

**2010**

**POPULAR ANNUAL FINANCIAL REPORT**



**CITY OF MONROE**

**P.O. BOX 1249**

**215 NORTH BROAD STREET**

**MONROE, GA 30655**

**(770) 267-7536**

## ABOUT THIS REPORT

We are pleased to present the 2010 Popular Annual Financial Report (PAFR). The PAFR is a brief analysis of where the revenues come from to operate the City and where those same dollars are spent. It is our goal to provide a means of communicating the financial operations of the City in an easy to understand financial report.

The PAFR is a summary of the financial activities for the City of Monroe and was drawn from the 2010 Comprehensive Annual Financial Report (CAFR) and contains information only from selected funds. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the City's Independent Auditors.

The CAFR received an unqualified, clean opinion.

The City's PAFR is unaudited and is presented on a non-GAAP basis. Non-GAAP means that the statements do not comply with generally accepted accounting principles. The statements include summarizations and combinations of accounting data that would not be allowed by GAAP. Individuals who would prefer to review GAAP basis reports should refer to the City's CAFR for more detailed information.

Copies of the City of Monroe's CAFR are available at City Hall, 215 North Broad Street, Monroe, Georgia 30655 or on the City's website at [www.monroega.com](http://www.monroega.com).

## MISCELLANEOUS STATISTICS

Date of Incorporation	1821
Form of Government	Mayor and Council
Population	13,234
Area in Square Miles	15
Miles of Streets	75
Number of Employees	224
Number of Street Lights	1,134

### SOLID WASTE CUSTOMERS

Residential	5,120
Commercial	604
Transfer Station	20

### MUNICIPAL UTILITY CUSTOMERS

Cable	5,018
Electric	5,933
Gas	3,760
Internet	1,531
Telephone	224
Wastewater	6,459
Water	8,560

# FROM THE MAYOR'S OFFICE...



We at the City of Monroe want to welcome you to our city! We take great pride in our community and the many services that we offer. Located between the metropolitan areas of Atlanta and Athens, our community has its own strong commitment to excellent education, superior health care, and a diversified and growing economic base. We hope this Popular Annual Financial Report (PAFR) gives you a better understanding of how the City of Monroe operates and manages the city to make it more dynamic for its citizens, and more attractive to its visitors.

## **ELECTED OFFICIALS**

Mayor	Greg Thompson	<a href="mailto:gthompson@monroega.gov">gthompson@monroega.gov</a>
District 1	Lee Malcom	<a href="mailto:lmalcom@monroega.gov">lmalcom@monroega.gov</a>
District 2	Denise Dixon	<a href="mailto:ddixon@monroega.gov">ddixon@monroega.gov</a>
District 3	Jerry Smith	<a href="mailto:jsmith@monroega.gov">jsmith@monroega.gov</a>
District 4	Cliff Peters	<a href="mailto:cpeters@monroega.gov">cpeters@monroega.gov</a>
District 5	Rita Scott	<a href="mailto:rscott@monroega.gov">rscott@monroega.gov</a>
District 6	Wayne Adcock	<a href="mailto:wadcock@monroega.gov">wadcock@monroega.gov</a>
District 7	Nathan Little	<a href="mailto:nlittle@monroega.gov">nlittle@monroega.gov</a>
District 8	Jimmy Richardson	<a href="mailto:jrichardson@monroega.gov">jrichardson@monroega.gov</a>

## **APPOINTED OFFICIALS**

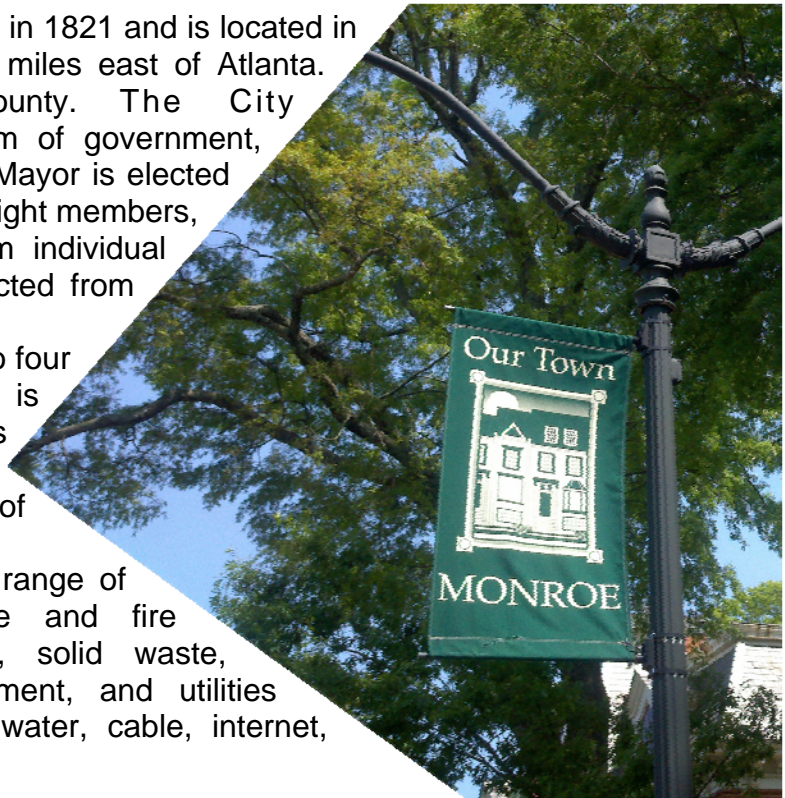
City Administrator	Julian Jackson	<a href="mailto:jjackson@monroega.gov">jjackson@monroega.gov</a>	770-266-5110
Code Enforcement	Knox Bell	<a href="mailto:kbell@monroega.gov">kbell@monroega.gov</a>	770-266-5162
Electric & Telecom Director	Brian Thompson	<a href="mailto:bkthompson@monroega.gov">bkthompson@monroega.gov</a>	770-266-5345
Finance Director	Renee Prather	<a href="mailto:rprather@monroega.gov">rprather@monroega.gov</a>	770-266-5115
Fire Chief	Stan Dial	<a href="mailto:sdial@monroega.gov">sdial@monroega.gov</a>	770-266-5131
Police Chief	Keith Glass	<a href="mailto:kglass@monroega.gov">kglass@monroega.gov</a>	770-267-6340
Public Works Director	Steve Worley	<a href="mailto:sworley@monroega.gov">sworley@monroega.gov</a>	770-266-5141
Water & Gas Director	Rodney Middlebrooks	<a href="mailto:rmiddlebrooks@monroega.gov">rmiddlebrooks@monroega.gov</a>	770-266-5350

