



**P**OPULAR  
**A**NNUAL  
**F**INANCIAL  
**R**EPORT

*for fiscal year ended December 31,*

**2012**

**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 2012 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 2012 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	13,359
Area in Square Miles	15
Miles of Streets	75
Number of Employees	223
Number of Street Lights	1,136

### SOLID WASTE CUSTOMERS

Residential	5,211
Commercial	665
Transfer Station	14

### MUNICIPAL UTILITY CUSTOMERS

Cable	4,945
Electric	6,059
Gas	3,732
Internet	2,094
Telephone	1,003
Wastewater	6,644
Water	8,783

# 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 2012 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	gthompson@monroega.gov
District 1	Lee Malcom	lmalcom@monroega.gov
District 2	Denise Dixon	ddixon@monroega.gov
District 3	Nathan Purvis	npurvis@monroega.gov
District 4	Larry Bradley	lbradley@monroega.gov
District 5	Rita Scott	rscott@monroega.gov
District 6	Wayne Adcock	wadcock@monroega.gov
District 7	Nathan Little	nlittle@monroega.gov
District 8	Jimmy Richardson	jrichardson@monroega.gov

## **APPOINTED OFFICIALS**

City Administrator	Matthew Chancey	mchancey@monroega.gov	770-266-5110
Code Enforcement	Pat Kelley	pkelley@monroega.gov	770-266-5162
Electric & Telecom Director	Brian Thompson	bkthompson@monroega.gov	770-266-5345
Finance Director	Renee Prather	rprather@monroega.gov	770-266-5115
Fire Chief	Stan Dial	sdial@monroega.gov	770-266-5131
Police Chief	Keith Glass	kglass@monroega.gov	770-267-6340
Public Works Director	Vacant		770-266-5141
Water & Gas Director	Rodney Middlebrooks	rmiddlebrooks@monroega.gov	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, library facilities, airport and utilities including electric, gas, water, wastewater, cable, internet, and telephone.

## ORGANIZATIONAL MISSION

*To provide top-quality services in a fiscally responsible manner while promoting high standards of living and quality of life.*

## PRINCIPAL EMPLOYERS



<b>EMPLOYER</b>	<b>EMPLOYEES</b>	<b>PERCENTAGE OF CITY EMPLOYMENT</b>
Wal-Mart Distribution Center	863	14.8%
Walton County Government	555	9.5%
Walton County Board of Education	456	7.8%
Clearview Regional (Monroe HMA)	263	4.5%
Hitachi Automotive Systems (Unisia)	252	4.3%
Wal-Mart Super Center	232	4.0%
City of Monroe	223	3.8%
Elite Storage (Base Manufacturing)	216	3.7%
State of Georgia	114	2.0%
Walton Press	102	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 2012 Budget.

<b>REVENUES</b>	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUNDS</b>	<b>DEBT SERVICE FUNDS</b>
TAXES	\$ 5,992,668	\$ 25,000	
OTHER REVENUES	1,224,238	30,000	
OTHER FINANCING SOURCES	2,920,175	10,000	644,483
<b>TOTAL REVENUES</b>	<b>\$ 10,137,081</b>	<b>\$ 65,000</b>	<b>\$ 644,483</b>

<b>EXPENDITURES</b>	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUNDS</b>	<b>DEBT SERVICE FUNDS</b>
GENERAL GOVERNMENT	\$ 938,890	\$ 25,000	
FINANCE	417,203		
PROTECTIVE SERVICE	526,381		
FIRE	1,563,842		
HIGHWAYS & STREETS	1,894,709		
POLICE	3,743,278	40,000	
BUILDINGS & GROUNDS	330,675		
OTHER FINANCING USES	722,103	-	-
DEBT SERVICE	-	-	644,483
<b>TOTAL OPERATIONS</b>	<b>\$ 10,137,081</b>	<b>\$ 65,000</b>	<b>\$ 644,483</b>

