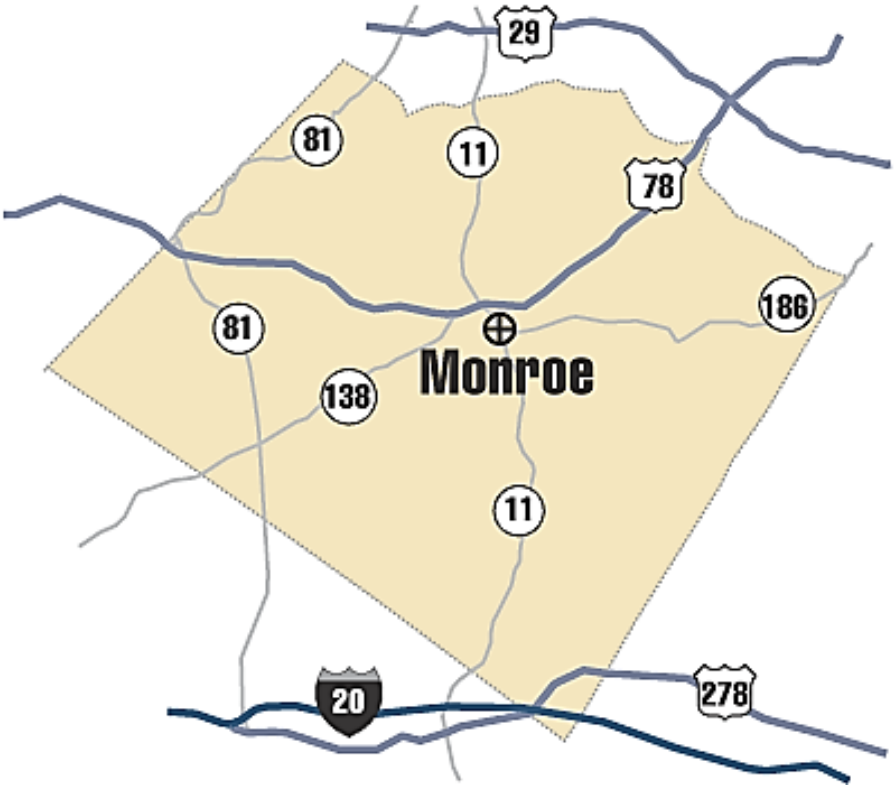
CITY OF MONROE, GEORGIA
COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT



FISCAL YEAR ENDED
DECEMBER 31, 2012

CITY OF MONROE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2012

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

Since 1821
THE CITY OF
Monroe

CITY OF MONROE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012

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CITY OF MONROE, GEORGIA

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CITY OF MONROE, GEORGIA

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Since 1821
THE CITY OF
Monroe

INTRODUCTORY SECTION

Since 1821
THE CITY OF
Monroe

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

Greg Thompson, Mayor
L. Wayne Adcock, Vice Mayor

May 16, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the City of Monroe, Georgia for the fiscal year ended December 31, 2012 is hereby submitted as mandated by Official Code of Georgia §36-81-7. The financial statements were prepared 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.

City Management assumes full responsibility for the accuracy, completeness and reliability of the presented data. 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.

Mauldin & Jenkins, LLC, a firm of certified public accountants, issued an unqualified opinion on the City of Monroe's financial statements for the year ended December 31, 2012. The independent auditor's report is located at the front of the financial section of this report.

If the threshold is met, the City of Monroe is required as part of the independent audit of the financial statements, to undergo a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. Information related to the single audit if applicable, 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 are included in a separately issued single audit report. For fiscal year 2012, a Single Audit was required and a report issued.

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.

Councilmembers: Larry A. Bradley • Denise H. Dixon • Nathan Little •
Lee P. Malcom • Nathan Purvis • Jimmy Richardson • Rita A Scott

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. The City encompasses approximately 15 square miles and serves an estimated population of 13,359. The City of Monroe is empowered to levy a property tax on both real and personal property located within its boundaries.

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 Mayor is elected at large, two Council Members are elected from super districts and six Council Members are elected by districts. Council members and the Mayor serve four-year staggered terms, with an election held every two years. City elections are conducted by the Walton County Board of Elections.

The City Administrator, who is appointed by the Mayor and Council, is responsible for carrying out the policies and ordinances of the Council and for overseeing the day-to-day operations of the City of Monroe.

