# CITY OF MONROE, GEORGIA

# Comprehensive Annual Financial Report

**For Fiscal Year Ended**
**December 31, 2007**

Since 1821
THE CITY OF
Monroe

Since 1821
THE CITY OF
Monroe

# CITY OF MONROE, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED
## DECEMBER 31, 2007

Prepared by Authority of:
City Council, City of Monroe, Georgia
Renee L. Prather, Finance Director

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# CITY OF MONROE, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED
## DECEMBER 31, 2007

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# CITY OF MONROE, GEORGIA

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# INTRODUCTORY SECTION

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Post Office Box 1249 • Monroe, Georgia 30655
Telephone 770-267-7536 • Fax 770-267-2319

Greg Thompson, Mayor
L. Wayne Adcock, Vice Mayor

May 9, 2008

To the Honorable Mayor, Members of the City Council, and Citizens of the
City of Monroe, Georgia:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Monroe for the fiscal year ended December 31, 2007.

This report consists of management's representations concerning the finances of the City of Monroe. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Monroe has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Monroe's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Monroe's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Monroe's financial statements have been audited by Mauldin & Jenkins, CPA, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monroe for the fiscal year ended December 31, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Monroe's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As a recipient of federal and state financial assistance, the City of Monroe is responsible for ensuring that adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by the

Councilmembers: Denise H. Dixon • Nathan Little • Lee P. Malcom
Cliff Peters • Jimmy Richardson • Rita A Scott • Jerry Smith

management of the City of Monroe. If required, information related to a Single Audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report. For fiscal year 2007, the City was not required to undergo a Single Audit.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Monroe's MD&A can be found immediately following the report of the independent auditors.

**Profile of the Government**

The City of Monroe incorporated in 1821, is located in Northeast Georgia, approximately 40 miles east of Atlanta. Monroe is the county seat of Walton County. Monroe encompasses an area of 15 square miles and has a population of 11,407 according to the 2000 U.S. Census. Census Bureau estimates for 2006 show Monroe's population at 12,631. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which is done on occasion.

The City operates under a Mayor/Council form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and eight other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appoints a City Administrator, Attorney, Judge, and other key department heads.

The City's administrator is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the government. The Mayor and Council are elected on a non-partisan basis. The Council is composed of eight members, with six members being elected from individual districts and two members elected from two super districts and the Mayor, who is elected at-large. The Mayor and Council are elected to terms of four-years each.

The City of Monroe provides a full range of municipal services including police and fire protection, maintenance of streets, solid waste, building and zoning, code enforcement and library facilities. In addition to the usual government services, the City also provides a full range of utility services including electric, gas, water, wastewater, cable and internet.

Also included as part of the City's reporting is the City of Monroe Downtown Development Authority (DDA). While a legally separate entity, it is included as a component unit in Monroe's financial statements. The City Council appoints the DDA Board members, which includes one member of the City Council acting as liaison.

The annual budget serves as the foundation for the City of Monroe's financial planning and control. The City Administrator obtains information from all departments of the City for which appropriations are made and/or revenues are collected and compiles the operating budget for submission to the Mayor and

Council. At that time, a workshop is held to review budget requests. In addition, an advertised public hearing is held to allow taxpayers' comments prior to final passage. The budget is legally adopted through resolution. The legal level of budgetary control is the department level. Department Heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Mayor and Council. Budget–to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

**Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Monroe operates.

**Local economy.** The City of Monroe continues to maintain a favorable financial environment and local indicators point to improving stability. The local economy is experiencing steady growth as indicated by yearly increases in assessed property value and commercial construction.

Monroe is the county seat of Walton County, which according to the U.S. Census Bureau was ranked 50$^{th}$ among the 100 fastest growing counties in the U.S. from July 1, 2004 to July 1, 2005. According to the Georgia Department of Labor, Monroe's unemployment rate has decreased to 6.3% in 2007 after a high of 10.3% in 2004, yet remains above the state and national levels. While residential development has slowed, commercial development continues, especially along the highway 78 and 138 corridors. This is the location of an $80 million dollar hospital facility under construction along with several other new commercial developments.

The City owns and operates the Monroe-Walton County Airport. As an economic resource, the airport is expected to generate future industrial activity. With the use of funds from the Federal Aviation Administration (FAA) and Georgia Department of Transportation (G-DOT), the City has extended and widened the runway, relocated Poplar Street allowing for future runway extensions, installed new lighting and constructed a parallel taxiway.

Our airport is an important asset to our community, not only as a tool to assist us in attracting new business and industry, but in helping us to serve and retain existing businesses.

Approved airport grants for 2008 include obstruction removal of power lines and the first phase of construction of a new terminal area.

**Long-term financial planning.** The City entered into an intergovernmental contract between Walton County and other municipalities in Walton County for the distribution of a one percent Sales and Use Tax, which was approved by the voters in 2006. Monroe received Special Purpose Local Option Tax (SPLOST) dollars for the first time ever in 2007. Advance funding for transportation projects are provided by revenue bonds issued by Walton County in anticipation of SPLOST funds being received. As SPLOST

funds are received several capital projects will be completed, including engineering for a much needed truck by-pass, which will be a joint project with Georgia DOT.

The Georgia Department of Transportation (GDOT) announced that Monroe would be recipient of Fiscal Year 2008 & Fiscal Year 2009 Transportation Enhancement (TE) program funds for $500,000 for the Broad Street (SR 11) Streetscape, which will include sidewalks, decorative brick pavers, street lighting, signage and furniture, landscaping, drainage improvements and safety/ADA improvements. This project is a continuation of a previously funded enhancement project and will complement on-going efforts within the Broad Street Corridor, including the Livable Centers Initiative (LCI) planning study that was completed in 2007.

In 2007, the City was awarded a $500,000 Community Development Block Grant (CDBG) sewer improvement project that will start in 2008. The City's Public Works Department completed their second CDBG street and drainage improvement project in the Roosevelt Street area and resurfaced nine (9) lanes miles of streets in 2007.

**Cash management policies and practices.** Cash temporarily idle during the year is invested in commercial banks guaranteed by the United States Government and in the MEAG Municipal Competitive Trust, a fund established to ensure a competitive position for participating utilities. Investment income includes the change in fair value of investments.

The City's cash management policy is to minimize credit and market risks while maintaining a competitive yield on its deposits. As of December 31, 2007, all of the City's bank deposits were insured or collateralized.

**Risk management.** The City manages exposure to risk of loss through several methods. Such methods include contracts with commercial carriers for property insurance, surety bond coverage of officials and employees, and commercial liability coverage for specified situations. The City assumes the risk of loss for general liability not covered by commercial carriers. To minimize its losses, the City has implemented various risk control techniques such as safety inspections and safety training classes. Additional information on the City's risk management activity can be found in the notes to the financial statements.

**Pension and other postemployment benefits.** Effective January 1, 2004 the City of Monroe reactivated the City sponsored defined benefit pension plan for its employees. With this change, the defined benefit plan was also improved. All full time City employees and elected officials are eligible to participate. Each year, an independent actuary engaged by the pension administrator, Georgia Municipal Association, calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. All contributions required to meet the actuarial study were made. Additional information on the City's pension arrangements and other postemployment benefits can be found in the notes to the financial statements.

**Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Monroe for its comprehensive annual financial report

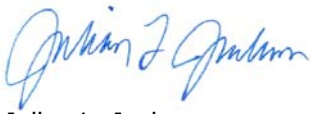
(CAFR) for the fiscal year ended December 31, 2006. This was the fifth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received for the third year the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended December 31, 2006. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Monroe's finances.

Respectfully submitted,



Julian L. Jackson
City Administrator



Renee L. Prather
Finance Director

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Monroe

## Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.






President



Executive Director

# CITY OF MONROE, GEORGIA

## LIST OF ELECTED AND APPOINTED OFFICIALS

## DECEMBER 31, 2007

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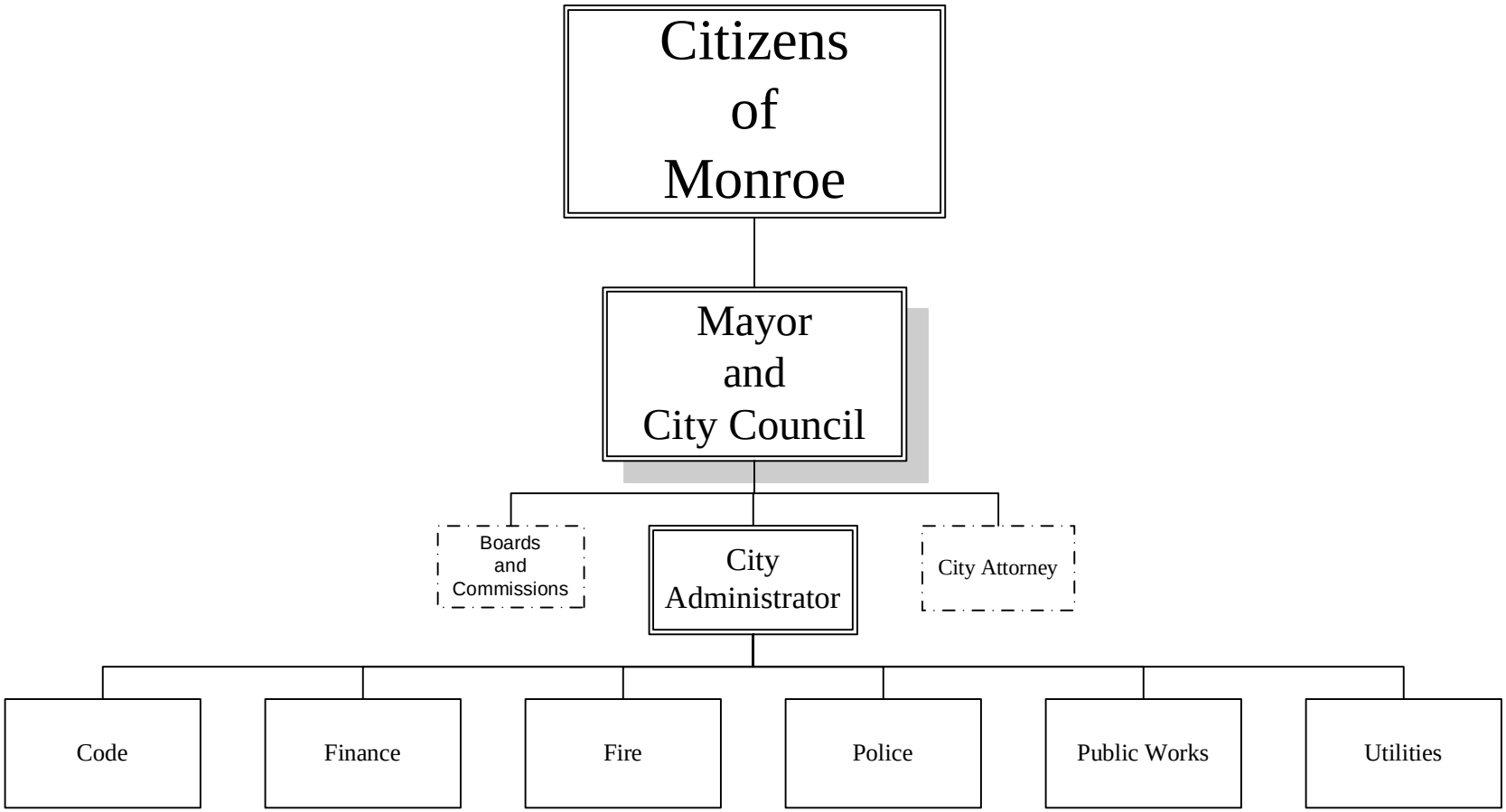
### ELECTED OFFICIALS

| | |
|---|---|
| Mayor | Gregory P. Thompson |
| Vice Mayor | L. Wayne Adcock |
| Council Member | Lee P. Malcom |
| Council Member | Denise H. Dixon |
| Council Member | C. Nathan Little |
| Council Member | Clifford K. Peters |
| Council Member | James D. Richardson |
| Council Member | Rita A. Scott |
| Council Member | Jerry L. Smith |

### APPOINTED OFFICIALS

| | |
|---|---|
| City Administrator | Julian L. Jackson |
| Code Enforcement | M. Knox Bell |
| Electric & Telecommunications Director | Brian K. Thompson |
| Finance Director | Renee L. Prather |
| Fire Chief | Wayne H. Chancey |
| Police Chief | M. Keith Glass |
| Public Works Director | Steve Worley |
| Water & Gas Director | Rodney W. Middlebrooks |

# City of Monroe, Geogia
# Organizational Chart



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# FINANCIAL SECTION

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members**
**of City Council**
**City of Monroe, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Monroe, Georgia** as of and for the year ended December 31, 2007, which collectively comprise the City of Monroe, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Monroe, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Monroe, Georgia as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2008, on our consideration of the City of Monroe, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Schedule of Funding Progress on pages 3 - 11 and 48 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note 6, the City of Monroe, Georgia has retroactively reported major general infrastructure assets, as required by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended and interpreted, as of and for the year ended December 31, 2007.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 6, 2008

# CITY OF MONROE, GEORGIA
## Management's Discussion and Analysis
## For the Fiscal Year Ended December 31, 2007

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Monroe's financial performance provides an overview of the City's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the Fiscal Year 2007 are as follows:

- The City of Monroe's combined net assets totaled $76,512,404. Of this amount, unrestricted net assets of $9,149,895 may be used to meet the City's ongoing obligations to citizens and creditors.

- Total net assets increased by $3,792,007 during the most recent fiscal year resulting from governmental and business-type activities.

- As of the close of the fiscal year, the City of Monroe's governmental funds reported combined ending fund balances of $2,681,471, a decrease of $8,874 in comparison with the prior year. Of this amount, approximately 77 percent of these funds are available for spending at the government's discretion (unreserved fund balance).

- The General Fund reported an unreserved fund balance of $1,319,021 or approximately 16 percent of the total General Fund expenditures.

- At the close of the fiscal year, the assets in the City of Monroe's Utilities Fund exceeded its liabilities by $54,560,016. Included in these net assets is $6,699,776 of unrestricted net assets available to meet the Utilities' on-going obligations to its customers and creditors.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change

occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. The business-type activities of the City include utilities and solid waste.

The government-wide financial statements can be found on pages 12-14 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monroe, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Monroe maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered a major fund. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 49-52 of this report.

The City adopts an annual appropriated budget for its General, Special Revenue and Debt Service Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget and can be found on page 18 of this report. Budgetary comparisons for Special Revenue and Debt Service Funds can be found on pages 53-55 of this report.

***Proprietary funds.*** The City of Monroe maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utility and solid waste operations. They are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. During the year ended December 31, 2007, the City began reporting the activities of

Self-insured health and workers' compensation in the General Fund. These internal service funds will not be reported in years subsequent to December 31, 2007.

The City's proprietary fund financial statements are presented on pages 19-22.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-47 of this report.

**Other supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Monroe's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 48 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial condition. In the case of the City of Monroe, assets exceeded liabilities by $76,512,404 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (88%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks and utility service lines) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF MONROE, GEORGIA**
**Statement of Net Assets**
**Fiscal Years 2007 and 2006**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| **Assets:** | | | | | | |
| Current and other assets | $ 4,788,797 | $ 4,615,548 | $ 10,500,025 | $ 10,066,551 | $ 15,288,822 | $ 14,682,099 |
| Capital assets-net | 25,408,922 | 24,738,639 | 76,251,941 | 76,104,235 | 101,660,863 | 100,842,874 |
| Total assets | 30,197,719 | 29,354,187 | 86,751,966 | 86,170,786 | 116,949,685 | 115,524,973 |
| **Liabilities:** | | | | | | |
| Long-term liabilities | 7,023,764 | 7,548,453 | 28,455,340 | 30,481,110 | 35,479,104 | 38,029,563 |
| Other liabilities | 1,729,959 | 1,482,103 | 3,228,218 | 3,292,910 | 4,958,177 | 4,775,013 |
| Total liabilities | 8,753,723 | 9,030,556 | 31,683,558 | 33,774,020 | 40,437,281 | 42,804,576 |
| **Net Assets:** | | | | | | |
| Invested in capital assets, net of related debt | 18,830,133 | 17,937,677 | 48,532,376 | 47,035,378 | 67,362,509 | 64,973,055 |
| Unrestricted | 2,613,863 | 2,385,954 | 6,536,032 | 5,361,388 | 9,149,895 | 7,747,342 |
| Total net assets | $ 21,443,996 | $ 20,323,631 | $ 55,068,408 | $ 52,396,766 | $ 76,512,404 | $ 72,720,397 |

The full amount of unrestricted net assets is ($9,149,895) and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

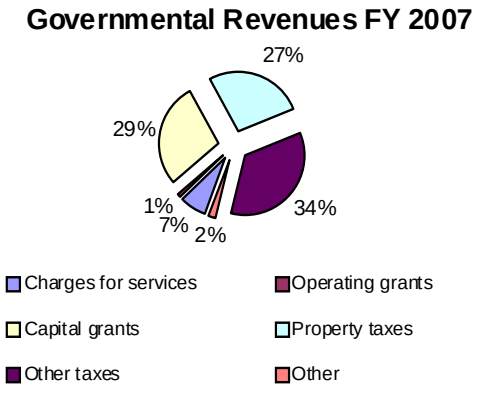
**CITY OF MONROE, GEORGIA**
**Changes in Net Assets**
**Fiscal Years 2007 and 2006**

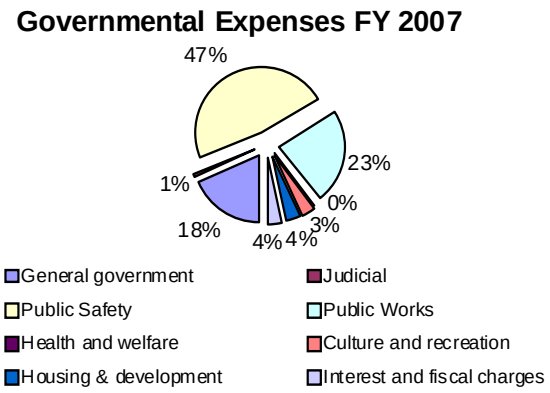
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** |
| **Revenues** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 1,141,114 | $ 684,555 | $ 34,824,919 | $ 36,558,892 | $ 35,966,033 | $ 37,243,447 |
| Operating grants | 107,712 | 86,254 | - | - | 107,712 | 86,254 |
| Capital grants | 911,483 | 2,874,695 | 1,481,998 | 716,201 | 2,393,481 | 3,590,896 |
| General revenues: | | | | | | |
| Property taxes | 2,950,804 | 2,686,312 | - | - | 2,950,804 | 2,686,312 |
| Other taxes | 4,895,329 | 3,373,306 | - | - | 4,895,329 | 3,373,306 |
| Other | 194,556 | 233,460 | 350,614 | 213,843 | 545,170 | 447,303 |
| Total revenues | 10,200,998 | 9,938,582 | 36,657,531 | 37,488,936 | 46,858,529 | 47,427,518 |
| **Program expenses** | | | | | | |
| General government | 1,201,330 | 1,694,194 | - | - | 1,201,330 | 1,694,194 |
| Judicial | 76,621 | 101,795 | - | - | 76,621 | 101,795 |
| Public Safety | 4,905,576 | 4,584,679 | - | - | 4,905,576 | 4,584,679 |
| Public Works | 2,981,950 | 2,179,824 | - | - | 2,981,950 | 2,179,824 |
| Health and welfare | 18,514 | 9,674 | - | - | 18,514 | 9,674 |
| Culture and recreation | 366,993 | 328,177 | - | - | 366,993 | 328,177 |
| Housing and development | 474,499 | 345,994 | - | - | 474,499 | 345,994 |
| Interest and fiscal charges | 324,998 | 340,523 | - | - | 324,998 | 340,523 |
| Utilities | - | - | 29,386,045 | 30,529,266 | 29,386,045 | 30,529,266 |
| Solid Waste | - | - | 3,329,996 | 3,489,003 | 3,329,996 | 3,489,003 |
| Total expenses | 10,350,481 | 9,584,860 | 32,716,041 | 34,018,269 | 43,066,522 | 43,603,129 |
| Increase (decrease) in net assets before transfers | (149,483) | 353,722 | 3,941,490 | 3,470,667 | 3,792,007 | 3,824,389 |
| Transfers | 1,269,848 | 1,433,043 | (1,269,848) | (1,433,043) | - | - |
| Increase (decrease) in net assets | 1,120,365 | 1,786,765 | 2,671,642 | 2,037,624 | 3,792,007 | 3,824,389 |
| **Net assets, beginning (as restated)** | 20,323,631 | 18,536,866 | 52,396,766 | 50,359,142 | 72,720,397 | 68,896,008 |
| **Net assets, ending** | $ 21,443,996 | $ 20,323,631 | $ 55,068,408 | $ 52,396,766 | $ 76,512,404 | $ 72,720,397 |

**Governmental activities.** Governmental activities increased the City of Monroe's net assets by $1,120,365, accounting for 30% of the total growth in the net assets of the City.

Property tax revenues ($2,950,804) collected made up approximately 29% of the City's total governmental revenue. Operating and capital grants ($1,019,195) for governmental activities were approximately 10% of all governmental revenues collected. Public safety accounted for approximately 47% ($4,905,576) of all expenses in governmental activities.