## GENERAL INFORMATION

The City of Monroe was incorporated in 1821 and is located in Northeast Georgia, approximately 40 miles east of Atlanta. Monroe is the county seat of Walton County. The City operates under a Mayor/Council form of government, elected on a non-partisan basis. The Mayor is elected at-large. The Council is composed of eight members, with six members being elected from individual districts and two members being elected from super districts.

The Mayor and Council are elected to four year terms. The City Administrator is responsible for carrying out the policies and ordinances of the council and overseeing the day-to-day operations of the government.

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 utilities including; electric, gas, water, wastewater, cable, internet, telephone, library facilities, and airport.



## PRINCIPAL EMPLOYERS

<i><b>EMPLOYER</b></i>	<i><b>EMPLOYEES</b></i>	<i><b>PERCENTAGE OF CITY EMPLOYMENT</b></i>
Wal-Mart Distribution Center	771	12.8%
Walton County Government	551	9.2%
Walton County Board of Education	505	8.4%
Monroe HMA	289	4.8%
Wal-Mart Super Center	243	4.0%
City of Monroe	224	3.7%
Angel Food Ministries	212	3.5%
Hitachi Automotive Systems Americas	165	2.7%
Base Manufacturing	139	2.3%
State of Georgia	109	1.8%

## BUDGET PROCESS

Yearly, each department head submits to the City Administrator a proposed annual budget for their respective department. The City Administrator submits to the Mayor and Council a proposed operating and capital budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.

The Council holds a public hearing, giving notice in advance in the Walton Tribune thus allowing public comments. The budget is then revised if necessary and adopted by the Council at a subsequent meeting.

The adopted budget may be revised during the year only by formal action of the City Council.

Operating and capital budgets are legally adopted each fiscal year for the General Fund, all Special Revenue Funds and the Debt Service Fund. Below is the amended 2010 Budget.

Revenues	General Fund	Special Revenue	Debt Service
Taxes	\$ 6,097,781	\$ 39,000	\$ -
Other Revenues	1,784,838	45,000	-
Other Financing Sources	1,706,660	-	-
Fund Balance	287,600	-	-
Transfers In	-	110,500	644,483
<b>Total Revenues</b>	<b>\$ 9,876,879</b>	<b>\$ 194,500</b>	<b>\$ 644,483</b>

Expenditures	General Fund	Special Revenue	Debt Service
General Government	\$ 989,217	\$ 149,500	\$ -
Finance	439,793	-	-
Protective Service	368,239	-	-
Fire	1,504,448	-	-
Highways & Streets	1,752,823	-	-
Solid Waste	-	-	-
Police	3,738,171	45,000	-
Buildings & Grounds	329,205	-	-
<b>Total Operations</b>	<b>9,121,896</b>	<b>194,500</b>	<b>-</b>
Other Financing Uses	754,983	-	-
Debt Service	-	-	644,483
<b>Total Expenditures</b>	<b>\$ 9,876,879</b>	<b>\$ 194,500</b>	<b>\$ 644,483</b>

## FINANCIAL HIGHLIGHTS

Key financial highlights for the Fiscal Year 2010 are as follows:

- The City of Monroe's combined net assets as of December 31, 2010 totaled \$78.2 million.
- Total revenues for all governmental funds were \$8.78 million.
- Total expenditures for all governmental funds were \$10.7 million.
- Utility Fund operating revenues totaled \$30.8 million.
- Utility Fund operating expenditures totaled \$27.4 million.



## TYPES OF FUNDS

The City of Monroe maintains seven individual governmental funds. Governmental funds are used to account for all tax supported activities of the City. Revenues and expenditures are recorded using the modified accrual basis of accounting which closely resembles how you would record your checkbook.

- General Fund—This is the City's primary operating fund and accounts for revenues and expenditures that are not required to be accounted for in other funds.
- Special Revenue Funds—These are used to account for specific revenues that are legally restricted for particular purposes.
- Capital Project Funds—Used to account for the acquisition and construction of major capital facilities.
- Debt Service Funds—Used to account for the payment of principal and interest on General Obligation Bonds.

The City of Monroe maintains one type of proprietary fund. These funds are used to report operations showing a profit or loss similar to private businesses.

- Enterprise Funds—Used to account for utility and solid waste operations.

This PAFR focuses on the three funds of most interest to citizens: General Fund, Utility Fund, and Solid Waste Fund.