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, internet and telephone. The city owns and operates the Monroe/Walton County Airport as well as the Georgia Utility Training Academy whereby classes are conducted to train municipal and private sector employees in Electric, Water, Sewer, and Gas utilities.

A goal of the Mayor and City Council is to maintain the high quality of citizen services while keeping the property tax millage rates at some of the lowest among surrounding areas.

Also included as part of the City's reporting are the City of Monroe Downtown Development Authority (DDA) and the Monroe Area Convention and Visitors Bureau Authority (CVB). While both are legally separate entities, they are included as a component unit in the City of Monroe's financial statements.

The annual budget serves as the foundation for the City of Monroe's financial planning and control. All departments are required to submit budget requests to the City Administrator who compiles the proposed operating and capital budgets. The City Administrator presents a proposed budget to the Council during their annual retreat work session. The final budget is adopted in accordance with state law. Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted.

Local Economy

While the north Georgia economy has felt the same economic downturn as the rest of the nation, the City of Monroe continues to maintain a stable financial environment. Although residential development has been slow, some commercial development continues. The majority of the City's commercial development lies along the Highway US 78/GA 138 corridor.

The City of Monroe's population is estimated at 13,359 residents. Among the top ten employers in the City, four are governments accounting for over 41% of the number of jobs in the top ten employers and 23% of all jobs. Two of those government employers, Walton County Board of Commissioners and Walton County Board of Education are also two of the City's top ten electric, water, gas and sewer customers.

Long-term Financial Planning

The City is currently in the planning and redeveloping stages of an area just south of the downtown area. Monroe will receive Transportation Enhancement (TE) program funds in the amount of $500,000 for the Broad Street (SR 11) Streetscape. Combined with $250,000 of City funds, this project will improve both sides of Broad Street with sidewalk, retaining walls, pavers, landscaping and lighting from Alcovy Street through the Walker Street intersection. This project is a continuation of a previously funded TE project and will complement on-going efforts within the Broad Street Corridor. Application for additional TE grant funds to continue this project was made in 2011 and the city was awarded the grant for this project. This project will continue the improvements into the old "Monroe Mill" district.

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

The City has completed Phase I of the upgrade to our existing water treatment plant and is near completion of Phase II. The financing for these improvements is being done with low interest loan funds from the Georgia Environmental Facilities Authority (GEFA). The improvements will ensure continuation of a quality water supply for our citizens and improve the operation of the City's water treatment plant.

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

Relevant Financial Policies

The purpose of the City of Monroe's financial management policy is to insure that the City conducts is investment, cash and debt management activities in a responsible manner in full compliance with Federal and State Law. The City is committed to providing adequate cash flows to meet all current and future obligations. Adherence to this policy has allowed the City to maintain financial stability, all cash funds are properly collateralized and no short-term financing has been needed to meet operations.

Additionally, it is the City's policy to maintain budgetary controls to ensure compliance with legal requirements of the State of Georgia. The annual appropriation resolution approved by the Mayor and Council is adopted for all fund types with the legal level of control at the department level. During the year the budget was amended by Council; further detail on these amendments can be found in the MD&A.

Major Initiatives

The City of Monroe is working closely with Georgia DOT and Walton County to improve the area's transportation projects. The Highway US 78/GA 138 area's growth has seen the need to extend GA Highway 138 to alleviate some of the traffic issues. Charlotte Rowell Boulevard, an extension of GA Highway 138 north of US Highway 78 to Highway 11, remains on scheduled to open Spring 2014 according to Georgia Department of Transportation (DOT). This is one example of the partnership to improve our local transportation network. Another example is the partnership between Monroe and Walton County to complete a truck by-pass around the historic downtown area. The concept plan has been approved and negotiations continue with Georgia DOT for approval and eventually the construction of this much needed connector.

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, 2011. This was the 10th consecutive year that the City has received this award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual report, whose contents conform to program standards. The CAFR must satisfy both GAAP and applicable legal requirements.

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

In addition, the City received for the 8th year the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2011. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, the City must publish a PAFR 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 to determine its eligibility for another certificate. This award is valid for a period of one year only.

Last but not least, the GFOA has presented a Distinguished Budget Presentation Award to the City for its annual budget for the fiscal year beginning January 1, 2013. This is the 1st year the City has received this prestigious award. In order to receive this award, the City must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.

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,

W. Matthew Chancey
City Administrator

Renee L. Prather
Finance Director

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, 2011

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.



