

CITY HALL  
Monroe, Ga.



## Popular Annual Financial Report

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**Fiscal Year  
Ended December 31, 2013**

# About This Report

We are pleased to present the 2013 Citizen's Budget & 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 2013 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
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Form of Government	Mayor and Council
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Population	13,349
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Area in Square Miles	15
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Miles of Streets	75
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Number of Employees	214
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Number of Street Lights	1,136
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### SOLID WASTE CUSTOMERS

Residential	5,348
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Commercial	682
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Transfer Station	16
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### MUNICIPAL UTILITY CUSTOMERS

Cable	4,784
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Electric	6,117
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Gas	3,708
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Internet	2,354
----------	-------

Telephone	1,304
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Wastewater	6,762
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Water	8,876
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# 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 diverse and growing economic base. We hope this 2013 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 Director	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
Public Safety Director	Keith Glass	kglass@monroega.gov	770-267-6340
Solid Waste Director	Danny Smith	dsmith@monroega.gov	770-266-5149
Street & Transportation Director	Jeremiah Still	jstill@monroega.gov	770-266-5144
Water & Gas Director	Rodney Middlebrooks	rmiddlebrooks@monroega.gov	770-266-5350

# General Information

Nestled in the Alcovy River basin between the urban sprawl of Atlanta and classic Athens, Monroe offers the best of both worlds. Our rich history draws visitors to Monroe; our small town atmosphere, engaging cultural life, and high tech capabilities entice them to stay. Monroe's colorful history is typified by ante-bellum homes, historic downtown and venerable government buildings. Monroe's future is exemplified by intermingling these historic areas with planned residential growth and high-tech capabilities.

The City of Monroe was incorporated in 1821 with Monroe serving as the county seat of Walton County.

The City operates under a Mayor/Council form of government. The Mayor is elected at-large on a non-partisan basis. The Council is composed of eight members, with six members being elected from individual districts and two members being elected from super districts. Each elected official serve 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.

As a full service municipality, Monroe, offers a full range of utilities including electric, gas, water, wastewater, cable, internet, and telephone. We also employ an exemplary public safety department including our award winning fire and police departments. The City also offers maintenance of streets, solid waste, building and zoning, code enforcement, library facilities, and local airport services.

## Principal Employers

EMPLOYER	EMPLOYEES	PERCENTAGE OF CITY EMPLOYMENT
Wal-Mart Distribution Center	812	13.90%
Walton County Government	574	9.90%
Clearview Regional (Monroe HMA)	287	4.90%
Hitachi Automotive Systems (Unisia)	263	4.50%
Walton County Board of Education	255	4.40%
Elite Storage (Base Manufacturing)	240	4.10%
Walmart Super Center	232	4.00%
City of Monroe	214	3.70%
Walton Press	117	2.00%
State of Georgia	87	1.50%



# Budget Process



Each department head submits a proposed annual budget for their respective department to the City Administrator annually. The City Administrator submits, to the elected officials, 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, Special Revenue Funds, and the Debt Service Fund. Below is the amended 2013 Budget.

REVENUES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
TAXES	\$5,818,836	\$25,000	
OTHER REVENUES	1,650,658	48,000	
OTHER FINANCING SOURCES	1,916,150	-	753,878
<b>TOTAL REVENUES</b>	<b>\$9,385,644</b>	<b>\$73,000</b>	<b>\$753,878</b>

EXPENDITURES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
GENERAL GOVERNMENT	\$1,080,818	\$25,000	
FINANCE	432,038		
PROTECTIVE SERVICE	400,363		
FIRE	1,465,174		
HIGHWAYS & STREETS	1,718,627		
POLICE	3,309,108	48,000	
BUILDINGS & GROUNDS	225,638		
OTHER FINANCING USES	753,878	-	-
DEBT SERVICE	-	-	753,878
<b>TOTAL OPERATIONS</b>	<b>\$9,385,644</b>	<b>\$73,000</b>	<b>\$753,878</b>

# Financial Highlights

Key financial highlights for the Fiscal Year 2013 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, 2013 totaled \$81.88 million. Deferred outflows are a consumption of or decrease in net assets that are applicable to a future reporting period.
- Total revenues for all governmental funds were \$9.94 million.
- Total expenditures for all governmental funds were \$10 million.
- Utility Fund operating revenues totaled \$33.3 million.
- Utility Fund operating expenses totaled \$28.9 million.



The Davis-Edwards House is one of the oldest structures in Monroe, Georgia. The house was named to reflect the fact that two families - one following the other - lived in the house for almost 125 years.





# 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.



The McDaniel-Tichenor House, located in Monroe, Georgia, United States was built in 1887 for retiring Governor Henry McDaniel. Originally designed by Athens, Georgia architect William Winstead Thomas in the then-popular Victorian Italianate Villa style, the house was extensively remodeled in the 1930s by Nashville architect, and son-in-law of Edgar and Gipsy Tichenor, Francis Boddie Warfield.



