilities Fund	Solid Waste Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	\$ 7,484,476	\$ 1,672,977	\$ 9,157,453
Investments	16,805,736	-	16,805,736
Accounts receivable, net of allowances	4,333,337	328,652	4,661,989
Due from other governments	608,172	-	608,172
Due from other funds	-	336,413	336,413
Prepaid items	73,477	16,196	89,673
Inventories	877,863	-	877,863
	30,183,061	2,354,238	32,537,299
RESTRICTED ASSETS			
Cash and cash equivalents	52,998,695	-	52,998,695
Investments	1,579,242	-	1,579,242
	54,577,937	-	54,577,937
Total current assets	84,760,998	2,354,238	87,115,236
CAPITAL ASSETS			
Non-depreciable	14,608,626	155,030	14,763,656
Depreciable, net of accumulated depreciation	65,700,795	2,176,204	67,876,999
	80,309,421	2,331,234	82,640,655
Total assets	165,070,419	4,685,472	169,755,891
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	186,731	-	186,731
Pension related items	2,630,964	535,506	3,166,470
	2,817,695	535,506	3,353,201
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	2,594,658	622,773	3,217,431
Accrued liabilities	159,743	20	159,763
Retainage payable	423,875	-	423,875
Compensated absences payable	505,726	85,213	590,939
Due to other funds	580,902	3,491	584,393
	4,264,904	711,497	4,976,401
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Revenue bonds payable - current	1,570,000	-	1,570,000
Notes payable - current	108,537	-	108,537
Customer deposits	2,096,310	-	2,096,310
Accrued interest	166,537	-	166,537
	3,941,384	-	3,941,384
Total current liabilities	8,206,288	711,497	8,917,785
NONCURRENT LIABILITIES			
Revenue bonds payable	59,370,575	-	59,370,575
Notes payable	1,106,215	-	1,106,215
Net pension liability	5,705,399	1,161,277	6,866,676
	66,182,189	1,161,277	67,343,466
Total noncurrent liabilities	66,182,189	1,161,277	67,343,466
Total liabilities	74,388,477	1,872,774	76,261,251
DEFERRED INFLOWS OF RESOURCES			
Pension related items	3,257	663	3,920
NET POSITION			
Net investment in capital assets	62,872,172	2,331,234	65,203,406
Restricted for capital projects	8,022,915	-	8,022,915
Restricted for debt service	277,896	-	277,896
Unrestricted	22,323,397	1,016,307	23,339,704
Total net position	\$ 93,496,380	\$ 3,347,541	\$ 96,843,921

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, 2020

	Utilities Fund	Solid Waste Fund	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 40,893,970	\$ 6,100,901	\$ 46,994,871
Total operating revenues	40,893,970	6,100,901	46,994,871
OPERATING EXPENSES			
Cost of sales and services	17,313,353	3,431,601	20,744,954
General operating expenses	15,443,515	2,173,546	17,617,061
Depreciation	2,872,961	227,705	3,100,666
Total operating expenses	35,629,829	5,832,852	41,462,681
Operating income	5,264,141	268,049	5,532,190
NON-OPERATING REVENUES (EXPENSES)			
Interest income	336,274	-	336,274
Gain on sale of capital assets	-	3,017	3,017
Interest and fiscal charges	(1,497,012)	-	(1,497,012)
Total non-operating revenues (expenses)	(1,160,738)	3,017	(1,157,721)
Income before capital contributions and transfers	4,103,403	271,066	4,374,469
Capital contributions	4,119,604	456,261	4,575,865
Transfers in	92,000	-	92,000
Transfers out	(2,280,228)	(365,216)	(2,645,444)
	1,931,376	91,045	2,022,421
Change in net position	6,034,779	362,111	6,396,890
Net position, beginning of year	87,461,601	2,985,430	90,447,031
Net position, end of year	<u>\$ 93,496,380</u>	<u>\$ 3,347,541</u>	<u>\$ 96,843,921</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, 2020

	<u>Utilities Fund</u>	<u>Solid Waste Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 41,036,878	\$ 6,059,580	\$ 47,096,458
Payments to suppliers	(23,251,885)	(3,289,073)	(26,540,958)
Payments to employees	(8,374,629)	(1,879,946)	(10,254,575)
Net cash provided by operating activities	<u>9,410,364</u>	<u>890,561</u>	<u>10,300,925</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	92,000	-	92,000
Transfers out to other funds	(2,280,228)	(365,216)	(2,645,444)
Net cash used in non-capital financing activities	<u>(2,188,228)</u>	<u>(365,216)</u>	<u>(2,553,444)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(9,761,446)	(538,288)	(10,299,734)
Principal payments on bonds	(1,540,000)	-	(1,540,000)
Principal payments on notes	(107,996)	-	(107,996)
Interest paid on long-term borrowings	(1,341,174)	-	(1,341,174)
Proceeds from sale of capital assets	-	3,017	3,017
Proceeds from issuance of bonds	43,700,000	-	43,700,000
Proceeds from issuance of bond premium	7,296,632	-	7,296,632
Receipt of intergovernmental revenues	671,195	-	671,195
Cash capital contributions	40,976	-	40,976
Net cash provided by (used in) capital and related financing activities	<u>38,958,187</u>	<u>(535,271)</u>	<u>38,422,916</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	336,274	-	336,274
Purchase of investments	(1,654,714)	-	(1,654,714)
Net cash used in investing activities	<u>(1,318,440)</u>	<u>-</u>	<u>(1,318,440)</u>
Net increase (decrease) in cash and cash equivalents	44,861,883	(9,926)	44,851,957
Cash and cash equivalents, beginning of year	15,621,288	1,682,903	17,304,191
Cash and cash equivalents, end of year	<u>\$ 60,483,171</u>	<u>\$ 1,672,977</u>	<u>\$ 62,156,148</u>
Classified as:			
Cash and cash equivalents	\$ 7,484,476	\$ 1,672,977	\$ 9,157,453
Restricted cash and cash equivalents	52,998,695	-	52,998,695
	<u>\$ 60,483,171</u>	<u>\$ 1,672,977</u>	<u>\$ 62,156,148</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 5,264,141	\$ 268,049	\$ 5,532,190
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	2,872,961	227,705	3,100,666
Change in assets and liabilities:			
Increase in accounts receivable	(13,551)	(41,321)	(54,872)
Increase in due from other governments	(596,630)	-	(596,630)
Decrease in due from other funds	11,500	364,101	375,601
(Increase) decrease in prepaid items	(5,811)	794	(5,017)
Increase in inventories	(161,173)	-	(161,173)
Increase in deferred outflows of resources for pension items	(1,735,274)	(351,100)	(2,086,374)
Increase in accounts payable	1,099,758	329,781	1,429,539
Increase (decrease) in accrued liabilities	20,149	(2,201)	17,948
Increase in customer deposits	156,459	-	156,459
Increase (decrease) in compensated absences payable	98,775	(10,908)	87,867
Increase (decrease) in due to other funds	21,095	(370,553)	(349,458)
Increase in net pension liability	2,406,084	482,011	2,888,095
Decrease in deferred inflows of resources for pension items	(28,119)	(5,797)	(33,916)
Net cash provided by operating activities	<u>\$ 9,410,364</u>	<u>\$ 890,561</u>	<u>\$ 10,300,925</u>
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Donated capital assets from governmental activities	\$ -	\$ 456,261	\$ 456,261
Contributions of capital assets	3,407,433	-	3,407,433

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

CITY OF MONROE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

	<u>Municipal Court Fund</u>
ASSETS	
Cash	\$ 299,950
Total assets	<u>299,950</u>
LIABILITIES	
Due to others	\$ 9,723
Total liabilities	<u>9,723</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>\$ 290,227</u>

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

CITY OF MONROE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	Municipal Court Fund
ADDITIONS	
Fines and fees collected	\$ 119,936
Total additions	119,936
DEDUCTIONS	
Fines and fees disbursed	64,270
Total deductions	64,270
Change in net position	55,666
NET POSITION	
Beginning of year	234,561
End of year	\$ 290,227

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

CITY OF MONROE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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. 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 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 non-fiduciary 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.

The **Custodial Fund** is used to account for assets held by the City's Municipal Court until they can be disbursed to other parties.

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, 2020.

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, 2020, 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 \$3,459,020 difference are as follows:

Deferred outflows of resources - pension related items	\$ 2,956,941
Deferred inflows of resources - pension related items	(3,660)
Net pension liability	(6,412,301)
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (3,459,020)

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 \$6,646,916 difference are as follows:

Revenue bonds payable	\$ (3,501,300)
Notes payable	(1,275,000)
Financed purchases payable	(947,942)
Accrued interest payable	(25,249)
Compensated absences	(897,425)
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (6,646,916)

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 \$4,123,852 difference are as follows:

Capital outlay	\$ 5,320,924
Depreciation expense	<u>(1,197,072)</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><u>\$ 4,123,852</u></u>

Another element of that reconciliation explains that “The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.” The details of this \$1,247,303 difference are as follows:

The effect of disposal transaction involving capital assets is to decrease net position.	\$ (456,261)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>1,703,564</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><u>\$ 1,247,303</u></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 \$306,040 difference are as follows:

Principal repayments:	\$	
Revenue bonds		98,700
Financed purchases		303,692
Notes		75,000
Financed purchase		<u>(783,432)</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><u>(306,040)</u></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 \$688,645 difference are as follows:

Compensated absences	\$	(81,640)
Accrued interest		(12,748)
Pension expense		<u>(594,257)</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><u>(688,645)</u></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, 2020, expenditures exceeded appropriations in the housing and development department within the Hotel/Motel Tax Fund by \$8,306. 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, 2020 are summarized as follows:

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

Cash and cash equivalents	\$ 19,382,422
Investments	16,805,736
Restricted cash and cash equivalents	52,998,695
Restricted investments	1,579,242
Cash - custodial fund	299,950
Total	<u>\$ 91,066,045</u>
Deposits with financial institutions	\$ 28,706,982
Local government investment pool - Georgia Fund 1	449,780
Fidelity Treasury Portfolio	45,103,547
Investments in the Municipal Competitive Trust	16,805,736
	<u>\$ 91,066,045</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2020, the City had the following investments:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Balance</u>
Municipal Competitive Trust - Short-term	58 days	\$ 5,857,881
Municipal Competitive Trust - Intermediate	525 days	3,002,051
Municipal Competitive Trust - Intermediate Extended Maturity	2.99 years	7,945,804
Certificate of deposit	12 months	<u>1,579,242</u>
Total		<u>\$ 18,384,978</u>

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 local government investment pool, "Georgia Fund 1", created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAs rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. As of December 31, 2020, the weighted-average maturity of the pool was 54 days.

The Fidelity Treasury Portfolio trades exclusively in short term cash equivalents and U.S. Treasury securities and is rated AAAs by Standard & Poor's criteria. As of December 31, 2020, the weighted-average maturity of the fund was 50 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 Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy.

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, 2020, the City had deposits with two (2) 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. Additionally, the City had deposits with one (1) financial institution that were collateralized by pledged securities, as defined above, such that all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State statutes.