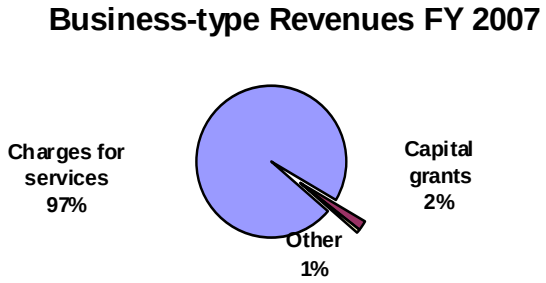
The following graphs show the breakdown by percentage of governmental revenues and expenses.

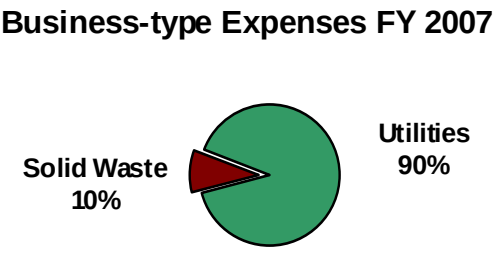



**Business-type Activities.** Business-type activities increased the City of Monroe's net assets by $2,671,642 accounting for 70% of the total growth in the government's net assets. The Utilities Fund, largest of the City's two business-type activities, accounted for 90% of the expenses and approximately 90% of the revenues among business-type activities.

The utility fund's net results for 2007 were up from the net results for 2006. One factor was increases in infrastructure capital assets donated by developers during the year. Transfers out went down considerably due to negotiations with choice load customers resulting in revenues not calculated in the amount transferred and overall decrease in sales revenue. Other factors resulting in a decrease in revenue but also offset by decrease in expenses were water sales slightly declining due to local drought conditions and conservation efforts; gas revenues declined with 2007 being the first full year of operation since the loss of a major gas customer coupled with milder than usual winter.



**FINANCIAL ANALYSIS OF CITY OF MONROE'S FUNDS**

As noted earlier, the City of Monroe employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds.*** The focus of the City of Monroe's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $2,681,471. Of this amount, $2,071,224 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance ($610,247) is reserved indicating it is not available for new spending because the majority has already been committed to Solid Waste Fund advances and prepaid expenditures.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was $1,319,021. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and total fund balance represents approximately 16 percent and 23 percent, respectively, of total General Fund expenditures.

Fund balance of the City of Monroe's General Fund increased by $106,738 during the current fiscal year.

Total fund balance for nonmajor special revenue funds at year-end was $32,359. This total, all of which is unreserved, had a net decrease of $15,893.

The debt service fund has a total fund balance of $591. The net increase in fund balance during the current year in the debt service fund was $774.

***Proprietary Funds***. The City of Monroe's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Utilities Fund at the end of the year amounted to $6,699,776, and those for the Solid Waste Fund amounted to $(163,744). The total growth in net assets for both funds was $2,610,539. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Monroe's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Monroe's budget is prepared according to Georgia Law. A comparison on General Fund actual expenditures to budget can be found on page 18. The General Fund budget was amended by Council during the fiscal year. Differences between the original budget and the final amended budget for the General Fund are summarized as follows:

- Budgeted revenues increased from $6,902,581 to $7,507,581. Tax revenues accounted for $205,000 of this increase due to the increase in collections in almost all tax categories. Charges for Services increased $400,000 due to elimination of Internal Service Funds with Employee Self Insurance Fees being recorded in the General Fund.
- $10,000 increase to Judicial, Municipal Court for employee health insurance costs.
- $465,000 supplemental appropriation to the Police Department for employee health insurance costs, salaries, overtime, workers' compensation, gas and fuel, and supplies.
- Fire department budgeted expenditures increased by $130,000 due to employee health insurance costs and equipment purchased with grant funds.
- Increase in Community Center activities of $19,000 is due to employee health insurance costs and grounds maintenance.
- Decrease of $100,000 in transfers out to Internal Service Funds for employee health insurance costs due to these expenses now recorded in the General Fund.
- Increase in General Government and Special Facility activities of $81,000 due to employee health insurance costs, increased cost of general liability insurance, airport and senior center associated costs.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The City of Monroe's investment in capital assets for its governmental and business-type activities as of December 31, 2007, amounts to $101,660,863 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment, furniture & vehicles, and construction in progress.

Major capital asset events during the current fiscal year included these additions.

Governmental type activities:

- Over $200 thousand for improvements.
- Purchase of almost $1 million in machinery, equipment and vehicles.
- Addition of $302 thousand in infrastructure that was turned over to the City as donated assets.
- Construction in progress as of the end of the current fiscal year totaling almost $860 thousand, the majority of which is for CDBG drainage projects.

Business-type activities:

- $ 0.25 million for roof improvements to administration building.
- Purchase of almost $.5 million in specialized service installation equipment and vehicles.
- $ 1.5 million in contributed assets by private developers.
- $ 0.3 million in utility service extensions in order to provide new service for property developments.
- Construction in progress as of the end of the current fiscal year totaling almost $1 million for electric, gas, sewer and water projects.

**CITY OF MONROE, GEORGIA**
**Capital Assets**
**(net of depreciation)**
**Fiscal Years 2007 and 2006**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Land | $ 3,072,550 | $ 2,961,210 | $ 2,129,713 | $ 2,054,213 | $ 5,202,263 | $ 5,015,423 |
| Infrastructure | 11,019,695 | 11,397,431 | 39,424,772 | 38,646,290 | 50,444,467 | 50,043,721 |
| Buildings and Improvements | 8,301,663 | 8,345,856 | 23,545,898 | 24,101,963 | 31,847,561 | 32,447,819 |
| Equipment, furniture & vehicles | 2,158,098 | 1,654,680 | 10,230,251 | 10,575,582 | 12,388,349 | 12,230,262 |
| Construction in progress | 856,916 | 379,462 | 921,307 | 726,187 | 1,778,223 | 1,105,649 |
| Total | $ 25,408,922 | $ 24,738,639 | $ 76,251,941 | $ 76,104,235 | $ 101,660,863 | $ 100,842,874 |

Additional information on the capital assets can be found in Note 6 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of $34,890,000. Of this amount, $6,720,000 comprises debt backed by the full faith and credit of the government. The remainder of City debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**CITY OF MONROE, GEORGIA**
**Outstanding Debt**
**General Obligation and Revenue Bonds**
**Fiscal Years 2007 and 2006**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| General obligation bonds | $ 6,720,000 | $ 6,950,000 | $ - | $ - | $ 6,720,000 | $ 6,950,000 |
| Revenue bonds | - | - | 28,170,000 | 29,595,000 | 28,170,000 | 29,595,000 |
| Total | $ 6,720,000 | $ 6,950,000 | $ 28,170,000 | $ 29,595,000 | $ 34,890,000 | $ 36,545,000 |

The City of Monroe maintains a “BBB+” rating from Standard & Poor’s.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Monroe is $34.9 million, which is in excess of the total bonded general obligation debt outstanding of $6.72 million.

Additional information on the City of Monroe’s long-term debt can be found in Note 7 of this report.

## ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The following indicators were taken into account when adopting the General Fund budget for 2008:

- Growth in the local property tax base remains strong as indicated by the increase in total assessed property values by almost 10%. The total value of all real and personal taxable property for 2007 rose to over $345 million.

- Additional monies from special purpose local option sales tax (SPLOST).

- Ongoing commercial development along the highway 78 and 138 corridors.

Anticipated revenues in the General Fund budget are $7.3 million, down $205 thousand from the amended 2007 budget. The 2008 budget was developed and adopted before 2007 fiscal year-end and reflect conservative revenue figures. We expect that revenues will again continue to rise due to development in the area with expected increases in tax revenues. No decrease in fund balance of General Fund is budgeted for fiscal year 2008.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of City of Monroe's finances for all those with an interest in our government's finances. Questions concerning this report or requests for additional information may be addressed to:

Finance Director
City of Monroe
P.O. Box 1249
Monroe, GA 30655
770-267-7536

Since 1821
THE CITY OF
Monroe

# BASIC FINANCIAL STATEMENTS

Since 1821
THE CITY OF
Monroe

# CITY OF MONROE, GEORGIA

## STATEMENT OF NET ASSETS
## DECEMBER 31, 2007

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Downtown Development Authority |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 1,728,107 | $ 2,664,175 | $ 4,392,282 | $ 54,920 |
| Accounts receivable, net of allowances | 30,398 | 3,262,770 | 3,293,168 | - |
| Taxes receivable | 664,810 | - | 664,810 | - |
| Interest receivable | - | 27,401 | 27,401 | - |
| Internal balances | 1,744,618 | (1,744,618) | - | - |
| Due from other governments | 475,742 | 5,000 | 480,742 | - |
| Inventories and prepaid items | 52,936 | 1,042,866 | 1,095,802 | - |
| Deferred charges, unamortized balance | 92,186 | 522,784 | 614,970 | - |
| Restricted assets: | | | | |
| Cash and cash equivalents | - | 3,543,829 | 3,543,829 | - |
| Investments | - | 1,175,818 | 1,175,818 | - |
| Capital assets: | | | | |
| Non-depreciable | 3,929,466 | 3,051,020 | 6,980,486 | - |
| Depreciable, net of accumulated depreciation | 21,479,456 | 73,200,921 | 94,680,377 | - |
| Total assets | 30,197,719 | 86,751,966 | 116,949,685 | 54,920 |
| **LIABILITIES** | | | | |
| Accounts payable | 1,353,713 | 1,305,306 | 2,659,019 | 4,160 |
| Accrued liabilities | 366,038 | 1,922,912 | 2,288,950 | 2,855 |
| Unearned revenue | 10,208 | - | 10,208 | - |
| Long-term liabilities: | | | | |
| Portion due or payable within one year: | | | | |
| Bonds and notes payable | 270,000 | 1,546,905 | 1,816,905 | - |
| Compensated absences | 352,789 | 212,991 | 565,780 | - |
| Portion due or payable in more than one year: | | | | |
| Bonds and notes payable, net | 6,400,975 | 26,695,444 | 33,096,419 | - |
| Total liabilities | 8,753,723 | 31,683,558 | 40,437,281 | 7,015 |
| **NET ASSETS** | | | | |
| Invested in capital assets, net of related debt | 18,830,133 | 48,532,376 | 67,362,509 | - |
| Unrestricted | 2,613,863 | 6,536,032 | 9,149,895 | 47,905 |
| Total net assets | $ 21,443,996 | $ 55,068,408 | $ 76,512,404 | $ 47,905 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF MONROE, GEORGIA

## STATEMENT OF ACTIVITIES
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary government:** | | | | |
| Governmental activities: | | | | |
| General government | $ 1,201,330 | $ 595,072 | $ - | $ - |
| Judicial | 76,621 | 467,927 | - | - |
| Public safety | 4,905,576 | 64,580 | 83,944 | 41,140 |
| Public works | 2,981,950 | 12,470 | - | 870,343 |
| Health and welfare | 18,514 | - | - | - |
| Culture and recreation | 366,993 | 1,065 | - | - |
| Housing and development | 474,499 | - | 23,768 | - |
| Interest on long-term debt | 324,998 | - | - | - |
| Total governmental activities | 10,350,481 | 1,141,114 | 107,712 | 911,483 |
| Business-type activities: | | | | |
| Utilities | 29,386,045 | 31,538,917 | - | 1,481,998 |
| Solid waste | 3,329,996 | 3,286,002 | - | - |
| Total business-type activities | 32,716,041 | 34,824,919 | - | 1,481,998 |
| Total primary government | $ 43,066,522 | $ 35,966,033 | $ 107,712 | $ 2,393,481 |
| **Component unit:** | | | | |
| Downtown Development Authority | $ 118,358 | $ - | $ - | $ - |
| Total component unit | $ 118,358 | $ - | $ - | $ - |

General revenues:
- Property taxes
- Sales taxes
- Franchise taxes
- Business taxes
- Unrestricted investment earnings
- Gain on sale of capital assets
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year (as restated)

Net assets, end of year

**The accompanying notes are an integral part of these financial statements.**

| Net (Expenses) Revenues and Changes in Net Assets | | | |
|---|---|---|---|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-type Activities | Total | Downtown Development Authority |
| $ (606,258) | $ - | $ (606,258) | $ - |
| 391,306 | - | 391,306 | - |
| (4,715,912) | - | (4,715,912) | - |
| (2,099,137) | - | (2,099,137) | - |
| (18,514) | - | (18,514) | - |
| (365,928) | - | (365,928) | - |
| (450,731) | - | (450,731) | - |
| (324,998) | - | (324,998) | - |
| (8,190,172) | - | (8,190,172) | - |
| - | 3,634,870 | 3,634,870 | - |
| - | (43,994) | (43,994) | - |
| - | 3,590,876 | 3,590,876 | - |
| (8,190,172) | 3,590,876 | (4,599,296) | - |
| - | - | - | (118,358) |
| - | - | - | (118,358) |
| $ 2,950,804 | $ - | $ 2,950,804 | $ - |
| 3,892,735 | - | 3,892,735 | 103,000 |
| 252,451 | - | 252,451 | - |
| 750,143 | - | 750,143 | - |
| 60,448 | 331,500 | 391,948 | 1,180 |
| 21,649 | 19,114 | 40,763 | - |
| 112,459 | - | 112,459 | 37,631 |
| 1,269,848 | (1,269,848) | - | - |
| 9,310,537 | (919,234) | 8,391,303 | 141,811 |
| 1,120,365 | 2,671,642 | 3,792,007 | 23,453 |
| 20,323,631 | 52,396,766 | 72,720,397 | 24,452 |
| $ 21,443,996 | $ 55,068,408 | $ 76,512,404 | $ 47,905 |

Since 1821
THE CITY OF
Monroe

# CITY OF MONROE, GEORGIA

## BALANCE SHEET
## GOVERNMENTAL FUNDS
## DECEMBER 31, 2007

| ASSETS | General Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| Cash | $ 1,238,113 | $ 489,994 | $ 1,728,107 |
| Taxes receivable | 446,789 | 218,021 | 664,810 |
| Accounts receivable | 30,398 | - | 30,398 |
| Due from other governments | 324,749 | 150,993 | 475,742 |
| Due from other funds | 1,554,523 | 723,780 | 2,278,303 |
| Advances to other funds | 557,311 | - | 557,311 |
| Prepaid expenditures | 52,936 | - | 52,936 |
| Total assets | $ 4,204,819 | $ 1,582,788 | $ 5,787,607 |
| **LIABILITIES AND FUND BALANCES** | | | |
| **LIABILITIES** | | | |
| Accounts payable | $ 1,120,834 | $ 232,879 | $ 1,353,713 |
| Accrued liabilities | 286,814 | - | 286,814 |
| Deferred revenues | 278,299 | 96,314 | 374,613 |
| Due to other funds | 589,604 | 501,392 | 1,090,996 |
| Total liabilities | 2,275,551 | 830,585 | 3,106,136 |
| **FUND BALANCES** | | | |
| Fund balances: | | | |
| Reserved for: | | | |
| Prepaid items | 52,936 | - | 52,936 |
| Advances | 557,311 | - | 557,311 |
| Unreserved, reported in: | | | |
| General fund | 1,319,021 | - | 1,319,021 |
| Special revenue funds | - | 32,359 | 32,359 |
| Debt service funds | - | 591 | 591 |
| Capital projects funds | - | 719,253 | 719,253 |
| Total fund balances | 1,929,268 | 752,203 | 2,681,471 |
| Total liabilities and fund balances | $ 4,204,819 | $ 1,582,788 | |

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 25,408,922 |
| Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 364,405 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | (7,010,802) |
| Net assets of governmental activities | $ 21,443,996 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF MONROE, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| **Revenues** | | | |
| Taxes | $ 6,228,343 | $ 1,490,603 | $ 7,718,946 |
| Licenses and permits | 179,757 | - | 179,757 |
| Intergovernmental | 148,852 | 567,984 | 716,836 |
| Fines and forfeitures | 467,927 | 42,047 | 509,974 |
| Charges for services | 446,792 | - | 446,792 |
| Interest income | 29,169 | 31,279 | 60,448 |
| Miscellaneous | 117,050 | - | 117,050 |
| Total revenues | 7,617,890 | 2,131,913 | 9,749,803 |
| **Expenditures** | | | |
| Current: | | | |
| General government | 1,094,922 | - | 1,094,922 |
| Judicial | 82,684 | - | 82,684 |
| Public safety | 4,876,702 | 22,730 | 4,899,432 |
| Public works | 1,613,490 | 219,880 | 1,833,370 |
| Health and welfare | 18,514 | - | 18,514 |
| Culture and recreation | 331,981 | - | 331,981 |
| Housing and development | 385,574 | 114,803 | 500,377 |
| Capital outlay | - | 1,942,400 | 1,942,400 |
| Debt service: | | | |
| Principal retirements | - | 230,000 | 230,000 |
| Interest and issuance costs | - | 317,062 | 317,062 |
| Total expenditures | 8,403,867 | 2,846,875 | 11,250,742 |
| Deficiency of revenues under expenditures | (785,977) | (714,962) | (1,500,939) |
| **Other financing sources (uses):** | | | |
| Proceeds from sale of capital assets | 51,100 | - | 51,100 |
| Transfers in | 1,440,965 | 739,804 | 2,180,769 |
| Transfers out | (599,350) | (140,454) | (739,804) |
| Total other financing sources (uses) | 892,715 | 599,350 | 1,492,065 |
| Net change in fund balances | 106,738 | (115,612) | (8,874) |
| **Fund balances, beginning of year** | 1,822,530 | 867,815 | 2,690,345 |
| **Fund balances, end of year** | $ 1,929,268 | $ 752,203 | $ 2,681,471 |

**The accompanying notes are an integral part of these financial statements**

# CITY OF MONROE, GEORGIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | $ | (8,874) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. | | 397,375 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets. | | 272,908 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 127,187 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | 230,000 |
| Internal service funds are used by management to charge the costs of health and workers' compensation insurance to individual funds. The net revenue of the internal service funds is reported with governmental activities. | | (171,117) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | 272,886 |
| Change in net assets - governmental activities | $ | 1,120,365 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF MONROE, GEORGIA

## GENERAL FUND
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues** | | | | |
| Taxes | $ 6,002,581 | $ 6,207,581 | $ 6,228,343 | $ 20,762 |
| Licenses and permits | 247,000 | 247,000 | 179,757 | (67,243) |
| Fines and forfeitures | 400,000 | 400,000 | 467,927 | 67,927 |
| Interest | 40,000 | 40,000 | 29,169 | (10,831) |
| Charges for services | 14,250 | 414,250 | 446,792 | 32,542 |
| Intergovernmental | 97,000 | 97,000 | 148,852 | 51,852 |
| Miscellaneous | 101,750 | 101,750 | 117,050 | 15,300 |
| Total revenues | 6,902,581 | 7,507,581 | 7,617,890 | 110,309 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government: | | | | |
| Legistlative | 275,272 | 210,272 | 206,558 | 3,714 |
| Executive | 349,026 | 395,026 | 397,603 | (2,577) |
| Board of elections/registrations | 6,000 | 6,000 | 9,768 | (3,768) |
| Financial administration | 473,447 | 473,447 | 409,404 | 64,043 |
| Law | 65,000 | 65,000 | 49,731 | 15,269 |
| Internal audit | 20,000 | 20,000 | 21,858 | (1,858) |
| General administration fees | 4,600 | 4,600 | - | 4,600 |
| Total general government | 1,193,345 | 1,174,345 | 1,094,922 | 79,423 |
| Judicial: | | | | |
| Municipal court | 75,309 | 85,309 | 82,684 | 2,625 |
| Total judicial | 75,309 | 85,309 | 82,684 | 2,625 |
| Public safety: | | | | |
| Police | 2,916,822 | 3,381,822 | 3,342,214 | 39,608 |
| Fire | 1,412,483 | 1,542,483 | 1,534,488 | 7,995 |
| Total public safety | 4,329,305 | 4,924,305 | 4,876,702 | 47,603 |
| Public works: | | | | |
| Highways and streets administration | 1,638,050 | 1,638,050 | 1,613,490 | 24,560 |
| Total public works | 1,638,050 | 1,638,050 | 1,613,490 | 24,560 |
| Health and welfare: | | | | |
| Community center | 9,000 | 19,000 | 18,514 | 486 |
| Total health and welfare | 9,000 | 19,000 | 18,514 | 486 |
| Culture and recreation: | | | | |
| Special facilities | 204,057 | 213,057 | 210,887 | 2,170 |
| Library | 122,500 | 122,500 | 121,094 | 1,406 |
| Total culture and recreation | 326,557 | 335,557 | 331,981 | 3,576 |
| Housing and development: | | | | |
| Protective inspection administration | 434,383 | 434,383 | 382,344 | 52,039 |
| Planning and zoning | 3,230 | 3,230 | 3,230 | - |
| Total housing and development | 437,613 | 437,613 | 385,574 | 52,039 |
| Total expenditures | 8,009,179 | 8,614,179 | 8,403,867 | 210,312 |
| Deficiency of revenues under expenditures | (1,106,598) | (1,106,598) | (785,977) | 320,621 |
| **Other financing sources (uses)** | | | | |
| Proceeds from sale of capital assets | - | - | 51,100 | 51,100 |
| Transfers in | 1,736,691 | 1,736,691 | 1,440,965 | (295,726) |
| Transfers out | (630,093) | (630,093) | (599,350) | 30,743 |
| Total other financing sources (uses) | 1,106,598 | 1,106,598 | 892,715 | (213,883) |
| Net change in fund balances | - | - | 106,738 | 106,738 |
| **Fund balance, beginning of year** | 1,822,530 | 1,822,530 | 1,822,530 | - |
| **Fund balance, end of year** | $ 1,822,530 | $ 1,822,530 | $ 1,929,268 | $ 106,738 |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF MONROE, GEORGIA