## FUND BALANCE

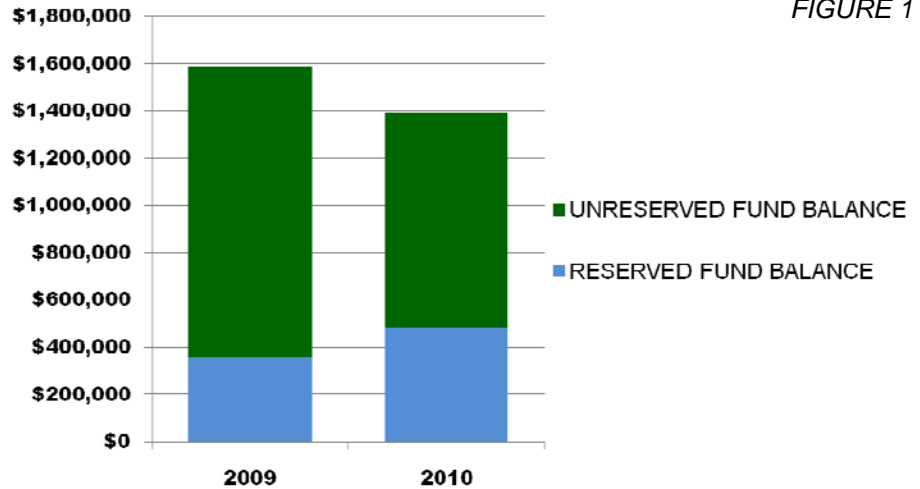
Fund Balance is the difference between assets (what the City owns) and liabilities (what the City owes). Essentially, unreserved fund balance is the spendable portion of net assets in the governmental funds which includes the General Fund. At the end of fiscal year 2010, unreserved fund balance was \$899 thousand. Fund balance of the City's General Fund decreased by \$205 thousand during 2010.

The key factor in this small decrease was due to the increase in employee health insurance expenditures. *Figure 1* illustrates this change.

The City's unreserved fund balance represents approximately 13% of total General Fund expenditures.

### FUND BALANCE - GENERAL FUND

FIGURE 1

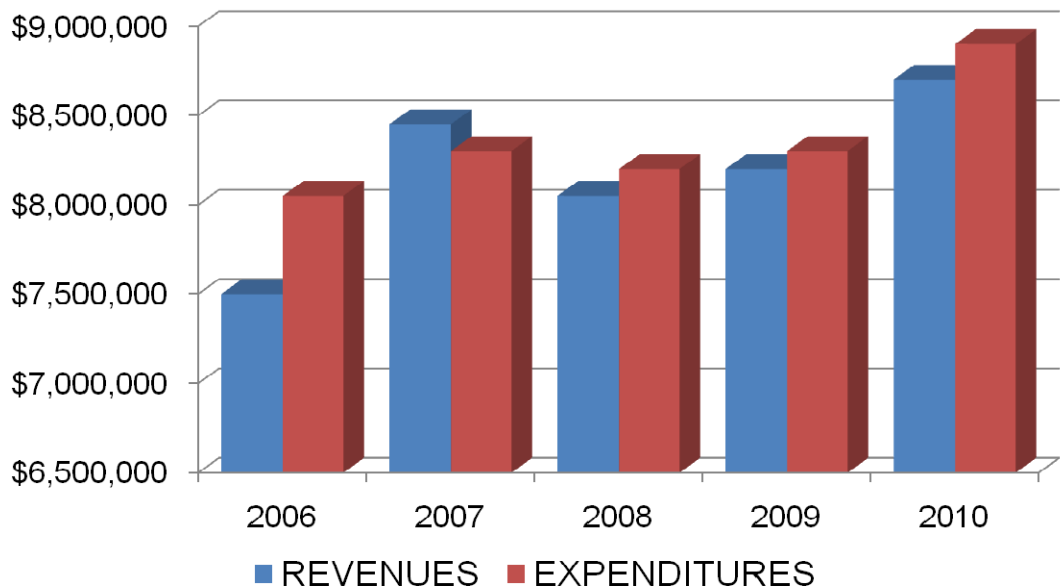


## GENERAL FUND

The chart below shows trend data for the total revenues and total expenditures for the City of Monroe's General Fund. The General Fund is the chief operating fund of the City and is the only major governmental fund. More detail concerning General Fund revenues and expenditures is contained on the following pages of this Popular Annual Financial Report (PAFR).