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, 2020, 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	\$ 340,314	\$ -	\$ -	\$ -	\$ 3,766
Accounts	298,162	-	4,446,786	328,652	-
Due from other governments	531,854	329,814	608,172	-	-
Less allowance for uncollectible	-	-	113,449	-	-
Net total receivable	<u>\$ 1,170,330</u>	<u>\$ 329,814</u>	<u>\$ 4,941,509</u>	<u>\$ 328,652</u>	<u>\$ 3,766</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 3,700,329	\$ 971,000	\$ -	\$ -	\$ 4,671,329
Construction in progress	5,949,062	3,971,570	-	(5,194,832)	4,725,800
Total	<u>9,649,391</u>	<u>4,942,570</u>	<u>-</u>	<u>(5,194,832)</u>	<u>9,397,129</u>
Capital assets, being depreciated:					
Infrastructure	26,877,537	732,563	-	4,928,187	32,538,287
Buildings and improvements	13,797,557	-	-	266,645	14,064,202
Equipment, furniture & vehicles	6,645,404	1,349,355	(461,261)	-	7,533,498
Total	<u>47,320,498</u>	<u>2,081,918</u>	<u>(461,261)</u>	<u>5,194,832</u>	<u>54,135,987</u>
Less accumulated depreciation for:					
Infrastructure	(19,097,173)	(459,447)	-	-	(19,556,620)
Buildings and improvements	(6,858,123)	(406,078)	-	-	(7,264,201)
Equipment, furniture & vehicles	(5,376,095)	(331,547)	5,000	-	(5,702,642)
Total	<u>(31,331,391)</u>	<u>(1,197,072)</u>	<u>5,000</u>	<u>-</u>	<u>(32,523,463)</u>
Total capital assets, being depreciated, net	<u>15,989,107</u>	<u>884,846</u>	<u>(456,261)</u>	<u>5,194,832</u>	<u>21,612,524</u>
Governmental activities capital assets, net	<u>\$ 25,638,498</u>	<u>\$ 5,827,416</u>	<u>\$ (456,261)</u>	<u>\$ -</u>	<u>\$ 31,009,653</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	\$ 2,520,158	\$ 146,080	\$ -	\$ -	\$ 2,666,238
Construction in progress	2,367,801	11,422,657	-	(1,693,040)	12,097,418
Total	<u>4,887,959</u>	<u>11,568,737</u>	<u>-</u>	<u>(1,693,040)</u>	<u>14,763,656</u>
Capital assets, being depreciated:					
Infrastructure	67,578,695	-	-	1,122,039	68,700,734
Buildings and improvements	35,686,805	51,588	-	191,894	35,930,287
Equipment, furniture & vehicles	23,331,810	2,543,103	(117,531)	379,107	26,136,489
Total	<u>126,597,310</u>	<u>2,594,691</u>	<u>(117,531)</u>	<u>1,693,040</u>	<u>130,767,510</u>
Less accumulated depreciation for:					
Infrastructure	(26,112,495)	(1,298,385)	-	-	(27,410,880)
Buildings and improvements	(16,589,819)	(775,976)	-	-	(17,365,795)
Equipment, furniture & vehicles	(17,205,062)	(1,026,305)	117,531	-	(18,113,836)
Total	<u>(59,907,376)</u>	<u>(3,100,666)</u>	<u>117,531</u>	<u>-</u>	<u>(62,890,511)</u>
Total capital assets, being depreciated, net	<u>66,689,934</u>	<u>(505,975)</u>	<u>-</u>	<u>1,693,040</u>	<u>67,876,999</u>
Business-type activities capital assets, net	<u>\$ 71,577,893</u>	<u>\$ 11,062,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,640,655</u>

Beginning accumulated depreciation by category was reclassified to properly report the balances attributable to each category. There was no overall change to beginning balance of accumulated depreciation.

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

Governmental activities:	
General government	\$ 424,228
Public safety	117,259
Public works	170,722
Health and welfare	86,969
Housing and development	261,295
Culture and recreation	<u>136,599</u>
Total depreciation expense - governmental activities	<u>\$ 1,197,072</u>
Business-type activities:	
Utilities	\$ 2,872,961
Solid waste	<u>227,705</u>
Total depreciation expense - business-type activities	<u>\$ 3,100,666</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds - direct placement	\$ 3,600,000	\$ -	\$ (98,700)	\$ 3,501,300	\$ 401,000
Financed purchases	468,202	783,432	(303,692)	947,942	298,542
Note payable from direct borrowing	1,350,000	-	(75,000)	1,275,000	75,000
Compensated absences	815,785	541,334	(459,694)	897,425	505,698
Net pension liability	3,881,621	3,376,908	(846,228)	6,412,301	-
Governmental activity					
Long-term liabilities	<u>\$ 10,115,608</u>	<u>\$ 4,701,674</u>	<u>\$ (1,783,314)</u>	<u>\$ 13,033,968</u>	<u>\$ 1,280,240</u>
Business-type activities:					
Revenue bonds - direct placement	\$ 11,505,000	\$ 43,700,000	\$ (1,540,000)	\$ 53,665,000	\$ 1,570,000
Bond premium	-	7,296,632	(21,057)	7,275,575	-
Note payable from direct borrowings	1,322,748	-	(107,996)	1,214,752	108,537
Compensated absences	503,072	617,221	(529,354)	590,939	590,939
Net pension liability	3,978,581	3,616,195	(728,100)	6,866,676	-
Business-type activity					
Long-term liabilities	<u>\$ 17,309,401</u>	<u>\$ 55,230,048</u>	<u>\$ (2,926,507)</u>	<u>\$ 69,612,942</u>	<u>\$ 2,269,476</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, 2020, the outstanding principal is \$3,501,300. 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>
2021	\$ 401,000	\$ 82,452	\$ 483,452
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
2026-2028	1,394,100	56,353	1,450,453
	<u>\$ 3,501,300</u>	<u>\$ 366,634</u>	<u>\$ 3,867,934</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. The City's note payable debt service requirements to maturity are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 75,000	\$ 37,920	\$ 112,920
2022	75,000	35,639	110,639
2023	75,000	33,358	108,358
2024	75,000	31,164	106,164
2025	75,000	28,795	103,795
2026-2030	375,000	109,820	484,820
2031-2035	375,000	52,764	427,764
2036-2037	150,000	5,134	155,134
Total	<u>\$ 1,275,000</u>	<u>\$ 334,594</u>	<u>\$ 1,609,594</u>

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%.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Financed Purchases from Direct Borrowing (Continued). In 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%.

As of December 31, 2020, the City had \$1,545,463 of capital assets under the financed purchase agreements with \$439,225 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,			
2021	\$ 298,542	\$ 39,743	\$ 338,285
2022	263,110	32,495	295,605
2023	191,917	19,095	211,012
2024	101,945	11,115	113,060
2025	46,214	10,355	56,569
2026	46,214	10,355	56,569
Total	\$ 947,942	\$ 123,158	\$ 1,071,100

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>
2021	1,570,000	\$ 1,992,638	\$ 3,562,638
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	6,415,000	8,642,599	15,057,599
2031-2035	7,105,000	7,262,000	14,367,000
2036-2040	8,640,000	5,722,800	14,362,800
2041-2045	10,515,000	3,850,800	14,365,800
2046-2050	12,780,000	1,573,200	14,353,200
Total	<u>\$ 53,665,000</u>	<u>\$ 36,661,013</u>	<u>\$ 90,326,013</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>
2021	\$ 108,537	\$ 5,825	\$ 114,362
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
2026-2030	562,028	9,786	571,814
2031	104,571	262	104,833
Total	<u>\$ 1,214,752</u>	<u>\$ 33,707</u>	<u>\$ 1,248,459</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2020 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Utilities Fund	\$ 244,489
General Fund	Solid Waste Fund	3,491
	Total	\$ 247,980
Solid Waste Fund	Utilities Fund	\$ 336,413
SPLOST Fund	General Fund	\$ 12,650
Nonmajor governmental funds	General Fund	\$ 50,961

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	\$ 2,280,228
General Fund	Solid Waste Fund	365,216
		\$ 2,645,444
Utilities Fund	General Fund	\$ 92,000

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.

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, 2020, the date of the most recent actuarial valuation, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	105
Terminated vested participants not yet receiving benefits	85
Active employees - vested	154
Active employees - nonvested	91
Total	<u>435</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, 2020, the City's contribution rate was 13.68% of annual payroll and contributions to the Plan totaled \$1,542,384. 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2020.

Actuarial assumptions. The total pension liability in the July 1, 2019 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, 2019 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, 2019 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, 2020 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.41%
International equity	20%	6.96
Global fixed income	5%	3.06
Real estate	10%	4.76
Domestic fixed income	20%	1.96
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 represents a reduction from the discount rate used in the prior year rate of 7.50%. 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, 2020 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, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/19	\$ 31,369,103	\$ 23,508,901	\$ 7,860,202
Changes for the year:			
Service cost	546,700	-	546,700
Interest	2,339,127	-	2,339,127
Differences between expected and actual experience	904,448	-	904,448
Assumption Changes	1,478,629		1,478,629
Contributions—employer	-	1,574,328	(1,574,328)
Net investment income	-	(1,676,580)	1,676,580
Benefit payments, including refunds of employee contributions	(1,454,885)	(1,454,885)	-
Administrative expense	-	(47,619)	47,619
Net changes	<u>3,814,019</u>	<u>(1,604,756)</u>	<u>5,418,775</u>
Balances at 12/31/20	<u>\$ 35,183,122</u>	<u>\$ 21,904,145</u>	<u>\$ 13,278,977</u>

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	\$ 17,872,133	\$ 13,278,977	\$ 9,445,985

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, 2020 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, 2020, the City recognized pension expense of \$2,905,996. At December 31, 2020, 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	\$ 921,910	\$ 7,580
Changes in assumptions	1,314,713	-
Net difference between projected and actual earnings on pension plan investments	2,730,000	-
City contributions subsequent to the measurement date	1,156,788	-
Total	\$ 6,123,411	\$ 7,580

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 \$1,156,788 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, 2021. 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:	
2021	\$ 1,307,776
2022	1,146,684
2023	1,339,479
2024	1,165,104
Total	<u>\$ 4,959,043</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 Liability
2020	\$ 345,034	\$ 2,867,629	\$ 3,062,144	\$ 150,519
2019	335,627	2,221,241	2,211,834	345,034

The ending claims liability is expected to be paid during 2021 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, 2020, 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 \$11,728,088 in 2020.

At December 31, 2020, the outstanding debt of MEAG was approximately \$7.6 billion. The City's guarantee varies by individual projects undertaken by MEAG and as of December 31, 2020 totals approximately \$129.5 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 2020, 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 \$1,245,207 in 2020.

At December 31, 2020, the outstanding debt of MGAG was approximately \$175.5 million. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately \$1.7 million at December 31, 2020.

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, 2020, the City has contractual commitments on uncompleted contracts of \$1,380,672 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 \$51,726 for the year ended December 31, 2020. Of this amount \$51,306, or 99% was expended for the promotion of tourism.