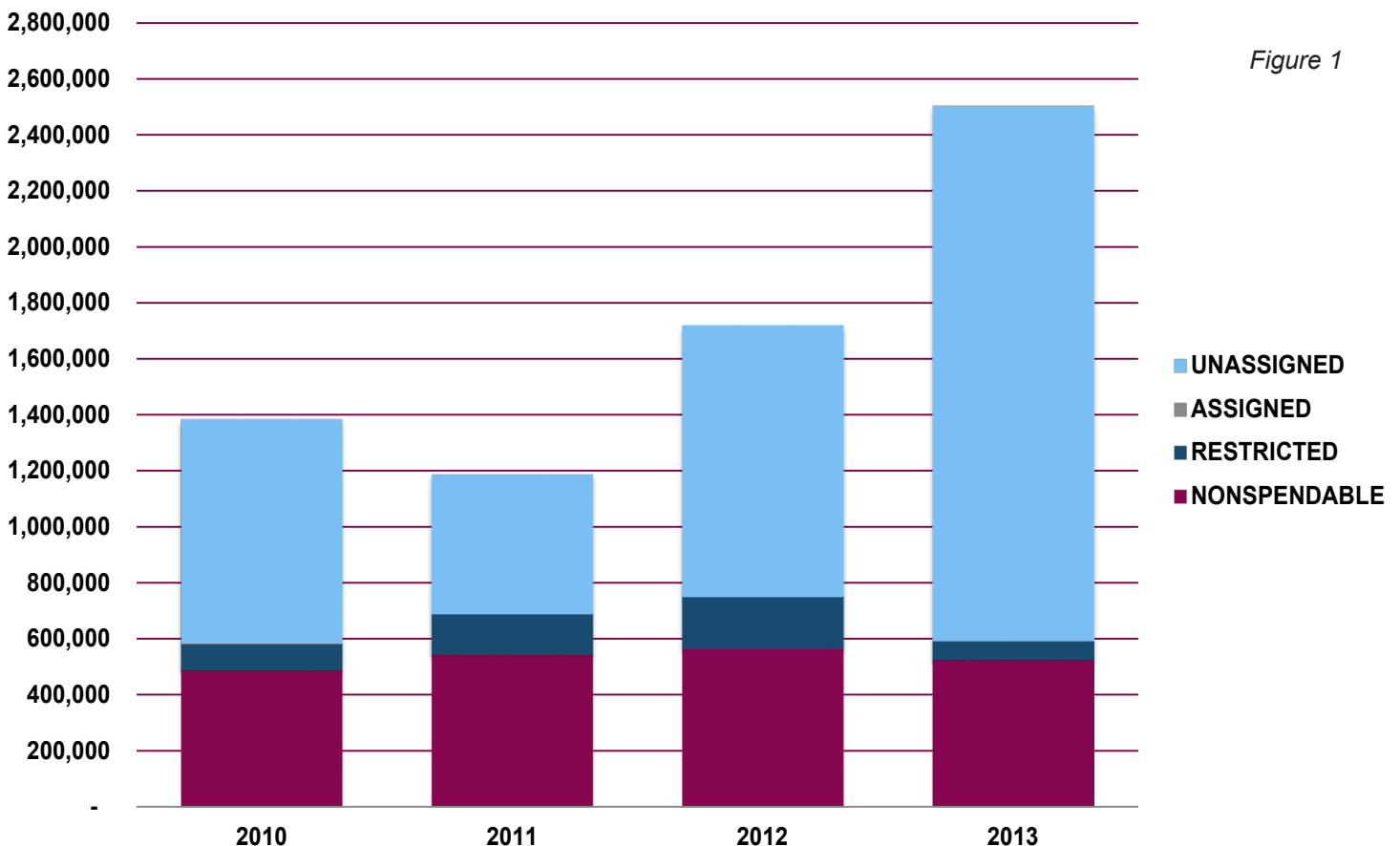
# Fund Balance

Fund Balance is the difference between assets (what the City owns) and liabilities (what the City owes). Fund balances are classified as follows: 1) Nonspendable which is an amount that cannot be spent because it either can't be converted to cash or are legally or contractually required to be maintained intact. 2) Restricted fund balance is the amount to be only used for specific purposes stipulated by legislation. 3) Assigned fund balance is the amount intended to be used for a specific purpose. 4) 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 2013, unassigned fund balance was \$1.9 million. Total fund balance of the City's General Fund increased by \$782 thousand during 2013. Key factors in this increase were additional revenue generated from a change in Georgia Law on the taxation of motor vehicles (TAVT) and substantial decreases in the cost of health insurance due to plan changes in 2013. *Figure 1* illustrates this change.

The City's unassigned fund balance represents approximately 23% of total General Fund expenditures, while total fund balance represents 30% of total General Fund Expenditures.