## STATEMENT OF NET ASSETS
## PROPRIETARY FUNDS
## DECEMBER 31, 2007

| ASSETS | Business-type Activities - Enterprise Funds: Utilities Fund | Solid Waste Fund | Totals | Governmental Activities Internal Service Funds |
|---|---|---|---|---|
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | $ 2,659,263 | $ 4,912 | $ 2,664,175 | $ - |
| Accounts receivable | 2,932,134 | 330,636 | 3,262,770 | - |
| Due from other governments | 5,000 | - | 5,000 | - |
| Due from other funds | 153 | 170,431 | 170,584 | - |
| Interest receivable | 27,401 | - | 27,401 | - |
| Prepaid items | 38,337 | 5,147 | 43,484 | - |
| Inventories | 999,382 | - | 999,382 | - |
| | 6,661,670 | 511,126 | 7,172,796 | - |
| **RESTRICTED ASSETS** | | | | |
| Cash and cash equivalents | 3,543,829 | - | 3,543,829 | - |
| Investments | 1,175,818 | - | 1,175,818 | - |
| | 4,719,647 | - | 4,719,647 | - |
| Total current assets | 11,381,317 | 511,126 | 11,892,443 | - |
| **CAPITAL ASSETS** | | | | |
| Non-depreciable | 3,051,020 | - | 3,051,020 | - |
| Depreciable, net of accumulated depreciation | 72,528,785 | 672,136 | 73,200,921 | - |
| | 75,579,805 | 672,136 | 76,251,941 | - |
| **OTHER NONCURRENT ASSETS** | 522,784 | - | 522,784 | - |
| Total noncurrent assets | 76,102,589 | 672,136 | 76,774,725 | - |
| Total assets | 87,483,906 | 1,183,262 | 88,667,168 | - |
| **LIABILITIES** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Accounts payable | 1,305,306 | - | 1,305,306 | - |
| Accrued liabilities | 132,611 | - | 132,611 | - |
| Customer deposits | 1,687,190 | - | 1,687,190 | - |
| Compensated absences payable | 171,534 | 41,457 | 212,991 | - |
| Due to other funds | 1,281,789 | 76,102 | 1,357,891 | - |
| | 4,578,430 | 117,559 | 4,695,989 | - |
| **CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS** | | | | |
| Revenue bonds payable - current | 1,460,000 | - | 1,460,000 | - |
| Notes payable - current | 86,905 | - | 86,905 | - |
| Accrued interest | 103,111 | - | 103,111 | - |
| | 1,650,016 | - | 1,650,016 | - |
| Total current liabilities | 6,228,446 | 117,559 | 6,346,005 | - |
| **NONCURRENT LIABILITIES** | | | | |
| Revenue bonds payable | 26,353,664 | - | 26,353,664 | - |
| Notes payable | 341,780 | - | 341,780 | - |
| Advances from other funds | - | 557,311 | 557,311 | |
| Total noncurrent liabilities | 26,695,444 | 557,311 | 27,252,755 | - |
| Total liabilities | 32,923,890 | 674,870 | 33,598,760 | - |
| **NET ASSETS** | | | | |
| Invested in capital assets, net of related debt | 47,860,240 | 672,136 | 48,532,376 | - |
| Unrestricted | 6,699,776 | (163,744) | 6,536,032 | - |
| Total net assets | $ 54,560,016 | $ 508,392 | $ 55,068,408 | $ - |

**The accompanying notes are an integral part of these financial statements.**

# CITY OF MONROE, GEORGIA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
## PROPRIETARY FUNDS
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Business-type Activities - Enterprise Funds | | | |
|---|---|---|---|---|
| | Utilities Fund | Solid Waste Fund | Totals | Governmental Activities Internal Service Funds |
| **OPERATING REVENUES** | | | | |
| Charges for sales and services | $ 31,538,917 | $ 3,286,002 | $ 34,824,919 | $ - |
| Total operating revenues | 31,538,917 | 3,286,002 | 34,824,919 | - |
| **OPERATING EXPENSES** | | | | |
| Cost of sales and services | 14,382,320 | 1,789,122 | 16,171,442 | - |
| General operating expenses | 10,706,082 | 1,458,954 | 12,165,036 | - |
| Depreciation and amortization | 3,026,066 | 81,920 | 3,107,986 | - |
| Total operating expenses | 28,114,468 | 3,329,996 | 31,444,464 | - |
| Operating income (loss) | 3,424,449 | (43,994) | 3,380,455 | - |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | |
| Interest income | 331,331 | 169 | 331,500 | - |
| Intergovernmental | 7,500 | - | 7,500 | - |
| Interest expense | (1,271,577) | - | (1,271,577) | - |
| Gain on disposal of capital assets | 19,114 | - | 19,114 | - |
| Total non-operating revenue (expenses) | (913,632) | 169 | (913,463) | - |
| Income (loss) before capital contributions and transfers | 2,510,817 | (43,825) | 2,466,992 | - |
| Capital contributions | 1,474,498 | - | 1,474,498 | - |
| Transfers out | (1,327,701) | (3,250) | (1,330,951) | (110,014) |
| | 146,797 | (3,250) | 143,547 | (110,014) |
| Change in net assets | 2,657,614 | (47,075) | 2,610,539 | (110,014) |
| **Net assets, beginning of year** | 51,902,402 | 555,467 | | 110,014 |
| **Net assets, end of year** | $ 54,560,016 | $ 508,392 | | $ - |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | 61,103 | |
| Change in net assets of business-type activities | | | $ 2,671,642 | |

**The accompanying notes are an integral part of these financial statements.**

Since 1821
THE CITY OF
Monroe

# CITY OF MONROE, GEORGIA

## STATEMENT OF CASH FLOWS
## PROPRIETARY FUNDS
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Business-type Activities - Enterprise Funds | | | Governmental Activities Internal Service Funds |
|---|---|---|---|---|
| | Utilities Fund | Solid Waste Fund | Totals | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Receipts from customers and users | $ 31,886,172 | $ 3,316,397 | $ 35,202,569 | $ - |
| Receipts from interfund services provided | - | - | - | 72,854 |
| Payments to suppliers | (19,297,957) | (2,094,296) | (21,392,253) | (289,167) |
| Payments to employees | (5,843,904) | (1,159,793) | (7,003,697) | - |
| Net cash provided by (used in) operating activities | 6,744,311 | 62,308 | 6,806,619 | (216,313) |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | | | | |
| Transfers out to other funds | (1,327,701) | (3,250) | (1,330,951) | (110,014) |
| Net cash used in non-capital financing activities | (1,327,701) | (3,250) | (1,330,951) | (110,014) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Purchase of capital assets | (2,143,849) | (9,628) | (2,153,477) | - |
| Proceeds from sale of capital assets | 167,495 | - | 167,495 | - |
| Repayment of advances from other funds | - | (49,430) | (49,430) | - |
| Principal payments on bonds | (1,425,000) | - | (1,425,000) | - |
| Principal payments on note payable | (85,188) | - | (85,188) | - |
| Interest paid | (1,270,001) | - | (1,270,001) | - |
| Capital contributions | 388,063 | - | 388,063 | - |
| Net cash used in capital and related financing activities | (4,368,480) | (59,058) | (4,427,538) | - |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest received | 314,391 | 169 | 314,560 | - |
| Purchases of investments | (409,220) | - | (409,220) | - |
| Net cash provided by (used in) investing activities | (94,829) | 169 | (94,660) | - |
| Net increase (decrease) in cash and cash equivalents | 953,301 | 169 | 953,470 | (326,327) |
| Cash and cash equivalents, beginning of year | 5,249,791 | 4,743 | 5,254,534 | 326,327 |
| Cash and cash equivalents, end of year | $ 6,203,092 | $ 4,912 | $ 6,208,004 | $ - |
| **Classified as:** | | | | |
| Cash and cash equivalents | $ 2,659,263 | $ 4,912 | $ 2,664,175 | $ - |
| Restricted cash and cash equivalents | 3,543,829 | - | 3,543,829 | - |
| | $ 6,203,092 | $ 4,912 | $ 6,208,004 | $ - |

**(Continued)**

# CITY OF MONROE, GEORGIA

## STATEMENT OF CASH FLOWS
## PROPRIETARY FUNDS
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Business-type Activities - Enterprise Funds | | | Governmental Activities Internal Service Funds |
|---|---|---|---|---|
| | Utilities Fund | Solid Waste Fund | Totals | |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES** | | | | |
| Operating income (loss) | $ 3,424,449 | $ (43,994) | $ 3,380,455 | $ - |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 3,026,066 | 81,920 | 3,107,986 | - |
| Change in assets and liabilities: | | | | |
| Decrease in accounts receivable | 352,408 | 30,395 | 382,803 | - |
| (Increase) decrease in due from other funds | (153) | 5,213 | 5,060 | 72,854 |
| Increase in due from other governments | (5,000) | - | (5,000) | - |
| (Increase) decrease in prepaid items | 14,334 | (5,147) | 9,187 | - |
| Increase in inventories | (97,265) | - | (97,265) | - |
| Decrease in accounts payable | (84,640) | - | (84,640) | (249,151) |
| Decrease in accrued liabilities | (20,662) | - | (20,662) | - |
| Increase in customer deposits | 43,268 | - | 43,268 | - |
| Increase (decrease) in compensated absences payable | 5,452 | (19,130) | (13,678) | - |
| Increase (decrease) in due to other funds | 560,517 | 76,102 | 636,619 | (40,016) |
| Decrease in net pension obligation | (474,463) | (63,051) | (537,514) | - |
| Net cash provided by (used in) operating activities | $ 6,744,311 | $ 62,308 | $ 6,806,619 | $ (216,313) |
| **NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Donations of capital assets | $ 1,093,935 | $ - | $ 1,093,935 | $ - |

**The accompanying notes are an integral part of these financial statements.**

Since 1821
THE CITY OF
Monroe

# NOTES TO FINANCIAL STATEMENTS

Since 1821
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## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Monroe, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

### A. Reporting Entity

Incorporated in 1821, under the laws of the State of Georgia, the City of Monroe is governed by a nine member Mayor/Council form of government. The mayor is elected to a four-year term, and council members are elected to staggered four-year terms. The Mayor serves as the Chief Executive Officer and the other eight council members serve on a part-time basis. The Mayor is assisted by a city administrator to handle the daily operations of the City.

The City's major operations include public safety, fire protection, public works maintenance, utility services and general administrative services. In addition, the City exercises sufficient control over another governmental authority that is included as part of the City's reporting entity.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable and can impose its will. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The Downtown Development Authority was activated by resolution in 1985 to promote and further develop trade, commerce, industry and employment opportunities within the City of Monroe, Georgia. It operates under an eight member board, one of which is a member of the City Council, appointed by the City. The City has the ability to impose its will on the Authority. The Authority does not issue separate financial statements and is included as a discretely presented component unit in the City's financial report.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable. The statement of net assets will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes received up to sixty days after year end, sales taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Non-exchange Transactions,” the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

The City reports the following major governmental fund:

The **General Fund** is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major proprietary funds:

The **Utilities Fund** accounts for the operation and maintenance of the City's water and sewer, gas, electric, and cable utility services.

The **Solid Waste Fund** accounts for the operation and maintenance of the City's transfer station and solid waste disposal.

The City also reports the following fund types:

The **Internal Service funds** account for the City's self-insured health insurance and workers' compensation programs.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

### D. Budgets

Annual appropriated budgets are adopted for all governmental funds, with the exception of capital projects funds for which project length budgets are adopted. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is used in the City's general fund. Encumbrances outstanding at year end are reported as a reservation of fund balance since they do not constitute expenditures or liabilities. There were no outstanding encumbrances at December 31, 2007.

### E. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

### F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### G. Inventories

The costs of governmental fund type inventories (which are not significant to the City) are recorded as expenditures when purchased rather than when consumed (purchase method). Inventories of the proprietary funds are valued at cost using the first-in/first-out (FIFO) method.

### H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items in both government-wide and fund financial statements.

### I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure (e.g., roads, bridges, sidewalks, and similar items) prior to January 1, 2003 has been reported.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

| Asset Class | Estimated Useful Life |
|---|---|
| Infrastructure | 15-50 |
| Buildings and improvements | 20-50 |
| Vehicles | 5 |
| Furniture and fixtures | 10 |
| Machinery and equipment | 5-15 |

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### J. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds that are restricted for use in construction. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months.

### K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### M. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### N. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

## NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $7,010,802 difference are as follows:

| | | |
|---|---|---|
| Bonds payable | $ | (6,720,000) |
| Bond issuance costs | | 92,186 |
| Bond premium | | (220,941) |
| Deferred charges on refunding | | 269,966 |
| Accrued interest payable | | (79,224) |
| Compensated absences | | (352,789) |
| Net adjustment to reduce *fund balance- total governmental funds* to arrive at *net assets - governmental activities* | $ | (7,010,802) |

## NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $397,375 difference are as follows:

| | | |
|---|---|---|
| Capital outlay | $ | 1,706,461 |
| Depreciation expense | | (1,309,086) |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities* | $ | 397,375 |

Another element of that reconciliation explains that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets." The details of this $272,908 difference are as follows:

| | | |
|---|---|---|
| In the statement of activities, only the *gain* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold. | $ | (29,451) |
| Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. | | 302,359 |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities* | $ | 272,908 |

## NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $230,000 difference are as follows:

| | | |
|---|---|---|
| Repayment of general obligation bonds | $ | 230,000 |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities* | $ | 230,000 |

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $272,886 difference are as follows:

| | | |
|---|---|---|
| Compensated absences | $ | (49,452) |
| Net pension obligation | | 341,121 |
| Accrued interest | | (10,956) |
| Amortization of issuance costs | | (10,847) |
| Amortization of deferred charges on refunding | | (22,976) |
| Amortization of bond premiums | | 25,996 |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities* | $ | 272,886 |

## NOTE 3. LEGAL COMPLIANCE - BUDGETS

The City of Monroe, Georgia employs the following procedures in establishing its annual budget:

1. Prior to January 1, the City Administrator submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means for financing them.

2. The City Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of the City of Monroe, Georgia.

3. The budget is then revised and adopted or amended by the City Council at a subsequent regular meeting in the year to which it applies and within forty-five days following January 1.

4. The adopted budget may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made therein without provision also being made for financing same, for anything above the legal level of budgetary control, which is the department level. However, transfers within a department may be made within any fund without council approval. The final budget amounts shown in these financial statements reflect amendments approved by the City Council.

The following General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended December 31, 2007:

| | | |
|---|---|---|
| General Fund departments: | | |
| Executive | $ | 2,577 |
| Board of elections/registrations | | 3,768 |
| Internal audit | | 1,858 |

These over expenditures were funded by more than anticipated revenues and available fund balance.

## NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2007 are summarized as follows:

| | | |
|---|---|---|
| Amounts as presented on the entity wide statement of net assets: | | |
| Cash and cash equivalents | $ | 4,392,282 |
| Restricted cash and cash equivalents | | 3,543,829 |
| Restricted investments | | 1,175,818 |
| Total | $ | 9,111,929 |
| | | |
| Cash deposited with financial institutions | $ | 7,936,111 |
| Investments in the Municipal Competitive Trust | | 1,175,818 |
| | $ | 9,111,929 |

**Credit risk.** State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of December 31, 2007, the City's investment in the Municipal Competitive Trust was not rated.

At December 31, 2007, the City had the following investments:

| Investment | Maturities (in years) | Fair Value |
|---|---|---|
| Municipal Competitive Trust - Short-term | Less than 1 | $ 1,175,818 |
| Total | | $ 1,175,818 |

**Interest rate risk:** The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk – Deposits:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2007, the City did not have any deposits that were uninsured or under collateralized as defined by GASB pronouncements.

## NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Downtown Development Authority

As of December 31, 2007, the bank balances for the Downtown Development Authority were adequately insured and collateralized as defined by GASB.

## NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The City bills and collects its own property taxes. The taxes are levied by October 20 based on the assessed value of property as listed on the previous January 1 and are due on December 20 of each year.

Property taxes are recorded as receivables and deferred revenues when assessed. Revenues are recognized when available.

Receivables at December 31, 2007, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | General | Utilities | Solid Waste | Nonmajor Governmental Funds |
|---|---|---|---|---|
| Receivables: | | | | |
| Taxes | $ 446,789 | $ - | $ - | $ 218,021 |
| Accounts | 30,398 | 2,977,022 | 330,636 | - |
| Due from other governments | 324,749 | 5,000 | - | 150,993 |
| Less allowance for uncollectible | - | 44,888 | - | - |
| Net total receivable | $ 801,936 | $ 2,937,134 | $ 330,636 | $ 369,014 |

## NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2007 is as follows:

| | Beginning Balance | Increases | Decreases/ Transfers | Ending Balance |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 2,961,210 | $ 111,340 | $ - | $ 3,072,550 |
| Construction in progress | 379,462 | 685,866 | (208,412) | 856,916 |
| Total | 3,340,672 | 797,206 | (208,412) | 3,929,466 |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 23,251,359 | 226,519 | - | 23,477,878 |
| Buildings and improvements | 10,061,498 | 66,045 | (67,166) | 10,060,377 |
| Equipment, furniture & vehicles | 3,673,052 | 919,050 | (65,083) | 4,527,019 |
| Total | 36,985,909 | 1,211,614 | (132,249) | 38,065,274 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (11,853,928) | (600,354) | (3,901) | (12,458,183) |
| Buildings and improvements | (1,715,642) | (308,733) | 265,661 | (1,758,714) |
| Equipment, furniture & vehicles | (2,018,372) | (399,999) | 49,450 | (2,368,921) |
| Total | (15,587,942) | (1,309,086) | 311,210 | (16,585,818) |
| Total capital assets, being depreciated, net | 21,397,967 | (97,472) | 178,961 | 21,479,456 |
| Governmental activities capital assets, net | $ 24,738,639 | $ 699,734 | $ (29,451) | $ 25,408,922 |
| **Business-type activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 2,054,213 | $ 75,500 | $ - | $ 2,129,713 |
| Construction in progress | 726,187 | 1,007,522 | (812,402) | 921,307 |
| Total | 2,780,400 | 1,083,022 | (812,402) | 3,051,020 |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 50,380,011 | 1,094,636 | 671,119 | 52,145,766 |
| Buildings and improvements | 30,740,619 | 219,580 | (19,794) | 30,940,405 |
| Equipment, furniture & vehicles | 18,165,643 | 852,323 | (1,307,221) | 17,710,745 |
| Total | 99,286,273 | 2,166,539 | (655,896) | 100,796,916 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (11,733,721) | (996,579) | 9,306 | (12,720,994) |
| Buildings and improvements | (6,638,656) | (775,985) | 20,134 | (7,394,507) |
| Equipment, furniture & vehicles | (7,590,061) | (1,178,762) | 1,288,329 | (7,480,494) |
| Total | (25,962,438) | (2,951,326) | 1,317,769 | (27,595,995) |
| Total capital assets, being depreciated, net | 73,323,835 | (784,787) | 661,873 | 73,200,921 |
| Business-type activities capital assets, net | $ 76,104,235 | $ 298,235 | $ (150,529) | $ 76,251,941 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

The beginning balances of the above governmental activities capital assets has been increased by a net amount of $7,457,657 to reflect the City's retroactive reporting of infrastructure assets.

Depreciation expense was charged to functions/programs of the City as follows:

| | |
|---|---|
| Governmental activities: | |
| General government | $ 156,937 |
| Public safety | 264,175 |
| Public works | 838,661 |
| Culture and recreation | 43,799 |
| Housing and development | 5,514 |
| Total depreciation expense - governmental activities | $ 1,309,086 |
| Business-type activities: | |
| Utilities | $ 2,869,406 |
| Solid waste | 81,920 |
| Total depreciation expense - business-type activities | $ 2,951,326 |

## NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2007 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| General obligation bonds | $ 6,950,000 | $ - | $ (230,000) | $ 6,720,000 | $ 270,000 |
| Less: Deferred charges, net | (46,005) | - | (3,020) | (49,025) | |
| Total general obligation bonds | 6,903,995 | - | (233,020) | 6,670,975 | 270,000 |
| Net pension obligation | 341,121 | - | (341,121) | - | - |
| Compensated absences | 303,337 | 466,360 | (416,908) | 352,789 | 352,789 |
| Governmental activity Long-term liabilities | $ 7,548,453 | $ 466,360 | $ (991,049) | $ 7,023,764 | $ 622,789 |
| **Business-type activities:** | | | | | |
| Revenue bonds payable | $ 29,595,000 | $ - | $ (1,425,000) | $ 28,170,000 | $ 1,460,000 |
| Less: Deferred charges, net | (391,946) | - | 35,610 | (356,336) | |
| Total revenue bonds | 29,203,054 | - | (1,389,390) | 27,813,664 | 1,460,000 |
| Note payable | 513,873 | - | (85,188) | 428,685 | 86,905 |
| Net pension obligation | 537,514 | - | (537,514) | - | - |
| Compensated absences | 226,669 | 405,089 | (418,767) | 212,991 | 212,991 |
| Business-type activity Long-term liabilities | $ 30,481,110 | $ 405,089 | $ (2,430,859) | $ 28,455,340 | $ 1,759,896 |

## NOTE 7. LONG-TERM DEBT (CONTINUED)

For governmental funds, compensated absences and net pension obligation are liquidated by the General Fund.

