

2019 Popular Annual Financial Report



Monroe, Georgia

Year End December 31, 2019

Table of Contents

4	From the Finance Department
5	General Information
6	Elected Officials
7	City Statistics
8	Government Organization
9	Budget Process
10	Financial Highlights
	Types of Funds
11	Fund Balance
12	General Fund Highlights
13	General Fund Revenues
14	General Fund Expenditures
15	Enterprise Fund Highlights
16	Capital Assets
17	Long Term Debt
18	Sales Taxes
19	Property Taxes
20	Local Economy
	Major Initiatives
	Long Term Financial Planning
21	GFOA Awards
22	Frequent Terms
23	Stay Connected

Monroe, Georgia

From the Finance Department

We, at the City of Monroe, want to welcome you to our city! We take great pride in our community and the services we offer.

We are pleased to present the City of Monroe's Popular Annual Financial Report (PAFR) for year end December 31, 2019. The PAFR is a brief analysis of where revenues come from to operate the City and where those same dollars are spent for the year. 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 is drawn from the 2019 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, Mauldin & Jenkins and received an unmodified opinion.

The City's PAFR is unaudited and is presented on a non-GAAP basis for simplicity. Non-GAAP means that the statements do not comply with generally accepted accounting principles. The financial information presented in this document is based on the same financial data presented in the CAFR. 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, under Departments & Finance. We hope this PAFR gives you a better understanding of how the City of Monroe operates.

Beth Thompson

Finance Director



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, fire, streets, solid waste collection, planning and zoning, code enforcement, library facilities, airport and utilities including electric, cable, internet, telephone, natural gas, water, wastewater, storm water as well as water and wastewater treatment.

Small town Monroe has become known as the antique capital of Georgia. We have several antique malls as well as a historic downtown for local shopping. Plan your day to see one of our local breweries, take your dog to play in our dog park or relax in our hammock park. We are sure you will find something for everyone in our great city!

Appointed Officials

City Administrator	Logan Propes	lpropes@monroega.gov
Electric & Telecom Director	Brian Thompson	bkthompson@monroega.gov
Finance Director	Beth Thompson	bthompson@monroega.gov
Fire Chief	Bill Owens	wowens@monroega.gov
Police Chief	RV Watts	rwatts@monroega.gov
Planning & Development Director	Darrell Stone	dstone@monroega.gov
Solid Waste Director	Danny Smith	dsmith@monroega.gov
Street & Transportation Director	Jeremiah Still	jstill@monroega.gov
Water & Gas Director	Rodney Middlebrooks	rmiddlebrooks@monroega.gov

Elected Officials

Mayor	John Howard	jhoward@monroega.gov
District 1	Lee Malcom	lmalcom@monroega.gov
District 2	Myoshia Crawford	mcrawford@monroega.gov
District 3	Ross Bradley	rbradley@monroega.gov
District 4	Larry Bradley	lbradley@monroega.gov
District 5	Norman Garrett	ngarrett@monroega.gov
District 6	Wayne Adcock	wadcock@monroega.gov
District 7	Nathan Little	nlittle@monroega.gov
District 8	David Dickinson	ddickinson@monroega.gov



City Statistics

Date of Incorporation.....	1821
Form of Government.....	Mayor & Council
Number of Employees.....	237
Population.....	13,573
Area in Square Miles.....	15
Miles of Streets.....	81

Fiscal Year	Population	Per Capita Personal Income	Median Age	Unemployment Rate
2013	13,349	36,133	33	7.5%
2014	13,466	36,133	35	6.5%
2015	13,664	32,767	36	5.3%
2016	13,664	34,223	35	4.8%
2017	13,478	36,044	32	3.8%
2018	13,484	38,871	36	3.3%
2019	13,573	40,458	33	2.5%