### Fund Balance-General Fund





# General Fund

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 & Expenditures

Figure 2

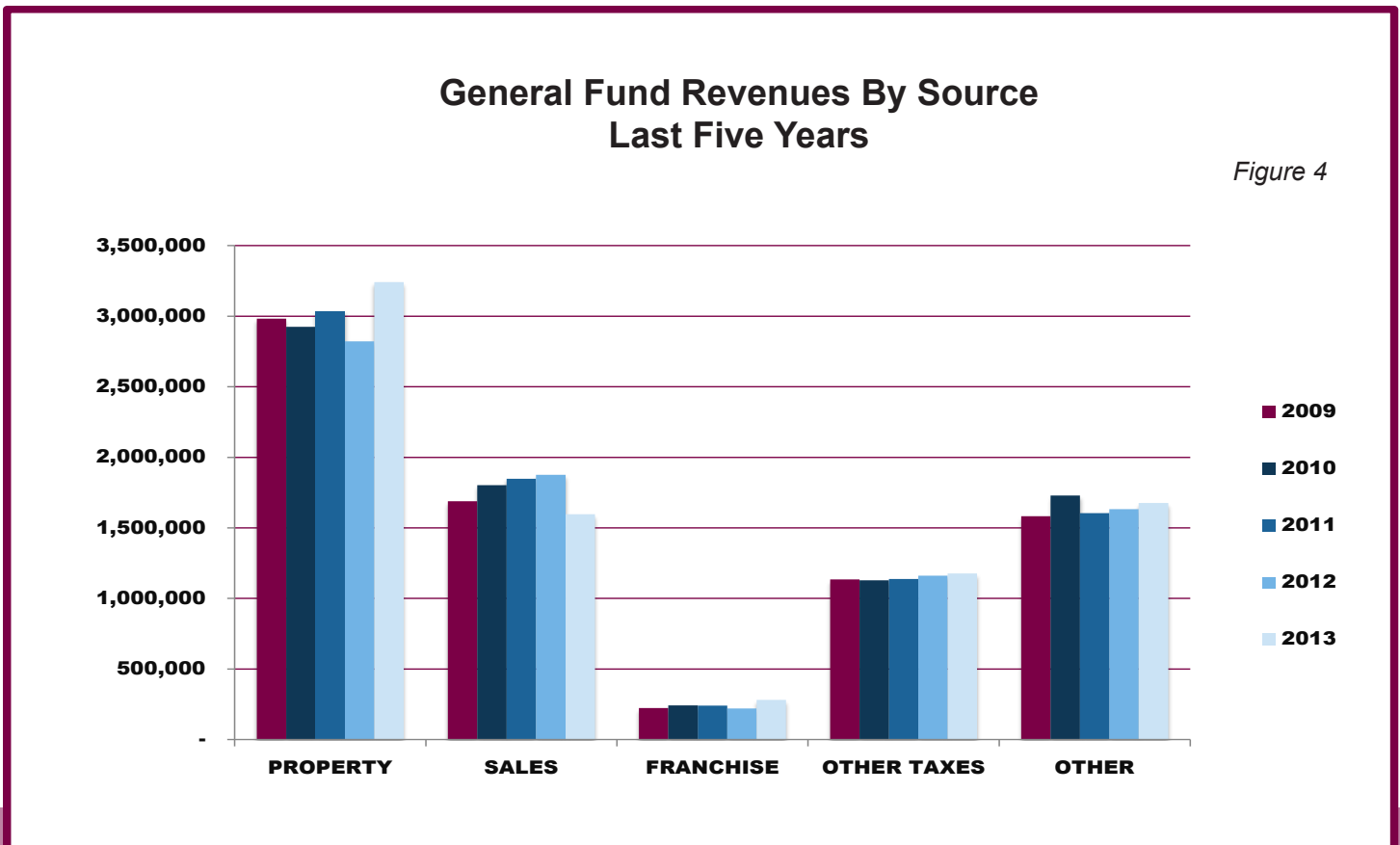
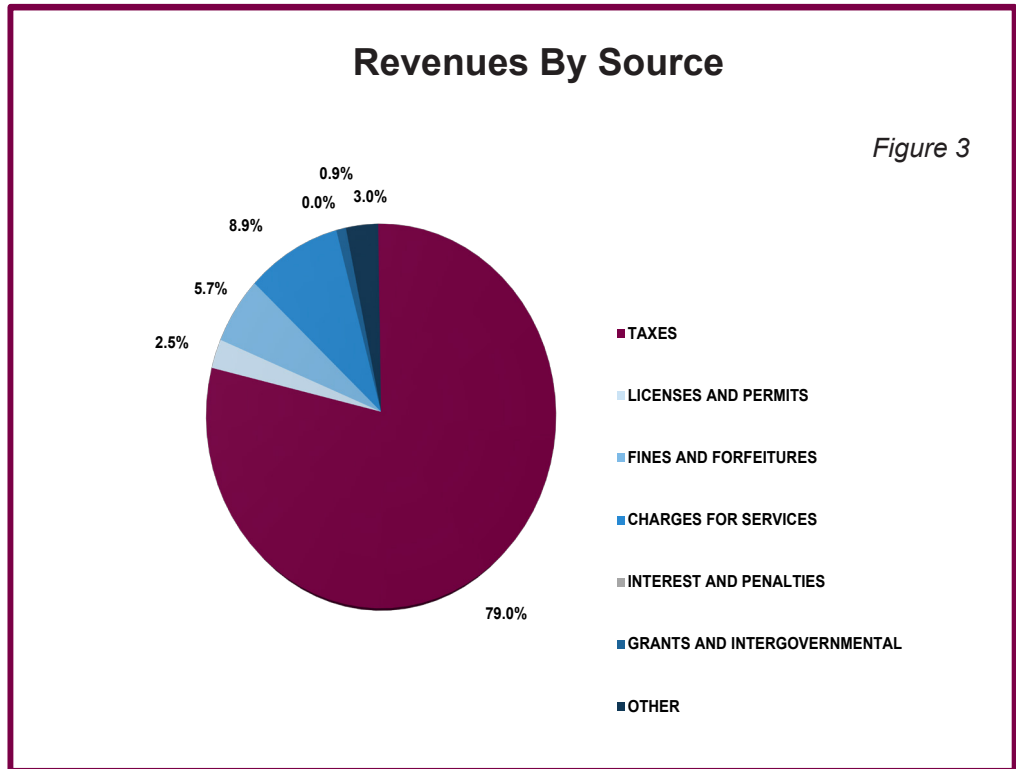


■ REVENUES ■ EXPENDITURES



# General Fund Revenues

General Fund Revenues increased a little more than 3% over the prior fiscal year. *Figure 3* shows a breakdown of revenues by source. The main reason for this slight increase is the change in Georgia Law on the taxation of motor vehicles (TAVT). *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 sales taxes were due to the renegotiation of the distribution with Walton County. All other revenues show a slight increase; this trend reflects some growth in the local economy for 2013.

