



**Popular Annual Financial Report
For the Fiscal Year Ended
December 31, 2014**

About This Report

We are pleased to present the 2014 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 2014 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.

Miscellaneous Statistics

Date of Incorporation	1821
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Form of Government	Mayor and Council
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Population	13,466
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Area in Square Miles	15
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Miles of Streets	80
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Number of Employees	210
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Number of Street Lights	1,136
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SOLID WASTE CUSTOMERS

Residential	5,381
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Commercial	655
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Transfer Station	16
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MUNICIPAL UTILITY CUSTOMERS

Cable	4,643
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Electric	6,154
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Gas	3,700
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Internet	2,609
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Telephone	1,371
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Wastewater	6,757
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Water	8,941
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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 diversified and growing economic base. We hope this 2014 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	770-266-5161
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

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.

Principal Employers

EMPLOYER	EMPLOYEES	PERCENTAGE OF CITY EMPLOYMENT
Wal-Mart Distribution Center	706	12.10%
Walton County Government	587	10.10%
Hitachi Automotive Systems (Unisia)	301	5.20%
Clearview Regional (Monroe HMA)	260	4.50%
Elite Storage (Base Manufacturing)	210	3.60%
City of Monroe	210	3.60%
Walmart Super Center	197	3.40%
Walton County Board of Education	178	3.10%
Walton Press	94	1.60%
State of Georgia	87	1.50%

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 2014 Budget.



REVENUES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
TAXES	\$6,282,631	\$25,000	
OTHER REVENUES	1,693,560	63,000	
OTHER FINANCING SOURCES	1,981,663	-	753,878
TOTAL REVENUES	\$9,957,854	\$88,000	\$753,878
EXPENDITURES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
GENERAL GOVERNMENT	\$1,220,788	\$25,000	
FINANCE	477,060		
PROTECTIVE SERVICE	318,932		
FIRE	1,560,454		
HIGHWAYS & STREETS	1,750,315		
POLICE	3,525,666	63,000	
BUILDINGS & GROUNDS	266,989		
OTHER FINANCING USES	837,650	-	-
DEBT SERVICE	-	-	753,878
TOTAL OPERATIONS	\$9,957,854	\$88,000	\$753,878

Financial Highlights

Key financial highlights for the Fiscal Year 2014 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, 2014 totaled \$87.3 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 \$9.90 million.
- Total expenditures for all governmental funds were \$11.3 million.
- Utility Fund operating revenues totaled \$35.4 million.
- Utility Fund operating expenses totaled \$29.7 million.



With over 1,200 booths and 300,000 square feet of antiques, vintage, and repurposed items, Walton County has the largest concentration of antiques stores of any other county in Georgia. Walton County is also home of the largest antique mall in the southeast!



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.

Monroe is a Main Street City with organized programs focusing on historic preservation, economic development, and events that create a vibrant downtown community.