Public Safety

Police Dispatches.....	32,256
Fire Dispatches.....	2,471

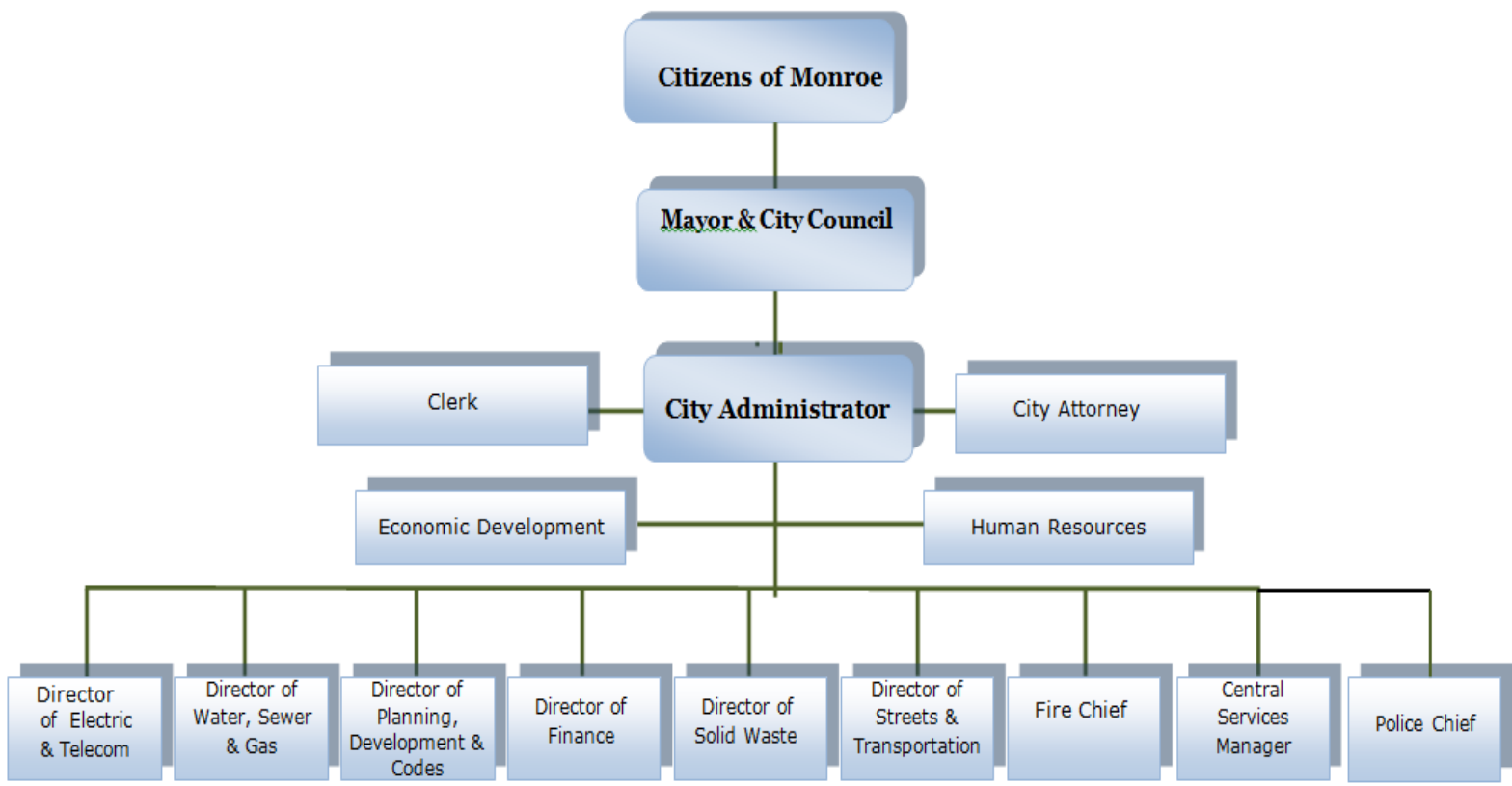
Customer Data

Cable.....	3,529
Electric.....	6,444
Garbage.....	6,355
Internet.....	3,826
Natural Gas.....	3,852
Telephone.....	1,256
Water.....	9,545
Wastewater.....	7,163

Top Employers

Wal-Mart Distribution Center.....	816
Hitachi Automotive Systems.....	696
Walton County Government.....	627
Piedmont Walton Hospital.....	438
Elite Storage Solutions.....	250
City of Monroe.....	237
Walton County Board of Education...	184
Wal-Mart Super Center.....	177
State of Georgia.....	127
Ridgeview Institute.....	125

Government Organization



Budget Process

Yearly, each department director 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 local newspaper, 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 2019 Budget.

REVENUES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
TAXES	\$ 6,948,689	43,000	
LICENSES & PERMITS	269,650		
FINES & FORFEITURES	400,000	40,000	
CHARGES FOR SERVICES	720,600		
INTERGOVERNMENTAL	464,205		
OTHER REVENUES	300,248		
OTHER FINANCIAL SOURCES	1,822,352		881,888
TOTAL REVENUES	\$ 10,925,744	\$ 83,000	\$ 881,888
EXPENDITURES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
GENERAL GOVERNMENT	\$ 1,103,879		
JUDICIAL	104,252		
PUBLIC SAFETY	6,263,522	40,000	
PUBLIC WORKS	1,368,799		
HEALTH & WELFARE	35,000		
CULTURE & RECREATION	481,724		
HOUSING & DEVELOPMENT	1,251,139	43,000	
DEBT SERVICE	317,429		881,888
TOTAL EXPENDITURES	\$ 10,925,744	\$ 83,000	\$ 881,888

Financial Highlights

Key financial highlights for the Fiscal Year 2019 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, 2019 totaled \$117.7 million.
- Total revenues for all governmental funds were \$21.2 million.
- Total expenditures for all governmental funds were \$17.6 million.
- Utility Fund operating revenues totaled \$42.5 million.
- Utility Fund operating expenses totaled \$34.8 million.



Types of Funds

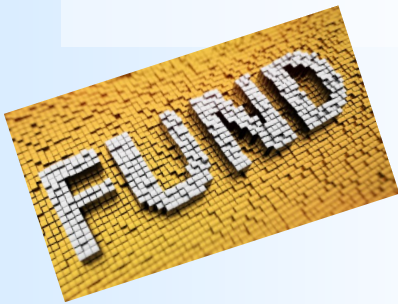
The City of Monroe maintains seven (7) individual governmental funds. Governmental funds are used to account for all tax supported activities of the City. Revenues and expenditures are recorded using the modified accrual basis of accounting which closely resembles how you would record your personal checkbook.

- **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 that of 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

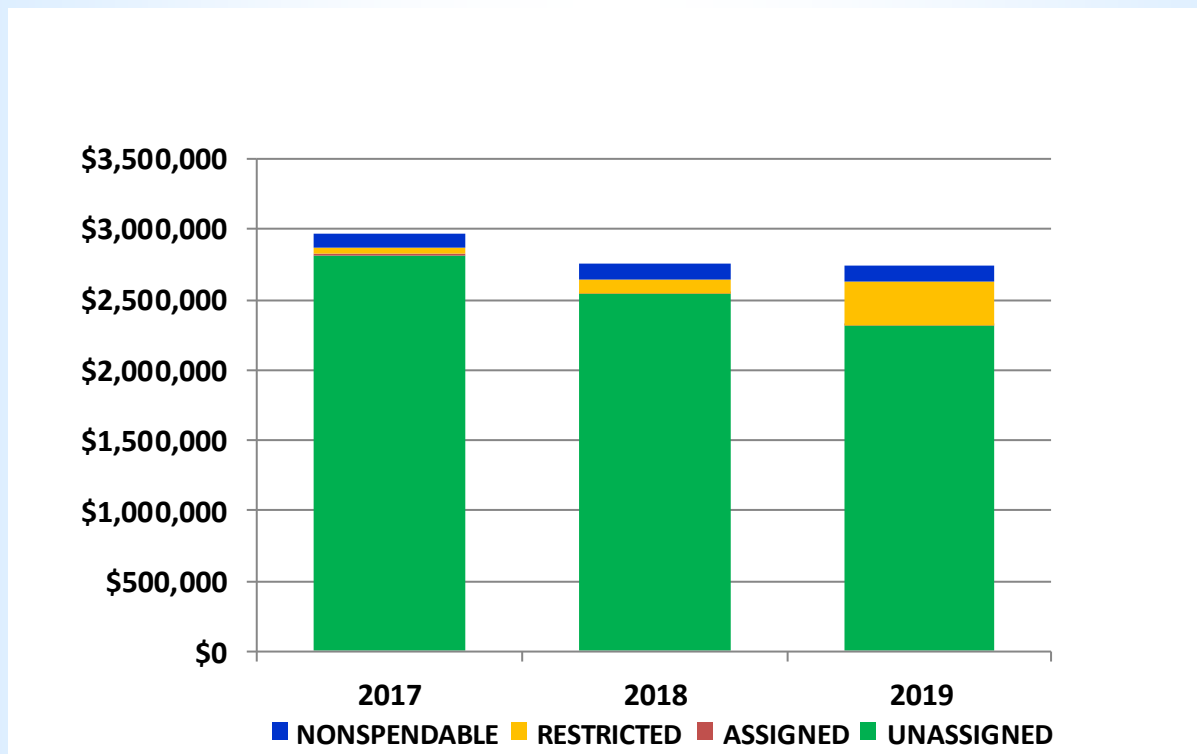
Fund Balance is the difference between assets (what the City owns) and liabilities (what the City owes). Fund balances are classified as follows:

- **Nonspendable** which is an amount that cannot be spent because it either cannot be converted to cash or are legally or contractually required to be maintained intact.
- **Restricted** fund balance is the amount to be only used for specific purposes stipulated by legislation.
- **Assigned** fund balance is the amount intended to be used for a specific purpose.
- **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 FY2019, unassigned fund balance was \$2.5 million. Total fund balance of the General Fund increased by about \$448 thousand during 2019, this is well within a healthy range of recommended fund balance.