NOTE 15. TAX ABATEMENTS

For the year ended December 31, 2020, City property tax revenues were reduced by \$77,985 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.

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

	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,542,384	\$ 1,582,909	\$ 1,466,150	\$ 1,514,182
Contributions in relation to the actuarially determined contribution	1,542,384	1,582,909	1,439,383	1,576,845
Contribution deficiency (excess)	\$ -	\$ -	\$ 26,767	\$ (62,663)
Covered payroll	\$ 11,274,737	\$ 10,545,696	\$ 9,423,002	\$ 9,305,215
Contributions as a percentage of covered payroll	13.68%	15.01%	15.28%	16.95%
	2016	2015	2014	
Actuarially determined contribution	\$ 1,422,940	\$ 1,472,825	\$ 1,506,697	
Contributions in relation to the actuarially determined contribution	1,422,940	1,472,825	1,506,697	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	
Covered payroll	\$ 8,677,960	\$ 8,319,435	\$ 8,850,160	
Contributions as a percentage of covered payroll	16.40%	17.70%	17.02%	

Notes to the Schedule of Contributions and Related Assumptions:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2019
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.

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, 2020

ASSETS	Special Revenue Funds		Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Forfeited Drug Fund	Hotel/Motel Tax Fund		Capital Projects Fund	Urban Redevelopment Authority Fund	
Cash and cash equivalents	\$ 150,617	\$ 1,220	\$ 97	\$ 2,740	\$ 449,780	\$ 604,454
Taxes receivable	-	3,766	-	-	-	3,766
Due from other funds	-	-	-	-	50,961	50,961
Total assets	\$ 150,617	\$ 4,986	\$ 97	\$ 2,740	\$ 500,741	\$ 659,181
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 368	\$ 570	\$ -	\$ -	\$ -	\$ 938
Retainage payable	-	-	-	-	245,555	245,555
Total liabilities	368	570	-	-	245,555	246,493
FUND BALANCES						
Restricted:						
Law enforcement	150,249	-	-	-	-	150,249
Capital projects	-	-	-	2,740	255,186	257,926
Tourism	-	4,416	-	-	-	4,416
Assigned:						
Debt service	-	-	97	-	-	97
Total fund balances	150,249	4,416	97	2,740	255,186	412,688
Total liabilities and fund balances	\$ 150,617	\$ 4,986	\$ 97	\$ 2,740	\$ 500,741	\$ 659,181

CITY OF MONROE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds		Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Forfeited Drug Fund	Hotel/Motel Tax Fund		Capital Projects Fund	Urban Redevelopment Authority Fund	
REVENUES						
Taxes	\$ -	\$ 51,726	\$ -	\$ -	\$ -	\$ 51,726
Fines and forfeitures	121,543	-	-	-	-	121,543
Interest	-	-	-	-	18,704	18,704
Total revenues	<u>121,543</u>	<u>51,726</u>	<u>-</u>	<u>-</u>	<u>18,704</u>	<u>191,973</u>
EXPENDITURES						
Current						
Public safety	34,531	-	-	-	-	34,531
Housing and development	-	51,306	-	-	-	51,306
Capital outlay	-	-	-	-	2,493,707	2,493,707
Total expenditures	<u>34,531</u>	<u>51,306</u>	<u>-</u>	<u>-</u>	<u>2,493,707</u>	<u>2,579,544</u>
Net change in fund balances	87,012	420	-	-	(2,475,003)	(2,387,571)
FUND BALANCES, beginning of year	<u>63,237</u>	<u>3,996</u>	<u>97</u>	<u>2,740</u>	<u>2,730,189</u>	<u>2,800,259</u>
FUND BALANCES, end of year	<u>\$ 150,249</u>	<u>\$ 4,416</u>	<u>\$ 97</u>	<u>\$ 2,740</u>	<u>\$ 255,186</u>	<u>\$ 412,688</u>

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, 2020

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines & forfeitures	\$ 40,000	\$ 40,000	\$ 121,543	\$ 81,543
EXPENDITURES				
Public safety	40,000	40,000	34,531	5,469
Net change in fund balances	-	-	87,012	87,012
FUND BALANCES, beginning of year	<u>63,237</u>	<u>63,237</u>	<u>63,237</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 63,237</u>	<u>\$ 63,237</u>	<u>\$ 150,249</u>	<u>\$ 87,012</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, 2020**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 43,000	\$ 43,000	\$ 51,726	\$ 8,726
EXPENDITURES				
Housing and development	43,000	43,000	51,306	(8,306)
Net change in fund balances	-	-	420	420
FUND BALANCES, beginning of year	<u>3,996</u>	<u>3,996</u>	<u>3,996</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 3,996</u>	<u>\$ 3,996</u>	<u>\$ 4,416</u>	<u>\$ 420</u>

CITY OF MONROE, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2020**

<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	\$ 5,757,316	\$ 5,362,686	\$ 154,291	\$ 5,516,977
Public safety improvements	1,200,000	1,200,000	974,042	75,510	1,049,552
Solid waste improvements	2,100,000	2,100,000	1,400,314	456,261	1,856,575
	<u>\$ 9,200,000</u>	<u>\$ 9,057,316</u>	<u>\$ 7,737,042</u>	<u>\$ 686,062</u>	<u>\$ 8,423,104</u>
SPLOST - 2019 SERIES					
Transportation, drainage and sidewalks	\$ 6,139,675	\$ 6,139,675	\$ 369,520	\$ 587,625	\$ 957,145
Parks improvements	2,631,289	2,631,289	104,800	537,264	642,064
	<u>\$ 8,770,964</u>	<u>\$ 8,770,964</u>	<u>\$ 474,320</u>	<u>\$ 1,124,889</u>	<u>\$ 1,599,209</u>
Total 2013 and 2019 SPLOST				\$ 1,810,951	
Expenditures funded by non-SPLOST revenues				258,752	
Total SPLOST Fund expenditures for year ended December 31, 2020				<u>\$ 2,069,703</u>	

COMPONENT UNITS

CITY OF MONROE, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 35,532
Payments to suppliers	(201,202)
Net cash used in operating activities	<u>(165,670)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Tax receipts	31,250
Operating grants receipts	111,500
Other nonoperating receipts	60,126
Net cash provided by non-capital financing activities	<u>202,876</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	22,538
Net cash provided by investing activities	<u>22,538</u>

Net increase in cash	59,744
Cash, beginning of year	<u>179,096</u>
Cash, end of year	<u>\$ 238,840</u>

RECONCILIATION OF OPERATING LOSS TO NET

CASH USED IN OPERATING ACTIVITIES

Operating loss	(164,169)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	(8,492)
Increase in accounts payable	6,991
Net cash used in operating activities	<u>\$ (165,670)</u>

CITY OF MONROE, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
DECEMBER 31, 2020**

ASSETS	
Cash	\$ 18,908
Accounts receivable	<u>13,376</u>
Total assets	<u><u>\$ 32,284</u></u>
 FUND BALANCE	
FUND BALANCE	
Restricted - tourism	<u>32,284</u>
Total liabilities and fund balance	<u><u>\$ 32,284</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, 2020

REVENUES		
Taxes		\$ 51,307
Miscellaneous		<u>204</u>
Total revenues		<u>51,511</u>
EXPENDITURES		
Tourism		<u>57,673</u>
Total expenditures		<u>57,673</u>
Net change in fund balance		<u>(6,162)</u>
FUND BALANCE, beginning of year		<u>38,446</u>
FUND BALANCE, end of year		<u><u>\$ 32,284</u></u>

STATISTICAL SECTION

This part of the City of Monroe’s comprehensive annual 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	71

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	78
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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	92
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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	97
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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	100
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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 comprehensive annual financial report for the relevant year.

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 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	\$ 16,815,773
Restricted for law enforcement	150,249	63,237	23,265	7,885	14,495	40,614	45,678	26,451	14,005	21,615
Restricted for debt service	-	-	310,849	92,856	47,966	83,893	86,421	68,524	80,597	148,229
Restricted for capital projects	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	134,638
Restricted for tourism	4,416	3,996	4,634	3,537	3,197	8,371	12,639	8,510	-	-
Unrestricted	784,851	(300,215)	(970,461)	(763,091)	(639,323)	(787,256)	2,382,343	2,193,503	1,304,317	744,013
Total governmental activities net position	\$ 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	\$ 17,864,268
Business-type activities										
Net investment in capital assets	\$ 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	\$ 48,016,934
Restricted for debt service	277,896	255,363	252,617	249,332	186,716	215,898	215,898	215,898	221,200	274,045
Restricted for capital projects	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	9,800,800
Unrestricted	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	2,594,956
Total business-type activities net position	\$ 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	\$ 60,686,735
Primary government										
Net investment in capital assets	\$ 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	\$ 64,832,707
Restricted for law enforcement	150,249	63,237	23,265	7,885	14,495	40,614	45,678	26,451	14,005	21,615
Restricted for debt service	277,896	255,363	563,466	342,188	234,682	299,791	302,319	284,422	301,797	422,274
Restricted for capital projects	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	9,800,800
Restricted for tourism	4,416	3,996	4,634	3,537	3,197	8,371	12,639	8,510	-	-
Unrestricted	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	3,338,969
Total primary government net position	\$ 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	\$ 78,416,365

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 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	\$ 1,417,361
Judicial	107,436	84,279	96,110	103,571	121,714	112,734	97,474	91,707	96,201	103,077
Public safety	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	5,246,043
Public works	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	3,677,625
Health and welfare	110,172	28,153	23,470	12,325	14,713	16,296	13,571	12,010	15,638	11,555
Culture and recreation	721,854	523,148	575,482	427,499	389,367	382,685	389,091	418,912	485,611	441,207
Housing and development	1,580,085	1,547,514	1,211,958	1,030,921	785,841	755,074	541,373	483,185	568,750	518,594
Interest on long-term debt	188,998	245,557	116,266	64,856	120,015	178,624	208,995	222,051	245,921	266,783
Total governmental activities expenses	<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>	<u>11,682,245</u>
Business-type activities:										
Utilities	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	29,575,971
Solid Waste	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	4,554,533
GUTA	-	-	- ⁽⁴⁾	333,199	296,924	79,193	54,165	45,617	48,989	41,179
Total business-type activities expenses	<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>	<u>34,171,683</u>
Total primary government expenses	<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>	<u>\$ 45,853,928</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 915,960	\$ 828,086	\$ 745,943	\$ 747,865	\$ 801,829	\$ 702,850	\$ 711,630	\$ 739,038	\$ 603,191	\$ 646,816
Judicial	269,919	454,901	332,014	275,966	287,674	405,299	408,191	455,532	342,480	509,174
Public safety	129,367	84,181	59,583	73,869	50,448	125,489	97,188	77,546	46,638	82,798
Public works	31,811	34,410	23,748	61,123	30,411	35,930	31,530	22,471	39,805	13,810
Culture and recreation	4,508	3,335	12,496	15,520	12,920	8,785	12,313	12,313	2,775	1,775
Housing and development	465,658	441,280	233,299	328,659	227,155	212,784	70,504	126,510	43,724	-
Operating grants and contributions	1,217,152	640,872	587,422	133,651	169,506	182,306	74,634	73,074	377,316	187,652
Capital grants and contributions	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	1,006,495
Total governmental activities program revenues	<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>	<u>2,448,520</u>
Business-type activities:										
Charges for services:										
Utilities	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	31,714,571
Solid Waste	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	4,848,063
GUTA	-	-	- ⁽⁴⁾	119,824	120,868	73,468	36,965	56,992	61,133	21,535
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions ⁽⁵⁾	4,119,604	283,684	644,842	41,862	43,351	512,575	489,720	492,841	1,066,897	1,211,082
Total business-type activities program revenues	<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>	<u>37,795,251</u>
Total primary government program revenues	<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>	<u>\$ 40,243,771</u>