### REVENUES & EXPENDITURES

FIGURE 2



# GENERAL FUND REVENUES

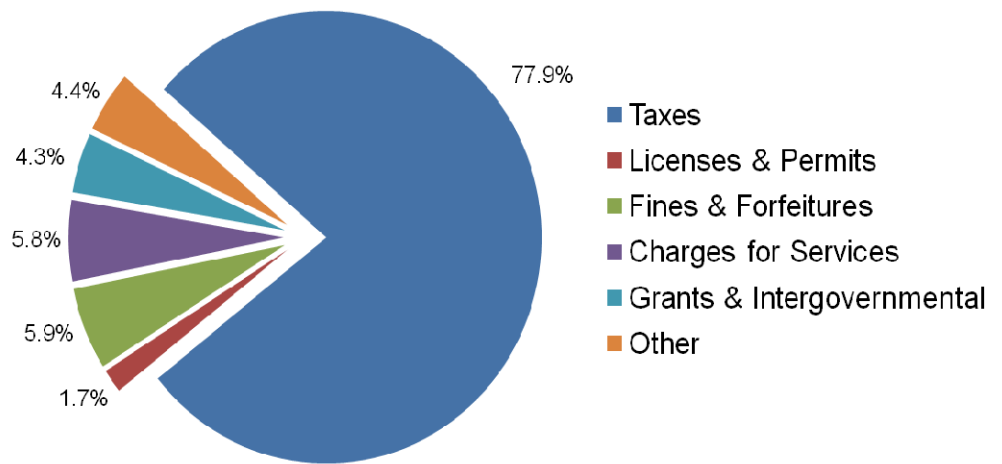
WHERE THE MONEY COMES FROM

## REVENUES

General Fund Revenues increased a little more than 2.7% over the prior fiscal year. *Figure 3* shows a breakdown of revenues by source. The main reason for this slight increase is sales tax collections are up, and there was an increase in grant funds received. We had some decreases in revenue collections that offset the increases which reduced the impact. *Figure 4* shows trend data for the last 5 years for revenues by source. These charts show where the money comes from to support services. Increases in other revenue was the highest among revenues. This trend reflects the leveling off of growth in the local economy for 2010.