The City's unassigned fund balance represents approximately 21% of total General Fund

Fund Balance - General Fund

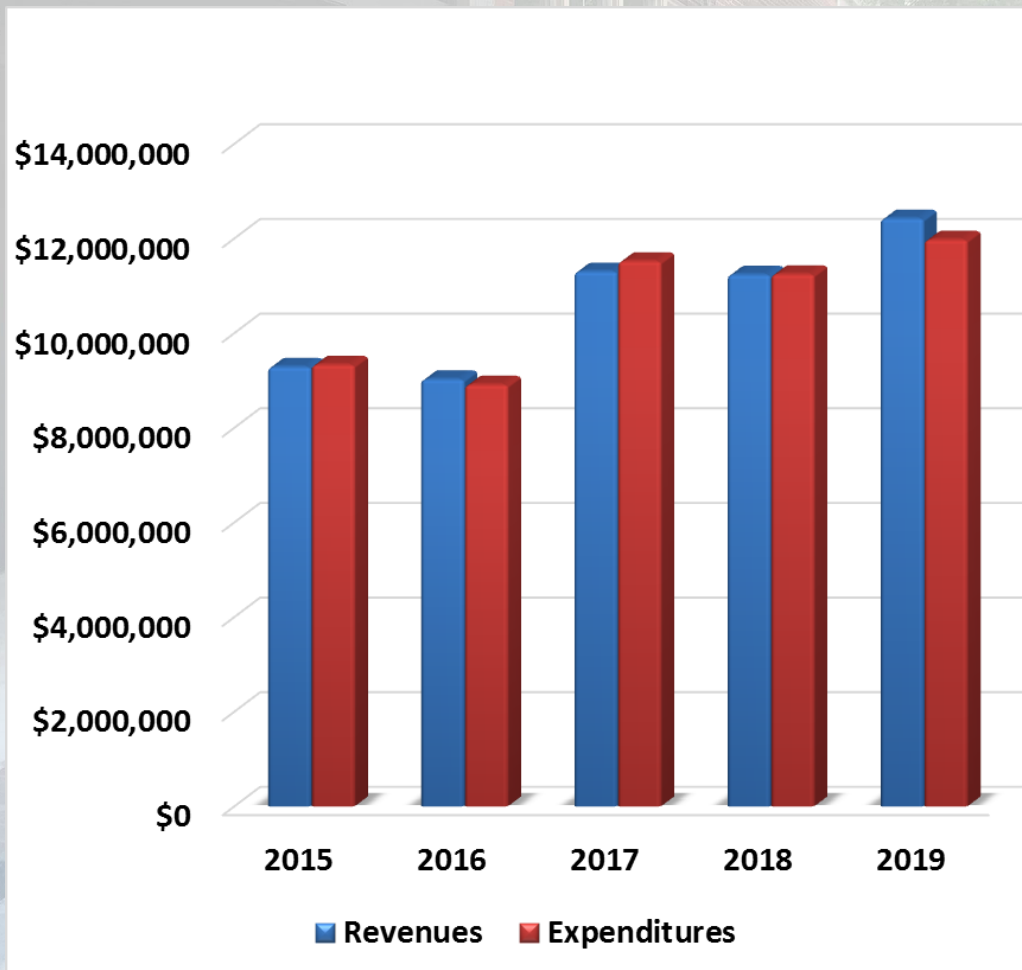


General Fund Highlights

This chart shows trend data over the past five (5) years 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 in the following pages of this Popular Annual Financial Report (PAFR). Transfers are included in revenue totals in the graph below.