**General Obligation Bonds.** In November 2000, the City issued General Obligation Bonds (Series 2000) to finance various construction and capital acquisition projects. These bonds were issued for an original amount of $7,195,000 bearing interest of 5.275% per annum payable semi-annually on April 1 and October 1 and maturing in 2013.

In October 2006, the City issued General Obligation Refunding Bonds (Series 2006) to provide funds to advance refund $4,270,000 in aggregate principal amount of the City's Series 2000 General Obligation Bonds. These bonds were issued for an original amount of $4,430,000 bearing interest from 3.625% to 5.00% per annum payable semi-annually on April 1 and October 1 and maturing in 2019.

The debt service to maturity on the general obligation bonds is as follows:

| | Series 2006 | | Series 2000 | | |
|---|---|---|---|---|---|
| Year Ending December 31, | Principal | Interest | Principal | Interest | Total |
| 2008 | $ - | $ 204,463 | $ 270,000 | $ 112,435 | $ 586,898 |
| 2009 | - | 204,463 | 310,000 | 99,744 | 614,207 |
| 2010 | - | 204,463 | 355,000 | 85,020 | 644,483 |
| 2011 | 10,000 | 204,463 | 400,000 | 67,802 | 682,265 |
| 2012 | 20,000 | 204,100 | 450,000 | 48,002 | 722,102 |
| 2013-2017 | 2,710,000 | 826,726 | 505,000 | 25,502 | 4,067,228 |
| 2018-2019 | 1,690,000 | 110,750 | - | - | 1,800,750 |
| Total | $ 4,430,000 | $ 1,959,428 | $ 2,290,000 | $ 438,505 | $ 9,117,933 |

**Revenue Bonds.** The City issued the following revenue bonds in order to finance construction and system extension:

In February 2001, the City issued the Combined Utility Revenue Bonds (Series 2001) in the original amount of $20,555,000 bearing interest at an average rate of 4.95% payable each June 1 and December 1 beginning 2003 until 2014.

In July 2003, the City issued the Combined Utility Revenue Bonds (Series 2003) in the original amount of $13,275,000 bearing interest at an average rate of 3.06% payable each June 1 and December 1 beginning 2003 until 2018.

## NOTE 7. LONG-TERM DEBT (CONTINUED)

The debt service to maturity on the Series 2003 and 2001 revenue bonds is as follows:

| Year Ending December 31, | Series 2003 Principal | Series 2003 Interest | Series 2001 Principal | Series 2001 Interest | Total |
|---|---|---|---|---|---|
| 2008 | $ 1,370,000 | $ 280,118 | $ 90,000 | $ 241,478 | $ 1,981,596 |
| 2009 | 635,000 | 225,318 | 800,000 | 237,652 | 1,897,970 |
| 2010 | 655,000 | 206,268 | 835,000 | 203,652 | 1,899,920 |
| 2011 | 675,000 | 186,618 | 870,000 | 168,135 | 1,899,753 |
| 2012 | 695,000 | 164,680 | 905,000 | 129,015 | 1,893,695 |
| 2013-2017 | 3,220,000 | 455,700 | 1,940,000 | 133,830 | 5,749,530 |
| 2018 | 440,000 | 17,600 | - | - | 457,600 |
| Total | $ 7,690,000 | $ 1,536,302 | $ 5,440,000 | $ 1,113,762 | $ 15,780,064 |

In October 2006, the City issued the Combined Utility Revenue Refunding Bonds (Series 2006) to advance refund $14,720,000 in aggregate principal amount of the Series 2001 Revenue Bonds. These bonds were issued for an original amount of $15,040,000 bearing interest from 4.00% to 5.00% payable each June 1 and December 1 and maturing in 2025.

The debt service to maturity on the Series 2006 revenue bonds is as follows:

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ - | $ 707,163 | $ 707,163 |
| 2009 | - | 707,163 | 707,163 |
| 2010 | - | 707,163 | 707,163 |
| 2011 | - | 707,163 | 707,163 |
| 2012 | - | 707,163 | 707,163 |
| 2013-2017 | 3,345,000 | 3,374,065 | 6,719,065 |
| 2018-2022 | 6,795,000 | 2,053,310 | 8,848,310 |
| 2023-2025 | 4,900,000 | 407,648 | 5,307,648 |
| Total | $ 15,040,000 | $ 9,370,838 | $ 24,410,838 |

As part of the refundings mentioned above, the City has defeased certain outstanding general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On December 31, 2007, the outstanding amount of bonds considered defeased is as follows:

| | |
|---|---|
| Series 2000 General Obligation Bonds | $ 4,270,000 |
| Series 2001 Revenue Bonds | 14,720,000 |

## NOTE 7. LONG-TERM DEBT (CONTINUED)

**Note Payable.** The City has a note payable to the Georgia Environmental Facilities Authority State Revolving Loan Fund in the original amount of $1,560,000, bearing interest at the rate of 2% per annum payable each quarter beginning December 1, 1992 until September 1, 2012. The note was issued to finance construction and system extension.

The debt service requirements to maturity on the note payable are as follows:

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ 86,905 | $ 7,925 | $ 94,830 |
| 2009 | 88,656 | 6,173 | 94,829 |
| 2010 | 90,443 | 4,387 | 94,830 |
| 2011 | 92,265 | 2,565 | 94,830 |
| 2012 | 70,416 | 705 | 71,121 |
| Total | $ 428,685 | $ 21,755 | $ 450,440 |

## NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2007 is as follows:

Due to/from other funds:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Solid Waste Fund | $ 76,102 |
| General Fund | Utilities Fund | 1,111,328 |
| General Fund | Nonmajor governmental funds | 367,093 |
| Utilities Fund | General Fund | 153 |
| Solid Waste Fund | Utilities Fund | 170,431 |
| Nonmajor governmental funds | General Fund | 589,451 |
| Nonmajor governmental funds | Utilities Fund | 30 |
| Nonmajor governmental funds | Nonmajor governmental funds | 134,299 |
| | | $ 2,448,887 |

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system, and payments between funds are made.

## NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Advances to/from other funds are as follows:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Solid Waste Fund | $ 557,311 |

The amount payable from the Solid Waste Fund is for long-term financing provided to the Solid Waste Fund by the General Fund and is expected to be repaid in periods beyond December 31, 2007.

Interfund transfers:

| Transfers In | Transfers Out | Amount |
|---|---|---|
| Nonmajor governmental funds | General Fund | $ 599,350 |
| Nonmajor governmental funds | Nonmajor governmental funds | 140,454 |
| | | $ 739,804 |
| General Fund | Utilities Fund | $ 1,327,701 |
| General Fund | Solid Waste Fund | 3,250 |
| General Fund | Internal Service Funds | 110,014 |
| | | $ 1,440,965 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTE 9. PENSION PLAN

**Plan Description**

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Monroe Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.0% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to $30 for each year of service after reaching normal retirement age.

At November 1, 2007, the date of the most recent actuarial valuation, there were 269 participants consisting of the following:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 49 |
| Terminated vested participants not yet receiving benefits | 25 |
| Active employees - vested | 131 |
| Active employees - nonvested | 64 |
| Total | 269 |

## NOTE 9. PENSION PLAN (CONTINUED)

### Funding Policy

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2007, the actuarially determined contribution rate was 11.26% of covered payroll.

For 2007, the City's recommended contribution was $807,003. Actual contributions totaled $1,685,638. The recommended contribution was determined as part of the November 1, 2006 actuarial valuation using the projected unit credit actuarial cost method. Actuarial assumptions include an 8.0% rate of return on investments and projected salary increases of 5.5% (5.0% due to inflation and .5% due to merit or seniority increases). The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provision and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods are closed for this plan year. The actuarial value of the plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten year period.

### Annual Pension Cost

The City's actuarially determined contribution, pension cost and change in net pension obligation for the year ended December 31, 2007, is as follows:

| | |
|---|---|
| Annual required contribution | $ 807,003 |
| Interest on net pension obligation | - |
| Adjustments to annual required contribution | - |
| Annual pension cost | 807,003 |
| Contributions made | 1,685,638 |
| Change in net pension obligation | (878,635) |
| Net pension obligation, beginning of year | 878,635 |
| Net pension obligation, end of year | $ - |

## NOTE 9. PENSION PLAN (CONTINUED)

**Employer Contributions**

| Fiscal Year Ended December 31, | Annual Pension Cost (APC) | Actual Pension Contribution | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|---|
| 2007 | $ 807,003 | $ 1,685,638 | 208.9 % | $ - |
| 2006 | 2,508,015 | 1,629,380 | 65.0 | 878,635 |
| 2005 | 660,176 | 660,176 | 100.0 | - |

## NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described above, the City provides postretirement healthcare benefits, in accordance with City statutes, to all employees who retire from the City after 25 years of service and are between 62 and 65 years of age. These postemployment benefits are financed on a pay-as-you-go basis. Expenditures for postretirement healthcare costs are recognized in the City's General Fund as retirees report claims and include a provision for estimated claims incurred but not yet reported to the City. For the year ended December 31, 2007, the City recognized $13,306 of expenditures for postretirement healthcare benefits.

## NOTE 11. FUND DEFICITS

The following funds had deficit fund balances at December 31, 2007:

| | |
|---|---|
| Capital Projects Fund | $ 50,044 |
| SPLOST Fund | 52,641 |

The above fund deficits will be reduced through General Fund appropriations, as needed.

## NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the 12 county Northeast Georgia area, is a member of the Northeast Georgia Regional Development Center (RDC). Dues to the RDC are assessed at the County level and are, accordingly, paid by Walton County. Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RDC. Separate financial statements may be obtained from the RDC's administrative office at 305 Research Drive, Athens, Georgia 30610.

## NOTE 13. RELATED ORGANIZATIONS

The City's council is responsible for appointing a majority of the board members of the City of Monroe, Georgia Housing Authority. However, the City has no further accountability for the Authority.

## NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Settlements have not exceeded coverage for the past three years. The City is self-insured for both employee group health insurance and workers' compensation claims. The City maintains specific stop loss coverage in the amount of $300,000 per claim for workers' compensation and $40,000 per covered individual for employee group health insurance. A liability for employee group health insurance and workers' compensation claims is recognized in the General Fund when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability includes an estimate for claims that have been incurred but not reported.

Changes in the balances of claims liabilities during the past two years are as follows:

| Fiscal Year | Beginning of Year Claims Liability | Current Year Claims and Changes in Estimates | Claims Paid | End of Year Claims Liability |
|---|---|---|---|---|
| 2007 | $ 249,151 | $ 1,697,904 | $ 1,741,457 | $ 205,598 |
| 2006 | $ 230,817 | $ 1,779,084 | $ 1,760,750 | $ 249,151 |

## NOTE 15. COMMITMENTS AND CONTINGENCIES

### Litigation:

Early in 2007, the Georgia Public Service Corporation (GPSC) issued a decision regarding a gas service territory previously undefined. The decision would cause the City to transfer approximately 150 gas customers who fell within the Atlanta Gas Light (AGL) territory. The GPSC has ordered the City to sell the gas service assets related to serving those customers to AGL, as well as to pay a $100,000 fine to the GPSC. The amount of proceeds from the sale of the gas service assets has not yet been determined. Any net book value in excess of the price ultimately paid by AGL will result in a one-time loss on the disposal of the capital assets.

Subsequent to this decision, the City filed its petition for judicial review and motion for emergency stay, appealing the decision of the GPSC. The City asserts that the GPSC erred in requiring that the City transfer any of its gas service assets since the City's Municipal Charter prohibits the City from doing so without a referendum of the City's voters. On April 11, 2007, the Court granted the City's motion for emergency stay. The City will continue to vigorously pursue its claims on appeal and is unable to reasonably estimate the amount of liability which may be incurred if an adverse decision is rendered.

### Grant Contingencies:

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

### Contractual Commitments:

For the fiscal year ended December 31, 2007, contractual commitments on uncompleted contracts totaled $424,276.

### Agreements with the Municipal Electric Authority of Georgia:

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

## NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

As of December 31, 2007, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to $9,436,418 in 2007.

At December 31, 2007, the outstanding debt of MEAG was approximately $3.74 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $54.85 million at December 31, 2007.

The City has also entered into a contract for natural gas purchases with the Municipal Gas Authority of Georgia (MGAG). MGAG is an association of approximately 84 cities. MGAG has issued bonded debt to purchase various natural gas properties and has contracted for other natural gas supplies. The City has an “obligation share” of these commitments under terms substantially the same as the agreements above.

## NOTE 16. HOTEL/MOTEL LODGING TAX

The City imposes a 5% hotel/motel tax on lodging facilities within the City. Revenues were $36,610 for the year ended December 31, 2007. Of this amount, 100%, or $36,610, was expended for the promotion of tourism.

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# REQUIRED SUPPLEMENTARY INFORMATION

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# CITY OF MONROE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREMENT PLAN
## SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability (AAL) | (b-a) Unfunded Actuarial Accrued Liability (UAAL) | (a/b) Funded Ratio | (c) Covered Payroll | [(b-a)/c] UAAL as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 11/1/07 | $ 7,679,938 | $ 11,274,452 | $ 3,594,514 | 68.1% | $ 7,241,557 | 49.6% |
| 11/1/06 | 6,808,604 | 10,191,920 | 3,383,316 | 66.8% | 7,164,234 | 47.2% |
| 11/1/05 | 4,458,241 | 8,271,665 | 3,813,424 | 53.9% | 6,710,595 | 56.8% |
| 11/1/04 | 3,967,193 | 7,408,610 | 3,441,417 | 53.5% | 6,016,378 | 57.2% |
| 11/1/03 | 2,790,556 | 5,462,645 | 2,672,089 | 51.1% | 5,857,338 | 45.6% |
| 11/1/02 | 2,877,576 | 4,044,507 | 1,166,931 | 71.1% | 1,979,891 | 58.9% |

Note: See assumptions used for the Schedule of Funding Progress in Note 9 to the financial statements.

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# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULE

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# CITY OF MONROE, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted to expenditure for specified purposes.

**Forfeited Drug Fund** – This fund is used to account for the City's share of monies that have been forfeited through the court system that are restricted for law enforcement purposes.

**Hotel/Motel Tax Fund** – This fund is used to account for hotel/motel taxes collected that are restricted for promotion of trade and tourism in the City.

### DEBT SERVICE FUND

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Debt Service Fund –** To account for the accumulation of resources for, and payment of, principal and interest on the City's general obligation bonds.

### CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**GO Bond Fund** – This fund is used to account for various improvement and construction projects financed by the City's general obligation bonds.

**Capital Projects Fund** – This fund is used to account for the receipts and disbursements of grant money used to fund various capital outlay projects of the City.

**SPLOST Fund** – This fund is used to account for the one percent Special Purpose Local Option Tax (SPLOST) funds collected by Walton County and disbursed to the City. The funds are used for specific capital projects as approved by voter referendum.

# CITY OF MONROE, GEORGIA

## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS
## DECEMBER 31, 2007

| | Special Revenue Funds | | |
|---|---|---|---|
| ASSETS | Forfeited Drug Fund | Hotel/Motel Tax Fund | Debt Service Fund |
| Cash and cash equivalents | $ 44,746 | $ 4,070 | $ 591 |
| Taxes receivable | - | 2,608 | - |
| Due from other governments | - | - | - |
| Due from other funds | - | - | - |
| Total assets | $ 44,746 | $ 6,678 | $ 591 |
| **LIABILITIES AND FUND BALANCES** | | | |
| **LIABILITIES** | | | |
| Accounts payable | $ 18,805 | $ - | $ - |
| Deferred revenues | - | - | - |
| Due to other funds | 260 | - | - |
| Total liabilities | 19,065 | - | - |
| **FUND BALANCES (DEFICIT)** | | | |
| Unreserved | 25,681 | 6,678 | 591 |
| Total liabilities and fund balances | $ 44,746 | $ 6,678 | $ 591 |

| Capital Projects Funds | | | Total |
|---|---|---|---|
| GO Bond Fund | Capital Projects Fund | SPLOST Fund | Nonmajor Governmental Funds |
| $ 212,304 | $ 184,760 | $ 43,523 | $ 489,994 |
| - | - | 215,413 | 218,021 |
| - | 150,993 | - | 150,993 |
| 627,000 | 96,780 | - | 723,780 |
| $ 839,304 | $ 432,533 | $ 258,936 | $ 1,582,788 |
| | | | |
| $ 14,611 | $ 174,813 | $ 24,650 | $ 232,879 |
| - | - | 96,314 | 96,314 |
| 2,755 | 307,764 | 190,613 | 501,392 |
| 17,366 | 482,577 | 311,577 | 830,585 |
| 821,938 | (50,044) | (52,641) | 752,203 |
| $ 839,304 | $ 432,533 | $ 258,936 | $ 1,582,788 |

# CITY OF MONROE, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
## NONMAJOR GOVERNMENTAL FUNDS
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Special Revenue Funds | | |
|---|---|---|---|
| | Forfeited Drug Fund | Hotel/Motel Tax Fund | Debt Service Fund |
| **REVENUES** | | | |
| Taxes | $ - | $ 36,610 | $ - |
| Intergovernmental | - | - | - |
| Fines and forfeitures | 42,047 | - | - |
| Interest | 1,316 | 918 | 143 |
| Total revenues | 43,363 | 37,528 | 143 |
| **EXPENDITURES** | | | |
| Current | | | |
| Public safety | 22,730 | - | - |
| Public works | - | - | - |
| Housing and development | - | 114,803 | - |
| Capital outlay | - | - | - |
| Debt service | | | |
| Principal retirements | - | - | 230,000 |
| Interest and issuance costs | - | - | 317,062 |
| Total expenditures | 22,730 | 114,803 | 547,062 |
| Excess (deficiency) of revenues over (under) expenditures | 20,633 | (77,275) | (546,919) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | - | 40,749 | 547,693 |
| Transfers out | - | - | - |
| Total other financing sources (uses) | - | 40,749 | 547,693 |
| Net change in fund balances | 20,633 | (36,526) | 774 |
| **FUND BALANCES (DEFICIT), beginning of year** | 5,048 | 43,204 | (183) |
| **FUND BALANCES (DEFICIT), end of year** | $ 25,681 | $ 6,678 | $ 591 |

| Capital Projects Funds | | | Total |
|---|---|---|---|
| GO Bond Fund | Capital Projects Fund | SPLOST Fund | Nonmajor Governmental Funds |
| $ - | $ - | $ 1,453,993 | $ 1,490,603 |
| - | 526,546 | 41,438 | 567,984 |
| - | - | - | 42,047 |
| 24,988 | 1,678 | 2,236 | 31,279 |
| 24,988 | 528,224 | 1,497,667 | 2,131,913 |
| - | - | - | 22,730 |
| - | - | 219,880 | 219,880 |
| - | - | - | 114,803 |
| 84,704 | 651,928 | 1,205,768 | 1,942,400 |
| - | - | - | 230,000 |
| - | - | - | 317,062 |
| 84,704 | 651,928 | 1,425,648 | 2,846,875 |
| (59,716) | (123,704) | 72,019 | (714,962) |
| - | 151,362 | - | 739,804 |
| (15,794) | - | (124,660) | (140,454) |
| (15,794) | 151,362 | (124,660) | 599,350 |
| (75,510) | 27,658 | (52,641) | (115,612) |
| 897,448 | (77,702) | - | 867,815 |
| $ 821,938 | $ (50,044) | $ (52,641) | $ 752,203 |

# CITY OF MONROE, GEORGIA
## FORFEITED DRUG FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Fines & forfeitures | $ 10,000 | $ 25,000 | $ 42,047 | $ 17,047 |
| Interest | - | - | 1,316 | 1,316 |
| Total revenues | 10,000 | 25,000 | 43,363 | 18,363 |
| **EXPENDITURES** | | | | |
| Public safety | 10,000 | 25,000 | 22,730 | 2,270 |
| Net change in fund balances | - | - | 20,633 | 20,633 |
| **FUND BALANCES, beginning of year** | 5,048 | 5,048 | 5,048 | - |
| **FUND BALANCES, end of year** | $ 5,048 | $ 5,048 | $ 25,681 | $ 20,633 |

# CITY OF MONROE, GEORGIA
## HOTEL/MOTEL TAX FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Taxes | $ 40,000 | $ 40,000 | $ 36,610 | $ (3,390) |
| Interest | - | - | 918 | 918 |
| Total revenues | 40,000 | 40,000 | 37,528 | (2,472) |
| **EXPENDITURES** | | | | |
| Culture and recreation | 500 | 500 | - | 500 |
| Housing and development | 107,000 | 115,500 | 114,803 | 697 |
| Total expenditures | 107,500 | 116,000 | 114,803 | 1,197 |
| Deficiency of revenues under expenditures | (67,500) | (76,000) | (77,275) | (1,275) |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 67,500 | 42,000 | 40,749 | (1,251) |
| Net change in fund balances | - | (34,000) | (36,526) | (2,526) |
| **FUND BALANCES, beginning of year** | 43,204 | 43,204 | 43,204 | - |
| **FUND BALANCES, end of year** | $ 43,204 | $ 9,204 | $ 6,678 | $ (2,526) |

# CITY OF MONROE, GEORGIA
## DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Interest | $ - | $ - | $ 143 | $ 143 |
| **EXPENDITURES** | | | | |
| Debt service | | | | |
| Principal retirements | 230,000 | 230,000 | 230,000 | - |
| Interest and issuance costs | 327,593 | 327,593 | 317,062 | 10,531 |
| Total expenditures | 557,593 | 557,593 | 547,062 | 10,531 |
| Deficiency of revenues under expenditures | (557,593) | (557,593) | (546,919) | 10,674 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 557,593 | 557,593 | 547,693 | (9,900) |
| Total other financing sources | 557,593 | 557,593 | 547,693 | (9,900) |
| Net change in fund balances | - | - | 774 | 774 |
| **FUND BALANCES (DEFICIT), beginning of year** | (183) | (183) | (183) | - |
| **FUND BALANCES, end of year** | $ (183) | $ (183) | $ 591 | $ 774 |

# CITY OF MONROE, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| Project | Original and Current Estimated Cost | Prior Year | Current Year | Total |
|---|---|---|---|---|
| Transportation, drainage and sidewalks | $ 9,136,000 | $ - | $ 1,425,648 | $ 1,425,648 |
| Public safety | 2,500,000 | - | - | - |
| Solid waste | 1,500,000 | - | - | - |
| Water & sewer | 4,060,000 | - | - | - |
| Airport | 1,500,000 | - | - | - |
| Electric, CATV & Fiber | 1,500,000 | - | - | - |
| | $ 20,196,000 | $ - | $ 1,425,648 | $ 1,425,648 |

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# CITY OF MONROE, GEORGIA

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government on a cost reimbursement basis. During the year ended December 31, 2007, the City began reporting the activities of self-insured health and workers' compensation and short-term disability coverage in the General Fund. These internal service funds will not be reported in years subsequent to December 31, 2007.