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

Fiscal Year

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (9,233,725)
Business-type activities	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	3,623,568
Total primary government net (expense) revenue	\$ 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)	\$ (5,610,157)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 2,865,418
Sales taxes	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	2,141,501
Franchise taxes	313,397	320,400	333,951	317,921	303,920	282,669	263,862	281,939	220,358	240,578
Other taxes	1,194,514	1,136,010	1,079,020	1,006,432	970,831	898,936	852,020	815,235	788,216	753,374
Unrestricted investment earnings	20,468	55,803	2	78	-	-	-	-	-	130
Miscellaneous	-	-	109,182	91,966	56,691	-	164,450	276,084	205,930	229,369
Gain on sale of capital assets	1,155	-	-	32,366	-	89,099	25,051	101,227	6,823	-
Transfers	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	1,682,370
Total governmental activities	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	7,912,740
Business-type activities:										
Investment earnings	336,274	669,317	388,841	265,069	175,847	76,109	43,644	32,148	38,506	61,067
Gain on sale of capital assets	3,017	17,708	1,607	5,831	49,625	-	-	-	-	-
Transfers	(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)	(1,682,370)
Total business-type activities	(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)	(1,621,303)
Total primary government	\$ 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	\$ 6,291,437
Change in Net Position										
Governmental activities	\$ 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)	\$ (1,320,985)
Business-type activities	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) ⁽¹⁾	2,002,265
Total primary government	\$ 10,788,619	\$ 10,093,059	\$ 7,203,104	\$ 5,873,074	\$ 5,338,627	\$ 8,474,057	\$ 5,432,486 ⁽³⁾	\$ 3,768,006 ⁽²⁾	\$ (439,451)	\$ 681,280

- (1) Economic conditions caused a decrease in new construction and therefore reduced revenue from tap fees and capital contributions.
(2) 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.
(3) Utility rates were restructured coupled with an increase in telecommunication customer base.
(4) During 2018, the GUTA fund was consolidated with the Utilities Fund.
(5) 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
2011	2,865,418	2,141,501	240,578	753,374	6,000,871
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

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

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund										
Nonspendable	\$ 115,806	\$ 120,013	\$ 115,624	\$ 112,615	\$ 99,052	\$ 79,697	\$ 93,464	\$ 524,692	\$ 565,569	\$ 541,999
Restricted	-	-	310,734	92,741	47,850 ⁽¹⁾	197,243	199,305	68,408	185,354	147,833
Assigned	9,028	6,007	5,500	10,739	17,108	10,359	5,209	2,800	275	272
Unassigned	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 ⁽⁴⁾	969,763 ⁽⁶⁾	498,956
Total general fund	<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>	<u>\$ 1,189,060</u>
Other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,445	\$ -	\$ -
Restricted	5,433,509	7,222,881 ⁽⁹⁾	4,050,153 ⁽⁸⁾	5,459,551	4,519,626 ⁽²⁾	177,061	1,955,349	1,522,547 ⁽⁵⁾	148,936 ⁽⁷⁾	156,649
Assigned	97	97	-	-	-	-	-	-	5,130	2,363
Total other governmental funds	<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>	<u>\$ 159,012</u>

- (1) Restricted for General Obligation debt service. Decrease due to refunding of General Obligation Bonds.
- (2) Increase in capital projects in the SPLOST fund for street enhancement projects.
- (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) The increase in unassigned fund balance of the general fund was due to a change in health insurance benefits.
- (5) The increase in restricted fund balance of the nonmajor governmental funds was due to an increase in cash in the SPLOST Fund.
- (6) The increase in unassigned fund balance of the general fund was due to a transfer from the Capital Improvement Account in the Enterprise Fund.
- (7) The decreasing restricted fund balance in nonmajor governmental funds is due to the completion of projects for which there were no offsetting revenues.
- (8) The decrease in restricted fund balance is due to the expending of funds on capital projects in 2018.
- (9) 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 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	\$ 6,281,497
Licenses and permits	408,082	375,517	217,263	165,100	248,648 (2)	122,927	138,792	196,760	111,449	180,880
Intergovernmental	3,940,345	4,536,646 (8)	3,001,050 (8)	2,093,558	1,850,796 (3)	3,974,481	2,064,479	1,953,507	1,498,499	1,182,147
Fines and forfeitures	391,462	515,984	371,036	294,986	321,644	494,682	488,314	514,691	371,711	554,003
Charges for services	808,257	741,049	694,141	779,484	647,933	676,607	690,311	710,246	595,453	497,875
Interest income	20,468	55,803	2	78	-	-	-	-	-	130
Miscellaneous	327,249	414,346	310,956	385,249	253,712	336,449	176,163	241,020	205,930	229,369
Total revenues	14,464,649	14,532,173	11,784,076	10,407,809	9,680,029	12,107,487	9,906,506	9,941,669	8,891,084	8,925,901
Expenditures										
General government	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	1,146,185
Judicial	101,493	84,243	96,480	105,338	121,372	115,074	97,474	91,707	96,201	103,077
Public safety	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	5,198,818
Public works	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	2,697,704
Health and welfare	23,203	28,153	23,840	12,325	14,713	16,296	13,571	12,010	15,638	11,555
Culture and recreation	579,368	542,739	337,518	445,762	372,073	396,114	364,867	393,915	437,876	392,804
Housing and development	1,271,228	1,420,204	1,179,170	1,035,645	656,720	633,359	561,720	483,288	569,341	513,349
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	4,470,520	4,294,629	3,512,703	333,013	652,189	789,827	1,035,642	445,571	128,408	66,479
Debt service										
Principal retirements	477,392	1,154,552	1,025,524	810,000	961,791	902,070	838,524	525,000	470,000	410,000
Issuance Costs	-	83,000	-	-	34,693 (4)	-	-	-	-	-
Interest and fiscal charges	176,250	144,857	87,496	32,725	145,959	182,929	215,725	228,877	252,103	272,265
Total expenditures	17,745,637	17,583,769	15,936,049	13,138,857	11,048,402	11,619,193	11,293,587	10,038,266	11,293,594	10,812,236
Excess of revenues over (under) expenditures	(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)	(1,886,335)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other financing sources (uses)										
Issuance of note payable	-	-	-	1,500,000 (1)	-	-	-	-	-	-
Issuance of long-term debt	-	3,600,000 (9)	-	-	2,513,000 (5)	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(2,478,307) (5)	-	-	-	-	-
Financed purchases	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	10,159
Transfers in	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 (7)	2,390,995
Transfers out	(92,000)	(881,944)	(862,140)	(1,141,467)	(978,801)	(1,057,331)	(792,801)	(878,620)	(722,000)	(708,625)
Total other financing sources (uses)	<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>	<u>1,692,529</u>
Net change in fund balances	<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 (6)</u>	<u>\$ 526,955 (7)</u>	<u>\$ (193,806)</u>
Debt service as a percentage of noncapital expenditures	5.26%	10.52%	9.54%	7.69%	10.99%	10.02%	10.28%	7.86%	6.47%	6.35%

(1) Purchase of the Walton Plaza property & building.

(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) Decrease in health insurance expense, reduction of employee count along with other cost saving measures.

(7) Additional transfer in from business type activities increased fund balance.

(8) Increase in grant funds.

(9) 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)

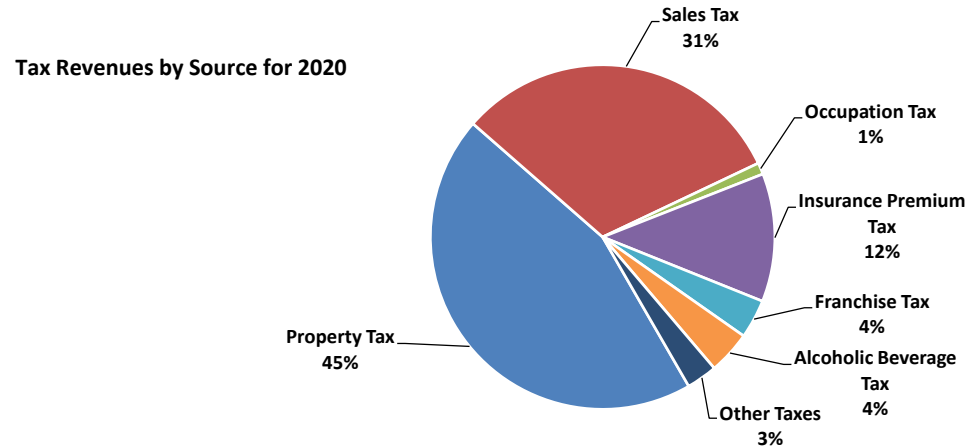
Fiscal Year	Property Tax	Sales Tax	Occupation Tax	Insurance Premium Tax	Franchise Tax	Alcoholic Beverage Tax	Other Taxes	Total
2011	\$ 3,000,325	\$ 1,869,516	\$ 78,900	\$ 620,730	\$ 240,578	\$ 313,318	\$ 158,130	\$ 6,281,497
2012	2,811,677	1,904,411	76,800	659,319	220,358	323,521	111,956	6,108,042
2013	3,226,884 ⁽³⁾	1,624,397 ⁽⁴⁾	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 ⁽²⁾	2,027,527 ⁽¹⁾	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

(1) Sales tax increase due to Local Option Sales Tax (LOST) collections, effect of increased local sales.

(2) Property tax increased with collections performed by Walton County Tax Commissioner's office.

(3) Property tax increase in 2013 was due to a large abated property becoming taxable.

(4) Sales tax decrease in 2013 was due to the renegotiation of allocation from Walton County.