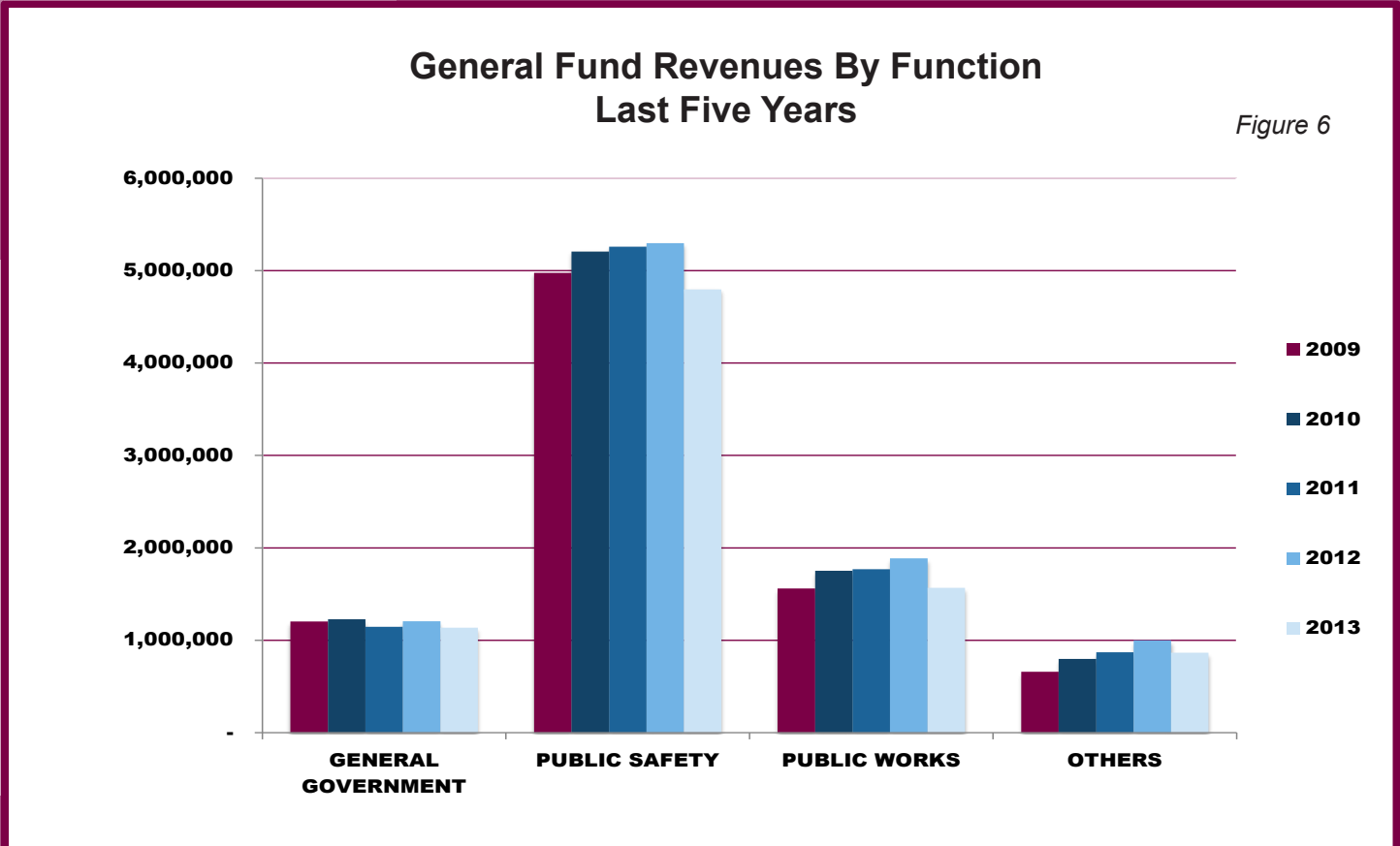
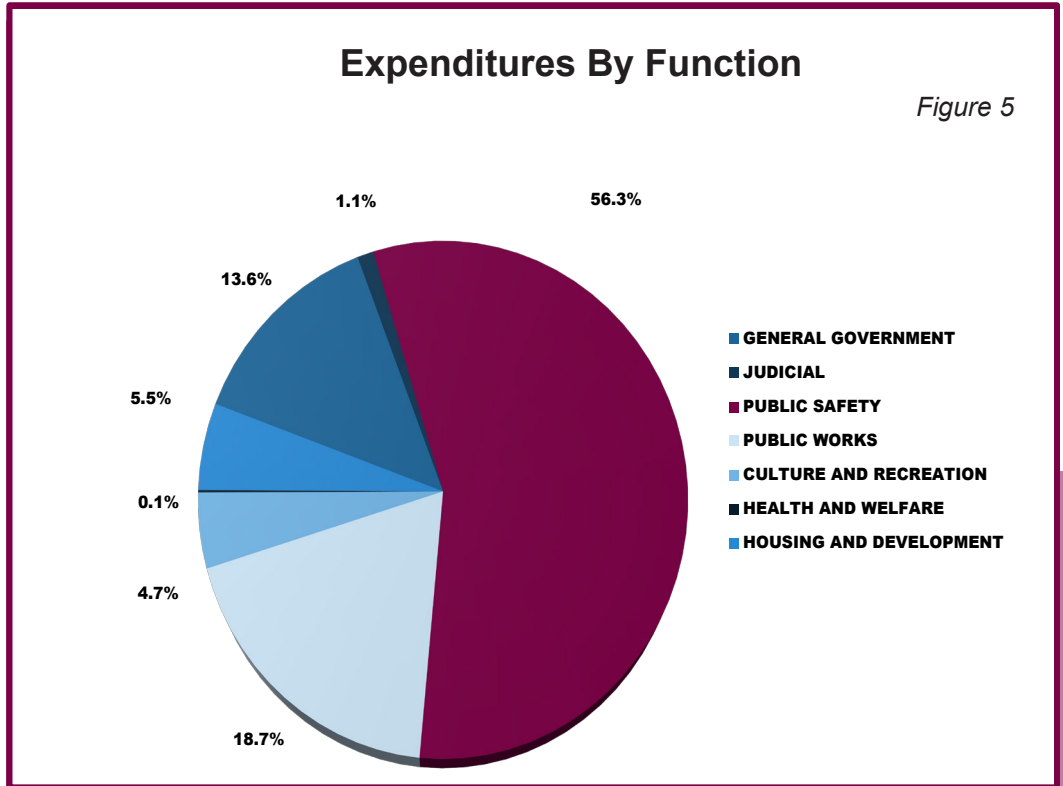




# General Fund Expenditures

General Fund Expenditures decreased 11% compared to FY 2012 totaling \$8.4 million in FY 2013. *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 2013. *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 8.470, 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.