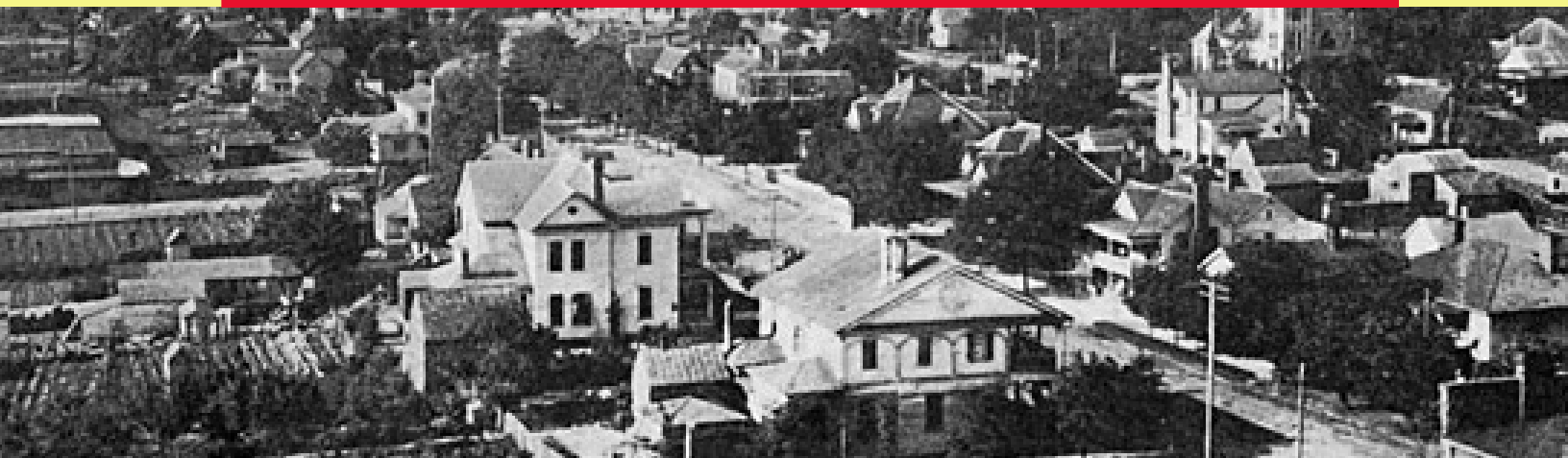
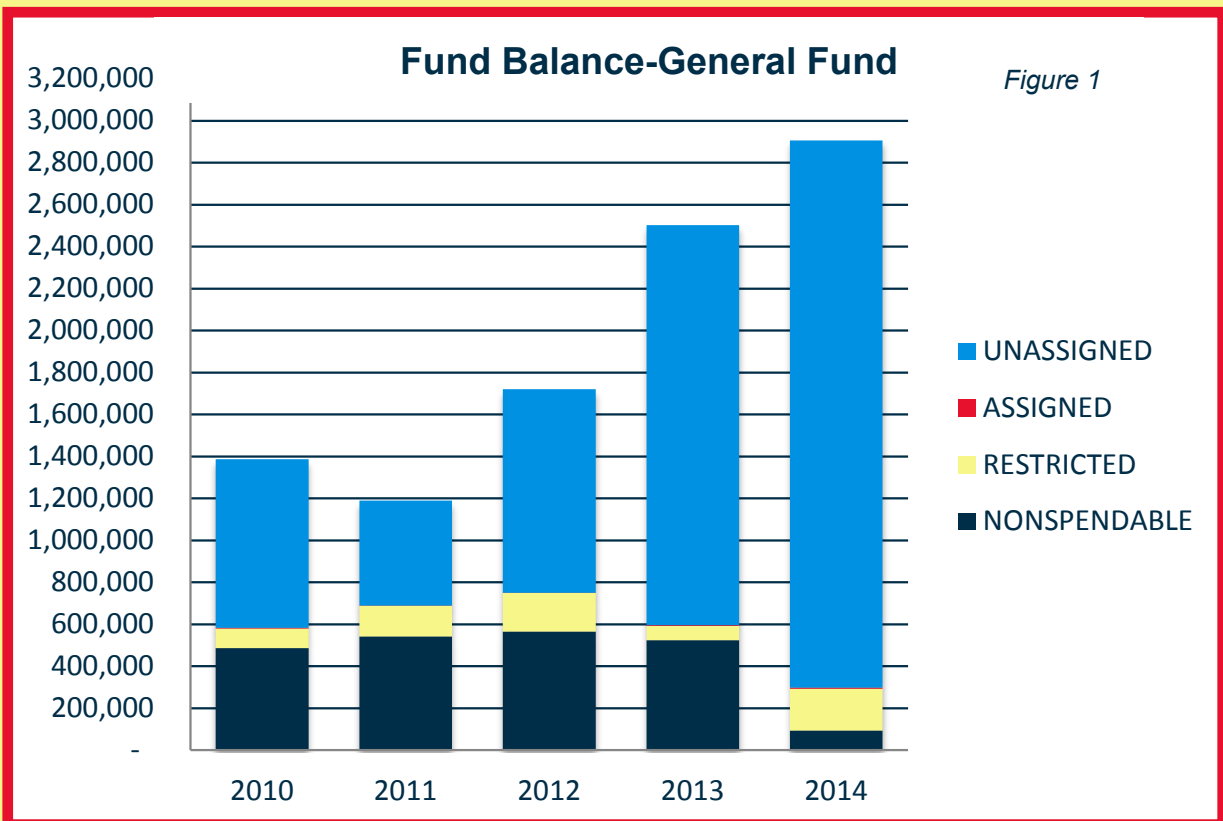


Fund Balance

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 2014, unassigned fund balance was \$2.6 million. Total fund balance of the City's General Fund increased by \$402 thousand during 2014.

The key factor in this increase was additional revenue generated from a restructuring of utility rates and the resulting extra revenue generated as a transfer to the General Fund. *Figure 1* illustrates this change.

The City's unassigned fund balance represents approximately 30% of total General Fund Expenditures, while total fund balance represents 33% of total General Fund Expenditures.