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
2011	\$ 129,835,247	\$ 135,178,569	\$ 69,790,797	\$ 28,142,060	\$ 6,823,832	\$ 356,122,841	7.612	\$ 890,307,103	40%
2012	109,425,675	132,208,471	76,182,889	27,209,932	8,170,494	336,856,473 (3)	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%

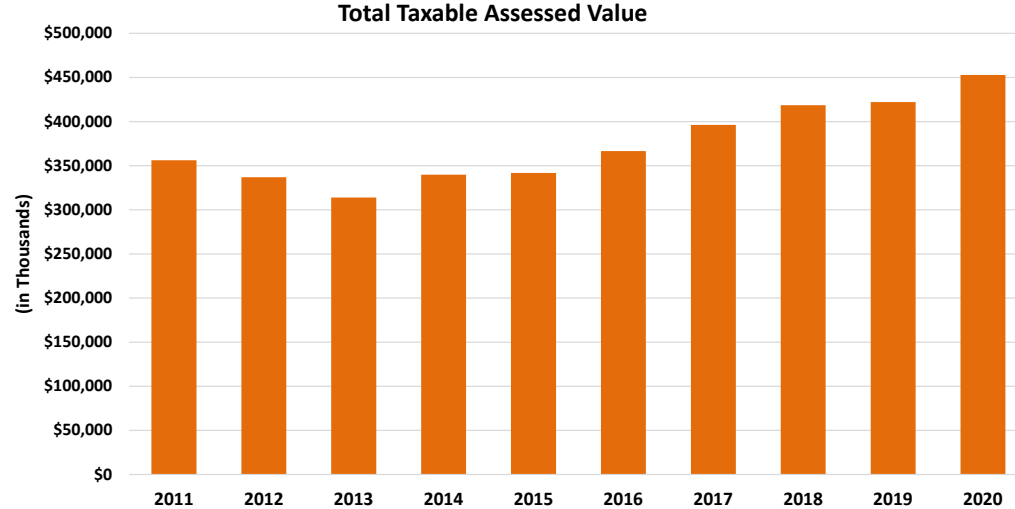
Source: Walton County Tax Assessors Office

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		
2011	5.565	2.047	7.612	11.135	19.600	2.200	21.800	0.25	40.797
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

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

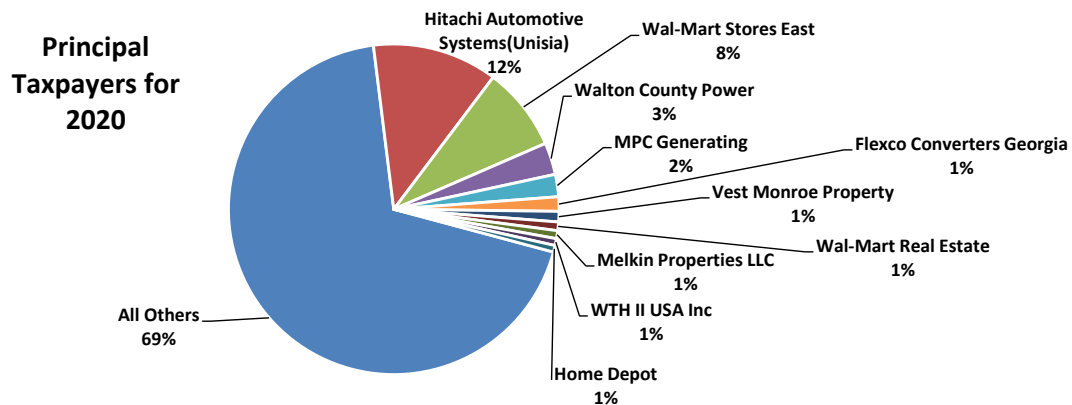
Note: Assessed values are established by the County Assessors on January 1 of each year at 40% of the actual value.

(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	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Hitachi Automotive Systems(Unisia)	\$ 55,453	1	12.25 %	\$ 8,345	4	2.34 %
Wal-Mart Stores East	37,166	2	8.21	28,208	1	7.92
Walton County Power	14,166	3	3.13	24,778	2	6.96
MPC Generating	9,876	4	2.18	20,767	3	5.83
Flexco Converters Georgia	6,396	5	1.41			
Vest Monroe Property	4,644	6	1.03			
Wal-Mart Real Estate	3,819	7	0.84	5,060	7	1.42
Melkin Properties LLC	3,516	8	0.78			
WTH II USA Inc	3,047	9	0.67			
Home Depot	2,924	10	0.65	3,664	9	1.03
Monroe HMA LLC dba Clearview Medical	3,517	10	0.78	5,683	6	1.60
E. Kenneth Murray				5,964	5	1.67
Windstream Georgia				3,608	10	1.01
Walton Ventures, Inc				3,666	8	1.03
Totals	<u>\$ 144,524</u>		<u>31.91 %</u>	<u>\$ 109,743</u>		<u>30.82 %</u>

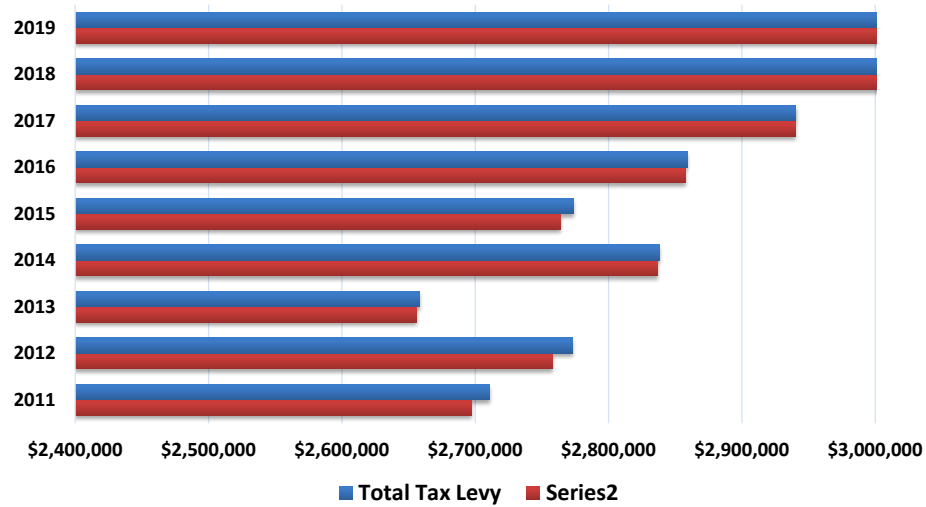
Source: Walton County Tax Commissioner's Office



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
2011	\$ 2,710,807	\$ 2,310,988	85.3 %	\$ 386,215	\$ 2,697,203	99.5 %
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	3,436,282	3,022,004	87.9	-	3,022,004	87.9

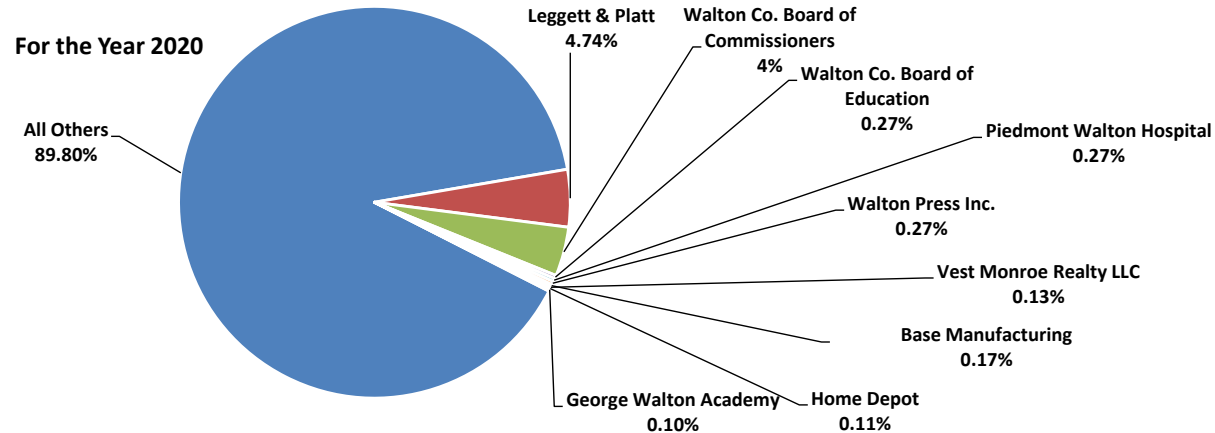


CITY OF MONROE, GEORGIA

TOP TEN ELECTRIC CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2020				2011			
	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	8,381	\$ 828	1	4.74 %	8,237	\$ 584	3	4.00 %
Walton Co. Board of Commissioners	5,781	710	2	4.06	6,576	662	1	4.54
Walton Co. Board of Education	3,617	48	3	0.27	5,996	640	2	4.39
Piedmont Walton Hospital	4,633	47	4	0.27				
Walton Press Inc.	4,061	47	5	0.27	3,175	288	5	1.97
Base Manufacturing	2,422	29	6	0.17	2,515	242	6	1.66
Vest Monroe Realty LLC	1,932	22	7	0.13				
Home Depot	1,576	19	8	0.11	2,182	177	8	1.21
George Walton Academy	1,325	18	9	0.10	2,167	220	7	1.51
Quality Foods	1,194	14	10	0.08	1,805	139	10	0.95
Monroe HMA					5,518	348	4	2.39
Southern Family Markets (BiLo)					1,969	154	9	1.06
Totals	34,922	1,782		10.20	40,140	3,454		23.68
All Others	106,439	15,692		89.80	113,545	11,134		76.32
Annual Totals	141,361	\$ 17,474		100.00 %	153,685	\$ 14,588		100.00 %

Source: City of Monroe Finance Department

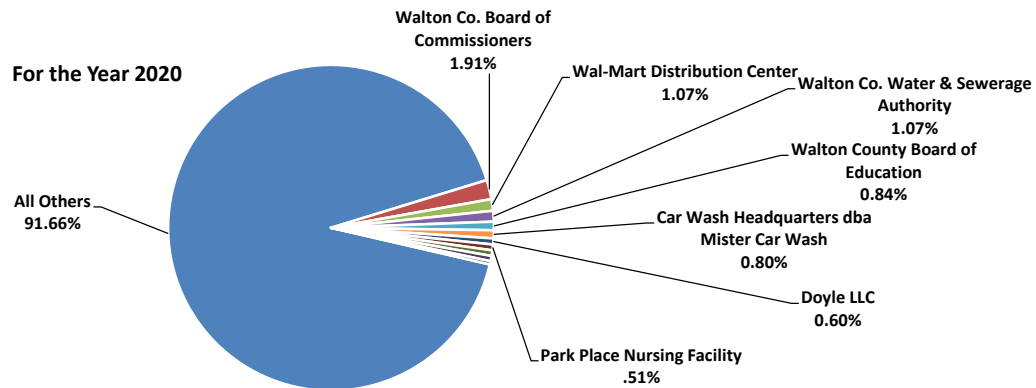


CITY OF MONROE, GEORGIA

TOP TEN WATER CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2020				2011			
	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	14,242	\$ 93	1	1.91 %	21,794	\$ 118	1	3.07 %
Wal-Mart Distribution Center	10,011	56	2	1.15	9,376	37	4	0.96
Walton Co. Water & Sewerage Authority	12,333	52	3	1.07				
Walton County Board of Education	4,835	41	4	0.84	10,170	59	3	1.53
Car Wash Headquarters dba Mister Car Wash	7,124	39	5	0.80				
Doyle LLC	3,315	29	6	0.60	4,380	27	5	0.70
Unisia of Ga Corporation	4,324	28	7	0.58				
Piedmont Walton Hospital	4,702	27	8	0.55				
Park Place Nursing Facility	2,995	25	9	0.51	2,822	18	6	0.47
Walton County Power LLC	2,635	16	10	0.33	2,722	11	10	0.29
George Walton Academy					2,264	12	9	0.31
Monroe HMA					16,293	66	2	1.72
Base Manufacturing					3,098	13	8	0.34
Great Oaks					3,699	15	7	0.39
Totals	66,516	406		8.34	76,618	376		9.77
All Others	542,484	4,461		91.66	528,382	3,471		90.23
Annual Totals	609,000	\$ 4,867		100.00 %	605,000	\$ 3,847		100.00 %