# Enterprise Fund

## Utility Fund

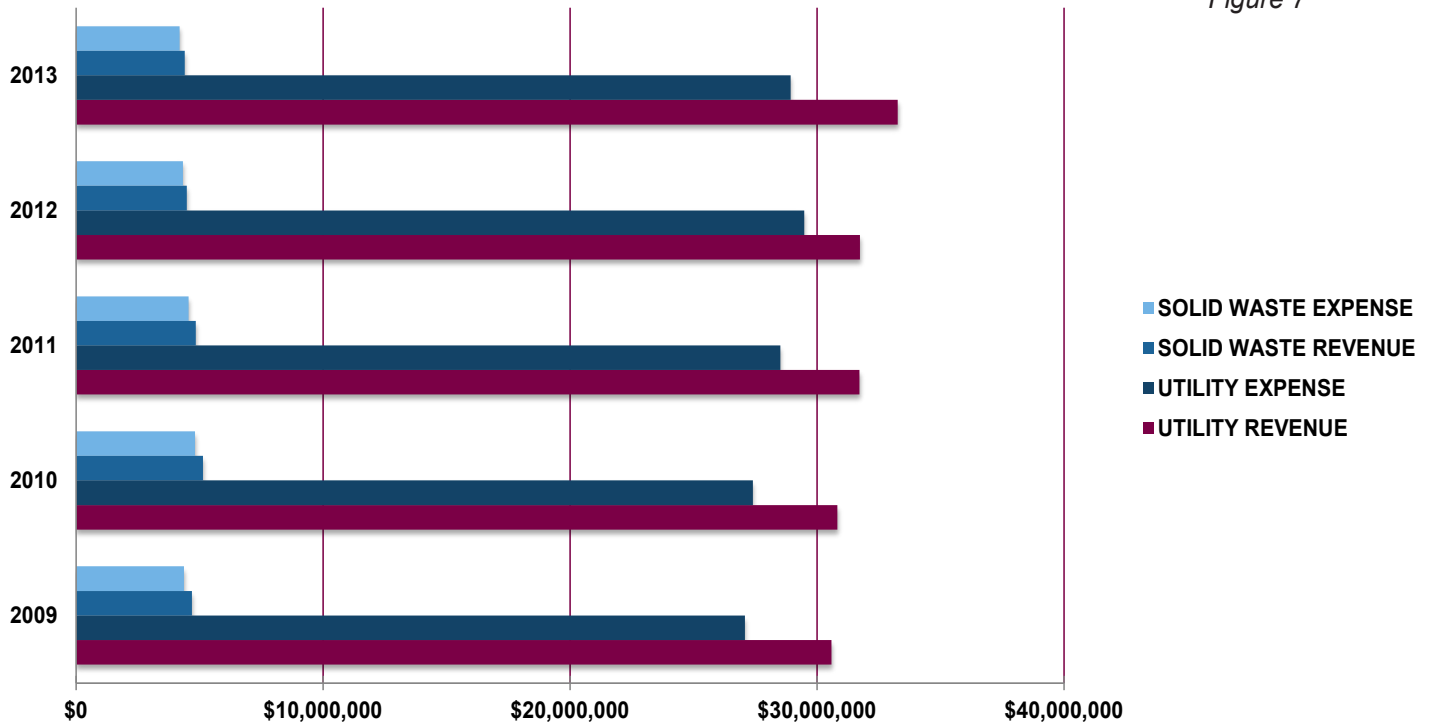
The City's Utility Fund has remained steady over the past 5 years as shown in *Figure 7*. Revenues had a slight increase in 2013. General operating expenses decreased slightly in 2013. A restructuring in CATV rates and growth in Telecomm customers created the increase in revenue and continued efforts to keep expenses down influenced the decrease in expenses. The above factors equate to the \$2.4 million increase in 2013 net position compared with 2012.

## Solid Waste

Revenues and Expenses for this fund have remained steady for the past 5 years, showing a slight drop in revenue and even larger drop in expenditures in 2013 as shown in *Figure 7*. The Solid Waste Fund has shown a loss in the past with 2013 showing a slight increase in net position of \$125 thousand. Efforts to keep expenses down with a change in the employee health insurance plan were the major factors for this increase. In the past, the General Fund has subsidized operations of the Solid Waste Fund.