**Employees' Health Benefits** – This fund accounts for employer and employee contributions for self-funded health insurance coverage.

**Workers' Compensation Insurance** – This fund accounts for the provision of self-insured workers' compensation and short-term disability coverage for all employees, excluding those of the Utilities Fund.

# CITY OF MONROE, GEORGIA

## INTERNAL SERVICE FUNDS
## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Employees' Health Benefits | Workers' Compensation Insurance | Totals |
|---|---|---|---|
| **Transfers out** | $ (56,988) | $ (53,026) | $ (110,014) |
| **Changes in net assets** | (56,988) | (53,026) | (110,014) |
| **Net assets, beginning of year** | 56,988 | 53,026 | 110,014 |
| **Net assets, end of year** | $ - | $ - | $ - |

# CITY OF MONROE, GEORGIA

## INTERNAL SERVICE FUNDS
## COMBINING STATEMENT OF CASH FLOWS
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | Employees' Health Benefits | Workers' Compensation Insurance | Totals |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from interfund services provided | $ 66,619 | $ 6,235 | $ 72,854 |
| Payments to suppliers | (287,249) | (1,918) | (289,167) |
| Net cash provided by (used in) operating activities | (220,630) | 4,317 | (216,313) |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | | | |
| Transfers out | (56,988) | (53,026) | (110,014) |
| Net cash used by non-capital financing activities | (56,988) | (53,026) | (110,014) |
| Net decrease in cash | (277,618) | (48,709) | (326,327) |
| Cash, beginning of year | 277,618 | 48,709 | 326,327 |
| Cash, end of year | $ - | $ - | $ - |
| **RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES** | | | |
| Operating income | $ - | $ - | $ - |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Change in assets and liabilities: | | | |
| Decrease in due from other funds | 66,619 | 6,235 | 72,854 |
| Decrease in accounts payable | (247,233) | (1,918) | (249,151) |
| Decrease in due to other funds | (40,016) | - | (40,016) |
| Net cash provided by (used in) operating activities | $ (220,630) | $ 4,317 | $ (216,313) |

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# COMPONENT UNIT –
# DOWNTOWN DEVELOPMENT AUTHORITY

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# CITY OF MONROE, GEORGIA

## STATEMENT OF CASH FLOWS
## COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Payments to suppliers | $ (117,569) |
| Net cash used in operating activities | (117,569) |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | |
| Tax receipts | 115,257 |
| Other nonoperating income | 37,631 |
| Net cash provided by non-capital financing activities | 152,888 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest received | 1,180 |
| Net cash provided by capital and related financing activities | 1,180 |
| Net increase in cash | 36,499 |
| Cash, beginning of year | 18,421 |
| Cash, end of year | $ 54,920 |
| **RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES** | |
| Operating loss | $ (118,358) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Change in assets and liabilities: | |
| Increase in accounts payable and accrued liabilities | 789 |
| Net cash used in operating activities | $ (117,569) |

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# STATISTICAL SECTION

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# STATISTICAL SECTION

This part of the City of Monroe's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.


**Page**

**Financial Trends** ..... **60**

**These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.**

**Revenue Capacity** ..... **67**

**These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and utility charges.**

**Debt Capacity** ..... **81**

**These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.**

**Demographic and Economic Information** ..... **86**

**These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.**

**Operating Information** ..... **88**

**These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.**


Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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# CITY OF MONROE, GEORGIA

## NET ASSETS BY COMPONENT
## LAST FIVE YEARS
## (accrual basis of accounting)

| | **2007** | 2006 | 2005 | 2004 | 2003 |
|---|---|---|---|---|---|
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt | **$ 18,830,133** | $ 17,937,677 | $ 3,271,486 | $ 2,685,278 | $ 1,726,425 |
| Restricted | **-** | - | 113,454 | 2,697,316 | 3,693,156 |
| Unrestricted | **2,613,863** | 2,385,954 | 7,293,962 | 2,506,632 | 1,439,477 |
| Total governmental activities net assets | **$ 21,443,996** | $ 20,323,631 | $ 10,678,902 | $ 7,889,226 | $ 6,859,058 |
| Business-type activities | | | | | |
| Invested in capital assets, net of related debt | **$ 48,532,376** | $ 47,035,378 | $ 46,638,687 | $ 40,778,483 | $ 39,380,191 |
| Unrestricted | **6,536,032** | 5,361,388 | 4,212,532 | 6,294,103 | 6,068,795 |
| Total business-type activities net assets | **$ 55,068,408** | $ 52,396,766 | $ 50,851,219 | $ 47,072,586 | $ 45,448,986 |
| Primary government | | | | | |
| Invested in capital assets, net of related debt | **$ 67,362,509** | $ 57,515,398 | $ 49,910,173 | $ 43,463,761 | $ 41,106,616 |
| Restricted | **-** | - | 113,454 | 2,697,316 | 3,693,156 |
| Unrestricted | **9,149,895** | 7,747,342 | 11,506,494 | 8,800,735 | 7,508,272 |
| Total primary government net assets | **$ 76,512,404** | $ 65,262,740 | $ 61,530,121 | $ 54,961,812 | $ 52,308,044 |

# CITY OF MONROE, GEORGIA

## CHANGES IN NET ASSETS
## LAST FIVE YEARS
## (accrual basis of accounting)

| | 2007 | | 2006 | | 2005 | 2004 | 2003 |
|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | **$ 1,201,330** | | $ 1,694,194 | (2) | $ 1,268,756 | $ 996,623 | $ 910,553 |
| Judicial | **76,621** | | 101,795 | | 66,903 | 59,771 | 53,943 |
| Public safety | **4,905,576** | | 4,584,679 | | 4,089,578 | 4,226,825 | 3,842,396 |
| Public works | **2,981,950** | | 2,179,824 | | 1,432,099 | 2,375,572 | 2,219,978 |
| Health and welfare | **18,514** | | 9,674 | | 11,918 | 47,688 | 5,519 |
| Culture and recreation | **366,993** | | 328,177 | | 322,390 | 358,311 | 338,373 |
| Housing and development | **474,499** | | 345,994 | | 239,393 | 185,843 | 211,352 |
| Interest on long-term debt | **324,998** | | 340,523 | | 365,053 | 370,794 | 441,473 |
| Total governmental activities expenses | **10,350,481** | | 9,584,860 | | 7,796,090 | 8,621,427 | 8,023,587 |
| Business-type activities: | | | | | | | |
| Utilities | **29,386,045** | (5) | 30,529,266 | | 30,061,743 | 26,800,621 | 22,403,859 |
| Solid Waste | **3,329,996** | | 3,489,003 | | 2,863,895 | 2,768,145 | 2,622,391 |
| Total business-type activities expenses | **32,716,041** | | 34,018,269 | | 32,925,638 | 29,568,766 | 25,026,250 |
| Total primary government expenses | **$ 43,066,522** | | $ 43,603,129 | | $ 40,721,728 | $ 38,190,193 | $ 33,049,837 |
| **Program Revenues** | | | | | | | |
| Governmental activities: | | | | | | | |
| Charges for services: | | | | | | | |
| General government | **$ 595,072** | (4) | $ 310,339 | (1) | $ 87,012 | $ 58,566 | $ 89,804 |
| Judicial | **467,927** | | 331,732 | (1) | - | - | - |
| Public safety | **64,580** | | 23,579 | (1) | 413,337 | 386,801 | 316,653 |
| Public works | **12,470** | | 17,680 | | 800 | 2,785 | - |
| Health and welfare | **-** | | - | | 16,800 | 20,625 | 4,000 |
| Culture and recreation | **1,065** | | 1,225 | | - | - | - |
| Housing and development | **-** | | - | (1) | 262,033 | 290,370 | 213,459 |
| Operating grants and contributions | **107,712** | | 86,254 | | - | - | 67,080 |
| Capital grants and contributions | **911,483** | | 2,874,695 | (2) | - | - | 1,022,218 |
| Total governmental activities program revenues | **2,160,309** | | 3,645,504 | | 779,982 | 759,147 | 1,713,214 |
| Business-type activities: | | | | | | | |
| Charges for services: | | | | | | | |
| Utilities | **31,538,917** | (5) | 33,310,694 | | 33,730,259 | 29,919,255 | 26,627,546 |
| Solid Waste | **3,286,002** | | 3,248,198 | | 2,791,420 | 2,734,281 | 2,692,889 |
| Operating grants and contributions | **-** | | - | | 36,796 | 12,905 | - |
| Capital grants and contributions | **1,481,998** | | 716,201 | (3) | 4,249,412 | 2,136,117 | 472,979 |
| Total business-type activities program revenues | **36,306,917** | | 37,275,093 | | 40,807,887 | 34,802,558 | 29,793,414 |
| Total primary government program revenues | **$ 38,467,226** | | $ 40,920,597 | | $ 41,587,869 | $ 35,561,705 | $ 31,506,628 |

**(Continued)**

# CITY OF MONROE, GEORGIA

## CHANGES IN NET ASSETS
## LAST FIVE YEARS
## (accrual basis of accounting)

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---|---|---|---|---|
| **Net (expense)/revenue** | | | | | |
| Governmental activities | **$ (8,190,172)** | $ (5,939,356) | $ (7,016,108) | $ (7,862,280) | $ (6,310,373) |
| Business-type activities | **3,590,876** | 3,256,824 | 7,882,249 | 5,233,792 | 4,767,164 |
| Total primary government net (expense) revenue | **$ (4,599,296)** | $ (2,682,532) | $ 866,141 | $ (2,628,488) | $ (1,543,209) |
| **General Revenues and Other Changes in Net Assets** | | | | | |
| Governmental activities: | | | | | |
| Property taxes | **$ 2,950,804** | $ 2,686,312 | $ 2,542,580 | $ 2,351,239 | $ 2,258,913 |
| Sales taxes | **3,892,735** | 2,390,642 | 1,780,995 | 1,609,567 | 1,267,971 |
| Franchise taxes | **252,451** | 263,886 | 255,742 | 237,448 | 217,793 |
| Other taxes | **750,143** | 718,778 | 1,057,955 | 980,690 | 924,769 |
| Intergovernmental revenues | **-** | - | - | - | 62,247 |
| Unrestricted investment earnings | **60,448** | 108,567 | 71,213 | 37,124 | 102,621 |
| Miscellaneous | **112,459** | 101,300 | 10,000 | - | - |
| Gain on sale of capital assets | **21,649** | 23,593 | - | 6,905 | 35,253 |
| Transfers | **1,269,848** | 1,433,043 | 1,391,317 | 1,860,198 | 1,714,894 |
| Total governmental activities | **9,310,537** | 7,726,121 | 7,109,802 | 7,083,171 | 6,584,461 |
| Business-type activities: | | | | | |
| Investment earnings | **331,500** | 213,843 | 132,093 | 67,039 | 72,033 |
| Miscellaneous | **-** | - | - | - | 45,019 |
| Gain on sale of capital assets | **19,114** | - | (9,264) | 7,993 | 36,690 |
| Transfers | **(1,269,848)** | (1,433,043) | (1,530,464) | (1,860,947) | (1,714,894) |
| Total business-type activities | **(919,234)** | (1,219,200) | (1,407,635) | (1,785,915) | (1,561,152) |
| Total primary government | **$ 8,391,303** | $ 6,506,921 | $ 5,702,167 | $ 5,297,256 | $ 5,023,309 |
| **Change in Net Assets** | | | | | |
| Governmental activities | **$ 1,120,365** | $ 1,786,765 | $ 93,694 | $ (779,109) | $ 274,088 |
| Business-type activities | **2,671,642** | 2,037,624 | 6,474,614 | 3,447,877 | 3,206,012 |
| Total primary government | **$ 3,792,007** | $ 3,824,389 | $ 6,568,308 | $ 2,668,768 | $ 3,480,100 |

(1) The allocation of charges for services to the various functions was changed in 2006 to more accurately reflect the nature of the City's activities.

(2) The City received and expended several large grants in 2006 that had not been received in prior years.

(3) In 2006, the City received fewer grants and contributions related to business-type activities than in prior years.

(4) During 2007, the City eliminated the internal service funds and began acounting for revenue and expenditures in the general fund.

(5) During 2006 several large industries closed resulting in lower utility revenue and expenses.

# CITY OF MONROE, GEORGIA

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
## LAST FIVE YEARS
## (accrual basis of accounting)

| Fiscal Year | Property Tax | Sales Tax | Franchise Tax | Other Tax | Total |
|---|---|---|---|---|---|
| 2003 | $ 2,258,913 | $ 1,267,971 | $ 217,793 | $ 924,769 | $ 4,669,446 |
| 2004 | 2,351,239 | 1,609,567 | 237,448 | 980,690 | 5,178,944 |
| 2005 | 2,542,580 | 1,780,995 | 255,742 | 1,057,955 | 5,637,272 |
| 2006 | 2,686,312 | 2,390,642 | 263,886 | 718,778 | 6,059,618 |
| **2007** | **2,950,804** | **3,892,735** (1) | **252,451** | **750,143** | **7,846,133** |

(1) Sales tax increase in 2007 was due to the first year for collection of Special Purpose Local Option Sales Tax (SPLOST).

# CITY OF MONROE, GEORGIA

## FUND BALANCES OF GOVERNMENTAL FUNDS
## LAST TEN YEARS
## (modified accrual basis of accounting)

| | **2007** | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|---|---|---|---|---|---|---|---|---|---|
| General fund | | | | | | | | | | |
| Reserved | **$ 610,247** (1) | $ 54,417 | $ 54,271 | $ 49,024 | $ - | $ 15,041 | $ 3,541 | $ 15,000 | $ 3,541 | $ 15,000 |
| Unreserved | **1,319,021** (2) | 1,768,113 | 2,317,376 | 1,976,238 | 2,241,528 | 2,556,671 | 2,362,057 | 1,551,965 | 1,745,305 | 1,552,856 |
| Total general fund | **$ 1,929,268** | $ 1,822,530 | $ 2,371,647 | $ 2,025,262 | $ 2,241,528 | $ 2,571,712 | $ 2,365,598 | $ 1,566,965 | $ 1,748,846 | $ 1,567,856 |
| All other governmental funds | | | | | | | | | | |
| Reserved | **$ -** | $ - | $ 20,000 | $ 20,000 | $ 12,000 | $ 8,000 | $ 4,000 | $ 60,000 | $ 60,000 | $ 60,000 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | **32,359** | 48,252 | 30,792 | 52,863 | 157,061 | 160,516 | 93,081 | 4,983 | 25,420 | 21,051 |
| Debt service fund | **591** | (183) | (89,261) | 6,357 | 5,137 | 66,734 | 29,413 | - | - | - |
| Capital projects funds | **719,253** | 819,746 | 1,271,889 | 1,886,939 | 2,680,178 | 3,618,423 | 4,017,621 | 6,786,920 | 177,167 | 103,565 |
| Total all other governmental funds | **$ 752,203** | $ 867,815 | $ 1,233,420 | $ 1,966,159 | $ 2,854,376 | $ 3,853,673 | $ 4,144,115 | $ 6,851,903 | $ 262,587 | $ 184,616 |

(1) The increase in reserved fund balance of the general fund in 2007 was due to an advance to another fund for which fund balance is reserved.

# CITY OF MONROE, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
## LAST TEN YEARS
## (modified accrual basis of accounting)

| | 2007 | | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | |
| Taxes | **$ 7,718,946** | (2) | $ 6,154,877 | $ 5,331,546 | $ 5,076,269 | $ 4,507,752 | $ 4,535,803 | $ 4,436,314 | $ 4,027,071 | $ 3,577,175 | $ 3,231,813 |
| Licenses and permits | **179,757** | | 303,400 | 208,714 | 241,633 | 171,298 | 165,971 | 147,242 | 160,862 | 182,934 | 216,117 |
| Intergovernmental | **716,836** | (3) | 2,129,920 | 2,090,227 | 1,383,794 | 834,318 | 1,236,721 | 1,183,036 | 304,798 | 282,825 | 216,652 |
| Fines and forfeitures | **509,974** | | 337,512 | 420,414 | 398,839 | 331,814 | 112,397 | 1,836,172 | 1,212,054 | 1,260,650 | 1,004,682 |
| Charges for services | **446,792** | | 38,459 | 112,623 | 113,705 | 97,257 | 267,744 | 344,481 | 407,064 | 298,127 | 235,932 |
| Interest income | **60,448** | | 92,654 | 62,847 | 28,528 | 100,070 | 199,946 | 186,659 | 53,606 | 60,010 | 69,750 |
| Miscellaneous | **117,050** | | 106,484 | 202,602 | 44,690 | 59,541 | 16,105 | 250,354 | 33,910 | 152,008 | 208,180 |
| Total revenues | **9,749,803** | | 9,163,306 | 8,428,973 | 7,287,458 | 6,102,050 | 6,534,687 | 8,384,258 | 6,199,365 | 5,813,729 | 5,183,126 |
| **Expenditures** | | | | | | | | | | | |
| General government | **1,094,922** | | 1,602,150 | 988,142 | 1,167,400 | 1,331,514 | 1,466,330 | 867,705 | 946,373 | 1,792,209 | 1,339,339 |
| Judicial | **82,684** | | 95,732 | 77,198 | 46,817 | 42,429 | - | - | - | - | - |
| Public safety | **4,899,432** | | 4,282,047 | 4,268,592 | 3,542,765 | 3,073,846 | 2,874,614 | 2,476,931 | 2,397,795 | 2,196,658 | 2,233,250 |
| Public works | **1,833,370** | | 2,142,527 | 1,307,365 | 1,160,618 | 1,371,404 | 1,236,827 | 2,326,920 | 568,219 | 581,233 | 1,084,498 |
| Health and welfare | **18,514** | | 9,674 | 6,880 | 7,081 | - | - | - | - | - | - |
| Culture and recreation | **331,981** | | 297,433 | 280,813 | 317,589 | 287,906 | 472,587 | 527,241 | 561,312 | 498,233 | 110,729 |
| Housing and development | **500,377** | | 330,822 | 246,559 | 228,045 | 167,225 | 178,129 | 161,115 | 133,940 | 132,325 | 135,333 |
| Capital outlay | **1,942,400** | | 2,343,884 | 2,593,331 | 1,828,500 | 1,056,490 | 678,402 | 4,345,078 | 339,314 | 1,041,570 | - |
| Debt service | | | | | | | | | | | |
| Principal retirements | **230,000** | | 200,000 | 125,000 | 172,815 | 170,882 | 574 | 273,255 | 421,378 | 139,542 | 143,557 |
| Interest and fiscal charges | **317,062** | | 464,145 | 365,053 | 370,794 | 441,473 | 333,141 | 81,104 | 161,858 | 21,579 | 17,325 |
| Total expenditures | **11,250,742** | | 11,768,414 | 10,258,933 | 8,842,424 | 7,943,169 | 7,240,604 | 11,059,349 | 5,530,189 | 6,403,349 | 5,064,031 |
| Excess of revenues over (under) expenditures | **(1,500,939)** | | (2,605,108) | (1,829,960) | (1,554,966) | (1,841,119) | (705,917) | (2,675,091) | 669,176 | (589,620) | 119,095 |

**(Continued)**

# CITY OF MONROE, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
## LAST TEN YEARS
## (modified accrual basis of accounting)

| | **2007** | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Other financing sources (uses)** | | | | | | | | | | |
| Issuance of long-term debt | **-** | 4,430,000 (1) | - | - | - | - | - | 6,827,726 | - | - |
| Premium from issuance of debt | **-** | 250,230 (1) | - | - | - | - | - | - | - | - |
| Payment to refunded bond escrow agent | **-** | (4,568,686) (1) | - | - | - | - | - | - | - | - |
| Capital leases | **-** | - | - | - | - | - | 149,750 | 91,605 | 689,718 | 107,400 |
| Proceeds from sale of capital assets | **51,100** | 55,865 | 17,334 | 12,089 | 35,253 | 44,037 | 11,404 | 11,500 | - | - |
| Transfers in | **2,180,769** | 2,372,834 | 2,466,036 | 1,860,403 | 1,565,271 | 1,620,354 | 1,012,275 | 877,068 | 1,497,436 | 1,382,338 |
| Transfers out | **(739,804)** | (939,791) | (1,039,764) | (1,407,009) | (1,088,883) | (1,020,842) | (693,218) | (509,707) | (524,197) | (405,094) |
| Total other financing sources (uses) | **1,492,065** | 1,600,452 | 1,443,606 | 465,483 | 511,641 | 643,549 | 480,211 | 7,298,192 | 1,662,957 | 1,084,644 |
| Net change in fund balances | **$ (8,874)** | $ (1,004,656) | $ (386,354) | $ (1,089,483) | $ (1,329,478) | $ (62,368) | $ (2,194,880) | $ 7,967,368 | $ 1,073,337 | $ 1,203,739 |
| Debt service as a percentage of noncapital expenditures | **5.88%** | 7.05% | 6.39% | 7.75% | 8.89% | 5.09% | 5.28% | 11.24% | 3.00% | 3.18% |

(1) The City issued refunding bonds in 2006.
(2) The increase in 2007 taxes was due to the first year for collection of Special Purpose Local Option Sales Tax (SPLOST).
(3) The City received several large grants in prior years.