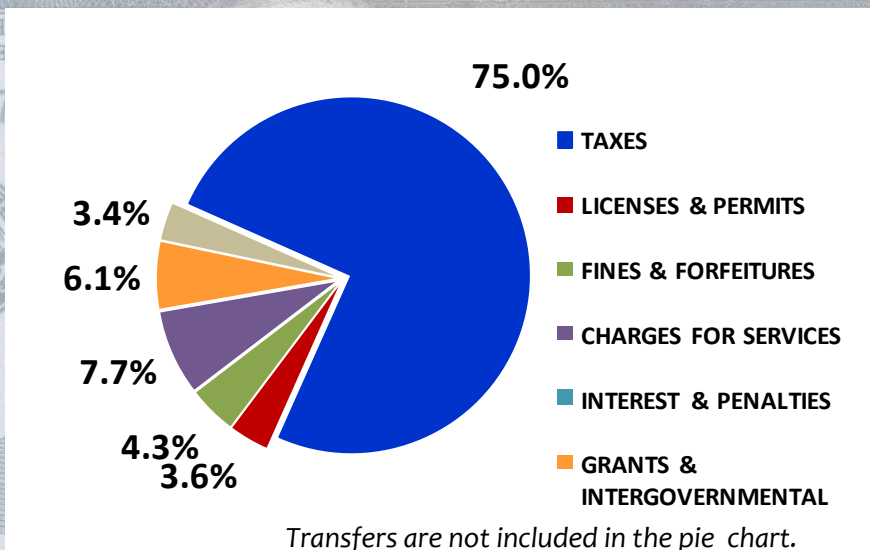
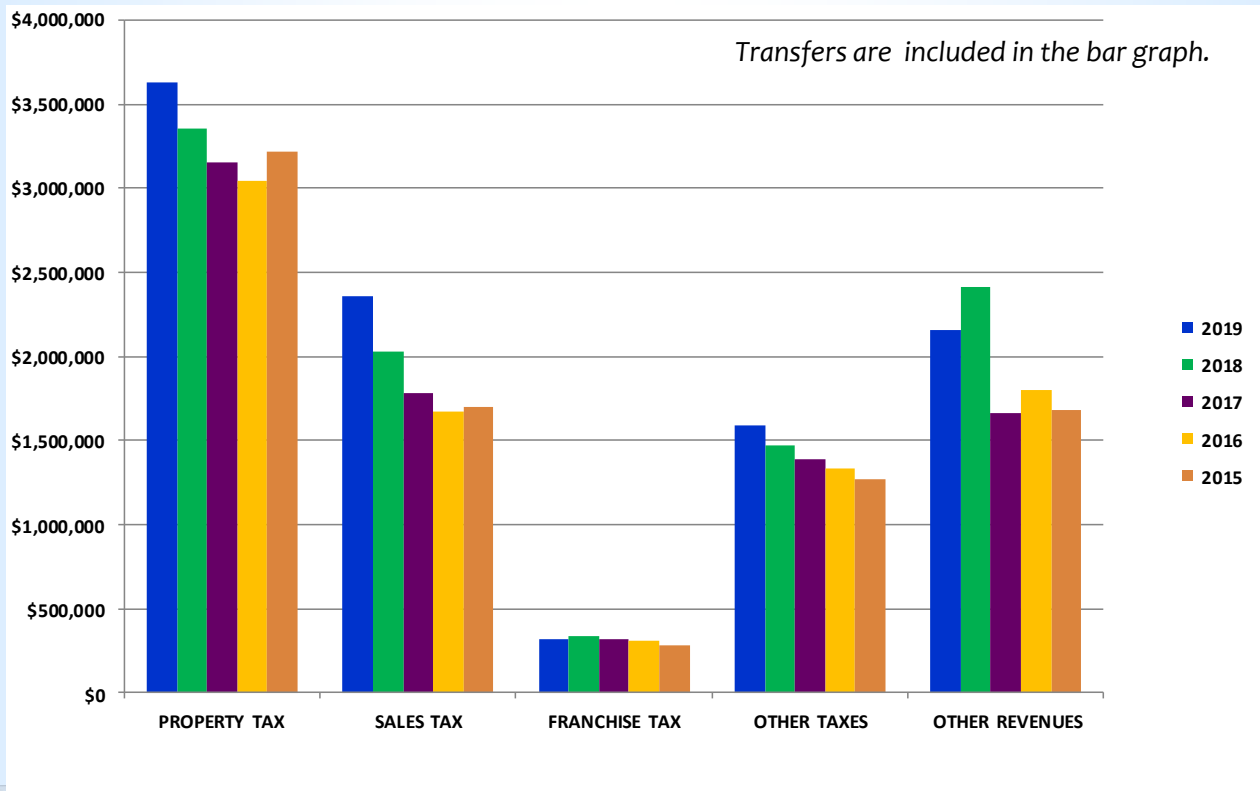
General Fund expenditures had an overall increase of approximately \$729 thousand, from 2018 to 2019. While General Fund revenues also had an increase from 2018 to 2019 of approximately \$1.2 million.

Revenues & Expenditures



Revenues-Where The Money Comes From

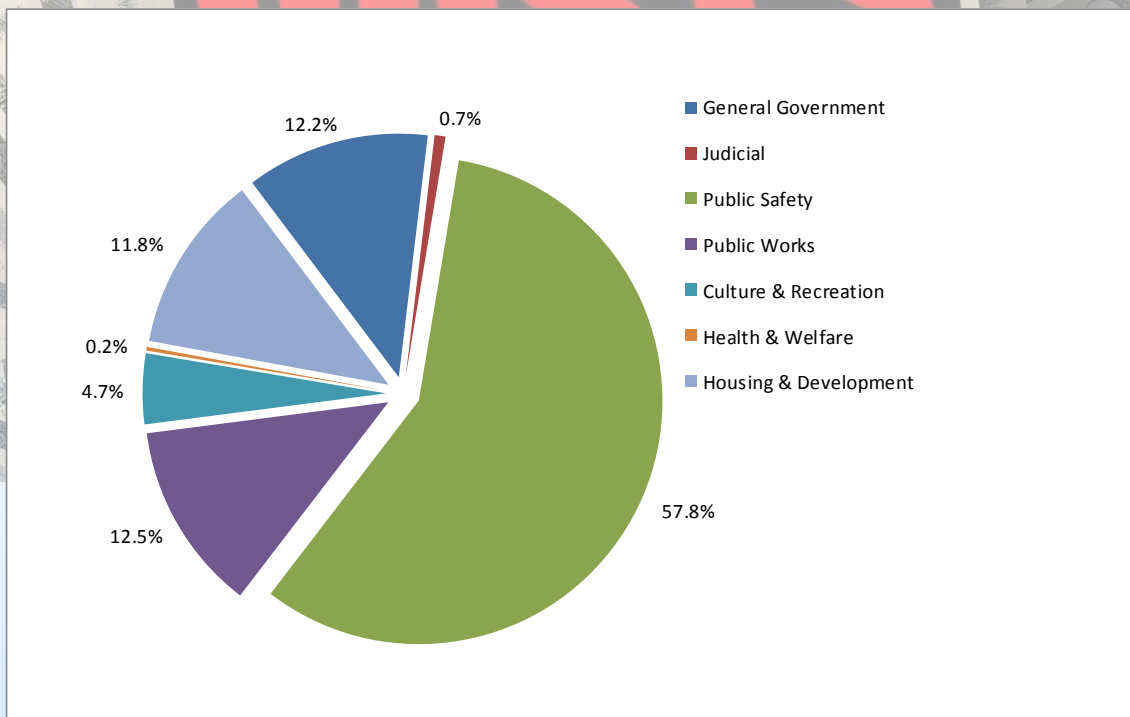
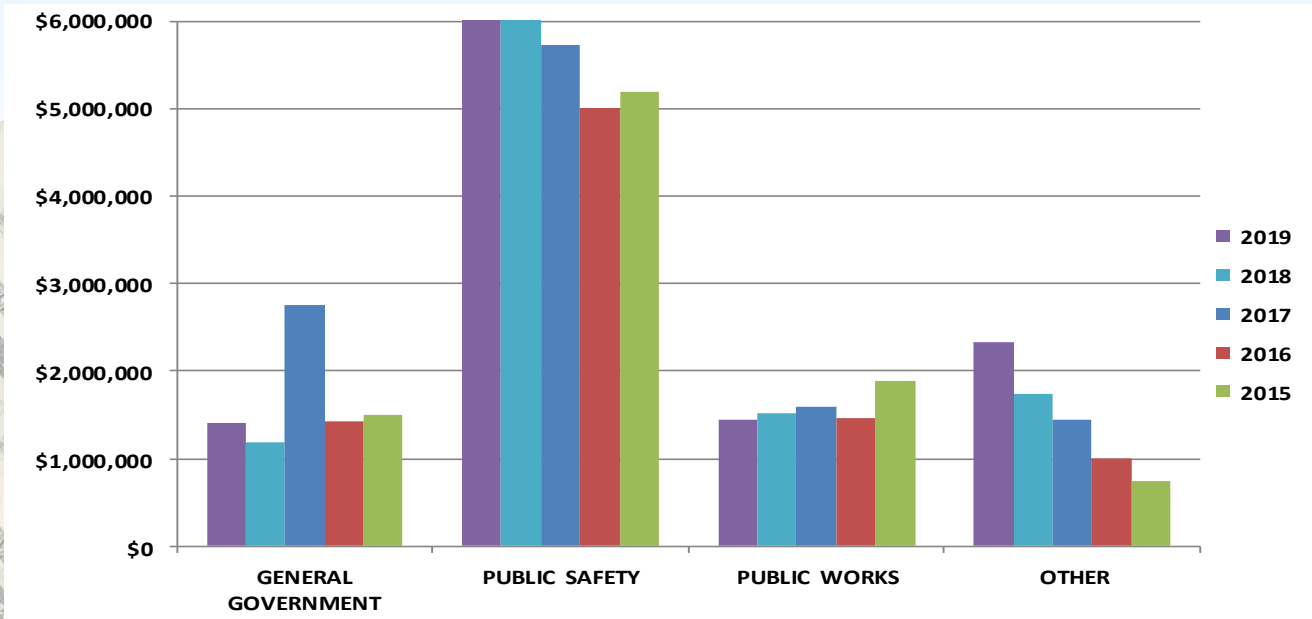
General Fund revenues increased by approximately \$1.2 million over the prior fiscal year. The reason for this significant increase is due to an increase in business license, building permits, as well as Local Option Sales Tax (LOST) revenues. The pie chart below shows a breakdown of revenue collections by source. The bar graph shows trend data for the last five (5) years for revenues by source. These charts show where the money comes from to support services