## FINANCIAL HIGHLIGHTS

Key financial highlights for the Fiscal Year 2012 are as follows:

- The City of Monroe's combined net position (total assets and deferred outflows of resources minus total liabilities) as of December 31, 2012 totaled \$78.11 million.
- Total revenues for all governmental funds were \$8.89 million.
- Total expenditures for all governmental funds were \$11.3 million.
- Utility Fund operating revenues totaled \$31.7 million.
- Utility Fund operating expenses totaled \$29.5 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

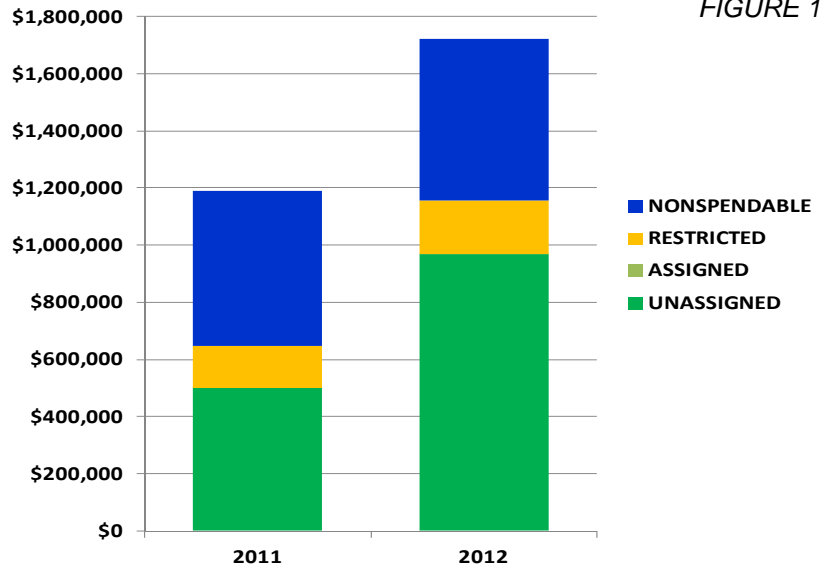
Fund Balance is the difference between assets (what the City owns) and liabilities (what the City owes). Restricted fund balance is the amount to be only used for specific purposes stipulated by legislation, assigned fund balance are amounts intended to be used for specific purposes, unassigned fund balance is the spendable portion of fund balance that is available for any purpose and is reported only in the General Fund. At the end of fiscal year 2012, unassigned fund balance was \$969 thousand. Total fund balance of the City's General Fund increased by \$532 thousand during 2012.

The key factor in this increase was due to an additional transfer of funds from the proprietary type fund in 2012. *Figure 1* illustrates this change.

The City's unassigned fund balance represents approximately 10% of total General Fund expenditures, while total fund balance represents 18% of total General Fund Expenditures.