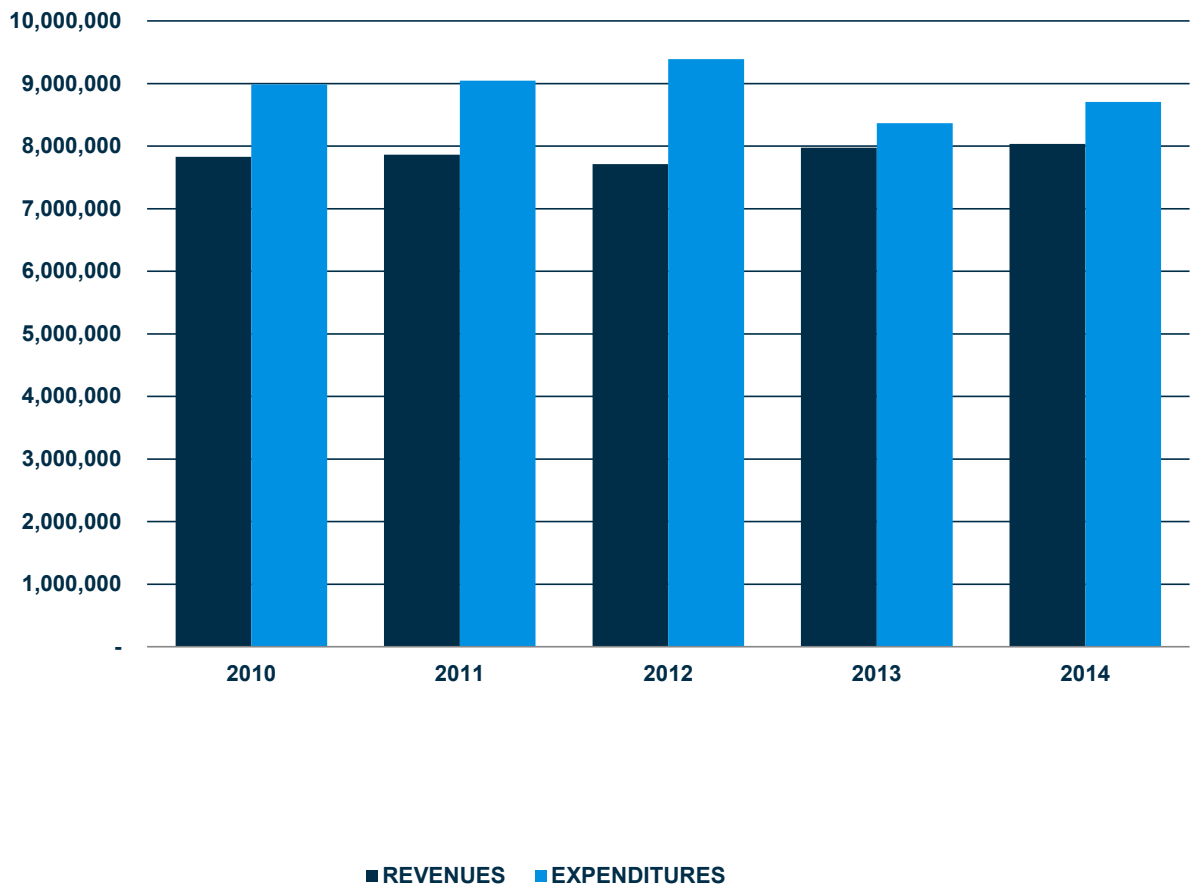


General Fund

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). Transfers are not included in revenue totals in this report.

General fund Revenues & Expenditures

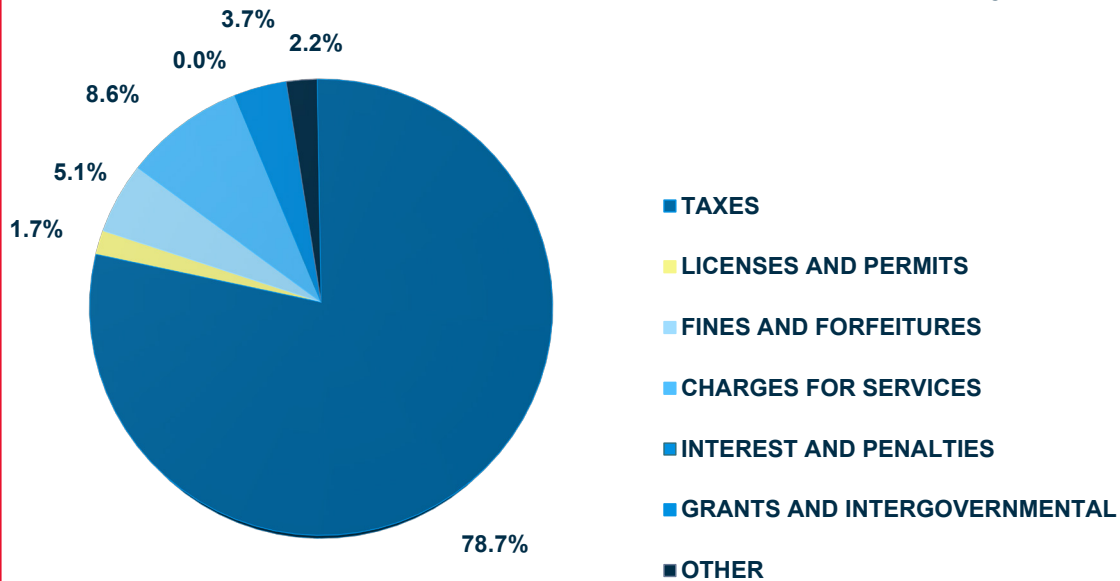
Figure 2



General Fund Revenues

Revenues By Source

Figure 3



General Fund Revenues increased around .75% over the prior fiscal year. *Figure 3* shows a breakdown of revenues by source. The main reason is Sales Taxes are showing a slight increase over 2013. *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. All revenue sources seem to be holding steady, this trend reflects some growth in the local economy for 2014.