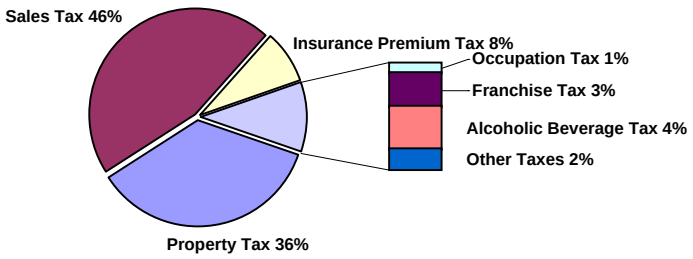
# CITY OF MONROE, GEORGIA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
## LAST TEN YEARS
## (modified accrual basis of accounting)

| Fiscal Year | Property Tax | Sales Tax | Occupation Tax | Insurance Premium Tax | Franchise Tax | Alcoholic Beverage Tax | Other Taxes | Total |
|---|---|---|---|---|---|---|---|---|
| 1998 | $ 1,284,833 | $ 1,127,891 | $ 105,099 | $ 383,041 | $ 164,682 | $ 229,498 | $ 41,868 | $ 3,336,912 |
| 1999 | 1,346,363 | 1,238,370 | 98,222 | 396,772 | 182,233 | 248,020 | 55,268 | 3,565,248 |
| 2000 | 1,540,999 | 1,418,122 | 68,504 | 421,425 | 191,954 | 250,417 | 113,421 | 4,004,842 |
| 2001 | 1,733,672 | 1,632,577 | 65,750 | 414,349 | 202,077 | 249,668 | 138,221 | 4,436,314 |
| 2002 | 1,962,006 | 1,464,233 | 65,048 | 454,635 | 207,951 | 254,739 | 127,191 | 4,535,803 |
| 2003 | 2,075,224 | 1,267,971 | 68,896 | 489,989 | 217,793 | 248,075 | 139,804 | 4,507,752 |
| 2004 | 2,223,150 | 1,609,567 | 75,562 | 531,015 | 237,448 | 271,194 | 128,333 | 5,076,269 |
| 2005 | 2,212,851 | 1,780,995 | 76,088 | 571,302 | 255,742 | 283,643 | 150,925 | 5,331,546 |
| 2006 | 2,735,068 | 2,079,950 | 73,450 | 597,725 | 263,886 | 274,328 | 130,470 | 6,154,877 |
| **2007** | **2,750,738** | **3,540,175** (1) | **86,025** | **623,494** | **252,451** | **315,950** | **150,113** | **7,718,946** |

(1) Sales tax increase in 2007 was due to the first year for collection of Special Purpose Local Option Sales Tax (SPLOST).

**FOR THE YEAR 2007**



# CITY OF MONROE, GEORGIA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
## LAST TEN YEARS

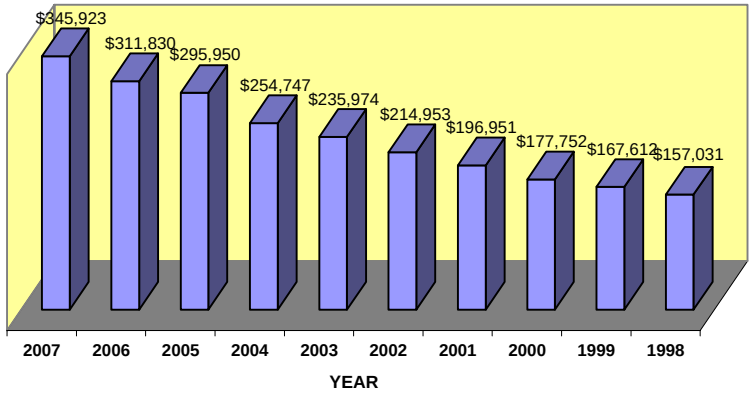
| Fiscal Year | Residential Property | Commercial Property | Industrial Property | Other Property (1) | Less: Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---|---|---|---|---|---|---|---|---|---|
| 1998 | $ 63,855,340 | $ 51,520,755 | $ 22,553,951 | $ 25,803,234 | $ 6,702,315 | $ 157,030,965 | 8.000 | $ 392,577,413 | 40% |
| 1999 | 73,085,831 | 56,102,224 | 23,200,662 | 23,141,967 | 7,918,450 | 167,612,234 | 8.000 | 419,030,585 | 40% |
| 2000 | 79,018,146 | 60,826,492 | 20,666,792 | 24,441,931 | 7,201,225 | 177,752,136 | 7.967 | 444,380,340 | 40% |
| 2001 | 93,263,923 | 65,649,258 | 22,450,885 | 25,962,448 | 10,375,674 | 196,950,840 | 7.557 | 492,377,100 | 40% |
| 2002 | 100,787,600 | 69,108,457 | 28,814,584 | 28,029,520 | 11,786,786 | 214,953,375 | 7.544 | 537,383,438 | 40% |
| 2003 | 116,774,444 | 73,355,298 | 27,270,343 | 29,426,925 | 10,852,602 | 235,974,408 | 7.214 | 589,936,020 | 40% |
| 2004 | 121,915,717 | 84,002,249 | 27,266,091 | 28,818,686 | 7,255,689 | 254,747,054 | 7.193 | 636,867,635 | 40% |
| 2005 | 145,568,907 | 104,099,246 | 23,025,830 | 29,481,721 | 6,225,856 | 295,949,848 | 6.774 | 739,874,620 | 40% |
| 2006 | 155,682,204 | 110,239,548 | 21,823,918 | 30,254,207 | 6,170,110 | 311,829,767 | 6.748 | 779,574,418 | 40% |
| **2007** | **176,797,772** | **123,476,040** | **16,695,955** | **31,878,547** | **2,925,428** | **345,922,886** | **6.622** | **864,807,215** | **40%** |

Source: Walton County, Georgia Tax Assessors Office

Note: Property in the City is reassessed periodically. Property is assessed at 40% of the fair market value; therefore, the assessed values are equal to 40% of the estimated actual value. Tax rates are per $1,000 of assessed value.

(1) Other property consists of historic, agricultural, conservation use, utility, motor vehicle and mobile homes.

**TOTAL TAXABLE ASSESSED VALUE OF PROPERTY**



# CITY OF MONROE, GEORGIA

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS(1)
## PER $1,000 OF ASSESSED VALUE
## LAST TEN YEARS

| | City of Monroe, Georgia | | | Overlapping Rates | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | School District | | | | Total Direct & |
| Fiscal Year | Operating Millage | Debt Service Millage (2) | Total City Millage | County | Operating Millage | Debt Service Millage | Total School Millage | State | Overlapping Rates |
| 1998 | 8.000 | - | 8.000 | 10.690 | 15.320 | 1.540 | 16.860 | 0.25 | 35.800 |
| 1999 | 8.000 | - | 8.000 | 10.460 | 17.280 | 1.370 | 18.650 | 0.25 | 37.360 |
| 2000 | 7.967 | - | 7.967 | 10.050 | 18.040 | 1.050 | 19.090 | 0.25 | 37.357 |
| 2001 | 5.717 | 1.840 | 7.557 | 10.050 | 16.950 | 0.990 | 17.940 | 0.25 | 35.797 |
| 2002 | 5.905 | 1.639 | 7.544 | 9.643 | 16.950 | 0.990 | 17.940 | 0.25 | 35.377 |
| 2003 | 5.515 | 1.699 | 7.214 | 9.643 | 16.940 | 0.960 | 17.900 | 0.25 | 35.007 |
| 2004 | 5.604 | 1.589 | 7.193 | 9.630 | 17.020 | 0.880 | 17.900 | 0.25 | 34.973 |
| 2005 | 5.034 | 1.740 | 6.774 | 9.577 | 17.240 | 1.600 | 18.840 | 0.25 | 35.441 |
| 2006 | 4.870 | 1.878 | 6.748 | 9.585 | 17.240 | 2.700 | 19.940 | 0.25 | 36.523 |
| **2007** | **4.920** | **1.702** | **6.622** | **9.695** | **17.240** | **2.700** | **19.940** | **0.25** | **36.507** |

Source: Walton County Tax Assessors Office

Note: Assessed values are established by the County Assessors on January 1 of each year at 40% of the actual value.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Monroe.
(2) 2001 was the first year for City of Monroe debt service.

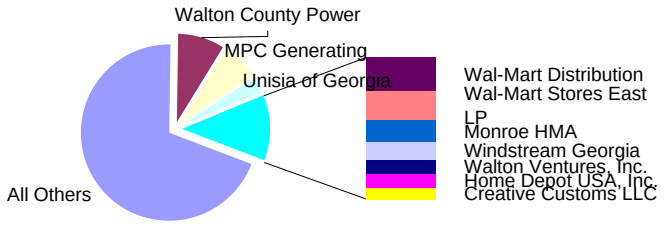
# CITY OF MONROE, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS
## CURRENT AND NINE YEARS AGO
## (amounts expressed in thousands)

| | 2007 | | | 1998 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Taxable Assessed Value |
| Walton County Power, LLC | **$ 30,724** | **1** | **8.88 %** | $ | | % |
| MPC Generating, LLC | **23,694** | **2** | **6.85** | | | |
| Unisia of Georgia Corp | **11,369** | **3** | **3.29** | | | |
| Wal-Mart Distribution | **9,902** | **4** | **2.86** | | | |
| Wal-Mart Stores East LP | **8,458** | **5** | **2.45** | | | |
| Monroe HMA | **6,359** | **6** | **1.84** | | | |
| Windstream Georgia | **5,055** | **7** | **1.46** | | | |
| Walton Ventures, Inc. | **4,256** | **8** | **1.23** | | | |
| Home Depot USA, Inc. | **3,893** | **9** | **1.13** | | | |
| Creative Customs LLC | **3,352** | **10** | **0.97** | | | |
| Avondale Mills | | | | 10,553 | 1 | 6.72 |
| Universal Rundle | | | | 4,522 | 2 | 2.88 |
| Harry Arnold, Jr. | | | | 3,135 | 3 | 2.00 |
| Oxford Industries | | | | 1,907 | 4 | 1.21 |
| E. Kenneth Murray | | | | 1,703 | 5 | 1.08 |
| Duckhead Apparel | | | | 1,517 | 6 | 0.97 |
| David Thompson | | | | 1,235 | 7 | 0.79 |
| AMTW Ltd. Partnership | | | | 1,186 | 8 | 0.76 |
| Monroe Golf & Country Club | | | | 1,100 | 9 | 0.70 |
| National Bank of Walton County | | | | 1,069 | 10 | 0.68 |
| Totals | **$ 107,062** | | **30.95 %** | $ 27,927 | | 17.78 % |

Source: City of Monroe Finance Department

**FOR THE YEAR 2007**

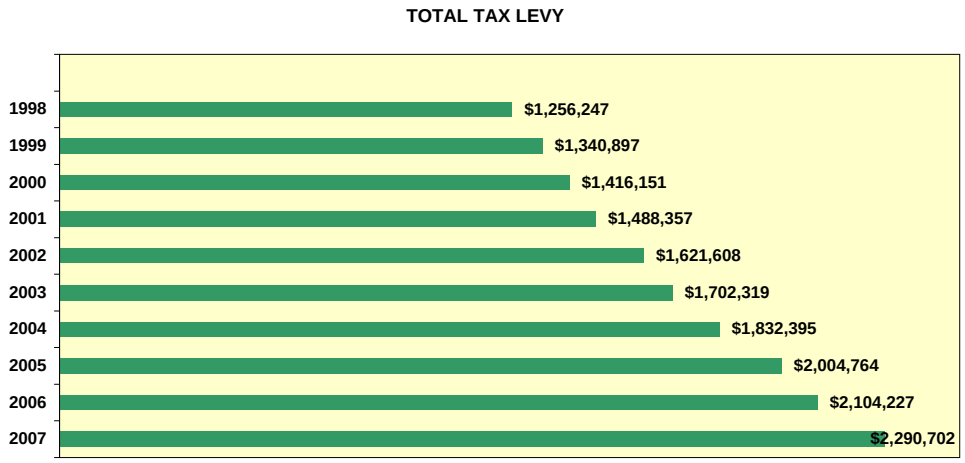


# CITY OF MONROE, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS
## LAST TEN YEARS

| Fiscal Year | Total Tax Levy | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 1998 | $ 1,256,247 | $ 1,207,412 | 96.1 % | $ 100,270 | $ 1,307,682 | 104.1 % |
| 1999 | 1,340,897 | 1,309,759 | 97.7 | 137,134 | 1,446,893 | 107.9 |
| 2000 | 1,416,151 | 1,316,692 | 93.0 | 187,492 | 1,504,184 | 106.2 |
| 2001 | 1,488,357 | 1,394,605 | 93.7 | 188,492 | 1,583,097 | 106.4 |
| 2002 | 1,621,608 | 1,375,935 | 84.9 | 186,710 | 1,562,645 | 96.4 |
| 2003 | 1,702,319 | 1,510,603 | 88.7 | 187,923 | 1,698,526 | 99.8 |
| 2004 | 1,832,395 | 1,620,022 | 88.4 | 206,806 | 1,826,828 | 99.7 |
| 2005 | 2,004,764 | 1,659,986 | 82.8 (1) | 293,199 | 1,953,185 | 97.4 |
| 2006 | 2,104,227 | 1,907,162 | 90.6 | 176,343 | 2,083,505 | 99.0 |
| **2007** | **2,290,702** | **2,073,194** | **90.5** | **-** | **2,073,194** | **90.5** |

(1) One of the City's principal taxpayers was late remitting taxes in 2005 resulting in a lower percentage of levy collected during that year.



# CITY OF MONROE, GEORGIA

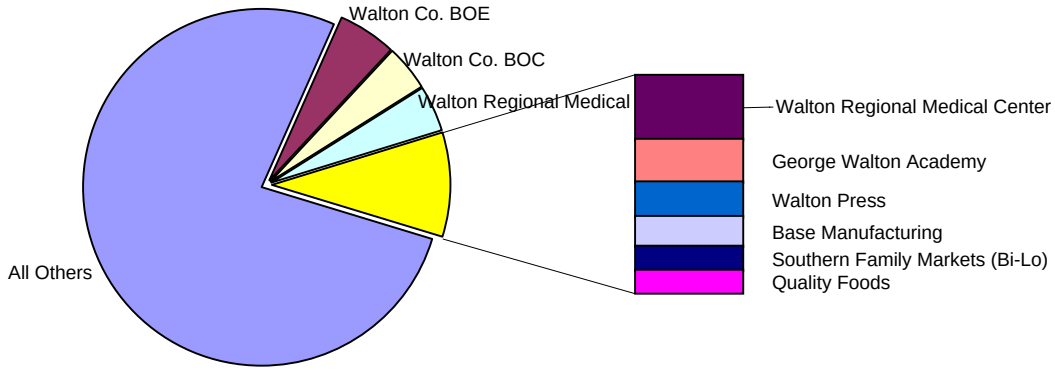
## TOP TEN ELECTRIC CUSTOMERS
## CURRENT AND FIVE YEARS AGO

| | 2007 | | | | 2002 | | | |
|---|---|---|---|---|---|---|---|---|
| Customer | Usage in MWh | Annual Revenue (in thousands) | Rank | Percentage of Total Revenues | Usage in MWh | Annual Revenue (in thousands) | Rank | Percentage of Total Revenues |
| Walton Co. Board of Education | **7,106** | **$ 705** | **1** | **5.37 %** | 6,035 | $ 615 | 1 | 5.48 % |
| Leggett & Platt | **8,475** | **533** | **2** | **4.06** | 9,295 | 329 | 3 | 2.93 |
| Walton Co. Board of Commissioners | **5,664** | **531** | **3** | **4.04** | 2,536 | 140 | 7 | 1.25 |
| Walton Regional Medical Center | **4,977** | **371** | **4** | **2.82** | 5,956 | 418 | 2 | 3.72 |
| George Walton Academy | **2,251** | **239** | **5** | **1.82** | 1,904 | 192 | 5 | 1.71 |
| Walton Press | **2,270** | **197** | **6** | **1.50** | | | | |
| Base Manufacturing | **1,767** | **170** | **7** | **1.29** | 1,397 | 135 | 8 | 1.20 |
| Southern Family Markets (Bi-Lo) | **1,847** | **134** | **8** | **1.02** | 2,150 | 150 | 6 | 1.34 |
| Quality Foods | **1,650** | **126** | **9** | **0.96** | 1,670 | 128 | 9 | 1.14 |
| Home Depot | **2,325** | **97** | **10** | **0.74** | | | | |
| Oxford Industries | | | | **0.00** | 2,659 | 273 | 4 | 2.43 |
| Wal-Mart Store | | | | | 1,283 | 101 | 10 | 0.90 |
| Totals | **38,332** | **3,103** | | **23.62** | 34,885 | 2,481 | | 22.10 |
| All Others | **107,752** | **10,034** | | **76.38** | 97,221 | 8,746 | | 77.90 |
| Annual Totals | **146,084** | **$ 13,137** | | **100.00 %** | 132,106 | $ 11,227 | | 100.00 % |

Source: City of Monroe Utility Department

Note: Information not available for years prior to 2002.

**FOR THE YEAR 2007**



# CITY OF MONROE, GEORGIA

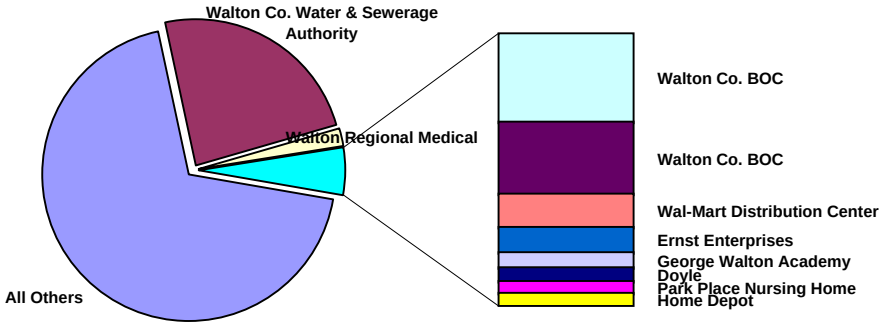
## TOP TEN WATER CUSTOMERS
## CURRENT AND FOUR YEARS AGO

| | 2007 | | | | 2003 | | | |
|---|---|---|---|---|---|---|---|---|
| Customer | Usage in Kgallons | Annual Revenue (in thousands) | Rank | Percentage of Total Revenues | Usage in Kgallons | Annual Revenue (in thousands) | Rank | Percentage of Total Revenues |
| Walton Co. Water & Sewerage Authority | **550,966** | **$ 890** | **1** | **24.00 %** | 548,354 | $ 771 | 1 | 26.06 % |
| Walton Regional Medical Center | **23,366** | **69** | **2** | **1.86** | 19,318 | 44 | 4 | 1.49 |
| Walton Co. Board of Commissioners | **18,148** | **65** | **3** | **1.75** | 13,234 | 38 | 6 | 1.28 |
| Walton Co. Board of Education | **11,635** | **52** | **4** | **1.40** | 13,405 | 41 | 5 | 1.39 |
| Wal-Mart Distribution Center | **8,129** | **24** | **5** | **0.65** | 9,992 | 33 | 7 | 1.12 |
| Ernst Enterprises | **4,049** | **18** | **6** | **0.49** | | | | |
| George Walton Academy | **3,787** | **11** | **7** | **0.30** | 3,140 | 10 | 9 | 0.34 |
| Doyle | **2,159** | **10** | **8** | **0.27** | | | | |
| Park Place Nursing Home | **2,021** | **9** | **9** | **0.24** | 2,014 | 8 | 10 | 0.27 |
| Home Depot | **2,593** | **8** | **10** | **0.22** | | | | |
| Universal Rundle | | | | | 34,508 | 46 | 3 | 1.56 |
| Avondale Mills (Walton-Monroe Mills) | | | | | 27,897 | 57 | 2 | 1.93 |
| Silgan PET, Inc. | | | | | 4,270 | 10 | 8 | 0.34 |
| Totals | **626,853** | **1,156** | | **31.17** | 676,132 | 1,058 | | 35.77 |
| All Others | **582,147** | **2,553** | | **68.83** | 548,911 | 1,900 | | 64.23 |
| Annual Totals | **1,209,000** | **$ 3,709** | | **100.00 %** | 1,225,043 | $ 2,958 | | 100.00 % |

Source: City of Monroe Utility Department

Note: Information not available for years prior to 2003.