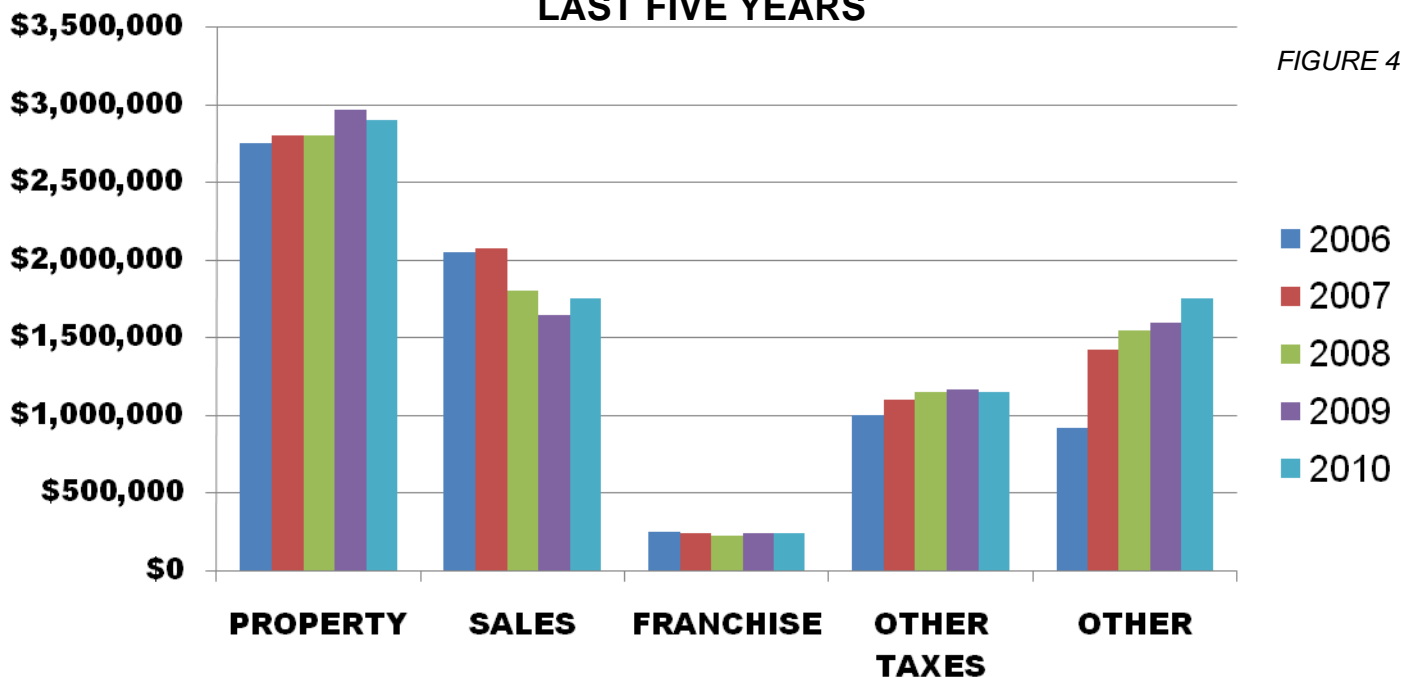
**REVENUES BY SOURCE**

FIGURE 3



**GENERAL FUND REVENUES BY SOURCE  
LAST FIVE YEARS**

FIGURE 4





# GENERAL FUND EXPENDITURES

WHERE THE MONEY IS SPENT

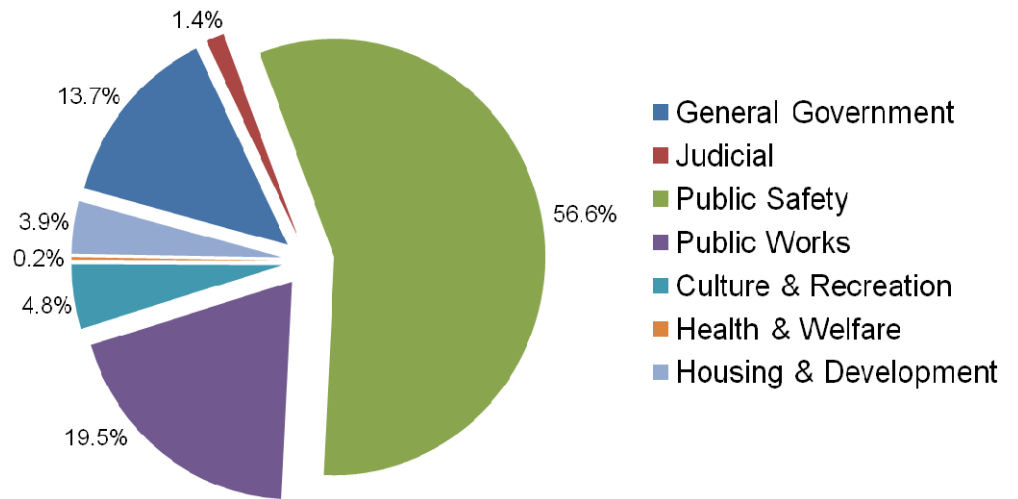
## EXPENDITURES

General Fund Expenditures increased 6.5% compared to FY 2009 totaling \$8.9 million in FY 2010. *Figure 5* shows where the money is spent along with the percentage for each city function. The amounts shown include debt service. No department had excesses of actual expenditures over budget for FY 2010. *Figure 6* shows trend data for the last 5 years.

The City continues to provide quality services for our citizens at the lowest cost possible. With a millage rate set at 7.240, Monroe's tax rate continues to be one of the lowest in our area while at the same time offering our citizens some of the best services around.