General Fund Revenues By Source Last Five Years

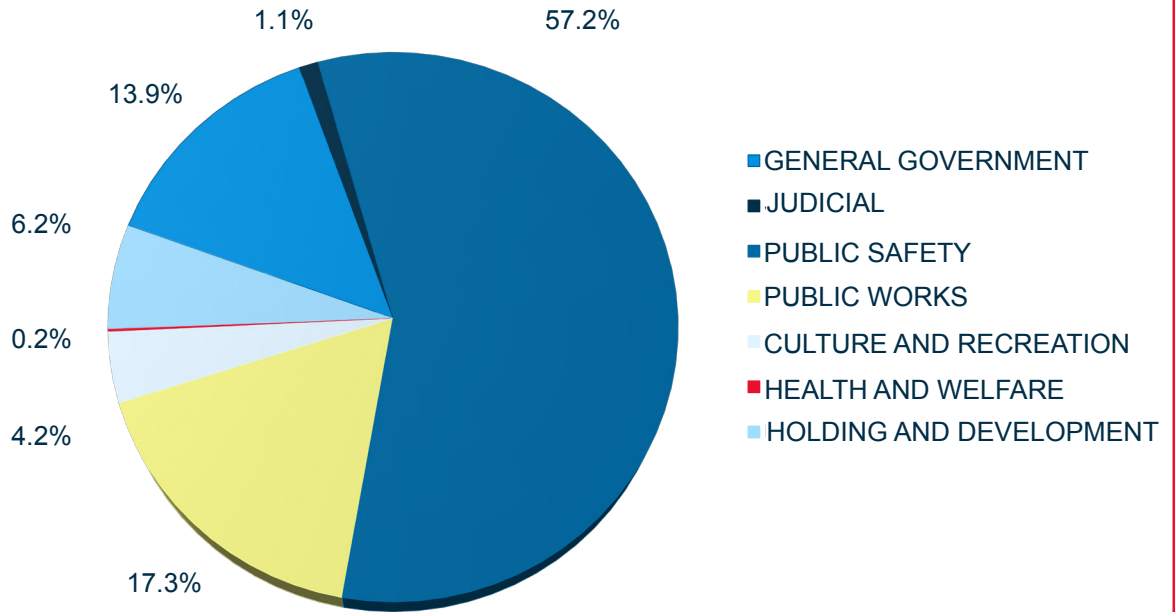
Figure 4



General Fund Expenditures

Expenditures By Function

Figure 5

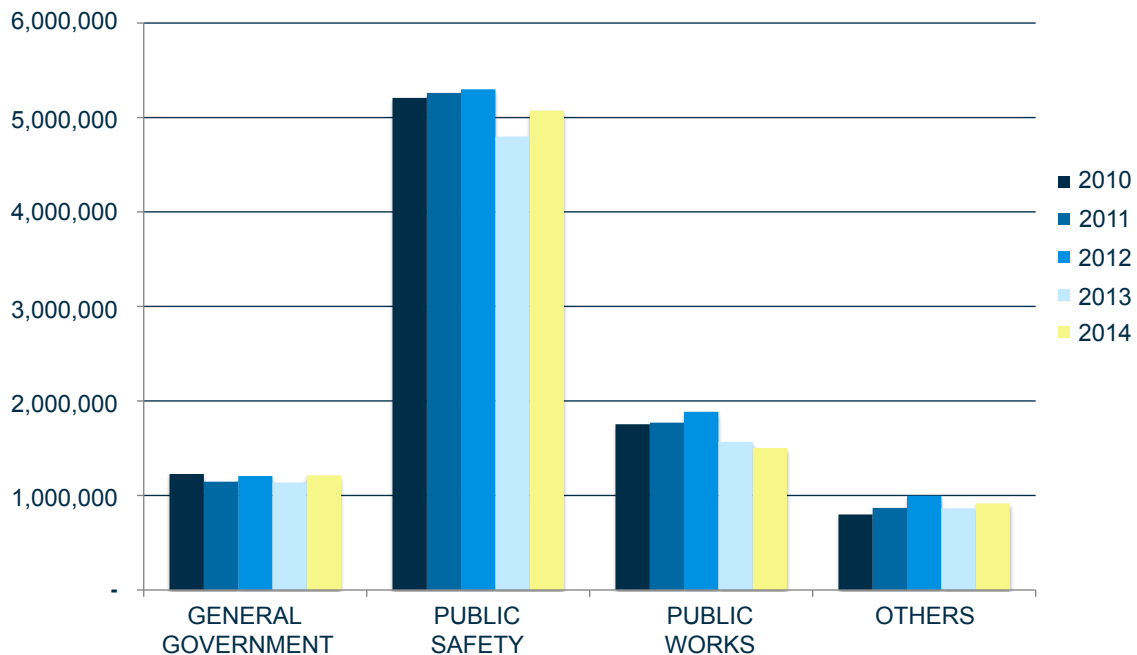


General Fund Expenditures increased slightly (4%) compared to FY 2013 totaling \$8.7 million in FY 2014. Implementation of a pay study was one factor contributing to this increase. *Figure 5* shows where the money is spent along with the percentage for each city function. The amounts shown include debt service. No department had excesses of actual expenditures over budget for FY 2014. *Figure 6* shows trend data for the last 5 years.