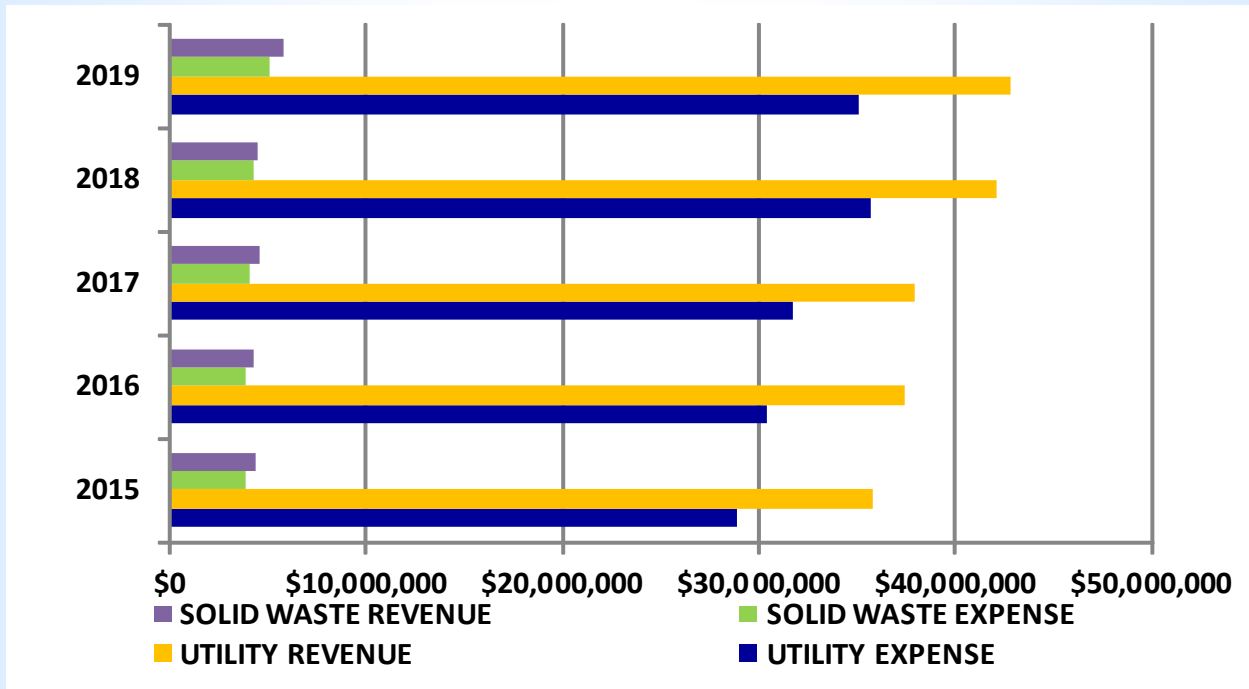
Expenditures-Where The Money Goes

Primary expenditures of the General Fund are: General Government, Judicial, Public Safety (Police & Fire), Public Works, Culture & Recreation, Health & Welfare and Housing & Development. Overall General Fund expenditures for 2019 increased by \$729 thousand. The pie chart below shows where the money is spent along with the percentage for each city function. The bar graph below shows trend data for the last five (5) years for expenditures by function.

The City continues to provide quality services for our citizens at the lowest cost possible.



Enterprise Fund Highlights



Utility Fund

The City's Utility Fund revenues have steadily increased over the past five (5) years. Revenues continued to show a slight increase in FY2019, by \$671 thousand; with expenses decreasing by a similar margin of approximately \$581 thousand. This decrease in expenditures was due to lower cost of sales and was mirrored with an increase in revenues as well.

The above factors equate to the \$5.9 million increase in 2019 net position compared with 2018 net position.

Solid Waste Fund

Revenues and Expenses for the Solid Waste fund have remained steady for the prior five (5) years. For 2019 revenues increased by \$1.3 million and expenses increased by \$847 thousand. The Solid Waste Fund had an increase in net position of \$967 thousand. Increase in transfer station revenues were the major cause of the increase.

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.