### FUND BALANCE - GENERAL FUND

FIGURE 1

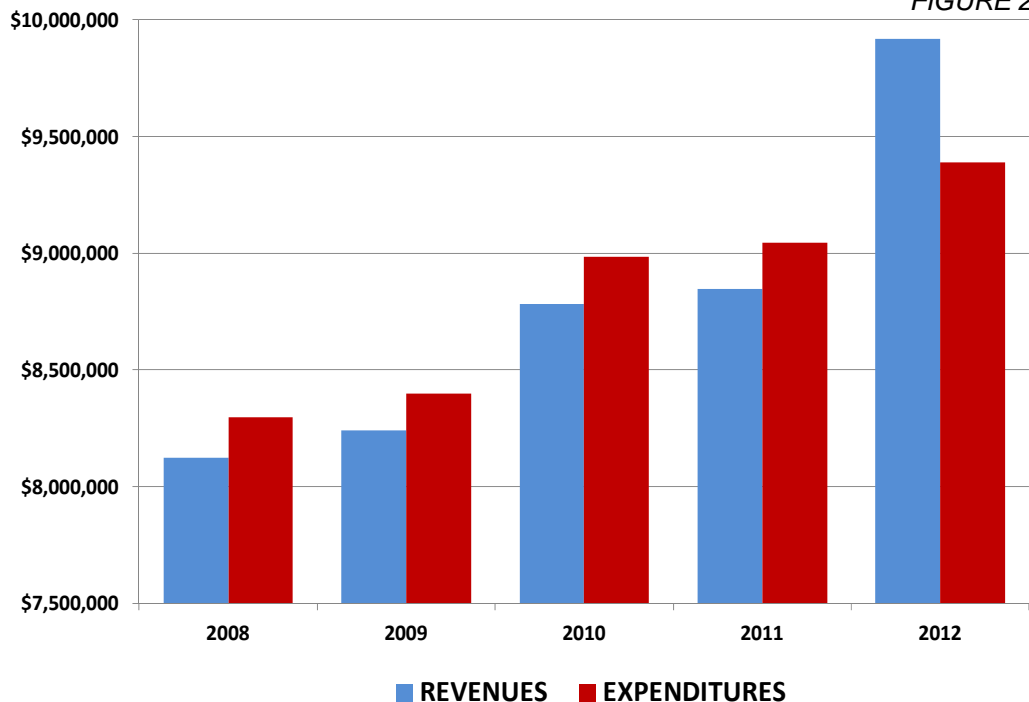


## GENERAL FUND

### REVENUES & EXPENDITURES

FIGURE 2

This chart 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).



# GENERAL FUND REVENUES

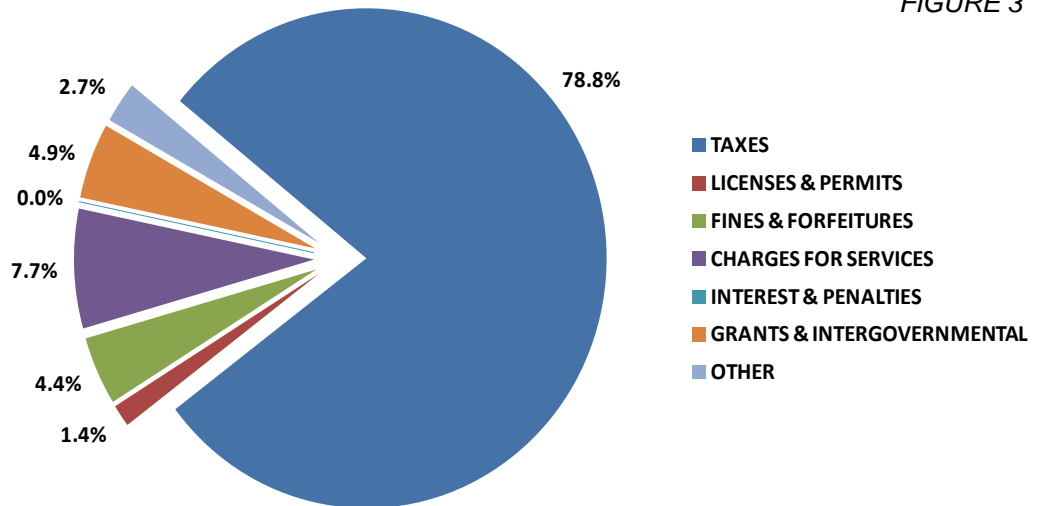
WHERE THE MONEY COMES FROM

## REVENUES

General Fund Revenues decreased a little less than 3% over the prior fiscal year. *Figure 3* shows a breakdown of revenues by source. The main reason for this slight decrease is the decrease in the local property tax digest or values. We had some increases in revenue collections that offset the decreases 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. Decreases in other revenue was due to the decrease in grant revenues. This trend reflects the leveling off of growth in the local economy for 2012.