With a millage rate set at 8.353, 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.

General Fund Expenditures By Function Last Five Years

Figure 6



Enterprise Fund

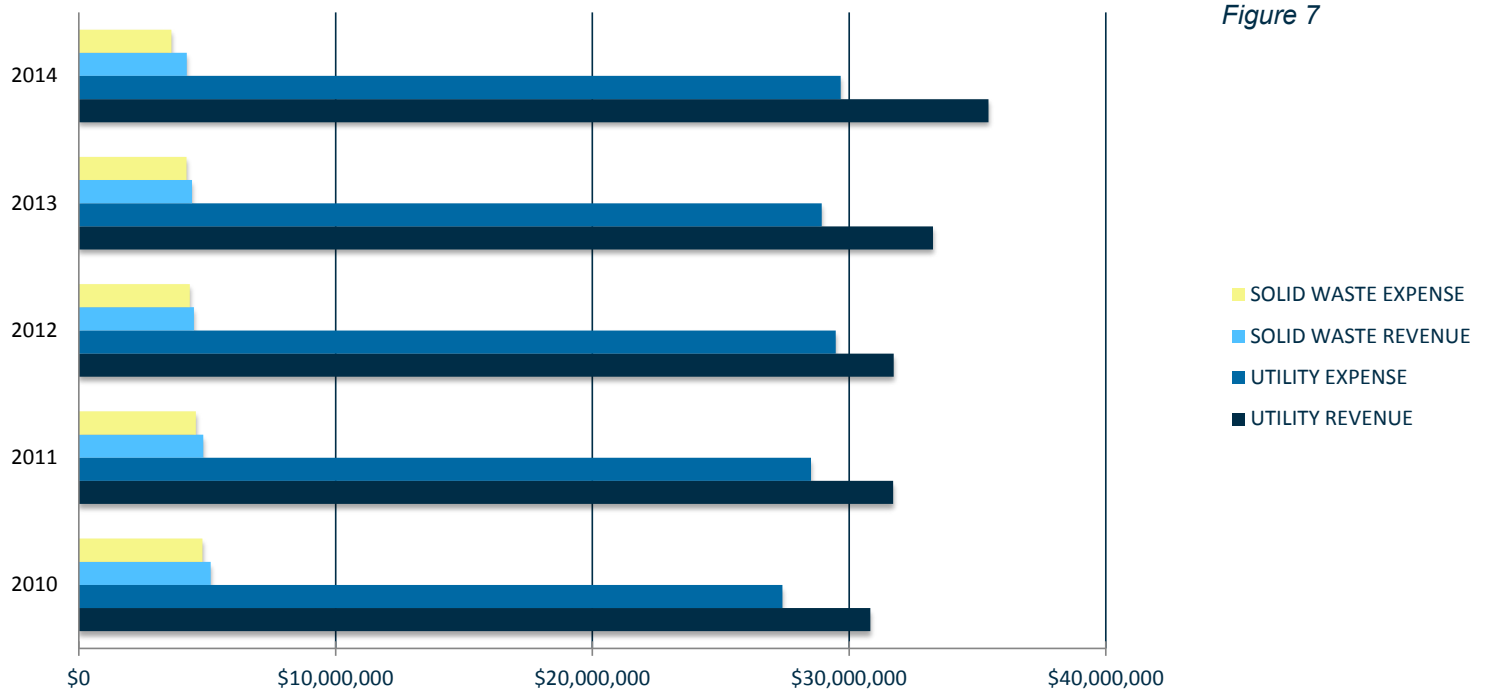
Utility Fund

The City's Utility Fund has remained steady over the past 5 years as shown in *Figure 7*. Revenues had a slight increase in 2014. General operating expenses increased slightly in 2014. A restructuring in utility 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 \$3.8 million increase in 2014 net position compared with 2013.

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 2014 as shown in *Figure 7*. The Solid Waste Fund has shown a loss in the past with 2014 showing an increase in net position of \$389 thousand. Efforts to keep expenses down coupled with a decrease in disposal costs at the transfer station were the major factors for this increase. In the past, the General Fund has subsidized operations of the Solid Waste Fund, 2014 is the first year this was not necessary.