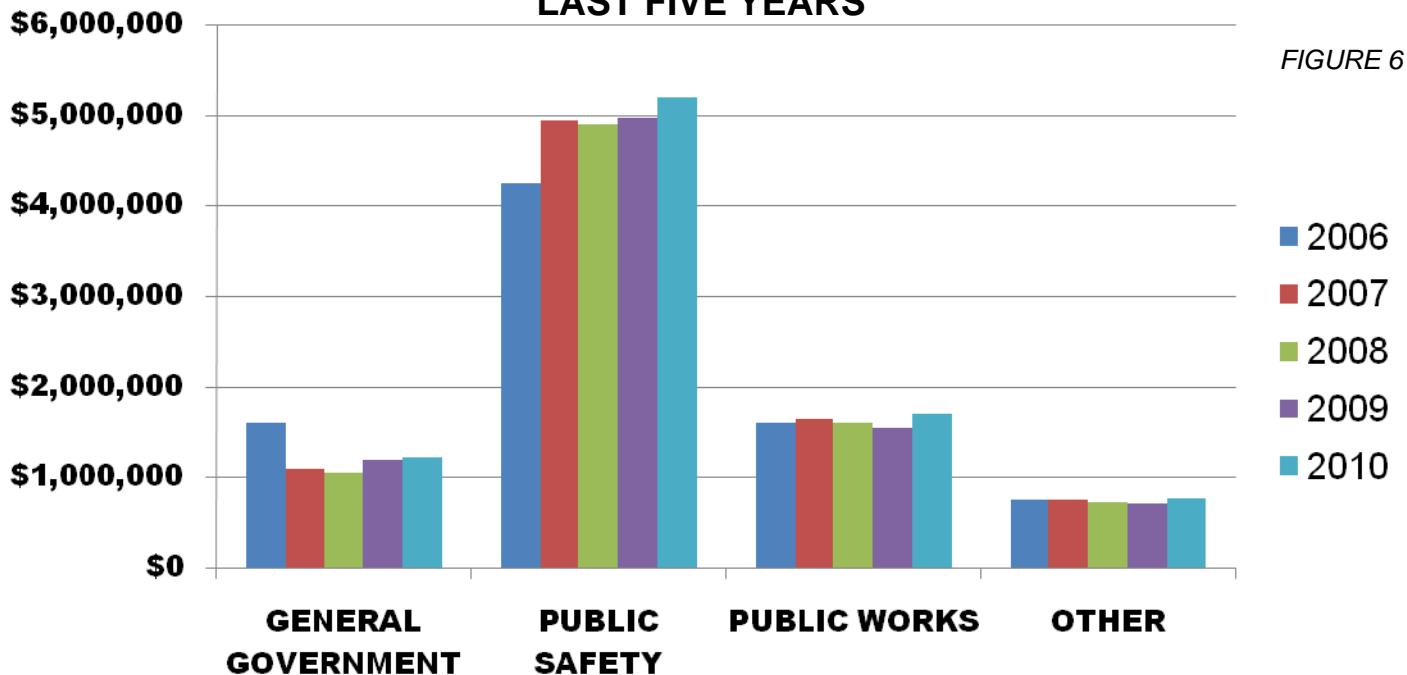
## EXPENDITURES BY FUNCTION

FIGURE 5



## GENERAL FUND EXPENDITURES BY FUNCTION LAST FIVE YEARS

FIGURE 6



## ENTERPRISE FUND OPERATING REVENUE & EXPENSE

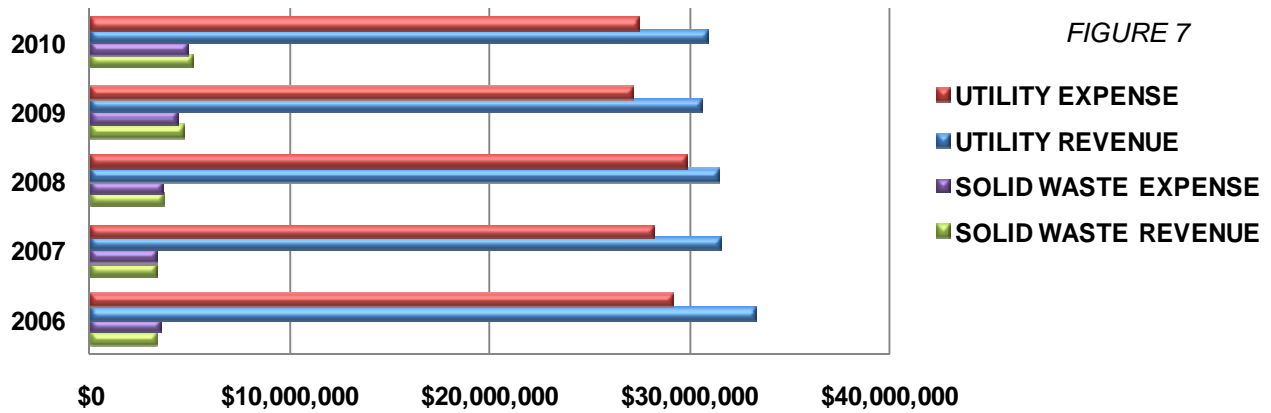


FIGURE 7

### UTILITY FUND

The City's Utility Fund has remained steady over the past 5 years as shown in *Figure 7*. Revenues remained almost steady with only a slight increase in 2010, due to an increase in water and sewer rates. General operating expenses also increased in 2010. Several factors influenced this increase and the actual cost to provide the services increased along with continued efforts to keep expenses down. The above factors equate to the \$1.6 million increase in 2010 net assets compared with 2009 net assets.



*Water Tower, Wayne Street*

### SOLID WASTE FUND

Revenues and Expenses for this fund have remained steady for the past 5 years as shown in *Figure 7*. The Solid Waste Fund has shown a loss in the past with 2010 showing only a slight decrease in net assets. Efforts to keep expenses down were the major factor for this decrease along with a small increase in rates. In the past, the General Fund has subsidized operations of the Solid Waste Fund.

The transfer station provides a way for the City to dispose of solid waste generated by contracting with a private contractor to haul the large quantities of waste out of the City, saving time and money.



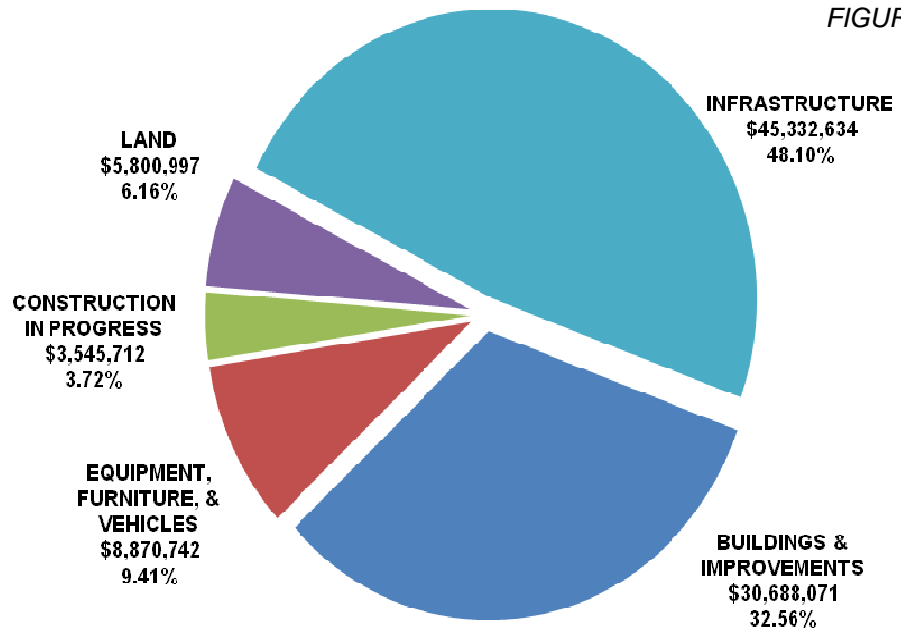
*Solid Waste Facility*

## CAPITAL ASSETS

The City's investment in capital assets (*Figure 8*) for the governmental and business-type activities as of December 31, 2010, amounted to \$94.2 million (net of accumulated depreciation). This investment includes land, infrastructure, buildings & improvements, equipment, furniture & vehicles, and construction in progress. Major additions this year were:

- \$1.1 million for land, buildings, infrastructure & improvements.
- \$51 thousand in electric infrastructure sold to Municipal Electric Authority of Georgia.
- Over \$200 thousand in specialized service installation equipment, machinery, and vehicles.
- Construction in progress projects totaling \$3.5 million in utility service extensions for new or improved service and equipment for property development.

FIGURE 8



## LONG-TERM DEBT

At fiscal year end 2010, the City had \$30.9 million in long-term debt outstanding, of which \$1.33 million will mature during 2011. We had no increase in long-term debt from the previous year. The City levies a property tax, general obligation bond tax (bonds issued to finance projects requiring prior voter approval with funds to repay them coming from taxes levied by the City). The General Fund has 2000 and 2006 (advance refunding) GO Bonds and the Enterprise Fund has 2001, 2003 and 2006 (advance refunding) outstanding Utility Revenue Bonds. The City of Monroe's GO bond rating from Standard & Poor's is an "A" with the Revenue Bonds rated "A-".