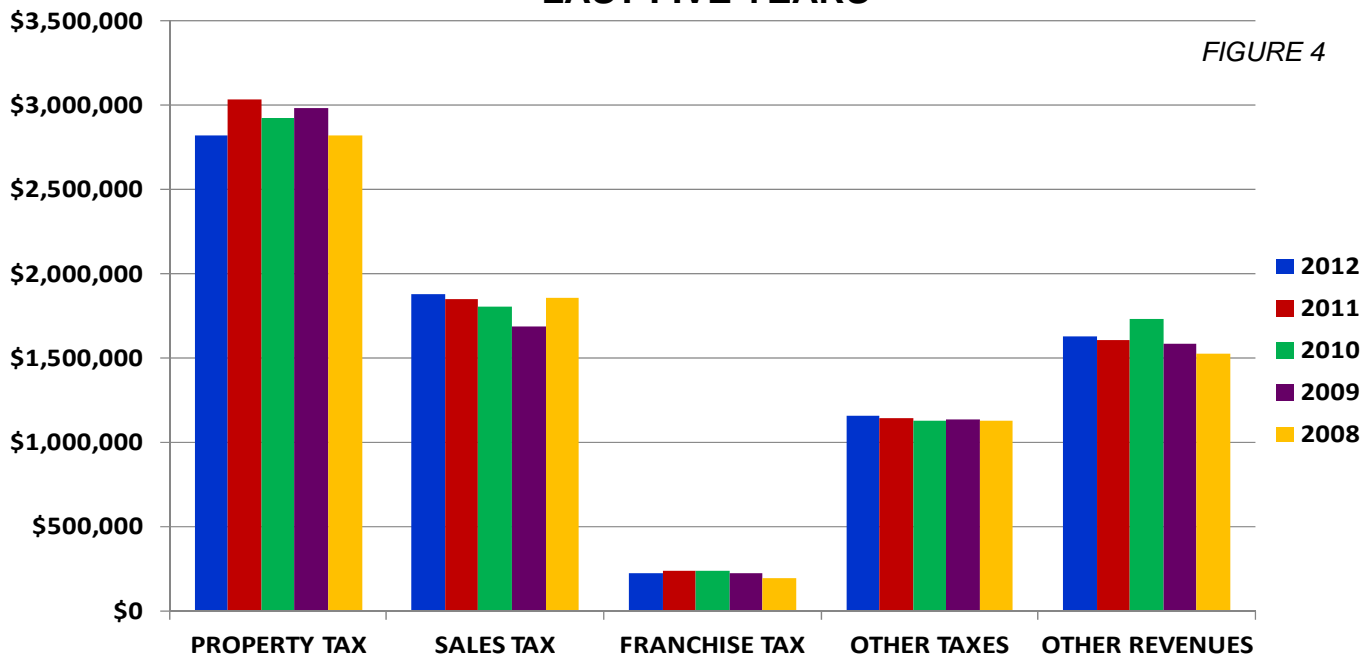
REVENUES BY SOURCE

FIGURE 3



GENERAL FUND REVENUES BY SOURCE  
LAST FIVE YEARS

FIGURE 4





# GENERAL FUND EXPENDITURES

WHERE THE MONEY IS SPENT

## EXPENDITURES

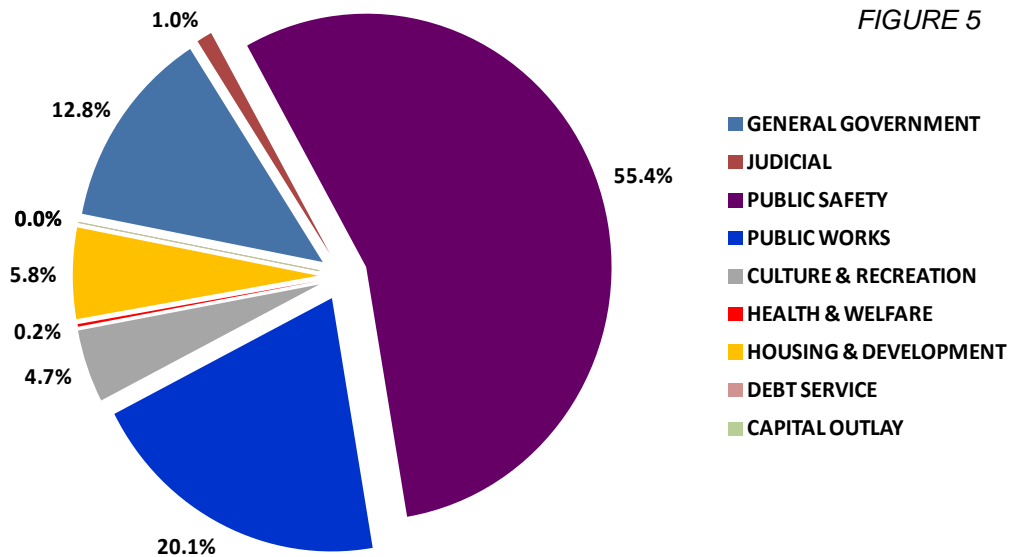
General Fund Expenditures increased 4.5% compared to FY 2011 totaling \$9.4 million in FY 2012. *Figure 5* shows where the money is spent along with the percentage for each city function. The amounts shown include debt service. No department had excesses of actual expenditures over budget for FY 2012.

*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 8.231, 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.