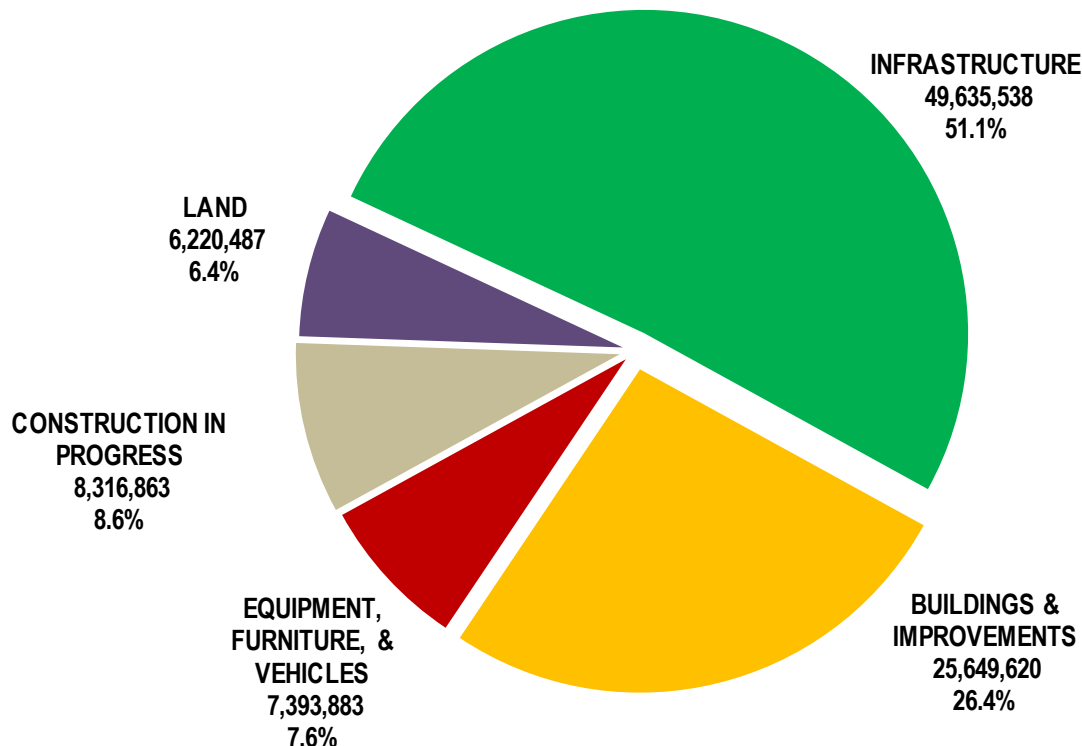
Capital Assets

The City's investment in capital assets 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, 2019 amounted to \$97.2million (net of accumulated depreciation). This investment includes land, infrastructure, buildings & improvements, equipment, furniture & vehicles and construction in progress. Major additions this year were:



- Approximately \$3.7 million in depreciation increases to infrastructure, buildings and improvements, and equipment, furniture, and vehicles.
- Construction in progress projects totaling \$2.4 million in utility service and \$5.9 thousand for government activity projects.

Overall investments in capital assets increased significantly by \$4.6 million from FY2018 to FY2019. This is due to a mixture of increase in assets and accumulated depreciation of infrastructure, buildings & improvements, and equipment, furniture & vehicles. The majority of the increase is in sidewalk projects within the City.



Long-Term Debt

At fiscal year end 2019, the City had \$17.3 million in outstanding long-term debt, of which \$2.1 million will be due during 2020. 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 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 an 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.

The below Summary of Debt Activity reflects the Net Pension Liability reporting requirements as outlined in the Governmental Accounting Standards Board (GASB) Statement 68. This revision became effective for any fiscal years beginning after June 15, 2014.

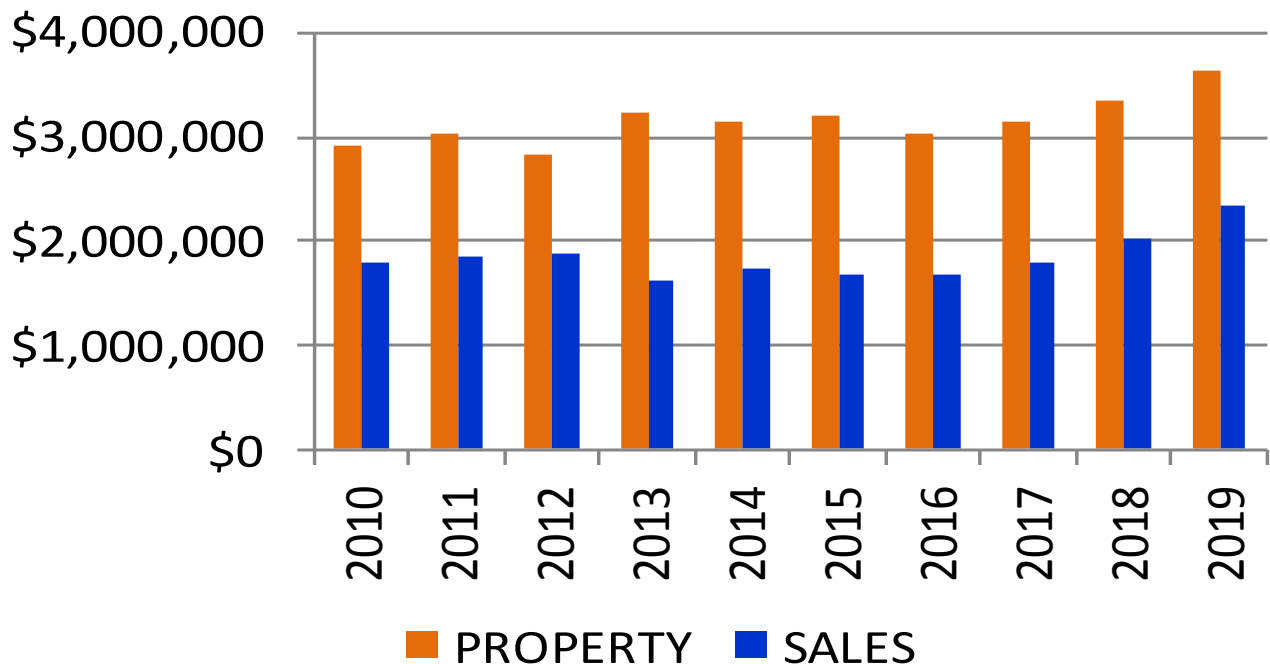
SUMMARY OF DEBT ACTIVITY	1/1/2019	INCREASES	DECREASES	12/31/2019	DUE WITHIN ONE YEAR
GENERAL OBLIGATION BONDS		-		-	-
REVENUE BONDS	-	3,600,000		3,600,000	98,700
FINANCED PURCHASES	452,899	226,855	(211,552)	468,202	198,650
NOTE PAYABLE	1,425,000		(75,000)	1,350,000	75,000
COMPENSATED ABSCENCES	729,664	537,251	(451,130)	815,785	311,049
NET PENSION LIABILITY	3,629,010	1,382,163	(1,129,552)	3,881,621	-
GOVERNMENTAL ACTIVITY	7,104,573	5,746,269	(2,735,234)	10,115,608	683,399
REVENUE BONDS	13,010,000		(1,505,000)	11,505,000	1,540,000
NOTES PAYABLE	1,430,206		(107,458)	1,322,748	107,996
COMPENSATED ABSENCES	386,796	654,241	(537,965)	503,072	503,072
NET PENSION LIABILITY	3,867,039	1,416,688	(1,305,146)	3,978,581	-
BUSINESS TYPE ACTIVITY	18,694,041	2,070,929	(3,455,569)	17,309,401	2,151,068

Sales Tax

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. The chart below shows sales tax revenues increasing in 2019. The increase of about \$329 thousand is primarily due to revitalizing our downtown area with more consumer friendly shopping with continued growth.