### Summary of Debt Activity

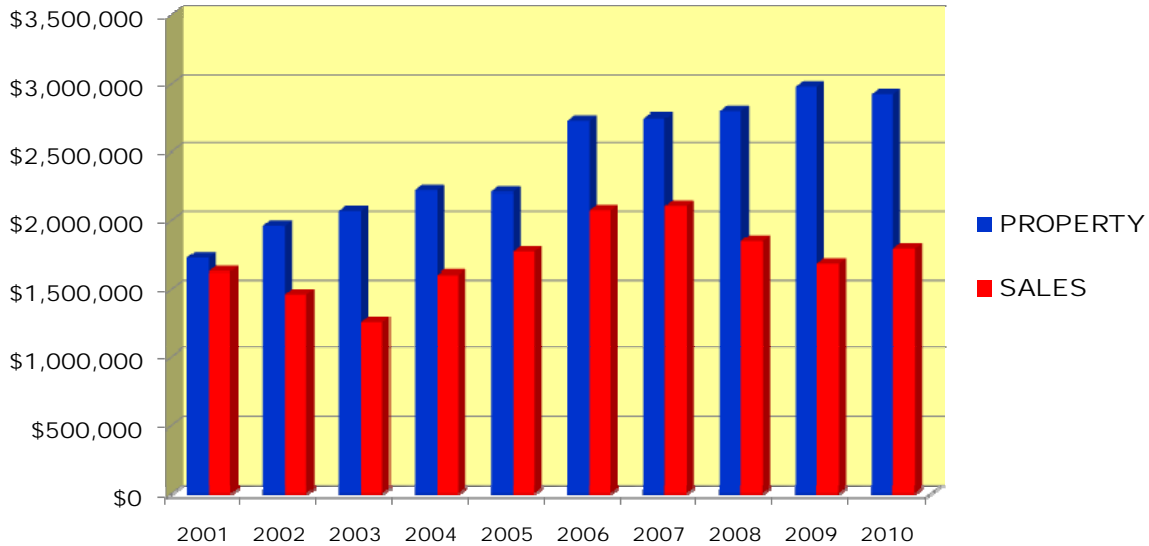
	<u>1/1/2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2010</u>	<u>Due within one year</u>
General obligation bonds	\$ 6,090,065	\$ -	\$ (355,455)	\$ 5,734,610	\$ 410,000
Compensated absences	662,323	1,006,070	(959,339)	\$ 709,054	(709,054)
Revenue bonds	24,955,928	-	(1,477,646)	\$ 23,478,282	1,545,000
Notes payable	1,027,574	50,800	(90,443)	\$ 987,931	92,265
	<u>\$ 32,735,890</u>	<u>\$ 1,056,870</u>	<u>\$ (2,882,883)</u>	<u>\$ 30,909,877</u>	<u>\$ 1,338,211</u>

# SALES & PROPERTY TAXES

The City of Monroe receives a portion of Walton County's 1¢ Local Option Sales Tax along with a portion of their Special Local Option Sales Tax to make sales tax the second largest source of revenue for the City's General Fund. *Figure 9* shows property tax revenues staying steady the last 5 years with sales taxes showing a slight increase in 2010.

**TAX COLLECTIONS  
LAST 10 YEARS**

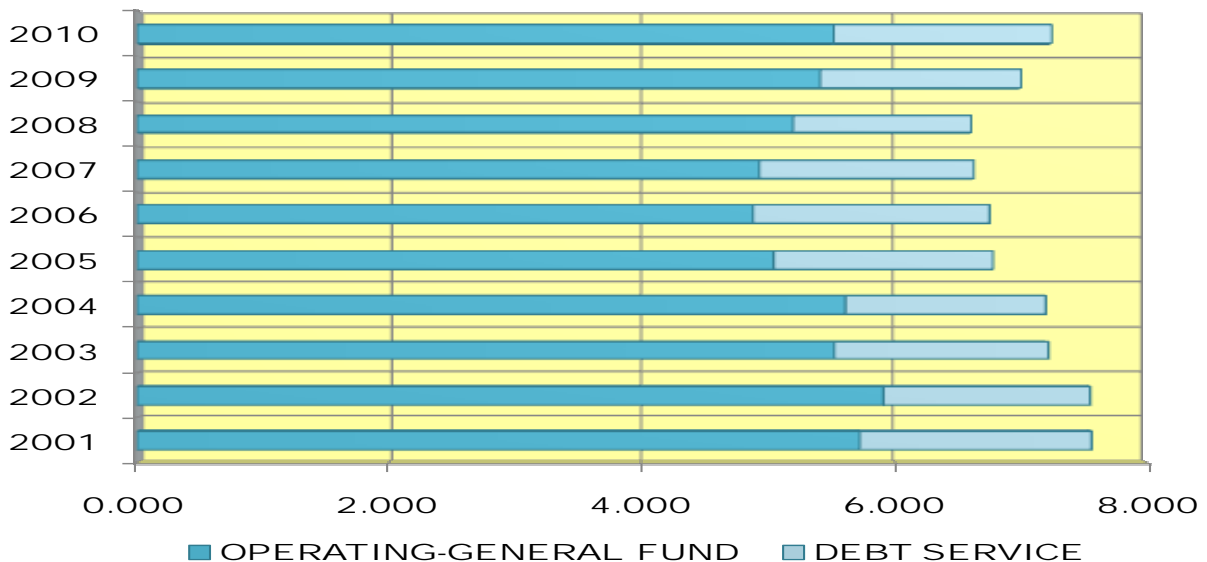
*FIGURE 9*



The millage rate for 2010 property taxes shown in *Figure 10* remains steady with a slight increase for 2010 due to decreased property values and the increase in the debt service rate. We have experienced some economic growth in the commercial sector allowing us to keep our rates down. We are very proud to be able to accomplish this without impacting the level of services provided to our community.