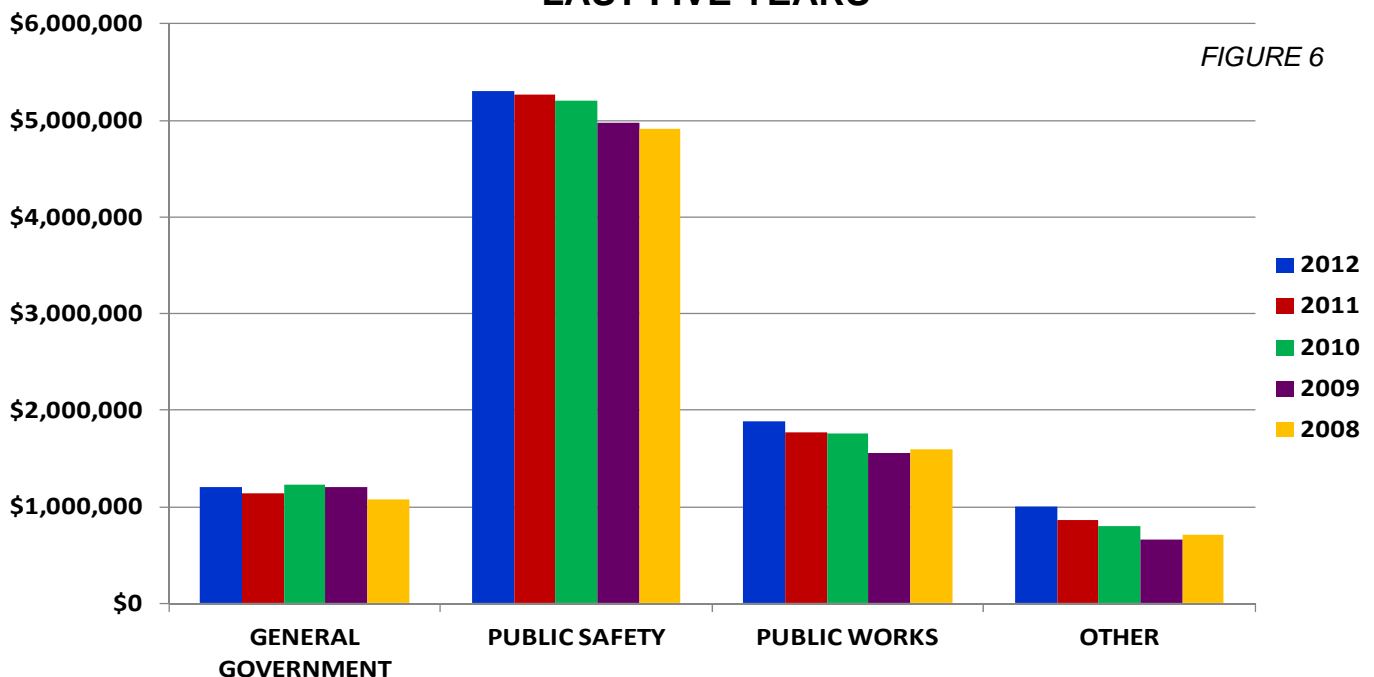
### EXPENDITURES BY FUNCTION

FIGURE 5

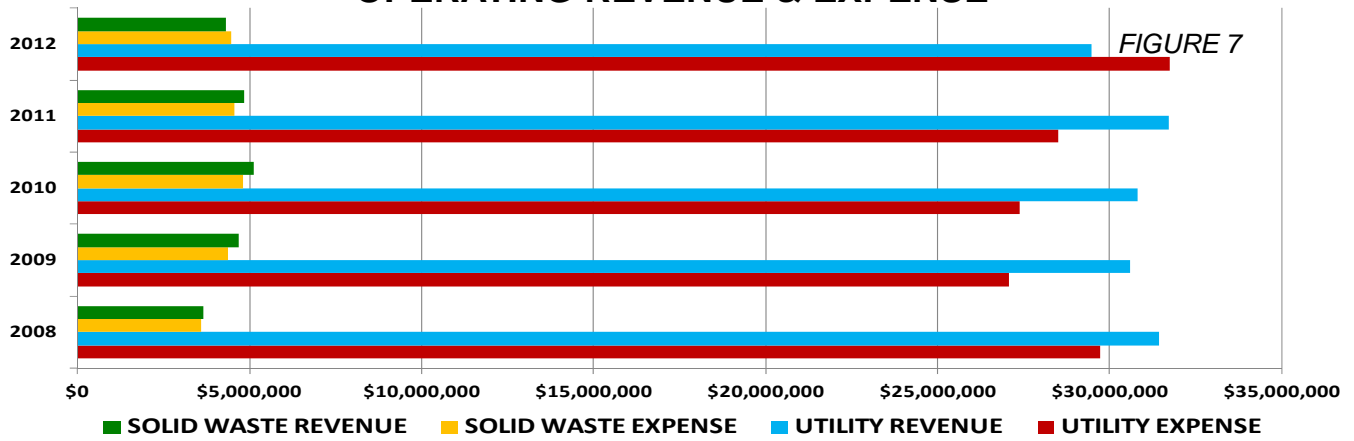


### GENERAL FUND EXPENDITURES BY FUNCTION LAST FIVE YEARS

FIGURE 6



## ENTERPRISE FUND OPERATING REVENUE & EXPENSE



### 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 2012. General operating expenses also increased in 2012. 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 \$266 thousand decrease in 2012 net position compared with 2011 net position.



*John T. Briscoe Reservoir*

### SOLID WASTE FUND

Revenues and Expenses for this fund have remained steady for the past 5 years, showing a slight drop in revenue and expenditures in 2012 as shown in *Figure 7*. The Solid Waste Fund has shown a loss in the past with 2012 showing a slight decrease in net position. Efforts to keep expenses down with the decline in the number of transfer station commercial customers were the major factors for this net decrease. 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.