**FOR THE YEAR 2007**



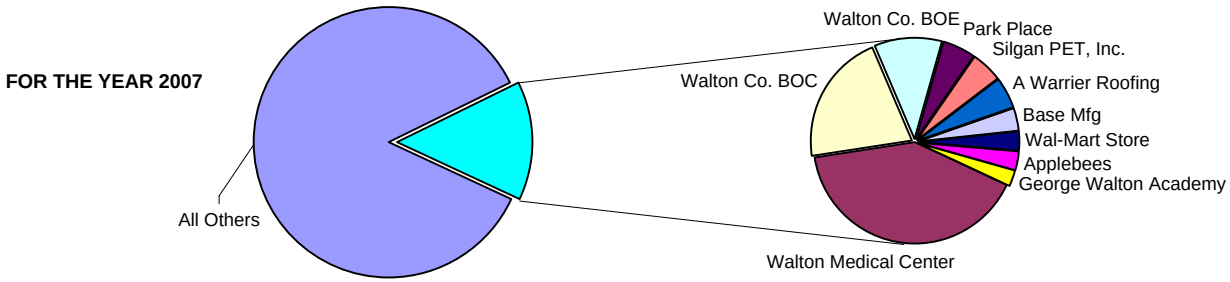
# CITY OF MONROE, GEORGIA

## TOP TEN SEWER CUSTOMERS
## CURRENT AND FOUR YEARS AGO

| | 2007 | | | | 2003 | | | |
|---|---|---|---|---|---|---|---|---|
| Customer | Usage in Kgallons | Annual Revenue (in thousands) | Rank | Percentage of Total Revenues | Usage in Kgallons | Annual Revenue (in thousands) | Rank | Percentage of Total Revenues |
| Walton Medical Center | **23,119** | **$ 130** | **1** | **5.68 %** | | $ | | % |
| Walton Co. Board of Commissioners | **11,157** | **68** | **2** | **2.97** | 13,234 | 54 | 4 | 2.77 |
| Walton Co. Board of Education | **5,229** | **35** | **3** | **1.53** | 13,405 | 54 | 3 | 2.77 |
| Park Place Nursing Home | **2,016** | **17** | **4** | **0.74** | 2,014 | 14 | 6 | 0.72 |
| Silgan PET, Inc. | **1,900** | **16** | **5** | **0.70** | 4,270 | 19 | 5 | 0.98 |
| A Warrior Roofing | **1,852** | **16** | **6** | **0.70** | | | | |
| Base Mfg | **1,935** | **11** | **7** | **0.48** | | | | |
| Wal-Mart Store | **1,933** | **10** | **8** | **0.44** | | | | |
| Applebees | **1,824** | **10** | **9** | **0.44** | | | | |
| George Walton Academy | **1,662** | **8** | **10** | **0.35** | 3,140 | 5 | 10 | 0.26 |
| Universal Rundle | | | | | 34,508 | 92 | 2 | 4.73 |
| Avondale Mills (Walton-Monroe Mills) | | | | | 27,897 | 109 | 1 | 5.60 |
| Wal-Mart Distribution Center | | | | | 9,992 | 10 | 7 | 0.51 |
| Walton Co. Water & Sewerage Authority | | | | | 3,650 | 9 | 8 | 0.46 |
| Monroe Motor Inn | | | | | 1,070 | 5 | 9 | 0.26 |
| Totals | **52,627** | **321** | | **14.04** | 113,180 | 371 | | 19.05 |
| All Others | | **1,966** | | **85.96** | | 1,576 | | 80.95 |
| Annual Totals | | **$ 2,287** | | **100.00 %** | | $ 1,947 | | 100.00 % |

Source: City of Monroe Utility Department

Note: Information not available for years prior to 2003.



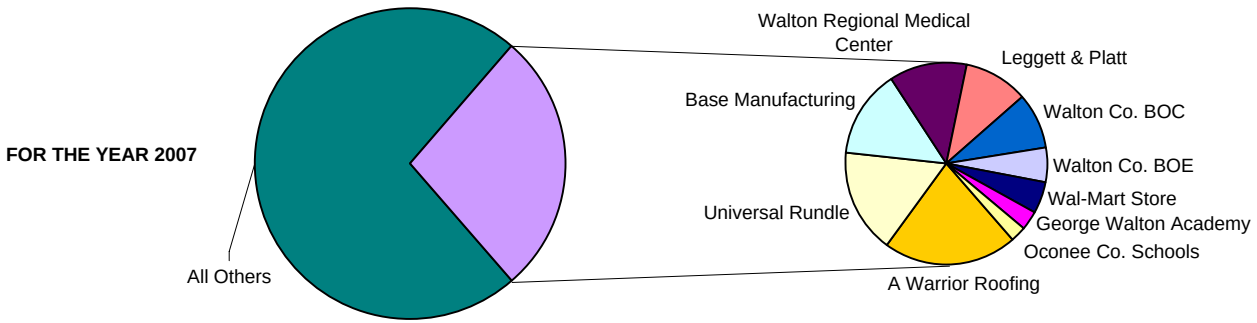
# CITY OF MONROE, GEORGIA

## TOP TEN GAS CUSTOMERS
## CURRENT AND FOUR YEARS AGO

| | 2007 | | | | 2003 | | | |
|---|---|---|---|---|---|---|---|---|
| Customer | Usage in MCF | Annual Revenue (in thousands) | Rank | Percentage of Total Revenues | Usage in MCF | Annual Revenue (in thousands) | Rank | Percentage of Total Revenues |
| A Warrior Roofing | **27,085** | **$ 305** | **1** | **5.80 %** | | $ | | % |
| Universal Rundle | **9,292** | **237** | **2** | **4.51** | 280,888 | 1,874 | 1 | 30.75 |
| Base Manufacturing | **17,968** | **202** | **3** | **3.84** | 15,092 | 144 | 5 | 2.36 |
| Walton Regional Medical Center | **13,809** | **181** | **4** | **3.44** | 15,143 | 145 | 4 | 2.38 |
| Leggett & Platt | **11,067** | **147** | **5** | **2.80** | 12,512 | 140 | 6 | 2.30 |
| Walton Co. Board of Commissioners | **8,569** | **127** | **6** | **2.42** | 7,007 | 76 | 8 | 1.25 |
| Walton Co. Board of Education | **5,481** | **76** | **7** | **1.45** | 10,077 | 108 | 7 | 1.77 |
| Wal-Mart Store | **5,466** | **71** | **8** | **1.35** | | | | |
| George Walton Academy | **3,287** | **45** | **9** | **0.86** | | | | |
| Oconee County Schools | **2,707** | **36** | **10** | **0.68** | | | | |
| Silgan PET, Inc. | | | | | 4,052 | 36 | 10 | 0.59 |
| Avondale Mills (Walton-Monroe Mills) | | | | | 37,458 | 286 | 2 | 4.69 |
| Sunbelt | | | | | 17,071 | 171 | 3 | 2.81 |
| Well Luck Co. | | | | | 6,388 | 61 | 9 | 1.00 |
| Totals | **104,731** | **1,427** | | **27.15** | 405,688 | 3,041 | | 49.89 |
| All Others | **248,333** | **3,829** | | **72.85** | 295,412 | 3,054 | | 50.11 |
| Annual Totals | **353,064** | **$ 5,256** | | **100.00 %** | 701,100 | $ 6,095 | | 100.00 % |

Source: City of Monroe Utility Department

Note: Information not available for years prior to 2003.



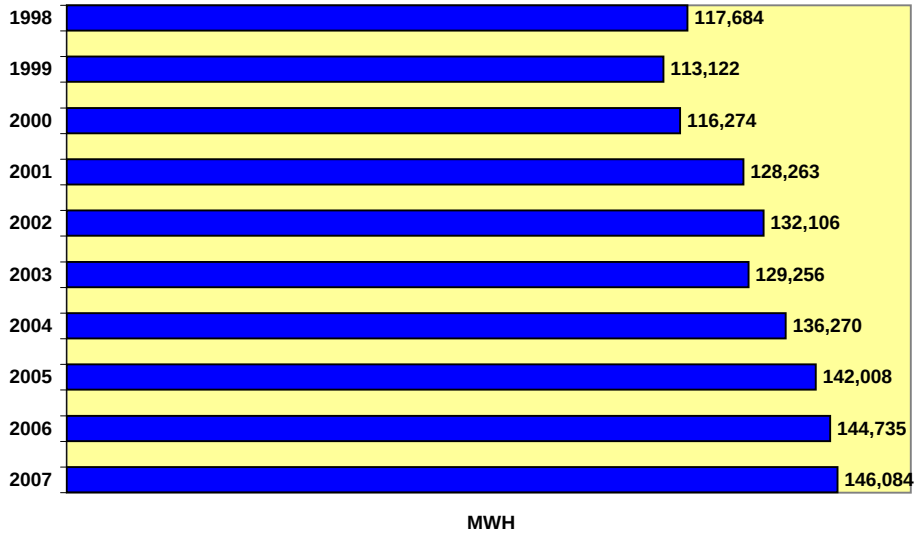
# CITY OF MONROE, GEORGIA

## ELECTRIC MWH SOLD BY TYPE OF CUSTOMER
## LAST TEN YEARS

| | MWH | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Type of Customer** | **2007** | **2006** | **2005** | **2004** | **2003** | **2002 (1)** | **2001 (1)** | **2000 (1)** | **1999 (1)** | **1998 (1)** |
| Residential | **67,462** | 66,069 | 65,327 | 61,577 | 59,020 | N/A | N/A | N/A | N/A | N/A |
| Commercial | **78,587** | 78,639 | 76,651 | 74,660 | 70,210 | N/A | N/A | N/A | N/A | N/A |
| Security Lights | **20** | 12 | 15 | 19 | 12 | N/A | N/A | N/A | N/A | N/A |
| Traffic Lights | **15** | 15 | 15 | 14 | 14 | N/A | N/A | N/A | N/A | N/A |
| Total | **146,084** | 144,735 | 142,008 | 136,270 | 129,256 | 132,106 | 128,263 | 116,274 | 113,122 | 117,684 |

(1) Information by type unavailable.

Source: City of Monroe Utility Department



# CITY OF MONROE, GEORGIA

## WATER GALLONS SOLD BY TYPE OF CUSTOMER
## LAST TEN YEARS

| | Gallons (in millions) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Type of Customer** | **2007** | **2006** | **2005** | **2004** | **2003** | **2002 (1)** | **2001 (1)** | **2000 (1)** | **1999 (1)** | **1998 (1)** |
| Residential | **473** | 461 | 439 | 413 | 404 | N/A | N/A | N/A | N/A | N/A |
| Small Commercial & Industrial (2) | **144** | 147 | 223 | 226 | 230 | N/A | N/A | N/A | N/A | N/A |
| Large Commercial & Industrial (2) | **54** | 73 | - | - | - | N/A | N/A | N/A | N/A | N/A |
| Wholesale | **538** | 584 | 656 | 675 | 591 | N/A | N/A | N/A | N/A | N/A |
| Total | **1,209** | 1,265 | 1,318 | 1,314 | 1,225 | 1,194 | 1,163 | 1,215 | 1,113 | 926 |

(1) Information by type unavailable.
(2) Beginning in 2006, the commercial classification was divided into Small C&L and Large C&L. Large C&L is classified as usage consistently over over one million gallons per month through a single meter.

Source: City of Monroe Utility Department



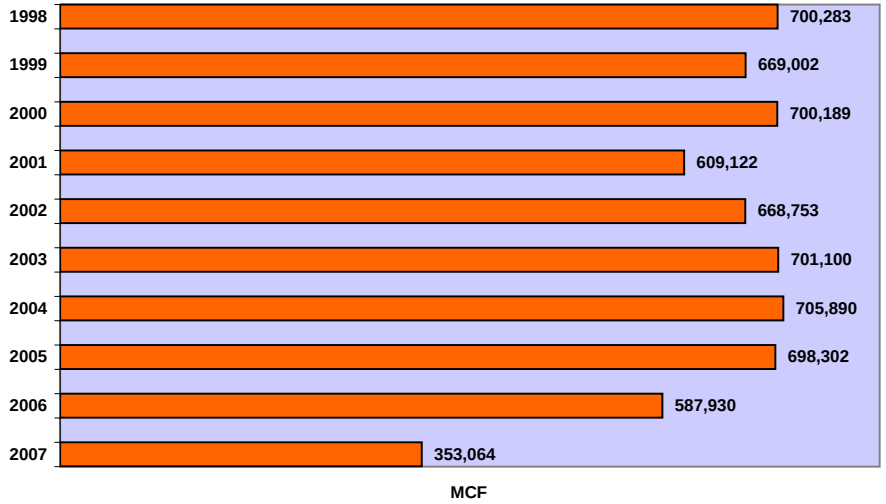
# CITY OF MONROE, GEORGIA

## GAS MCF SOLD BY TYPE OF CUSTOMER
## LAST TEN YEARS

| | MCF | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Type of Customer** | **2007** | **2006** | **2005** | **2004** | **2003** | **2002 (1)** | **2001 (1)** | **2000 (1)** | **1999 (1)** | **1998 (1)** |
| Residential | **163,726** | 166,590 (3) | 198,027 | 191,033 | 191,711 | N/A | N/A | N/A | N/A | N/A |
| Commercial | **128,151** | 127,735 | 127,668 | 122,971 | 120,813 | N/A | N/A | N/A | N/A | N/A |
| Agriculture | **3,742** | 6,626 | 8,135 | 9,840 | 2,761 | N/A | N/A | N/A | N/A | N/A |
| Industrial | **57,445** (3) | 286,979 (3) | 364,472 | 366,325 | 348,357 | N/A | N/A | N/A | N/A | N/A |
| Interruptible (2) | **-** | - | - | 15,721 | 37,458 | N/A | N/A | N/A | N/A | N/A |
| Total | **353,064** | **587,930** | 698,302 | 705,890 | 701,100 | 668,753 | 609,122 | 700,189 | 669,002 | 700,283 |

(1) Information by type unavailable
(2) The City only had one Interruptible customer, and that company closed operations in 2004.
(3) The decrease in Industrial in 2006 and 2007 is due to a large industrial customer closing its manufacturing operations. Residential usage for 2006 decreased from 2005 as a result of much milder weather conditions.

Source: City of Monroe Utility Department



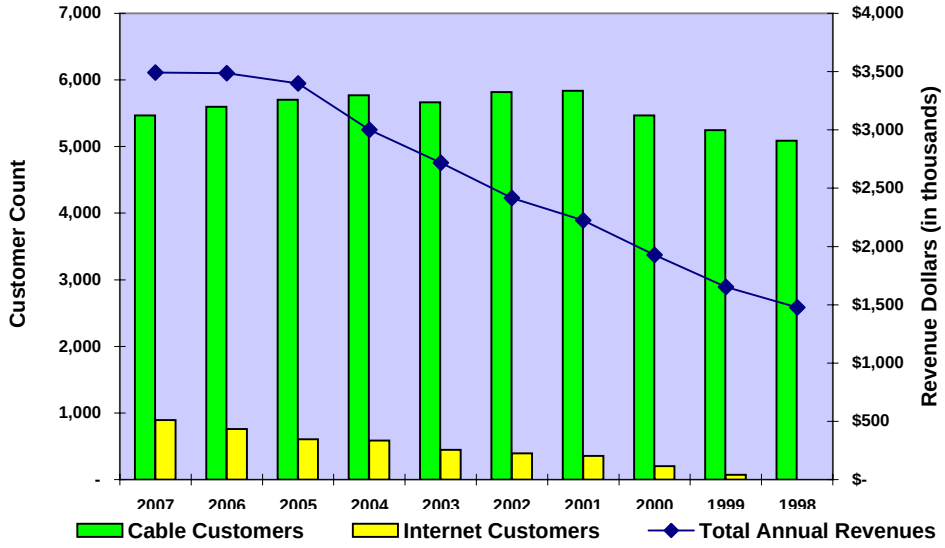
# CITY OF MONROE, GEORGIA

## TELECOMMUNICATIONS (CABLE & INTERNET) SALES
## LAST TEN YEARS

| | Fiscal Years | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2006** | **2005** | **2004** | **2003** | **2002** | **2001** | **2000** | **1999** | **1998** |
| Standard Cable Customers | **5,411** | 5,518 | 5,613 | 5,704 | 5,665 | 5,818 | 5,838 | 5,469 | 5,247 | 5,090 |
| Digital Cable Customers (1) | **57** | 80 | 88 | 66 | - | - | - | - | - | - |
| Internet Customers (2) | **892** | 757 | 604 | 588 | 447 | 393 | 357 | 200 | 71 | - |
| Annual Sales (in thousands) | **$ 3,492** | $ 3,486 | $ 3,398 | $ 3,002 | $ 2,719 | $ 2,415 | $ 2,225 | $ 1,928 | $ 1,653 | $ 1,477 |

(1) Digital cable service started in 2004.
(2) Internet service started in 1999.

Source: City of Monroe Utility Department



# CITY OF MONROE, GEORGIA

## RESIDENTIAL UTILITY RATES
## LAST TEN YEARS

| | Electric | | | | Gas | | | Water | | Sewer | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Monthly Base Rate | First 700 KWH or less | Over 700 KWH Summer | Over 700 KWH Winter | Monthly Base Rate | Rate per CCF Summer | Rate per CCF Winter | Monthly Base Rate | Rate per 1,000 Gallons | Monthly Base Rate | Rate per 1,000 Gallons |
| 1998 | $ 8.50 | $ 0.0650 | $ 0.0900 | $ 0.0530 | $ 5.00 | $ 0.500 | $ 0.600 | $ 6.00 (1) | $ | $ 8.50 (5) | $ |
| 1999 | 8.50 | 0.0650 | 0.0900 | 0.0530 | 5.35 | 0.535 | 0.642 | 6.00 (1) | | 8.50 (5) | |
| 2000 | 8.50 | 0.0650 | 0.0900 | 0.0530 | 5.35 | 0.535 | 0.642 | 6.50 (1) | | 10.50 (5) | |
| 2001 | 9.00 | 0.0685 | 0.0950 | 0.0560 | 6.00 | 0.600 | 0.720 | 2.71 | 2.23 (2) | 4.75 | 2.10 |
| 2002 | 9.00 | 0.0685 | 0.0950 | 0.0560 | 10.00 | 0.375 | 0.375 | 3.25 | 2.68 (2) | 5.70 | 2.52 |
| 2003 | 9.00 | 0.0685 | 0.0950 | 0.0560 | 10.00 | 0.375 | 0.375 | 3.25 | 2.68 (2) | 5.70 | 2.52 |
| 2004 | 9.00 | 0.0685 | 0.0950 | 0.0560 | 10.00 | 0.375 | 0.375 | 3.41 | 2.81 (2) | 5.99 | 2.65 |
| 2005 | 9.00 | 0.0685 | 0.0950 | 0.0560 | 10.00 | 0.375 | 0.375 | 3.41 | 2.85 (3) | 6.00 | 2.75 |
| 2006 | 9.00 | 0.0685 | 0.0950 | 0.0560 | 10.00 | 0.375 | 0.375 | 8.25 | 1.50 (4) | 7.00 | 2.75 |
| **2007** | **9.00** | **0.0685** | **0.0950** | **0.0560** | **10.00** | **0.375** | **0.375** | **8.25** | **1.50 (4)** | **7.00** | **2.75** |

Note: Rates are plus fuel adjustment and applicable sales tax

(1) Rates based on first 3000 gallons, residential in-city and do not include out-of-city or commercial rates.
(2) Rates based on 0 - 100,000 gallons, residential in-city and do not include out-of-city or commercial rates.
(3) Rates based on 0 - 10,000 gallons, residential in-city and do not include out-of-city or commercial rates.
(4) Rates based on 0 - 3,000 gallons, residential in-city and do not include out-of-city or commercial rates.
(5) Rates based on 0 - 3,999 gallons, residential in-city and do not include out-of-city or commercial rates.