**Enterprise Fund  
Operating Revenue & Expense**

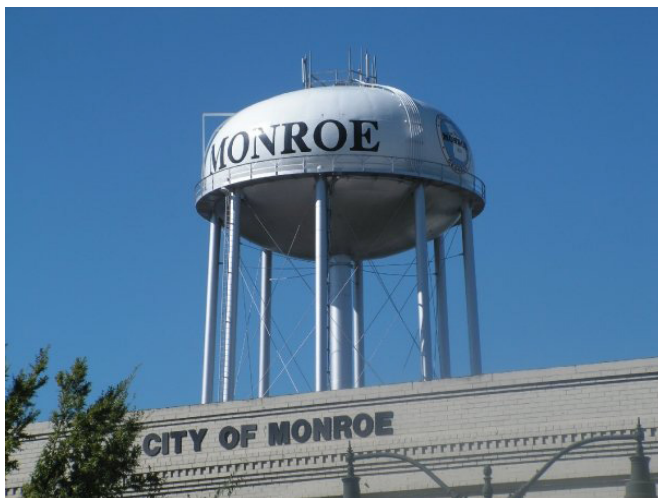
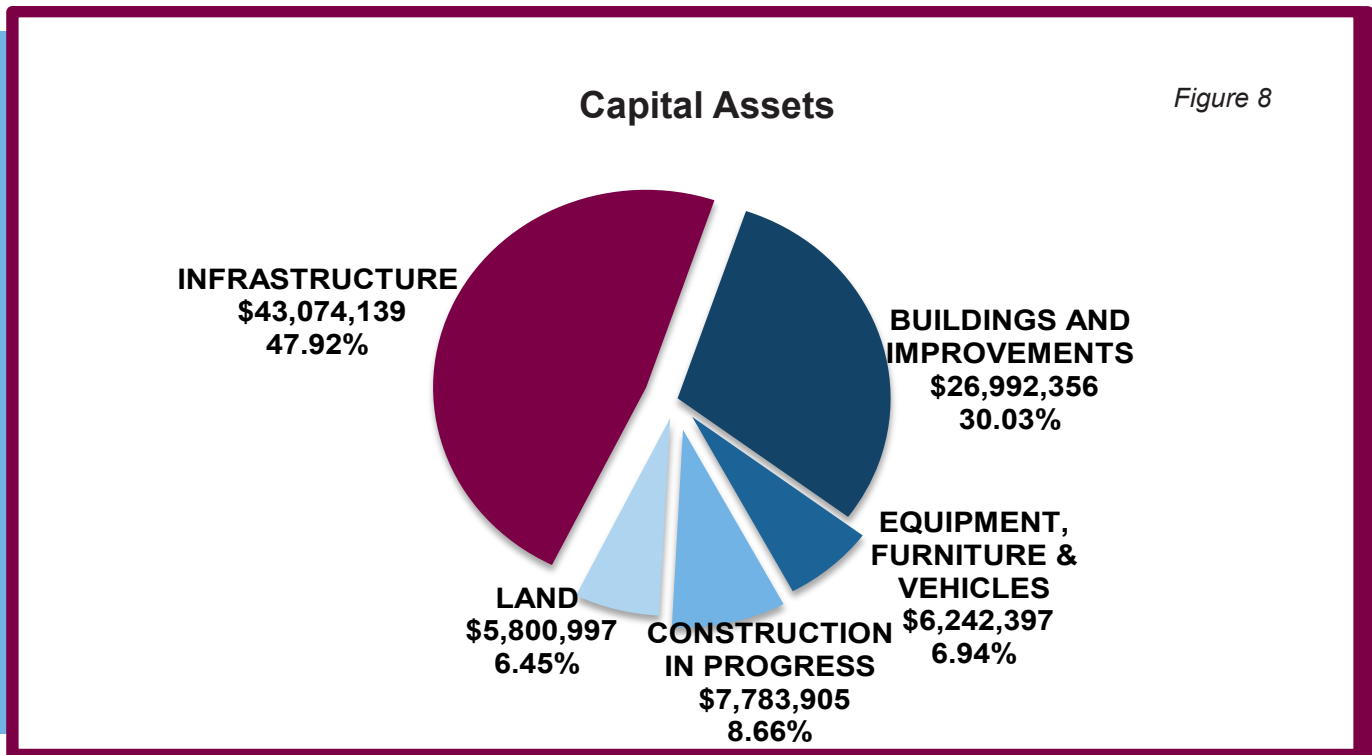
*Figure 7*



# Capital Assets

The City's investment in capital assets (*Figure 8*) for the governmental activities (financed through taxes, intergovernmental revenues, and other nonexchange revenues) and business-type activities (financed in whole or in part by fees charged to external parties for goods or services) as of December 31, 2013, amounted to \$90 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 \$693 thousand in specialized service installation equipment, machinery, and vehicles.
- Construction in progress projects totaling \$1.3 million in utility service extensions for new or improved service and equipment for property development. Utility infrastructure and improvements construction in progress projects completed totaled \$114 thousand.
- \$430 thousand in equipment, furniture, and vehicles was sold as surplus or transferred to another fund.





# Long-Term Debt

At fiscal year-end 2013, the City had \$27.4 million in long-term debt outstanding, of which \$3.3 million will mature during 2014. We had an increase in long-term debt from the previous year in the form of capital leases for vehicles and equipment using SPLOST funds to repay the debt. 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 2006 (advance refunding) GO Bonds and the Enterprise Fund has 2003, 2006 (refunding) and 2011 (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-". 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

	1/1/2013	INCREASES	DECREASES	12/31/2013	DUE WITHIN ONE YEAR
<b>GENERAL OBLIGATION BONDS</b>	4,905,000	-	(525,000)	4,380,000	585,000
<b>CAPITAL LEASES</b>	-	772,385	-	772,385	255,824
<b>COMPENSATED ABSENCES</b>	834,497	951,301	(881,567)	904,231	788,818
<b>REVENUE BONDS</b>	20,672,200	-	(1,701,300)	18,970,900	1,690,900
<b>NOTES PAYABLE</b>	2,354,430	77,458	-	2,431,888	-
	<b>28,766,127</b>	<b>1,801,144</b>	<b>(3,107,867)</b>	<b>27,459,404</b>	<b>3,320,542</b>