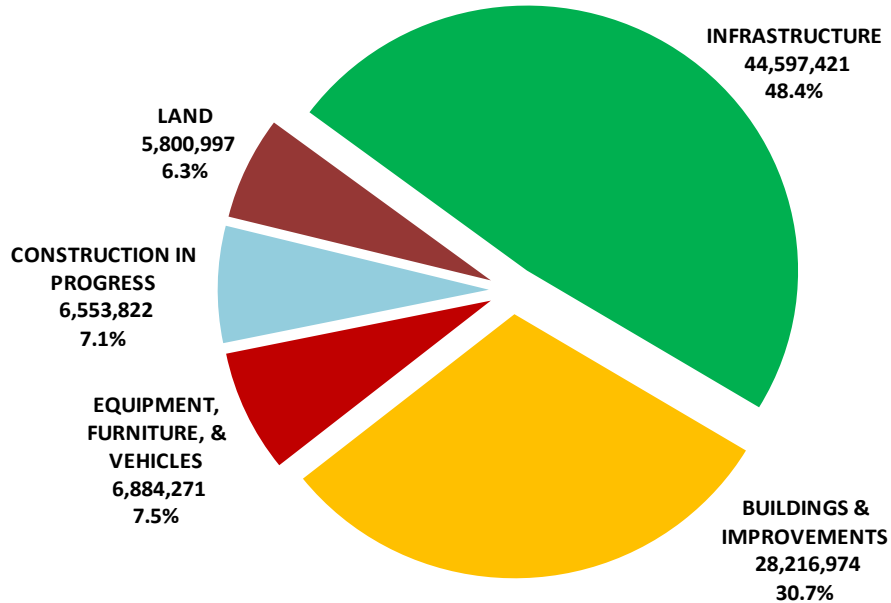
*Solid Waste*

## CAPITAL ASSETS

The City's investment in capital assets (*Figure 8*) for the governmental and business-type activities as of December 31, 2012, amounted to \$92 million (net of accumulated depreciation). This investment includes land, infrastructure, buildings & improvements, equipment, furniture & vehicles, and construction in progress. Major additions this year were:

- Over \$356 thousand in specialized service installation equipment, machinery, and vehicles.
- Construction in progress projects totaling \$6.5 million in utility service extensions for new or improved service and equipment for property development. Utility infrastructure and improvements construction in progress projects that were completed totaled \$893 thousand.
- \$112 thousand in equipment, furniture, and vehicles was sold as surplus.

FIGURE 8



## LONG-TERM DEBT

At fiscal year end 2012, the City had \$28.4 million in long-term debt outstanding, of which \$3.06 million will mature during 2013. 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 2003, 2006 (refundings) and 2012 (refundings) 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-". Bond credit ratings assess the credit worthiness of the City much like an individual's credit rating. Our rating says we have above average creditworthiness relative to other municipal issuers. The City's rating is Upper Medium Grade with High Quality being the next level and Best Quality being the highest rating.

### SUMMARY OF DEBT ACTIVITY

	1/1/2012	INCREASES	DECREASES	12/31/2012	DUE WITHIN ONE YEAR
GENERAL OBLIGATION BONDS	5,324,168	-	(470,376)	4,853,792	525,000
COMPENSATED ABSCENCES	793,955	1,042,769	(1,002,227)	834,497	834,497
REVENUE BONDS	21,999,752	-	(1,633,112)	20,366,640	1,701,300
NOTES PAYABLE	2,340,221	84,625	(70,416)	2,354,430	-
	<b>30,458,096</b>	<b>1,127,394</b>	<b>(3,176,131)</b>	<b>28,409,359</b>	<b>3,060,797</b>

## 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 slightly decreasing with sales taxes showing a slight increase in 2012.