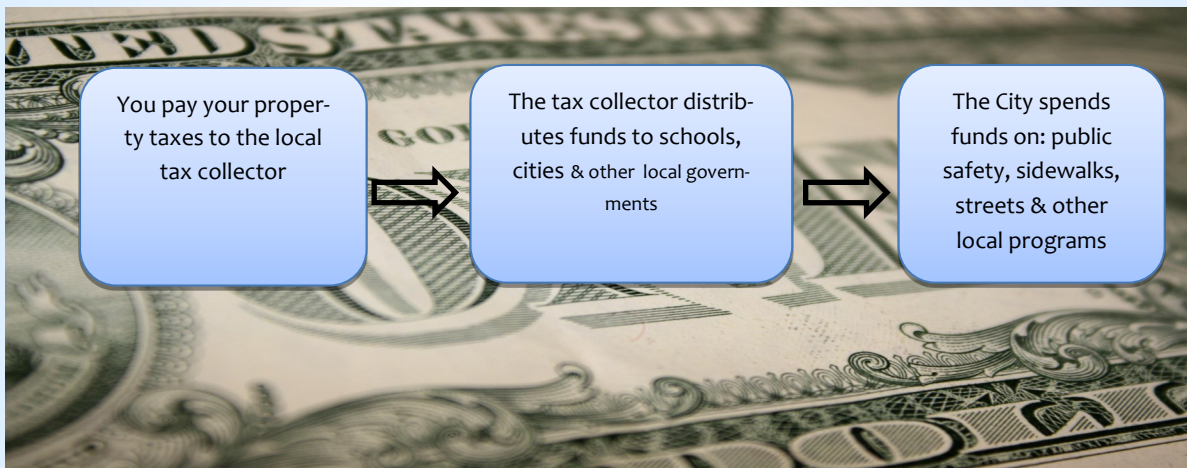
Tax Collections



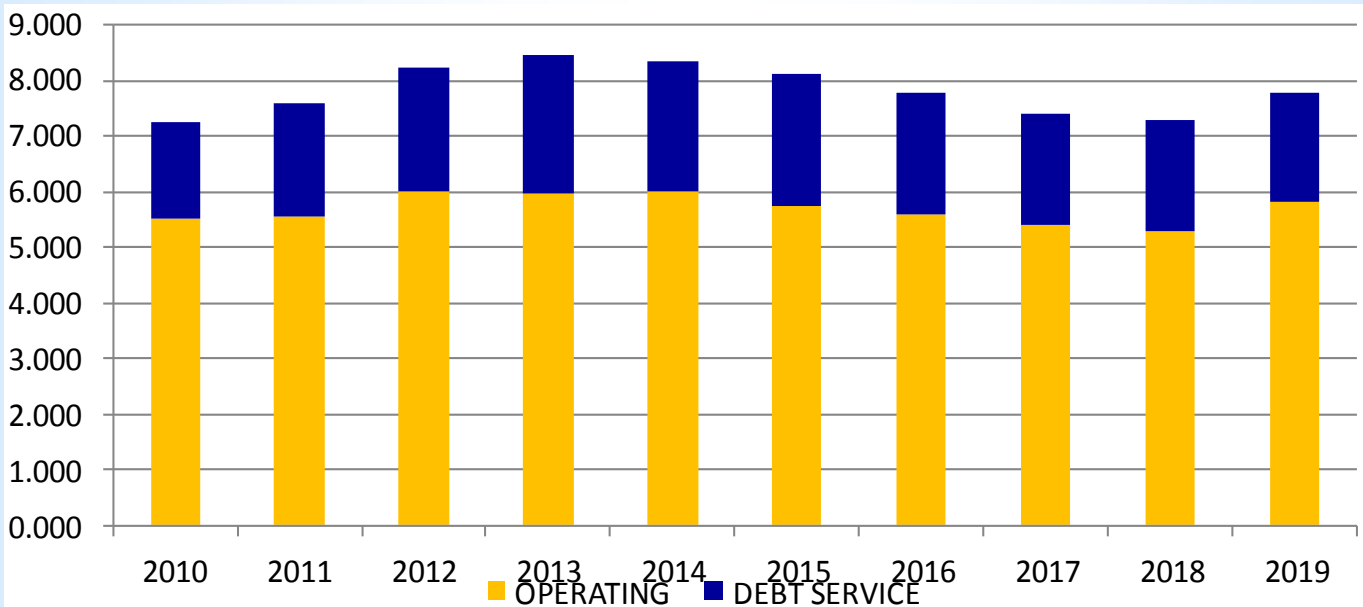
Property Taxes

The millage rate for 2019 property taxes remains steady with a slight increase in revenues for 2019 due to increased property values. The Millage Rate for 2019 was increased to 7.802. We have experienced some economic growth allowing us to roll back the Millage Rate for the past several years. We are very proud to be able to keep the millage rate low while maintaining the level of services provided to our community.

Path of a Property Tax Dollar



Property Millage Rates



Major Initiatives

The City of Monroe continues to work closely with Georgia Department of Transportation and Walton County to implement the area's transportation initiatives. Construction on a much needed truck by-pass around the historic downtown area is expected to begin in early 2020 with full completion anticipated in 2024.

The City completed construction in 2019 on sidewalk improvements to the northern entrance of Monroe. This \$2 million transportation project, Livable Center Initiative (LCI) was federally funded.

Additionally, the City will use SPLOST funds to address the public's need for quality passive parks. The City has taken over the responsibility of City parks from Walton County along with the purchase of property for a new Downtown Green. The almost two-acre site will be redeveloped into an all-year park and entertainment space with plans to eventually feature a splash pad, outdoor amphitheater, walking space, open green space & tree plantings.