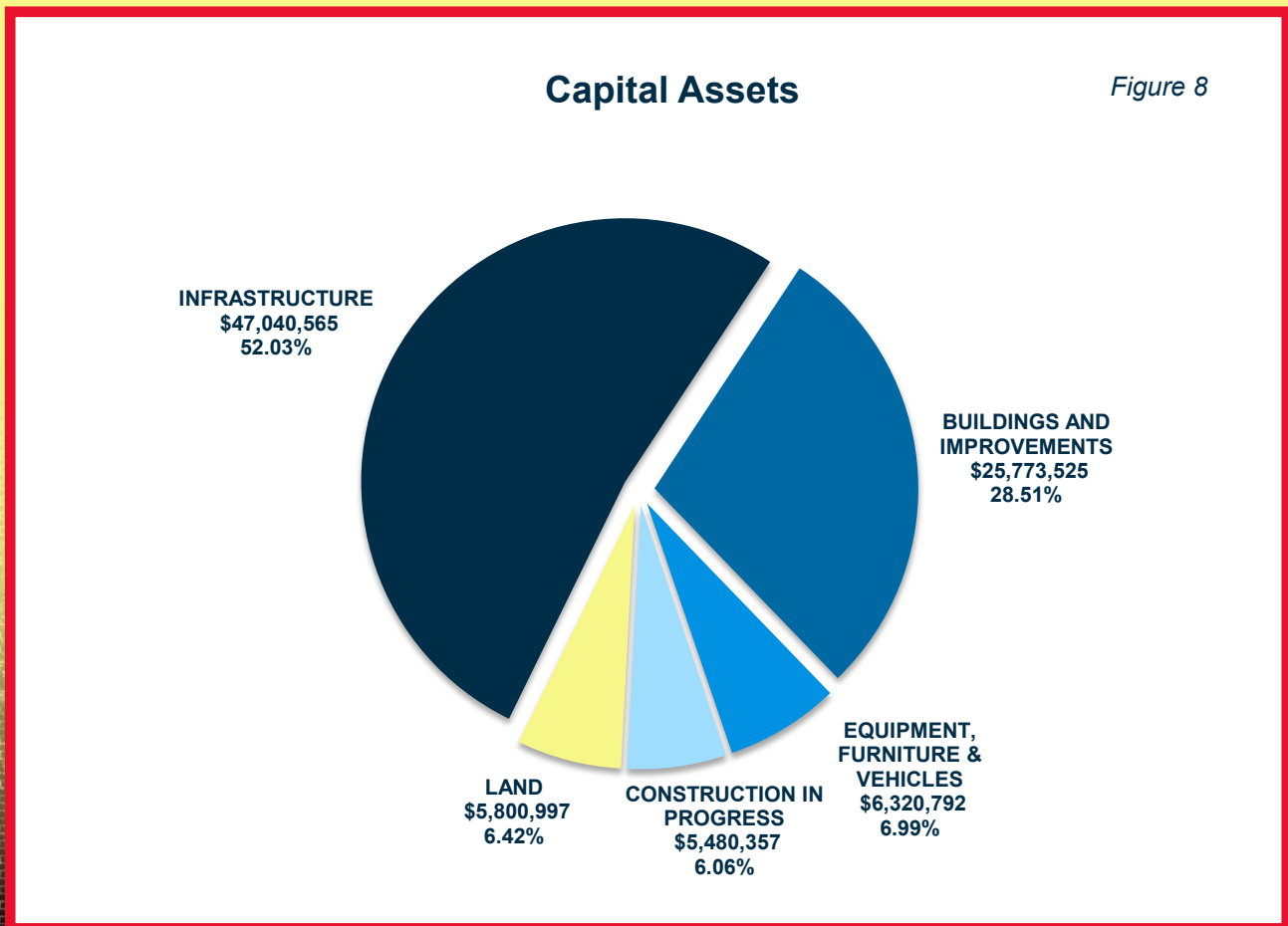
**Enterprise Fund
Operating Revenue & Expense**



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, 2014, 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 \$946 thousand in specialized service installation equipment, machinery, and vehicles.
- Construction in progress projects totaling \$2.7 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 \$5.5 million.
- \$278 thousand in equipment, furniture, and vehicles was sold as surplus or transferred to another fund.



Long-Term Debt

At fiscal year end 2014, the City had \$26.3 million in long-term debt outstanding, of which \$3.4 million will mature during 2014. We had an increase in long-term debt from the previous year in the form of notes payable for replacement of water meters with funds payable to GEFA. 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 and 2006 (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

	1/1/2014	INCREASES	DECREASES	12/31/2014	DUE WITHIN ONE YEAR
GOVERNMENTAL ACTIVITIES:					
GENERAL OBLIGATION BONDS	\$ 4,380,000	\$ -	\$ (585,000)	\$ 3,795,000	\$ 645,000
ORIGINAL ISSUE PREMIUM	80,633	-	(22,393)	58,240	-
BONDS PAYABLE, NET	4,460,633	-	(607,393)	3,853,240	645,000
CAPITAL LEASES	772,385		(253,524)	518,861	257,096
COMPENSATED ABSENCES	550,461	505,171	(455,830)	599,802	496,689
GOVERNMENTAL ACTIVITY	\$ 5,783,479	\$ 505,171	\$ (1,316,747)	\$ 4,971,903	\$ 1,398,785
BUSINESS-TYPE ACTIVITIES:					
REVENUE BONDS	18,970,900	-	(1,690,900)	17,280,000	1,635,000
ORIGINAL ISSUE PREMIUM	307,231	-	(41,314)	265,917	-
BONDS PAYABLE, NET	19,278,131	-	(1,732,214)	17,545,917	1,635,000
NOTES PAYABLE	2,431,888	1,275,197	-	3,707,085	-
COMPENSATED ABSENCES	353,770	528,274	(528,120)	353,924	353,924
BUSINESS-TYPE ACTIVITY	\$ 22,063,789	\$ 1,803,471	\$ (2,260,334)	\$ 21,606,926	\$ 1,988,924



MONROE COTTON MILLS.