Source: City of Monroe Finance Department

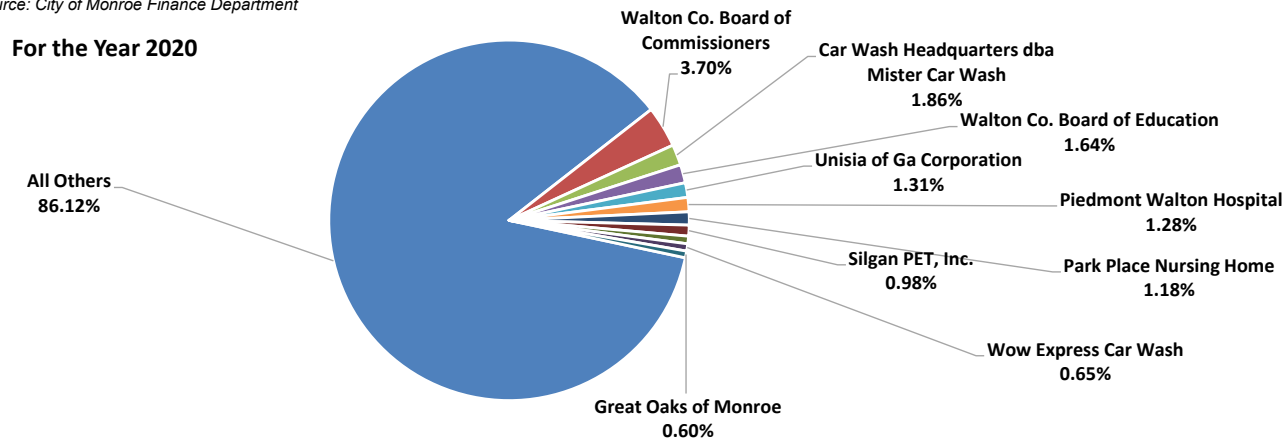


CITY OF MONROE, GEORGIA

TOP TEN SEWER CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2020				2011			
	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	12,738	\$ 147	1	3.70 %	9,931	\$ 89	2	2.74 %
Car Wash Headquarters dba Mister Car Wash	7,124	74	2	1.86				
Walton Co. Board of Education	3,944	65	3	1.64	6,407	69	3	2.12
Unisia of Ga Corporation	4,324	52	4	1.31				
Piedmont Walton Hospital	4,728	51	5	1.28				
Park Place Nursing Home	2,995	47	6	1.18	2,822	33	4	1.02
Silgan PET, Inc.	2,428	39	7	0.98	1,484	18	6	0.55
Fresenius	2,558	27	8	0.68				
Wow Express Car Wash	2,375	26	9	0.65				
Great Oaks of Monroe	2,135	24	10	0.60	1,898	15	8	0.46
Base Manufacturing					3,098	24	5	0.74
George Walton Academy					1,823	17	7	0.52
Monroe HMA					16,290	125	1	3.84
Applebees Restaurant					1,855	14	9	0.43
Home Depot					1,376	12	10	0.37
Totals	45,349	552		13.88	46,984	416		12.80
All Others		3,423		86.12		2,835		87.20
Annual Totals		\$ 3,975		100.00 %		\$ 3,251		100.00 %

Source: City of Monroe Finance Department

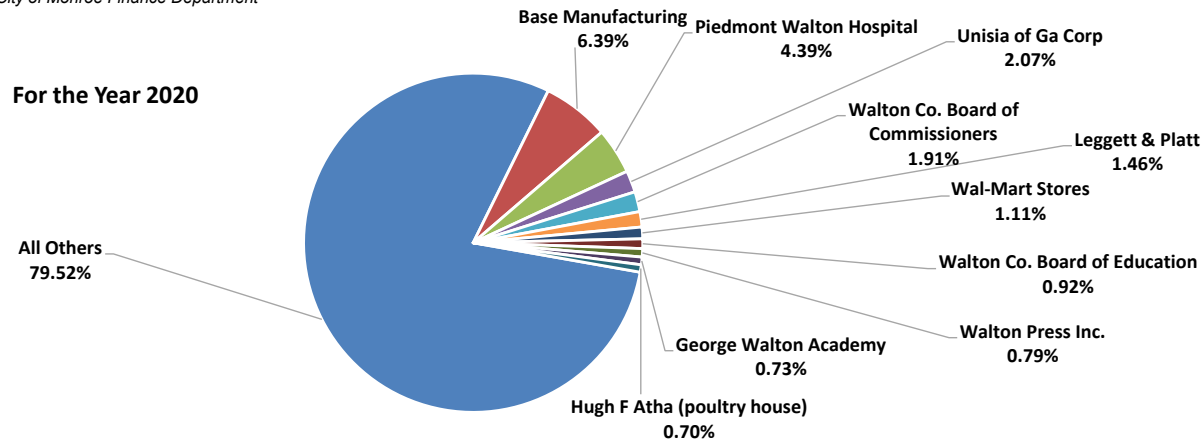


CITY OF MONROE, GEORGIA

TOP TEN GAS CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2020				2011			
	Usage in MCF	Annual Revenue (thousands)	Rank	Percentage of Total Revenues	Usage in MCF	Annual Revenue (thousands)	Rank	Percentage of Total Revenues
Base Manufacturing	23,199	\$ 201	1	6.39 %	30,145	\$ 290	1	7.08 %
Piedmont Walton Hospital	14,385	138	2	4.39				
Unisia of Ga Corp	6,294	65	3	2.07				
Walton Co. Board of Commissioners	5,755	60	4	1.91	9,589	110	5	2.68
Leggett & Platt	4,752	46	5	1.46	14,555	160	3	3.91
Wal-Mart Stores	3,449	35	6	1.11	4,273	47	8	1.15
Walton Co. Board of Education	2,897	29	7	0.92	8,599	97	6	2.37
Walton Press Inc.	2,612	25	8	0.79				
George Walton Academy	2,255	23	9	0.73	4,304	49	7	1.20
Hugh F Atha (poultry house)	2,202	22	10	0.70				
Wal-Mart Distribution					2,283	26	9	0.63
Monroe HMA					13,894	151	4	3.69
A Warrior Roofing					19,278	178	2	4.34
WASCO					2,229	25	10	0.61
Totals	<u>67,800</u>	<u>644</u>		<u>20.47</u>	<u>109,149</u>	<u>1,133</u>		<u>27.66</u>
All Others	<u>203,159</u>	<u>2,501</u>		<u>79.53</u>	<u>234,637</u>	<u>2,964</u>		<u>72.34</u>
Annual Totals	<u><u>270,959</u></u>	<u><u>\$ 3,145</u></u>		<u><u>100.00 %</u></u>	<u><u>343,786</u></u>	<u><u>\$ 4,097</u></u>		<u><u>100.00 %</u></u>

Source: City of Monroe Finance Department



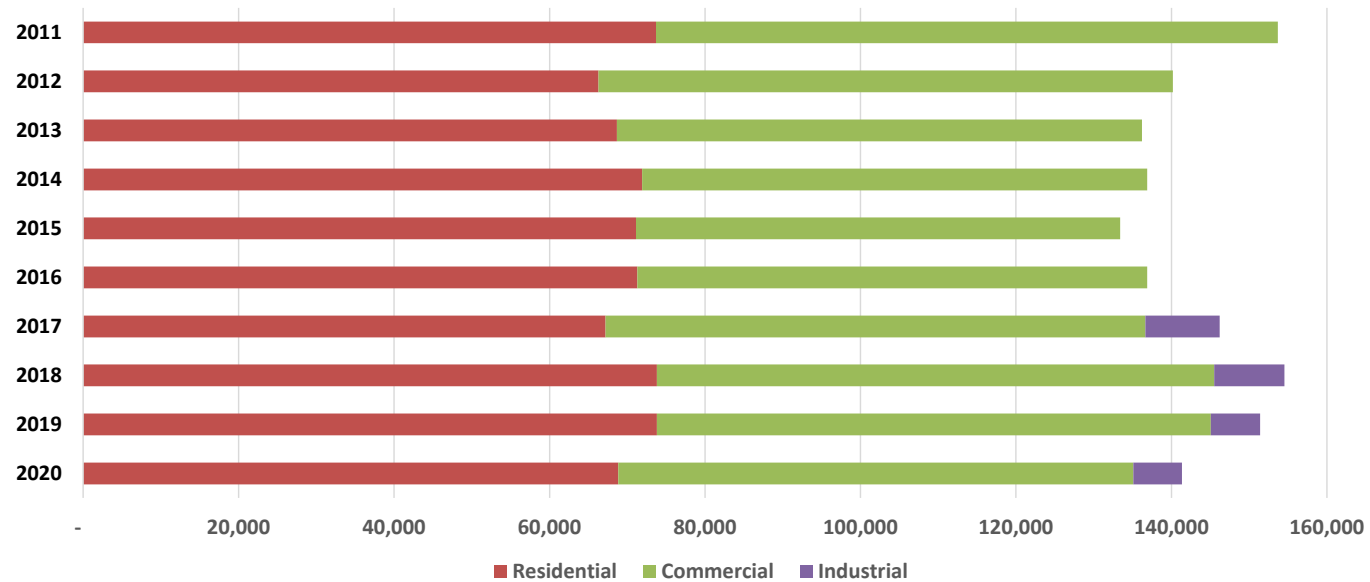
CITY OF MONROE, GEORGIA

ELECTRIC MWH SOLD BY TYPE OF CUSTOMER LAST TEN YEARS

Type of Customer	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Residential	68,836	73,811	73,816	67,191	71,297	71,109	71,914	68,679	66,309	73,685
Commercial	66,263	71,250	71,693	69,461	65,589	62,282	64,971	67,529	73,865	80,000
Industrial	6,262	6,359	9,025	9,543	9,896	9,651	8,479	8,221	5,589 (1)	-
Total	141,361	151,420	154,534	146,195	146,782	143,042	145,364	144,429	145,763	153,685

(1) Beginning in 2012, the industrial classification was added. Previously this customer was included in commercial.