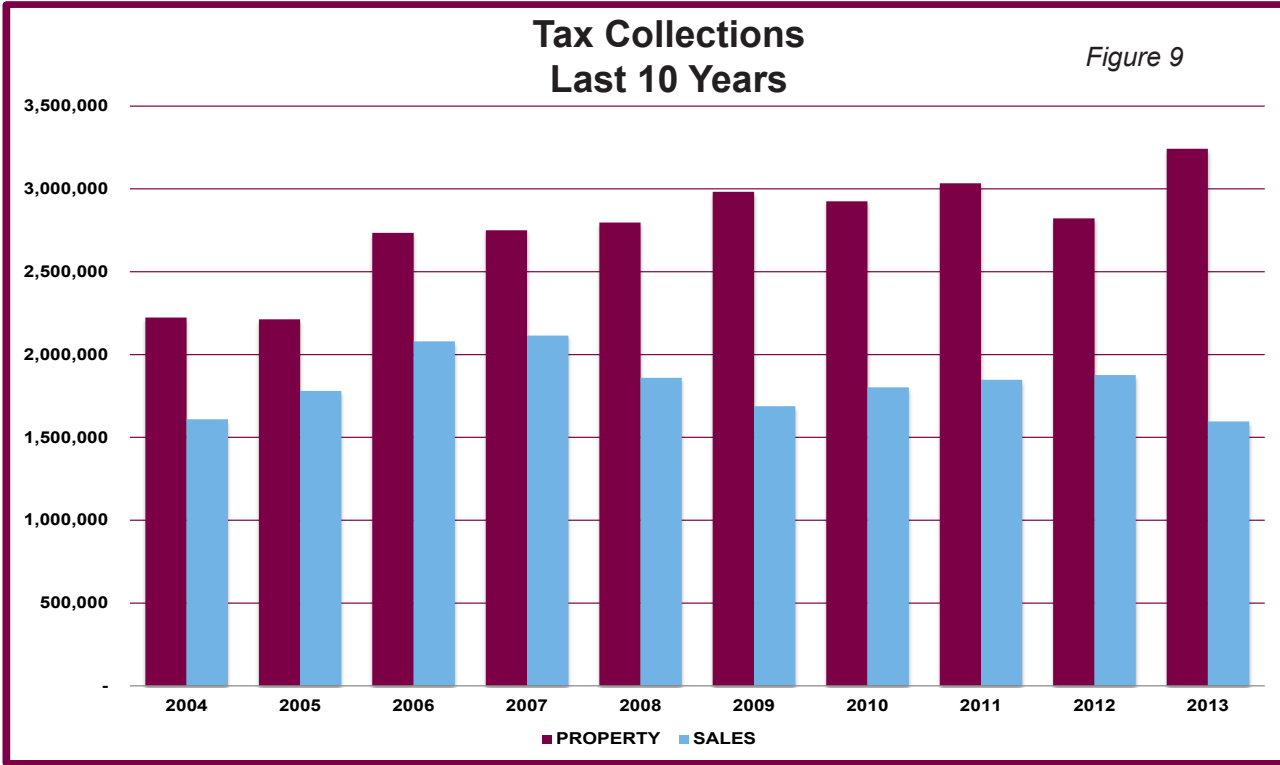


Shortly after Walton County was created in Dec. 1818, court was held in a cow barn. Other buildings served as seat of government until the county's first courthouse was completed in 1823. That building served until 1845, when another courthouse was built. Walton County's third courthouse was completed in 1884. The original clock tower and dome were destroyed by a tornado in 1885. The courthouse roof remained flat until the current tower was added in 1907. The building underwent major restorations in 1933, 1969, and 1996.

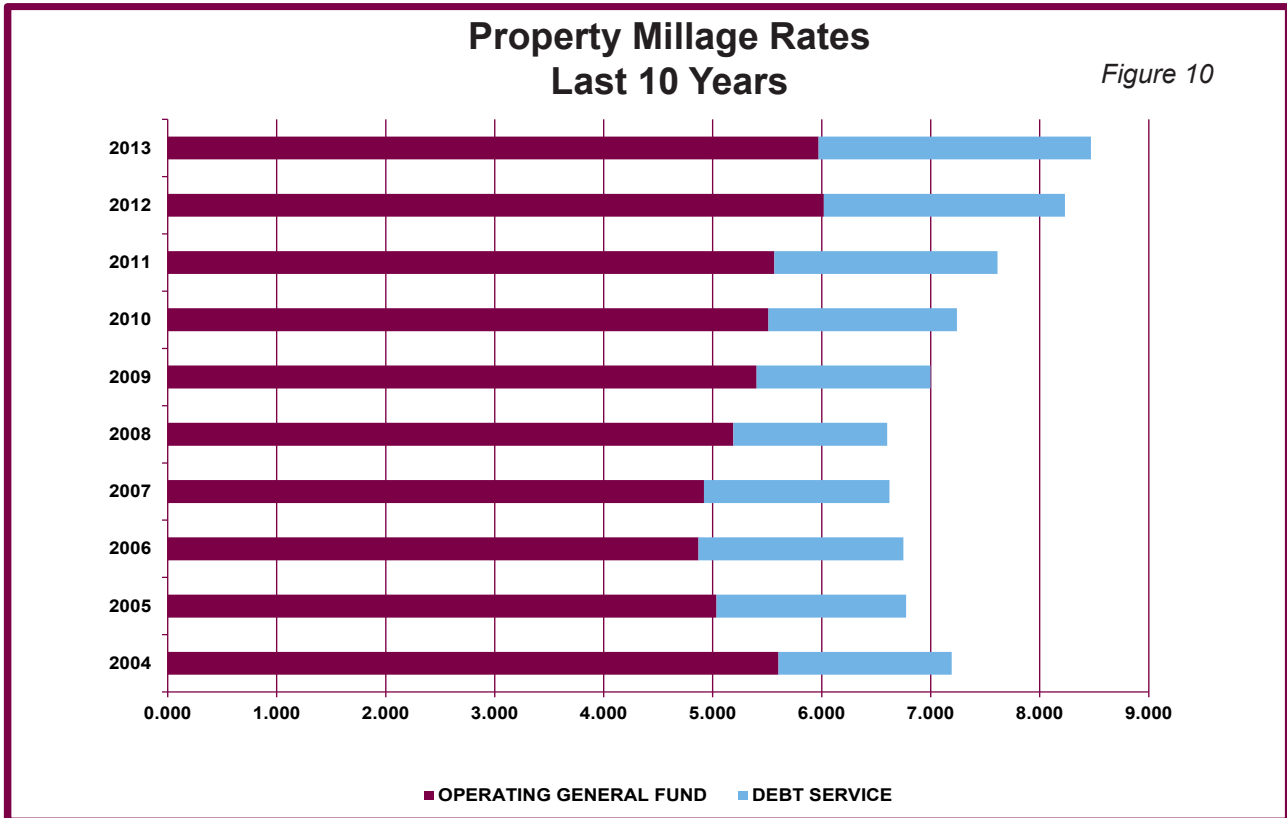


# Sales & Property Taxes

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 increasing with sales taxes showing a slight decrease in 2013.