**PROPERTY MILLAGE RATES  
LAST 10 YEARS**

*FIGURE 10*



## LOCAL ECONOMY

While the north Georgia economy has felt the same economic downturn as the rest of the nation, the City of Monroe continues to maintain a stable financial environment. Monroe is the county seat of Walton County, which according to the U.S. Census Bureau was ranked 41<sup>st</sup> among the 100 fastest growing counties in the U.S. from April 1, 2000 to July 1, 2009. Although residential development has been slow, some commercial development continues.

The majority of the City's commercial development lies along the Highway US 78/ GA 138 corridor. With the construction of the new area hospital expected to be completed by early 2012, the City expects this commercial growth to continue.

Recent code rewrite meetings have been held with the help of the Atlanta Regional Commission (ARC) to give the downtown area a more uniform appearance.

## LONG-TERM FINANCIAL PLANNING

The City is currently in the planning and redeveloping stages of an area just south of the downtown area. Monroe will receive Transportation Enhancement (TE) program funds in the amount of \$500,000 for the Broad Street (GA Highway 11) Streetscape. Combined with \$250,000 of City funds, this project will improve both sides of Broad Street with sidewalks, retaining walls, pavers, landscaping and lighting from Alcovy Street through the Walker Street intersection. This project is a continuation of a previously funded TE project and will complement ongoing efforts within the Broad Street Corridor. Application for more TE grant funds to continue this project was made in 2010. This project will continue the improvements into the old "Monroe Mill" district.

In 2011, the City will start rehab of sewer lines to serve one of our lower income areas with funds from a Community Development Block Grant (CDBG FY09). The City also plans to apply for additional CDBG grant funds to continue with our sewer rehab project.

The City has completed Phase I of the upgrade to our existing water treatment plant and with engineering now complete, we expect Phase II of this project to begin in 2011. The financing for these improvements is being done with low interest loan funds from the Georgia Environmental Facilities Authority (GEFA). The improvements will ensure continuation of a quality water supply for our citizens and improve the operation of the City's water treatment plant.

## MAJOR INITIATIVES

The City of Monroe is working closely with Georgia DOT and Walton County to improve the area's transportation projects. As mentioned above, the Highway US 78/GA 138 area's growth has seen the need to extend GA Highway 138 to alleviate some of the traffic issues. Charlotte Rowell Boulevard, an extension of GA Highway 138 north of US Highway 78 to Highway 11, remains on schedule and the project will go out for contract letting later in 2011 according to Georgia Department of Transportation (DOT). 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. Engineering is underway and negotiations continue with Georgia DOT for approval and eventually the construction of this much needed connector.

The City has also taken on the responsibility of building and opening the Georgia Utility Training Academy (GUTA) which will provide an additional revenue source though the training of utility service workers across the southeast.

Another plan for the future is the launch of a City owned phone system which will expand rapidly in 2011. This system is providing phone service to customers through the existing cable and internet system.

## FUTURE DEVELOPMENT

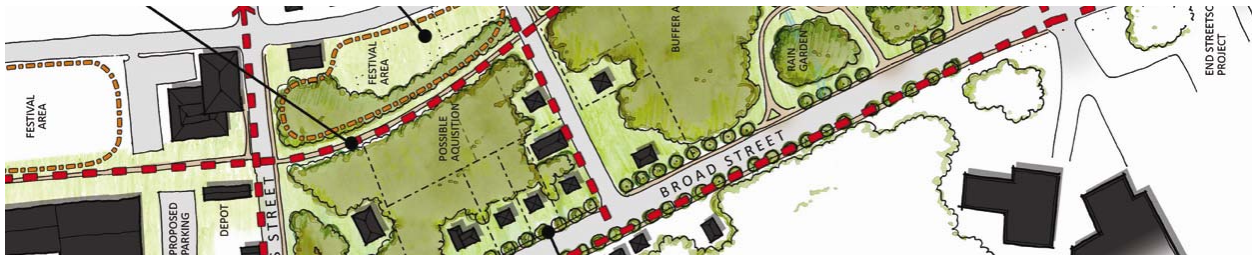
Early stages of the hospital construction have already started. Major construction is expected to begin sometime in 2011 with completion expected in 2012.



The Phase II upgrade to the Water Treatment Plant has started.



The Transportation Enhancement (TE) program is taking shape with grant funds reaching \$500,000 to improve the areas of South Broad Street.



Recent meetings have examined current City codes and public discussions have been held in an attempt to focus on areas of improvement.



The Georgia Utility Training Academy has opened and training of utility workers across the southeast has added another dimension to the City.



The City of Monroe Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010 has been submitted for the ninth consecutive year. The award of the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association (GFOA) has been received for the past eight years. An award is valid for a period of one year only. We believe our CAFR continues to meet the program requirements.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Monroe for its Popular Annual Report for the fiscal year ended December 31, 2009. This was the sixth year that the City has received this prestigious award. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Financial Reporting, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe that 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.

# **Award for Outstanding Achievement in Popular Annual Financial Reporting**

**PRESENTED TO**

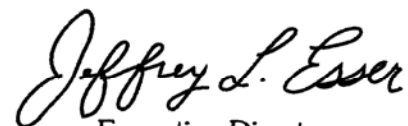
**City of Monroe  
Georgia**

**for the Fiscal Year Ended**

**December 31, 2009**

A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey L. Esser".

Executive Director



# **POPULAR ANNUAL FINANCIAL REPORT**

*was prepared by:*

The City of Monroe, Georgia  
Department of Finance  
Renee L. Prather

Finance Director

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