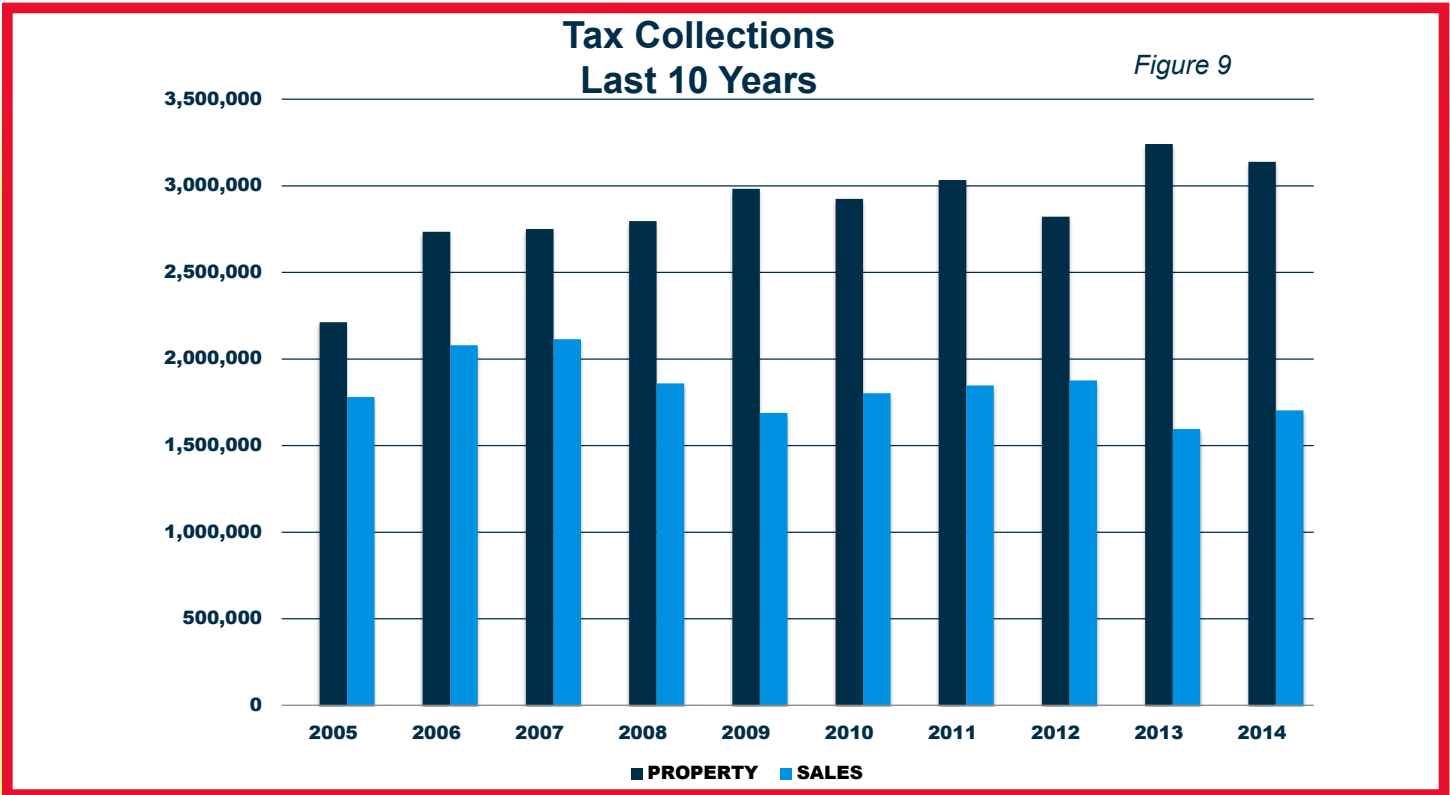


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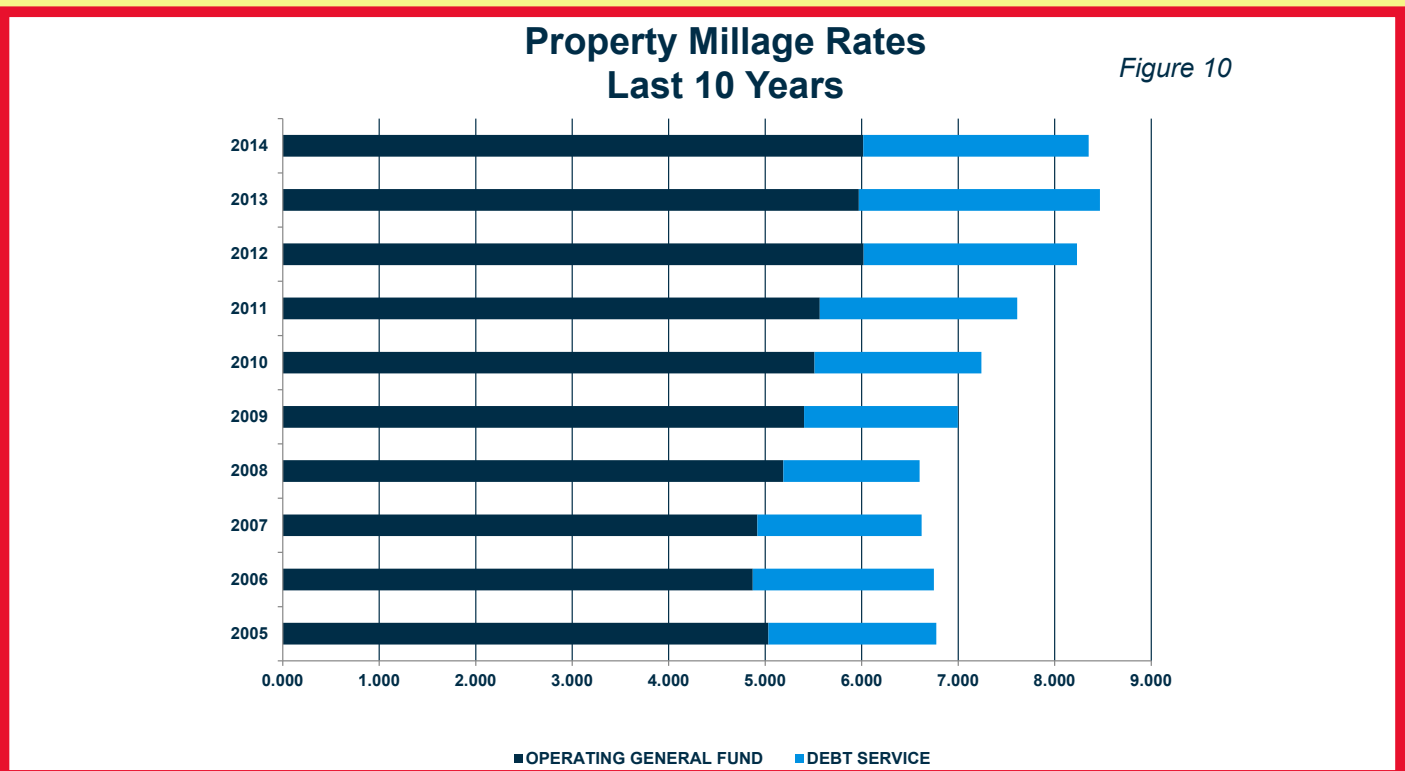


Sales & Property Taxes

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 decreasing with sales taxes showing a slight increase in 2014.



The millage rate for 2014 property taxes shown in *Figure 10* remains steady with a small decrease for 2014 due to increased property values and the decrease 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 13,466 residents. Among the top ten employers in the City, four are governments accounting for over 38% of the number of jobs in the top ten employers and 18% 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, water, gas and sewer customers.

Long-Term Financial Planning

The City is currently in the final stages of a Transportation Enhancement (TE) program area located in the southern portion of the Downtown Development District. This Federally Funded project will improve both sides of Broad Street with sidewalk, retaining walls, pavers, landscaping and lighting from Alcovy Street through the Mears Street intersection. This project is on schedule to be completed by June 2015.

Another transportation project that is now in the Right-of-Way Phase is the 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 will include planting trees and shrubs, raised curbs, a center median, define 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 Federally Funded program with a projected total cost of over \$2 million dollars.

In 2013, the City was awarded Community Development Block Grant Funds (CDBG FY13) to rehab sewer lines serving a low income area in the eastern portion of the City. Construction on that project got underway in January 2015 and is on track to finish by fall of 2015.

The City is 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. This project to change out water meters to AMR (automated meter reading) is currently in progress.

Major Initiatives

The City of Monroe continues to work closely with Georgia DOT 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. The Preliminary Field Plans have been submitted to Georgia DOT for approval and we expect a review meeting scheduled in the near future so this much needed connector can proceed.

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 FY13) program begins major construction stages with the project scheduled for completion in 2015.



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



The Jack's Creek Wastewater Treatment Facility will undergo extensive rehabilitation throughout 2015.



The Transportation Enhancement (TE) program area located in the southern portion of the Downtown Development District is on schedule to be completed June 2015.



Achievements

The City of Monroe Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014 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, 2013. This was the tenth 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.



Government Finance Officers Association

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

Presented to

**City of Monroe
Georgia**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO

Popular Annual Financial Report

was prepared by:

The City of Monroe, Georgia

Department of Finance

Renee L. Prather

P.O. Box 1249

Monroe, GA 30655

770-267-7536