The millage rate for 2013 property taxes shown in *Figure 10* remains steady with a small increase for 2013 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.





# 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 13,349 residents. Among the top ten employers in the City, four are governments accounting for over 20% of the number of jobs in the top ten employers and 53% 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 located in the southern portion of the Downtown Development District. 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 on-going 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 was awarded Community Development Block Grant Funds (CDBG FY11) to continue with our sewer rehab project; that project was just completed. The City will soon begin work on the CDBG FY13 project to rehab sewer lines serving a low income area in the eastern portion of the City.

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. The bid for this project has been awarded and is on track to be completed by the end of FY2014.

# Major Initiatives

The City of Monroe is working closely with Georgia DOT and Walton County to improve the area's transportation initiatives. 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.



# Future Development

The project between the Georgia DOT and the City of Monroe to construct the GA Highway 138 extension scheduled to open Spring 2014.



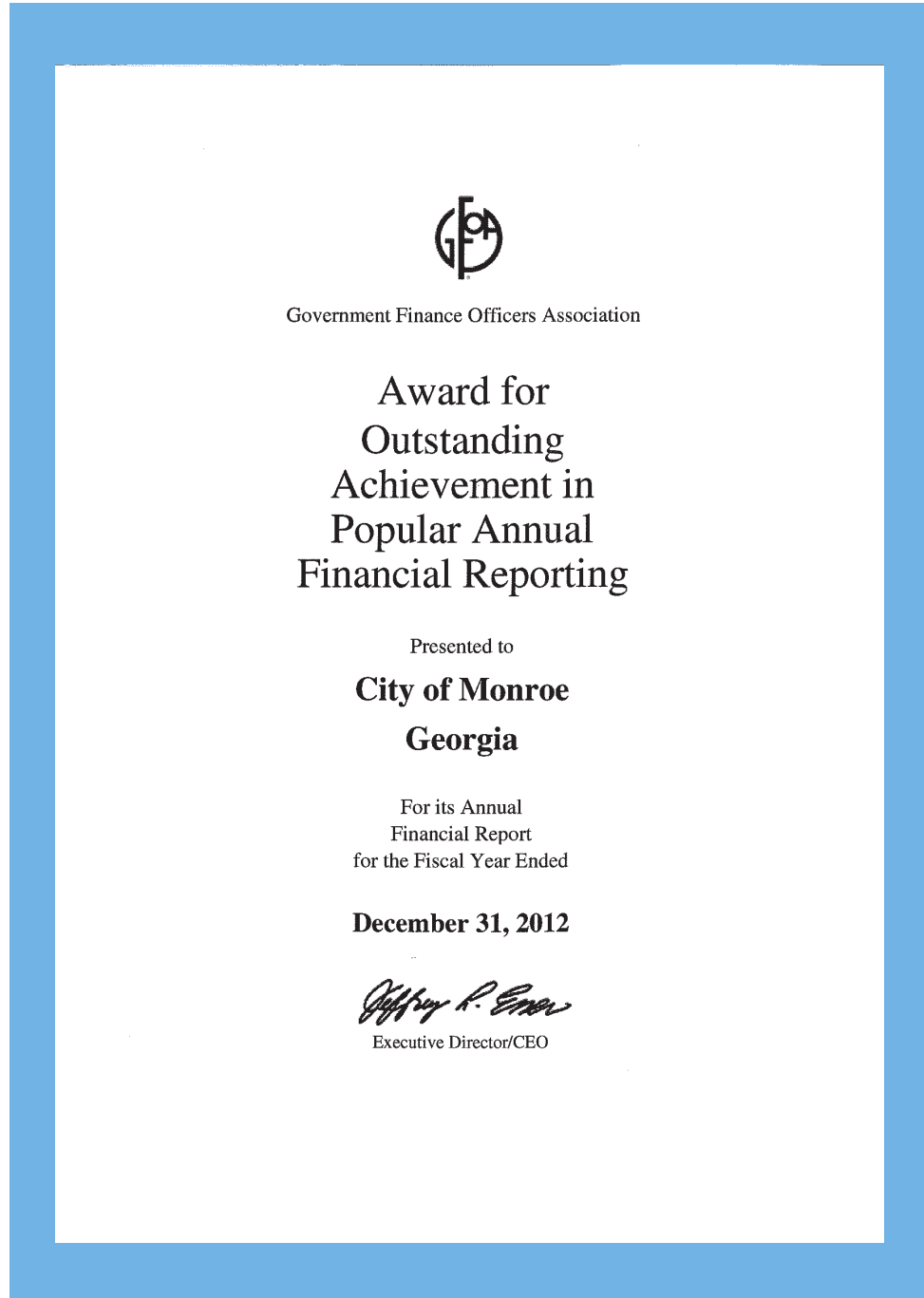
The Livable Centers Initiatives (LCI) calls for adding new sidewalks and bicycles lanes to our North Broad Street Corridor.



# Achievements

The City of Monroe Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013 has been submitted for the twelfth 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 eleven 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, 2012. This was the ninth 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.





# **Popular Annual Financial Report**

was prepared by:

**The City of Monroe, Georgia  
Department of Finance**

**Renee L. Prather**

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