**TAX COLLECTIONS  
LAST 10 YEARS**

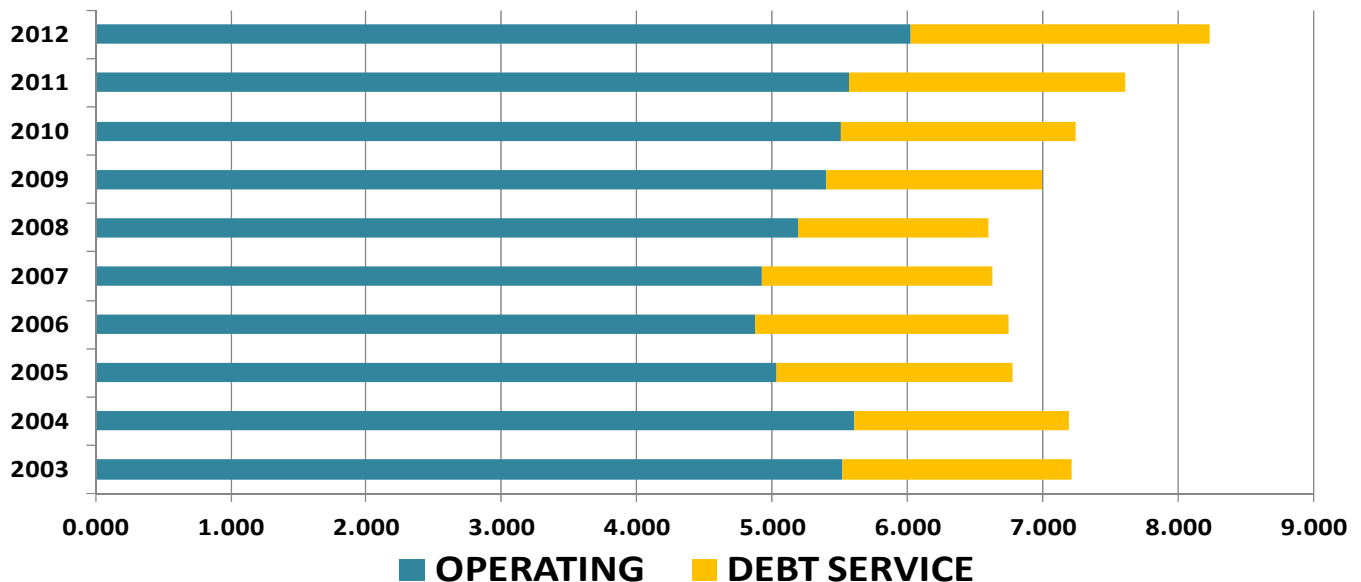
*FIGURE 9*



The millage rate for 2012 property taxes shown in *Figure 10* remains steady with a small increase for 2012 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. 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.

The City of Monroe's population is estimated at 13,359 residents. Among the top ten employers in the City, four are governments accounting for over 41% of the number of jobs in the top ten employers and 23% of all jobs. 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, gas and sewer customers.

## 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 (SR 11) Streetscape. Combined with \$250,000 of City funds, this project will improve both sides of Broad Street with sidewalk, 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 additional TE grant funds to continue this project was made in this project. This project will continue the improvements into the old "Monroe Mill" district.

In 2011, the City started rehab of sewer lines to serve one of our lower income areas with funds from a Community Development Block Grant (CDBG FY09). The City was awarded additional CDBG grant funds (CDBG FY11) to continue with our sewer rehab project.

The City will be taking advantage of a \$2,000,000 loan from GEFA at an interest rate of .5% to replace water meters throughout the system. This will allow the City to negotiate "loss and unaccounted for" water throughout the system. When this number drops below 10% the City will be eligible for the "Water First Community" designation which in turn allows the City to receive a CDBG per annum.

## MAJOR INITIATIVES

The City of Monroe is working closely with Georgia DOT and Walton County to improve the area's transportation projects. 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 to open Spring 2014 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. The concept plan has been approved and negotiations continue with Georgia DOT for approval and eventually the construction of this much needed connector.

The City has launched a City owned phone system which has grown rapidly in 2012 and we expect this growth to continue. This system is providing phone service to customers through the existing cable and internet system.

## FUTURE DEVELOPMENT

The City of Monroe will make the final push to become a state recognized Water First Community.



Our Community Development Block Grant (CDBG FY11) program begins major construction stages with the project scheduled for completion in 2013.



The project between the Georgia DOT and the City of Monroe to construct the GA Highway 138 extension will be completed in 2013.



The Jack's Creek Wastewater Treatment Facility will undergo extensive rehabilitation throughout 2013 and into 2014.



The City of Monroe Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012 has been submitted for the eleventh 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 ten 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, 2011. This was the eighth 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, 2011**



*Christopher P. Mouill*  
President

*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**

**P.O. Box 1249**

**Monroe, GA 30655**

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