# CITY OF MONROE, GEORGIA

## RATIOS OF OUTSTANDING DEBT BY TYPE
## LAST TEN YEARS

| Fiscal Year | Governmental Activities | | | Business-type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|---|---|---|---|---|---|---|---|---|---|
| | General Obligation Bonds | Notes Payable | Capital Leases | Utility Revenue Bonds | Notes Payable | Capital Leases | | | |
| 1998 | $ - | $ 37,037 | $ 341,483 | $ 5,410,000 | $ 1,766,185 | $ - | $ 7,554,705 | 3.45 % | $ 714 |
| 1999 | - | - | 1,041,250 | 4,975,000 | 2,918,067 | 1,979,399 | 10,913,716 | 4.51 | 985 |
| 2000 | 7,195,000 | - | 816,102 | 4,520,000 | 7,021,709 | 1,896,247 | 21,449,058 | 7.97 | 1,876 |
| 2001 | 7,195,000 | - | 602,730 | 24,600,000 | 8,770,838 | 1,797,168 | 42,965,736 | 15.34 | 3,713 |
| 2002 | 7,195,000 | - | 263,177 | 24,100,000 | 9,618,396 | 1,959,070 | 43,135,643 | 15.42 | 3,680 |
| 2003 | 7,180,000 | - | 107,296 | 33,400,000 | 789,474 | 130,806 | 41,607,576 | 14.52 | 3,513 |
| 2004 | 7,115,000 | - | - | 32,050,000 | 679,235 | 24,493 | 39,868,728 | 12.98 | 3,348 |
| 2005 | 6,990,000 | - | - | 30,675,000 | 597,379 | - | 38,262,379 | 11.51 | 3,099 |
| 2006 | 6,950,000 | - | - | 29,595,000 | 513,873 | - | 37,058,873 | 10.89 | 2,934 |
| **2007** | **6,720,000** | **-** | **-** | **28,170,000** | **428,685** | **-** | **35,318,685** | **10.38** | **2,796** |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

# CITY OF MONROE, GEORGIA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING
## LAST EIGHT YEARS (1)

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Total | Percentage of Estimated Actual Taxable Value (2) of Property | Per Capita (3) |
|---|---|---|---|---|---|
| 2000 | $ 7,195,000 | $ 404,894 | $ 6,790,106 | 1.53 % | $ 594 |
| 2001 | 7,195,000 | 96,041 | 7,098,959 | 1.44 | 614 |
| 2002 | 7,195,000 | 97,485 | 7,097,515 | 1.32 | 606 |
| 2003 | 7,180,000 | 97,224 | 7,082,776 | 1.20 | 598 |
| 2004 | 7,115,000 | 97,713 | 7,017,287 | 1.10 | 589 |
| 2005 | 6,990,000 | 673 | 6,989,327 | 0.94 | 566 |
| 2006 | 6,950,000 | (183) | 6,950,183 | 0.89 | 550 |
| **2007** | **6,720,000** | **591** | **6,719,409** | **0.78** | **532** |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) The City did not have general obligation debt outstanding prior to 2000.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(3) Population data can be found in the Schedule of Demographic and Economic Statistics.

# CITY OF MONROE, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
## DECEMBER 31, 2007

| Governmental Unit | Net General Obligation Bonded Debt Outstanding | Percentage Applicable to City of Monroe (1) | Amount Applicable to City of Monroe |
|---|---|---|---|
| Debt repaid with property taxes: | | | |
| Walton County | $ 58,915,000 | 14.57% | $ 8,586,578 |
| Walton County Board of Education | 76,630,000 | 12.47% | 9,552,396 |
| Subtotal, overlapping debt | 135,545,000 | | 18,138,974 |
| Direct: | | | |
| City of Monroe | 6,720,000 | 100.00% | 6,720,000 |
| Total direct and overlapping debt | $ 142,265,000 | | $ 24,858,974 |

Source: Assessed value data used to estimate applicable percentages provided by the Walton County Tax Assessors and the Georgia Department of Revenue Property Tax Division. Debt outstanding data obtained from Walton County's financial statements.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Monroe, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

# CITY OF MONROE, GEORGIA

## LEGAL DEBT MARGIN INFORMATION
## LAST EIGHT YEARS
## (amounts expressed in thousands)

| | Fiscal Years | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2007** | **2006** | **2005** | **2004** | **2003** | **2002** | **2001** | **2000** |
| Debt Limit | **$ 34,885** | $ 31,800 | $ 30,217 | $ 26,200 | $ 24,682 | $ 22,674 | $ 20,732 | $ 18,495 |
| Total net debt applicable to limit | **6,720** | 6,950 | 6,989 | 7,017 | 7,083 | 7,098 | 7,099 | 6,790 |
| Legal debt margin | **$ 28,165** | $ 24,850 | $ 23,228 | $ 19,183 | $ 17,599 | $ 15,576 | $ 13,633 | $ 11,705 |
| Total net debt applicable to the limit as a percentage of debt limit | **19.26%** | 21.86% | 23.13% | 26.78% | 28.70% | 31.30% | 34.24% | 36.71% |

| | |
|---|---|
| Assessed Value | **$ 345,923** |
| Add back: exempt real property | **2,925** |
| Total assessed value | **348,848** |
| Debt limit (10% of total assessed value) | **34,885** |
| Debt applicable to limit: | |
| General obligation bonds | **6,720** |
| Less: Amount set aside for repayment of general obligation debt | **-** |
| Total net debt applicable to limit | **6,720** |
| Legal debt margin | **$ 28,165** |

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value.
By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

# CITY OF MONROE, GEORGIA

## COMBINED UTILITY REVENUE BOND COVERAGE
## LAST TEN YEARS
## (amounts expressed in thousands)

| Fiscal Year | Gross Revenue (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements (3) | | | Bond Coverage Ratio |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | |
| 1998 | $ 17,596 | $ 13,205 | $ 4,391 | $ 410 | $ 294 | $ 704 | 6.24 |
| 1999 | 17,694 | 14,070 | 3,624 | 435 | 275 | 710 | 5.10 |
| 2000 | 19,902 | 16,310 | 3,592 | 455 | 256 | 711 | 5.05 |
| 2001 | 23,083 | 17,850 | 5,233 | 475 | 234 | 709 | 7.38 |
| 2002 | 25,225 | 18,151 | 7,074 | 500 | 1,204 | 1,704 | 4.15 |
| 2003 | 25,761 | 19,987 | 5,774 | 595 | 1,179 | 1,774 | 3.25 |
| 2004 | 29,260 | 22,696 | 6,564 | 1,350 | 1,363 | 2,713 | 2.42 |
| 2005 | 32,869 | 25,792 | 7,077 | 1,375 | 1,339 | 2,714 | 2.61 |
| 2006 | 32,099 | 26,169 | 5,930 | 1,400 | 1,308 | 2,708 | 2.19 |
| **2007** | **30,368** | **25,088** | **5,280** | **1,425** | **1,259** | **2,684** | **1.97** |

(1) Total revenues include interest, but not tap fees.

(2) Operating expenses do not include depreciation.

(3) Represents principal and interest for revenue bonds only.

# CITY OF MONROE, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS
## LAST TEN YEARS

| Fiscal Year | Population (1) | Personal Income* (in thousands) | Per Capita Personal Income (2)* | Median Age (1) | Housing Units (1) | Unemployment Rate (3) | Wage & Salary Employment # of Jobs (2)* |
|---|---|---|---|---|---|---|---|
| 1998 | 10,577 | $ 219,134 | $ 20,718 | 27 | 3,933 | 5.2 | 13,470 |
| 1999 | 11,081 | 242,186 | 21,856 | 27 | 3,933 | 5.3 | 14,230 |
| 2000 | 11,433 | 268,961 | 23,525 | 32 | 4,637 | 4.9 | 15,102 |
| 2001 | 11,571 | 280,122 | 24,209 | 32 | 4,637 | 5.6 | 15,809 |
| 2002 | 11,721 | 279,698 | 23,863 | 32 | 4,637 | 7.1 | 16,845 |
| 2003 | 11,845 | 286,459 | 24,184 | 32 | 4,637 | 8.4 | 17,772 |
| 2004 | 11,907 | 307,153 | 25,796 | 32 | 4,637 | 10.3 | 19,202 |
| 2005 | 12,347 | 332,505 | 26,930 | 32 | 4,637 | 5.7 | 20,545 |
| 2006 | 12,631 | 340,153 | 26,930 | 32 | 4,637 | 6.1 | 20,545 |
| **2007** | **12,631** | **340,153** | **26,930** | **32** | **4,637** | **6.3** | **22,103** |

(1) Source: U.S. Census Bureau

(2) Source: Bureau of Economic Analysis

(3) Source: Georgia Department of Labor

* Data only available at the County level

Note: Beginning in 2005, City unemployment rates were calculated by the U.S. Department of Labor's Bureau of Labor Statistics (BLS) using a revised methodology. This methodology incorporates more current residency factors. Historical data could not be revised using the new method. Thus, estimates for city labor force data for 2005 and forward are not comparable to prior years. In some instances, there have been large changes in the unemployment rates from previous years.

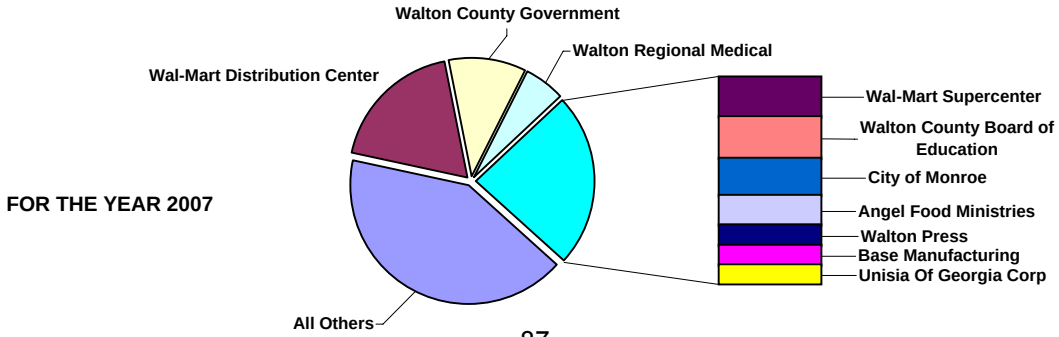
# CITY OF MONROE, GEORGIA

## PRINCIPAL EMPLOYERS
## CURRENT YEAR AND FIVE YEARS AGO

| | 2007 | | | 2002 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Wal-Mart Distribution Center | **989** | **1** | **18.6 %** | | | |
| Walton County Government | **561** | **2** | **10.5** | 343 | 3 | 10.9 % |
| Walton Regional Medical Center | **301** | **3** | **5.7** | | | |
| Wal-Mart Supercenter | **251** | **4** | **4.7** | 86 | 7 | 2.7 |
| Walton County Board of Education | **250** | **5** | **4.7** | 170 | 6 | 5.4 |
| City of Monroe | **224** | **6** | **4.2** | | | |
| Angel Food Ministries | **175** | **7** | **3.3** | | | |
| Walton Press | **122** | **8** | **2.3** | | | |
| Base Manufacturing | **115** | **9** | **2.2** | 80 | 8 | 2.5 |
| Unisia Of Georgia Corp | **114** | **10** | **2.1** | | | |
| Oxford Industries | | | | 400 | 1 | 12.7 |
| Walton County Hospital | | | | 385 | 2 | 12.2 |
| Avondale Mills (Walton-Monroe Mills) | | | | 320 | 4 | 10.1 |
| Universal Rundle | | | | 272 | 5 | 8.6 |
| Southern Family Markets (Bi-Lo) | | | | 78 | 9 | 2.5 |
| National Bank of Walton County | | | | 52 | 10 | 1.6 |
| Totals | **3,102** | | **58.3 %** | 2,186 | | 69.2 % |

Source: City of Monroe Code Department

Note: Information not available for years prior to 2002.




**FOR THE YEAR 2007**

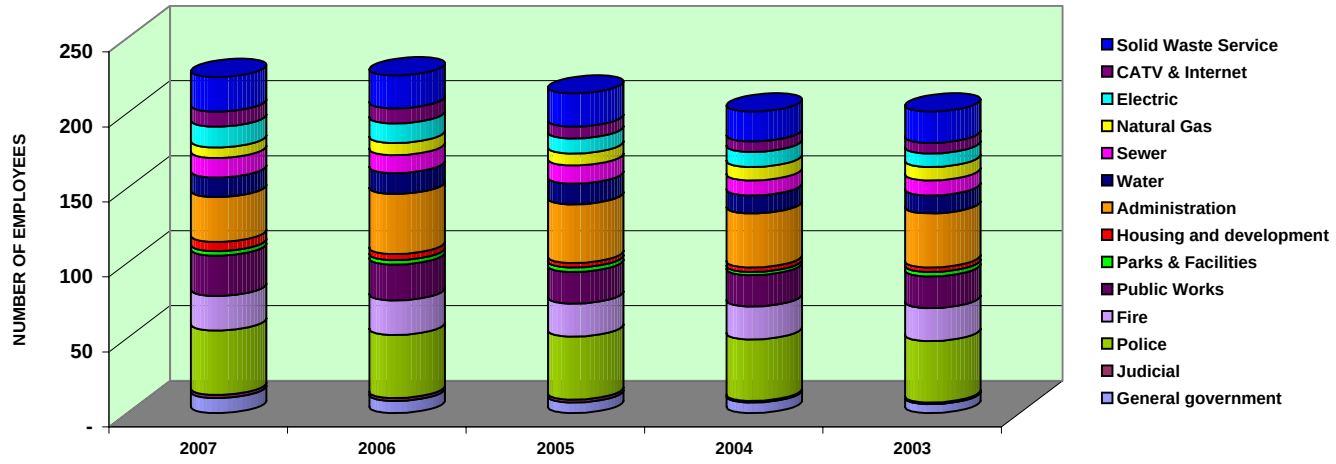
# CITY OF MONROE, GEORGIA

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
## LAST FIVE FISCAL YEARS

| | **2007** | 2006 | 2005 | 2004 | 2003 |
|---|---|---|---|---|---|
| **Function** | | | | | |
| General government | **10** | 8 | 7 | 7 | 6 |
| Judicial | **2** | 2 | 2 | 1 | 1 |
| Public Safety | | | | | |
| Police | **43** | 42 | 42 | 41 | 41 |
| Fire | **23** | 23 | 22 | 22 | 22 |
| Public Works | **27** | 24 | 21 | 21 | 21 |
| Culture and recreation | | | | | |
| Parks & Facilities | **3** | 3 | 3 | 2 | 3 |
| Housing and development | **6** | 4 | 3 | 3 | 3 |
| Utilities | | | | | |
| Administration | **30** | 40 | 39 | 36 | 36 |
| Water | **13** | 14 | 14 | 12 | 12 |
| Sewer | **13** | 12 | 12 | 10 | 10 |
| Natural Gas | **7** | 8 | 8 | 9 | 9 |
| Electric | **14** | 13 | 10 | 10 | 9 |
| CATV & Internet | **10** | 10 | 8 | 7 | 7 |
| Solid Waste Service | **23** | 22 | 22 | 20 | 21 |
| Totals | **224** | 225 | 213 | 201 | 201 |

Source: City Finance Department

Note: Information is not available for years prior to 2003.



# CITY OF MONROE, GEORGIA

## OPERATING INDICATORS BY FUNCTION
## LAST TEN FISCAL YEARS

| Function | | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Police: | | | | | | | | | | | |
| | Number of dispatches | **41,618** | 38,276 | 33,396 | 33,549 | 40,881 | 38,487 | 24,300 | 26,338 | 24,681 | 22,008 |
| | Number of traffic citations issued | **3,697** | 3,049 | 3,759 | 3,396 | 3,550 | 4,211 | 4,257 | 5,358 | N/A | N/A |
| Fire: | | | | | | | | | | | |
| | Number of fire/EMS dispatches | **1,353** | 1,207 | 1,203 | 1,007 | 969 | 948 | N/A | N/A | N/A | N/A |
| Highways and streets: | | | | | | | | | | | |
| | Street resurfacing (lane miles) | **9** | 14 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Housing and development: | | | | | | | | | | | |
| | Value of new building construction (in 000's) | **$ 37,415** | $ 35,882 | $ 23,207 | $ 37,247 | $ 19,640 | $ 20,895 | N/A | N/A | N/A | N/A |
| | Number of permits issued | **207** | 271 | 131 | 177 | 115 | 107 | N/A | N/A | N/A | N/A |
| Utilities: Cable & Internet | | | | | | | | | | | |
| | Number of customers standard cable | **5,411** | 5,518 | 5,613 | 5,704 | 5,665 | 5,818 | 5,838 | 5,469 | 5,247 | 5,090 |
| | Number of customers digital cable (1) | **57** | 80 | 88 | 66 | N/A | N/A | N/A | N/A | N/A | N/A |
| | Number of Internet customers (2) | **892** | 757 | 604 | 588 | 447 | 393 | 357 | 200 | 71 | N/A |
| Electric | | | | | | | | | | | |
| | Number of customers | **5,964** | 5,809 | 5,647 | 5,596 | 5,539 | 5,600 | 5,436 | 5,344 | 5,360 | 5,207 |
| | Average daily consumption (KWh) | **400,228** | 400,134 | 389,060 | 372,322 | 354,055 | 361,918 | 251,405 | 318,559 | 309,923 | 322,422 |
| Natural gas | | | | | | | | | | | |
| | Number of customers | **4,240** | 4,105 | 4,081 | 4,010 | 3,955 | 3,950 | 3,875 | 3,739 | 3,678 | 3,611 |
| | Average daily consumption (MCF) | **967** | 1,611 | 1,913 | 1,934 | 1,921 | 1,832 | 1,669 | 1,918 | 1,833 | 1,919 |
| Wastewater | | | | | | | | | | | |
| | Number of customers | **6,527** | 6,244 | 5,905 | 5,712 | 5,474 | 5,381 | 5,232 | 5,244 | 5,040 | 4,918 |
| | Average daily sewage treatment (MGD) | **1.432** | 2.005 | 2.170 | 1.660 | 1.870 | 1.660 | 1.567 | 1.359 | 1.110 | 1.321 |
| Water | | | | | | | | | | | |
| | Number of customers | **8,387** | 8,113 | 7,699 | 7,410 | 7,165 | 7,075 | 6,854 | 6,653 | 6,340 | 6,058 |
| | Average daily consumption (Kgallons) | **3,311** | 3,466 | 3,612 | 3,588 | 3,356 | 3,271 | 3,186 | 3,329 | 3,049 | 2,537 |
| Solid Waste Service: | | | | | | | | | | | |
| | Refuse collected (tons) | **12,106** | 11,517 | 12,567 | 12,771 | N/A | N/A | N/A | N/A | N/A | N/A |
| | Recyclables collected (tons) | **497** | 358 | 496 | 415 | N/A | N/A | N/A | N/A | N/A | N/A |
| | Number of residential customers | **6,250** | 6,100 | 5,852 | 5,700 | N/A | N/A | N/A | N/A | N/A | N/A |
| | Number of commercial customers | **725** | 700 | 462 | 437 | N/A | N/A | N/A | N/A | N/A | N/A |
| | Number of transfer station customers | **16** | 19 | 19 | 19 | 11 | 12 | N/A | N/A | N/A | N/A |

Source: Various City Departments
N/A - Information not available
Note: Indicators are not available for the General government function.
(1) Digital cable service started in 2004
(2) Internet service started in 1999

# CITY OF MONROE, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION
## LAST TEN FISCAL YEARS

| Function | | **2007** | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Police: | | | | | | | | | | | |
| | Stations | **1** | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | Vehicles | **40** | 38 | 38 | 38 | 26 | 21 | N/A | N/A | N/A | N/A |
| Fire: | | | | | | | | | | | |
| | Stations | **1** | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Highways and streets: | | | | | | | | | | | |
| | Streets (miles) | **75** | 75 | 75 | 75 | 73 | 70 | N/A | N/A | N/A | N/A |
| | Streetlights | **1,134** | 1,134 | 1,109 | 1,109 | 1,108 | 1,104 | 1,104 | 1,104 | 1,102 | 1,058 |
| | Traffic signals | **3** | 4 | 4 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Utilities: Cable & Internet | | | | | | | | | | | |
| | Cable (miles) | **267** | 240 | 230 | 220 | 200 | 178 | N/A | N/A | N/A | N/A |
| Electric | | | | | | | | | | | |
| | Lines (miles) | **185** | 180 | 175 | 170 | 163 | 160 | N/A | N/A | N/A | N/A |
| | Substations | **3** | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |
| Natural gas | | | | | | | | | | | |
| | Mains (miles) | **152** | 149 | 146 | 143 | 141 | 135 | 124 | 118 | 97 | 94 |
| Wastewater | | | | | | | | | | | |
| | Sanitary sewer (miles) | **150** | 141 | 140 | 115 | 100 | 95 | N/A | N/A | N/A | N/A |
| | Maximum daily treatment capacity (MGD) | **3.4** | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Water | | | | | | | | | | | |
| | Mains (miles) | **240** | 237 | 235 | 210 | 190 | 190 | N/A | N/A | N/A | N/A |
| | Maximum daily treatment capacity (MGD) | **10** | 10 | 10 | 10 | 10 | 6 | 6 | 6 | 6 | 6 |
| | Treated water storage capacity (Mgallons) | **1.5** | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| | Reservoir (raw) storage capacity (Mgallons) | **795** | 795 | 795 | 795 | 795 | 795 | 795 | 795 | 795 | 247 |
| Solid Waste Service: | | | | | | | | | | | |
| | Collection trucks | **9** | 9 | 9 | 8 | 8 | 8 | N/A | N/A | N/A | N/A |
| | Recycling trucks | **1** | 1 | 1 | 1 | 1 | 1 | N/A | N/A | N/A | N/A |
| | Transfer stations (1) | **1** | 1 | 1 | 1 | 1 | 1 | - | - | - | - |

Source: Various City departments

Note: Capital asset indicators are not available for the General government and Housing and development functions.

(1) 2002 First year to operate transfer station

Since 1821
THE CITY OF
Monroe