Source: City of Monroe Finance Department



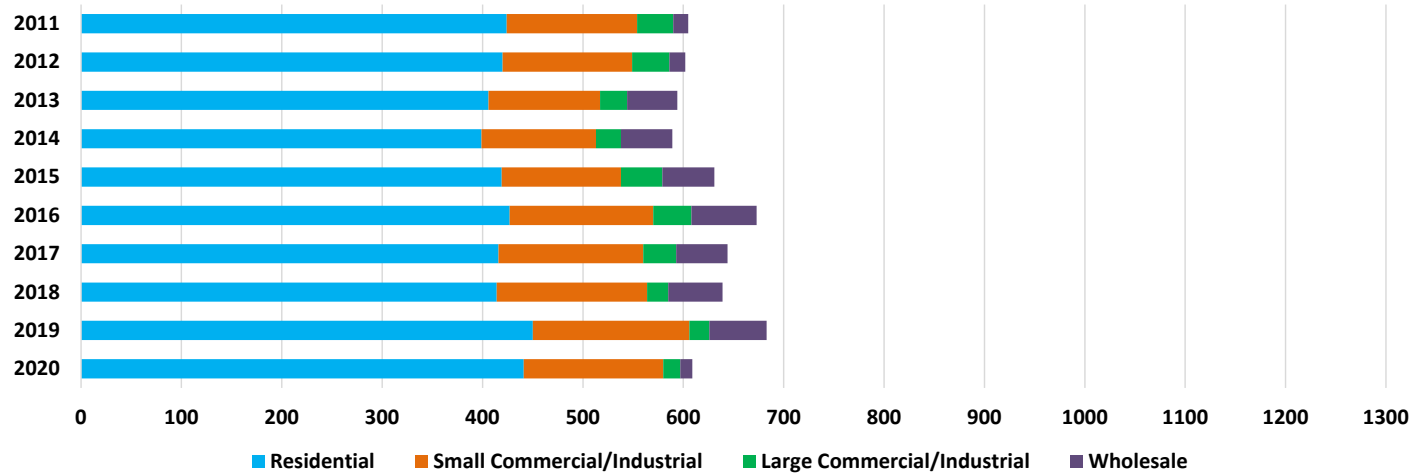
CITY OF MONROE, GEORGIA

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

Type of Customer	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Residential	441	450	414	416	427	419	399	406	420	424
Small Commercial (1)	139	156	150	144	143	119	114	111	129	130
Large Commercial & Industrial (1)	17	20	21	33	38	41	25	27	37	36
Wholesale	12	57	54	51	65	52	51	50 (1)	16	15
Total	609	683	639	644	673	631	589	594	602	605

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

Source: City of Monroe Finance Department



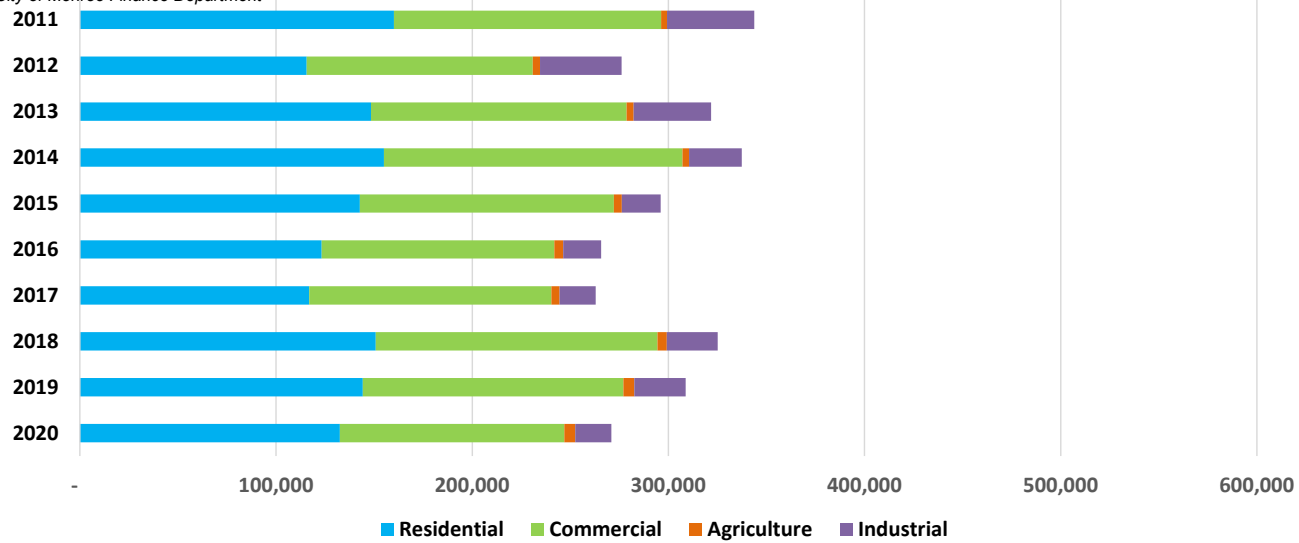
CITY OF MONROE, GEORGIA

GAS MCF SOLD BY TYPE OF CUSTOMER LAST TEN YEARS

Type of Customer	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Residential	132,481 (2)	144,240	150,822 (1)	116,889	123,276	142,784	154,956	148,391	115,644 (2)	160,106
Commercial	114,507 (2)	132,831	143,580	123,504	118,610	129,427	152,196	130,356	115,164 (2)	136,208
Agriculture	5,570	5,581	4,790	4,092	4,448	4,046	3,341	3,517	3,782	2,987
Industrial	18,401 (2)	26,125	25,909	18,428	19,411	19,837	26,870	39,539	41,500 (2)	44,485
Total	<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>	<u>343,786</u>

(1) Increase as a result of colder winter conditions.
(2) Decrease as a result of milder weather conditions.

Source: City of Monroe Finance Department



CITY OF MONROE, GEORGIA

TELECOMMUNICATION SALES LAST TEN YEARS

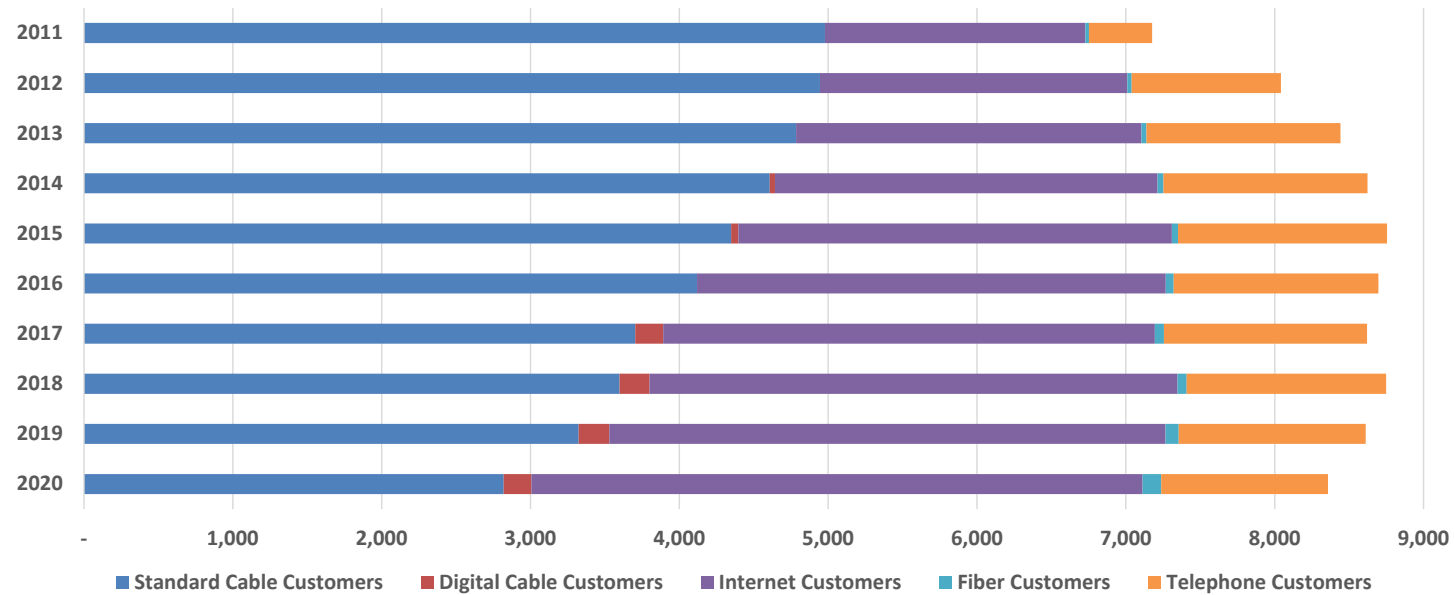
	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Standard Cable Customers	2,820	3,323	3,598	3,703	4,119	4,348	4,607	4,784	4,944	4,978
Digital Cable Customers	186	206	202	188 (1)	-	49	36	-	-	-
Internet Customers	4,107	3,738	3,547	3,303 (2)	3,149	2,912	2,570	2,321	2,066	1,749
Fiber Customers	124	88	62	62	54	41	39	33	29	25
Telephone Customers	1,121	1,256	1,340	1,365	1,375	1,405	1,371	1,304	1,003	424
Annual Sales (in thousands)	\$ 6,392	\$ 6,383 (3)	\$ 5,511	\$ 5,276	\$ 5,138	\$ 4,911	\$ 4,839	\$ 4,628	\$ 4,065	\$ 3,800

(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
2011	\$ 9.00	\$ 0.0685	\$ 0.0950	\$ 0.0560	\$ 10.00	\$ 0.375	\$ 0.375	\$ 14.00	\$ 1.95 (3)	\$ 14.00	\$ 3.58
2012	10.00 (4)	0.0900 (4)	0.1280 (4)	0.0780 (4)	10.00	0.375	0.375	14.00	1.95 (3)	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

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.

(4) Base rate and consumption rates increased on 01/01/2012.

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			
2011	\$ 5,375,000	\$ -	\$ -	\$ -	\$ 22,332,100	\$ 2,340,221	\$ 30,047,321	6.56 %	2,251
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

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.

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)
2011	\$ 5,375,000	\$ 396	\$ 5,374,604	0.64 %	\$ 403
2012	5,008,878	293	5,008,585	0.64	375
2013	4,460,633	116	4,460,517	0.53	334
2014	3,853,240	116	3,853,124	0.45	286
2015	3,189,021	116	3,188,905	0.35	233
2016	2,513,000	116	2,512,884	0.25	184
2017	1,703,000	115	1,702,885	0.16	126
2018	868,000	115	867,885	0.08	64
2019	-	-	-	-	-
2020	-	-	-	-	-

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	\$ 10,187,247	12.84%	\$ 1,308,043
Walton County Board of Education	<u>32,130,000</u>	13.76%	<u>4,421,088</u>
Overlapping debt	<u>42,317,247</u>		<u>5,729,131</u>
Direct:			
City of Monroe	<u>5,724,242</u>	100.00%	<u>5,724,242</u>
Total direct and overlapping debt	<u>\$ 48,041,489</u>		<u>\$ 11,453,373</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 49,685	\$ 44,991	\$ 44,120	\$ 42,793	\$ 38,807	\$ 35,571	\$ 35,340	\$ 32,139	\$ 34,503	\$ 36,295
Total Net Debt Applicable to Limit	-	-	868	3,203	2,513	4,288	4,286	4,461	4,905	5,375
Legal Debt Margin	\$ 49,685	\$ 44,991	\$ 43,252	\$ 39,590	\$ 36,294	\$ 31,283	\$ 31,054	\$ 27,678	\$ 29,598	\$ 30,920
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	1.97%	7.48%	6.48%	12.05%	12.13%	13.88%	14.22%	14.81%

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	
2011	\$ 31,538	\$ 25,584	\$ 5,954	\$ 1,592	\$ 1,025	\$ 2,617	2.28
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

- (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 # of Jobs (2)*
2011	13,349	458,338	34,335	33	6,250	9.9	24,286
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	9,611	2.5	37,751
2020	13,673	636,656	46,563	32	9,611 (4)	4.3	24,856

(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) Information not available for 2020. The City elected to use the 2019 Housing Units.