Long-Term Financial Planning

In 2018 the City applied for (and was later awarded in early 2019) a Transportation Alternatives Project (TAP) Grant that will link the North Broad sidewalk project with the rest of the downtown's streetscaping that will create approximately two continuous miles of downtown streetscaping along the Broad Street corridor.

The City continues to receive funding for rehab of sewer lines and improve storm water drainage through our the City to serve lower income areas with funds from a Community Development Block Grant (CDBG). The City was awarded CDBG funds in FY07, FY09, FY11, FY13, FY16 and in FY18 to continue with our sewer rehab and storm water drainage projects.

The City began redevelopment on a new Police Department and Municipal Court complex that will take over the long-defunct Food Lion shopping center. We anticipate this project will breathe new life into redevelopment of the East side of the City. The City, through it's conduit of the Urban Redevelopment Agency, borrowed \$3.6 million to renovate the facility.

The Monroe-Walton County Airport continues to receive funding through grant proceeds for improvements at the airport. Economic Development and Downtown Development Authority (DDA) have been awarded grants and funding to continue efforts to make the downtown areas and Monroe more attractive to families and businesses, to help grow the City and its revenue base.

Local Economy

The City of Monroe continues to be in a new period of substantial commercial and residential growth. This has given stability to the overall economy in Monroe as well as stabilized the City's revenues and positioned the City for additional growth. Economic development is one of the City's main priorities. LOST and SPLOST revenues have steadily increased over the last few years, which is a result of revitalizing our downtown area with more consumer friendly shopping.

Continued growth for the City's commercial development primarily lies along the Highway US 78/GA 138 corridor, with a new commercial expansion planned to break ground in 2020.

The City of Monroe's population is estimated at 13,573 residents. Among the top ten employers in the City, three are governments accounting for 18.9% of all jobs in the city.

GFOA Awards



The Government Finance Officers Association (GFOA) awarded the City of Monroe the Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2018. This was the fifteenth year 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 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.



The City of Monroe Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2019 has been submitted to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. The award of the Certificate of Achievement for Excellence in Financial Reporting presented by the GFOA has been received for the past sixteen years. An award is valid for a period of one year only. We believe our current CAFR continues to meet the program's requirements.



The Government Finance Officers Association (GFOA) awarded the City of Monroe the Distinguished Budget Presentation Award for its 2019 budget document. This was the seventh year the City has received this prestigious award. We believe our current 2020 Budget document continues to meet the program's requirements and has been submitted to the GFOA.

Frequent Terms

Ad Valorem Taxes—Property taxes.

Assessed Valuation— A valuation set upon real estate or other property by a government as a basis for levying taxes.

Budget— A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Bond—A written promise to pay a specified sum of money at a fixed time in the future, and carrying interest at a fixed rate.

Capital Assets— Assets including land, improvement to land, building, vehicles and infrastructure that has an initial useful lives that extend beyond a single reporting period.

Comprehensive Annual Financial Report (CAFR)- Financial report that provides information on each individual fund in detail.

Debt Service—The amount of interest and principal the City must pay each year on net direct long-term debt plus the interest it must pay on direct short-term debt.

Deferred Outflow of Resources— A consumption of net assets by the government that is applicable to a future reporting period.

Deferred Inflow of Resources-An acquisition of net assets by the government that is applicable to a future reporting period.

Fiscal Year-A 12-month period designated as the operating year for accounting and budgeting purposes in an organization; the City has a fiscal year from January 1 through December 31.

Fund Balance—The excess of the assets of a fund over its liabilities, reserves and carryover.

Governmental Accounting Standards Board (GASB)-The independent organization that establishes and improves standards of accounting and financial reporting for state and local government.

Generally Accepted Accounting Principles (GAAP)- Conventions, rules and procedures that serve as the norm for the fair presentation of financial statements.

General Fund-A fund established to account for resources and costs of operations associated with the City which are not required to be accounts for in other funds.

General Obligation Bond-Bonds that finance a variety of public projects such as streets, buildings & improvements.

Governmental Funds-Funds generally used to account for tax supported activities.

Intergovernmental Resources-Funds received from federal, state and other local government sources in the form of grants, shared revenues and payments in lieu of taxes.

Operating transfers In/Out-Amounts transferred from one fund to another to assist in financing the services of the recipient fund.

Popular Annual Financial Report (PAFR)-Financial report that provides summarized financial information related to the CAFR.

Proprietary Fund-A fund used to account for operations that are financed and operated in a manner similar to private businesses.

Resources-Total amounts available for appropriation including projected revenues, fund transfers, bond proceeds and beginning fund balances.

Restricted-The amount of assets or resources limited for a specific purpose.

Special Revenue Funds-Governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

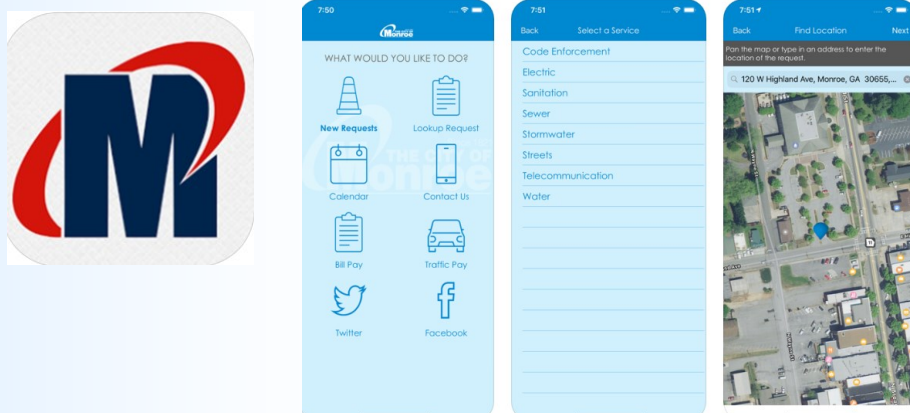
Unrestricted-The difference between assets and liabilities that are not already limited for a specific purpose; i.e. restricted.

Stay Connected

770-266-3429

www.monroega.com

Download our 311 app. This app allows citizens to engage with community leaders by reporting quality of life issues right on your phone. Available for Android and Iphone users.



Stay up to date by following us on social media:



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@MONROEGA on twitter

@MonroeDowntown on twitter

City of Monroe on youtube



POPULAR ANNUAL FINANCIAL REPORT

was prepared by:

The City of Monroe, Georgia

Department of Finance

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