* Data only available at the County level

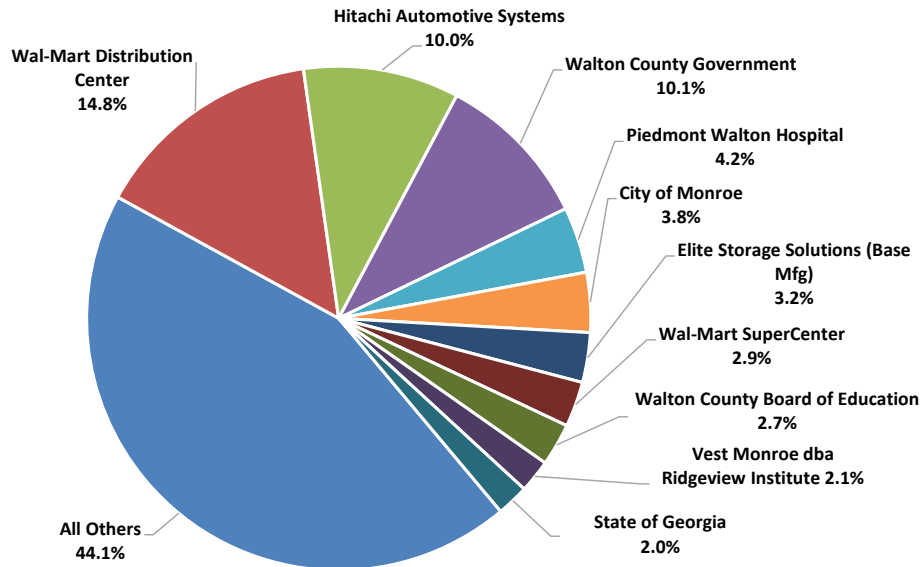
CITY OF MONROE, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Distribution Center	916	1	14.8 %	771	1	14.0 %
Hitachi Automotive Systems	620	2	10.0	165	8	3.0
Walton County Government	625	3	10.1	565	2	10.2
Piedmont Walton Hospital	262	4	4.2			
City of Monroe	238	5	3.8	224	7	4.1
Elite Storage Solutions (Base Mfg)	198	6	3.2	146	9	2.6
Wal-Mart SuperCenter	180	7	2.9	230	6	4.2
Walton County Board of Education	169	8	2.7	464	3	8.4
Vest Monroe dba Ridgeview Institute	131	9	2.1			
State of Georgia	127	10	2.0	107	10	1.9
Monroe HMA				289	4	5.2
Angel Food Ministries				264	5	4.8
Totals	3,466		55.9 %	3,225		58.4 %

Source: City of Monroe Code Department

For the Year 2020



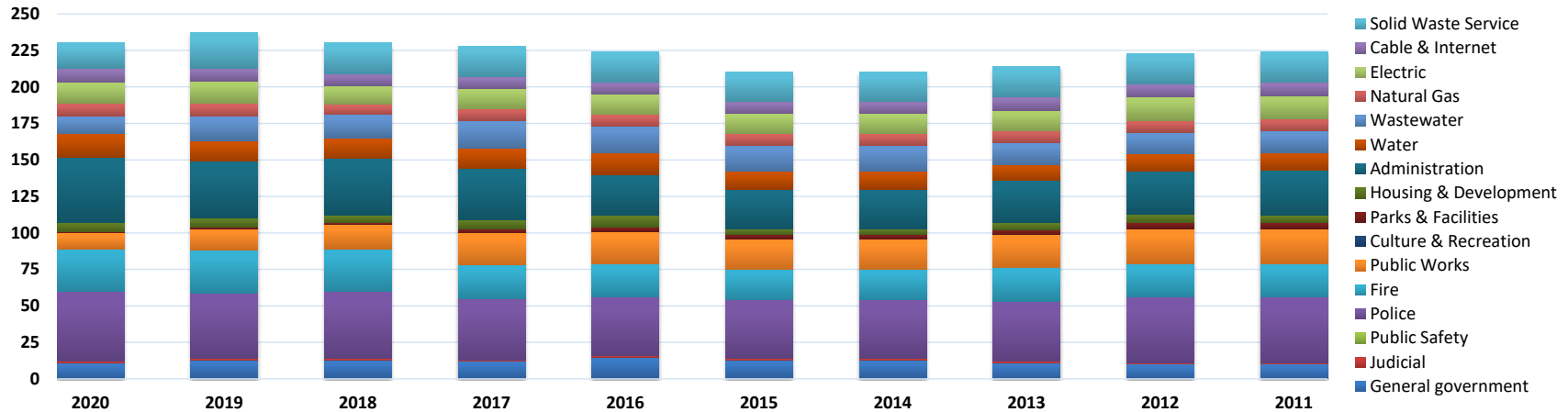
CITY OF MONROE, GEORGIA

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

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	11	13	13	12	15	13	13	11	10	10
Judicial	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	48	45	46	42	40	40	40	41	45	45
Fire	29	29	29	23	23	21	21	23	23	23
Public Works	11	15	17	22	22	21	21	23	24	24
Culture & Recreation										
Parks & Facilities	1	1	1	3	3	3	3	3	4	4
Housing & Development	6	6	5	6	8	4	4	5	6	5
Utilities										
Administration	45	39	39	35	28	27	27	29	29	31
Water	16	14	14	14	15	12	12	11	12	12
Wastewater	12	17	16	19	18	18	18	15	15	15
Natural Gas	9	9	7	8	8	8	8	8	8	8
Electric	14	15	13	14	14	14	14	14	16	16
Cable & Internet	10	9	8	8	8	8	8	9	9	9
Solid Waste Service	17	24	21	21	21	20	20	21	21	21
Totals	230	237	230	228	224	210	210	214	223	224

Source: City Payroll Department

Employees by Function



CITY OF MONROE, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Number of dispatches	20,453	32,256	40,569	38,403	38,353	47,513	45,624	46,763	42,509	45,298
Number of traffic citations issued	2,934	5,310	6,269	3,478	2,087	3,624	4,510	3,738	2,715	4,189
Fire										
Number of fire/EMS dispatches	2,410	2,471	2,721	2,596	2,531	2,223	2,063	2,045	2,030	1,736
Highways & Streets										
Street resurfacing (lane miles)	-	1.9	2.4	2.5	1.6	2.1	2.2	2.3	2.3	2.3
Housing & Development										
Value of new building construction (000's) \$	259,644 (1)	43,230 (1)	24,577	12,638	43,219 (1)	7,110	13,797 (2)	36,969	5,000	2,535
Number of permits issued	874 (3)	121	174	149	98	76	149 (3)	53	12	31
Utilities										
Cable & Internet										
Number of customers standard cable	2,820	3,323	3,598	3,703	4,119	4,348	4,607	4,784	4,945	4,978
Number of customers digital cable	186	206	202	188	-	49	36	-	-	-
Number of Internet customers	4,231	3,826	3,639	3,303	3,149	2,912	2,609	2,354	2,094	1,774
Number of phone customers	1,121	1,256	1,343	1,365	1,375	1,405	1,371	1,304	1,003	424
Electric										
Number of customers	6,647	6,444	6,290	6,286	6,252	6,191	6,154	6,117	6,059	5,978
Average daily consumption (KWh)	387,288	414,848	446,257	400,533	416,643	405,877	398,256	382,002	385,935	406,702
Natural gas										
Number of customers	3,997	3,852	3,760	3,756	3,716	3,692	3,700	3,708	2,732	3,720
Average daily consumption (MCF)	742	846	891	720	747	831	924	881	756	941
Wastewater										
Number of customers	7,427	7,163	6,937	6,863	6,834	6,804	6,757	6,762	6,644	6,550
Average daily sewage treatment (MGD)	1.870	1.660	1.850	1.770	1.700	1.700	1.600	1.540	1.314	1.413
Water										
Number of customers	10,128	9,545	9,239	9,136	9,059	8,986	8,941	8,876	8,783	8,665
Average daily consumption (000's)	1,669	1,875	1,752	1,763	1,842	1,731	1,615	1,628	1,652	1,658
Solid Waste Service										
Refuse collected (tons)	14,184	13,525	13,004	11,993	10,181	11,604	11,032	10,858	10,302	10,394
Recyclables collected (tons)	1,606	1,392	1,681	1,852	1,463	1,562	1,545 (4)	167	168	265
Number of residential customers	5,933	5,735	5,542	5,530	5,378	5,361	5,381	5,348	5,211	5,129
Number of commercial customers	609	620	653	622	650	625	655	682	665	609
Number of transfer station customers	17	15	14	15	15	15	16	16	14	19

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administration										
Vehicles	11	11	12	12	12	-	-	-	-	-
Code										
Vehicles	3	3	3	5	5	-	-	-	-	-
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	8	5	5	8	8	-	-	-	-	-
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	69	65	54	43	52	44	46	45	40	40
Streets & Transportation										
Streets (miles)	81	81	81	81	80	80	80 (1)	75	75	75
Streetlights	1,139	1,139	1,124	1,136	1,136	1,136	1,136	1,136	1,136	1,134
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Vehicles	14	14	16	28	28	-	-	-	-	-
Utilities										
Cable										
Cable (miles)	278	278	273	270	267	267	267	267	267	267
Vehicles	5	5	6	10	10	-	-	-	-	-
Electric										
Lines (miles)	196	193	188	186	185	185	185	185	185	185
Substations	3	3	3	3	3	3	3	3	3	3
Vehicles	21	21	23	21	21	-	-	-	-	-
Natural Gas										
Mains (miles)	183	167 (3)	114	114	114	114	114	114	114	113
Vehicles	9	8	8	8	8	-	-	-	-	-
Stormwater										
Vehicles	2	1	1	2	2	-	-	-	-	-
Telecom										
Vehicles	2	2	1	1	1	-	-	-	-	-
Wastewater										
Sanitary sewer (miles)	143	141	140	140	140	140	140 (2)	154	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	16	16	16	16					
Water										
Mains (miles)	228	220	218	218	218	218	215 (2)	241	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	11	11					

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

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Solid Waste Service										
Collection trucks	9	8	8	11	11	11	11	11	11	11
Recycling trucks	1	1	1	1	1	2	1	1	1	1
Transfer stations	1	1	1	1	1	1	1	1	1	1
Yard Trimmings trucks	4	3	3	3	3	-	-	-	-	-
Administration vehicles	2	2	2	2	2	-	-	-	-	-
GUTA-Georgia Utility Training Academy										
Vehicles	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 mile of mains due to corrected data from GIS in 2014.
- (3) Increase in miles of gas mains due to citywide expansion.