Christopher P Morrill
President

Jeffrey R. Esser
Executive Director

CITY OF MONROE, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS

DECEMBER 31, 2012

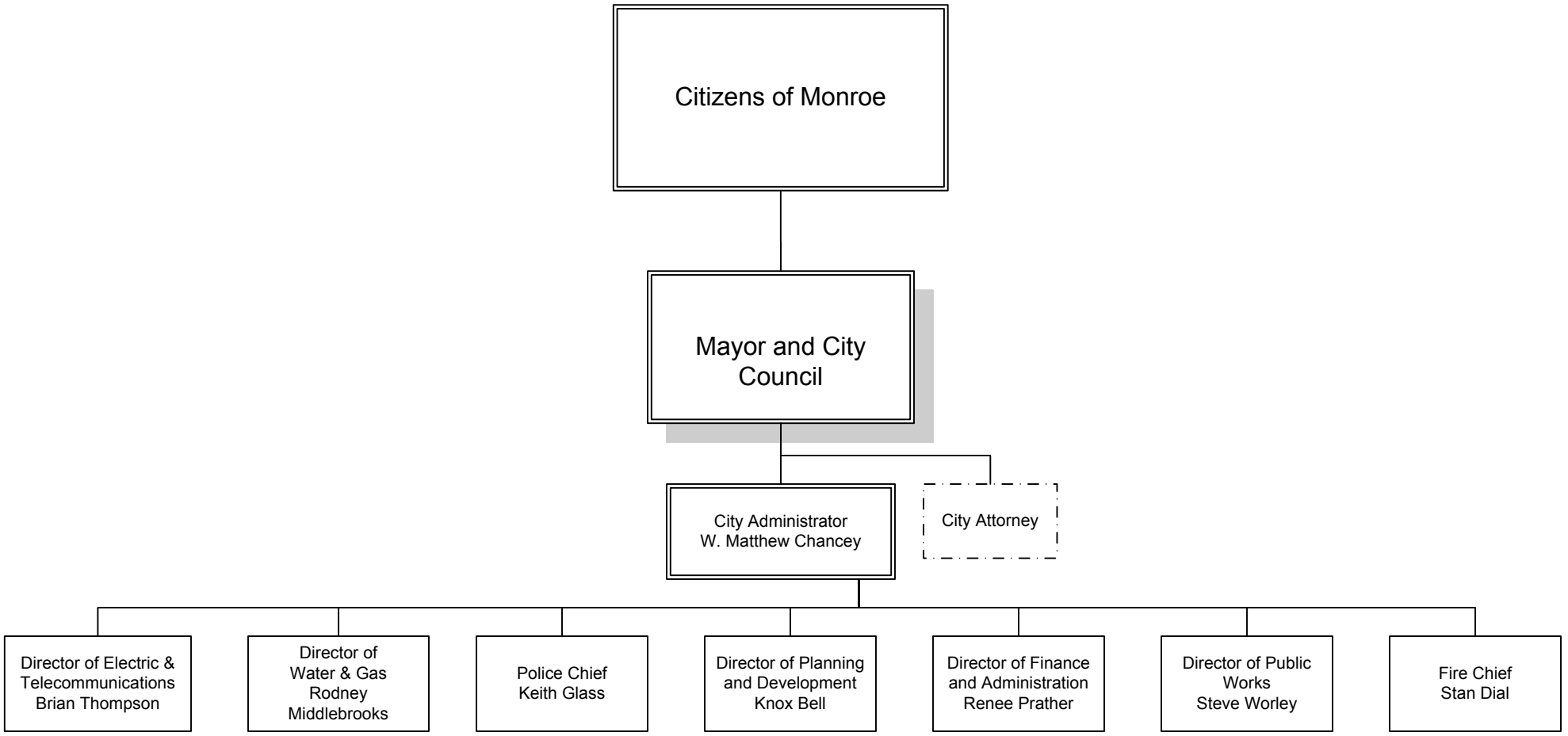
ELECTED OFFICIALS

Mayor	Gregory P. Thompson
Vice Mayor and Council Member, District 6	L. Wayne Adcock
Council Member, District 1	Lee Malcom
Council Member, District 2	Denise Dixon
Council Member, District 3	Nathan Purvis
Council Member, District 4	Larry Bradley
Council Member, District 5	Rita Scott
Council Member, District 7	Nathan Little
Council Member, District 8	Jimmy Richardson

APPOINTED OFFICIALS

City Administrator	Matthew Chancey
Code Enforcement	M. Knox Bell
Electric & Telecommunications Director	Brian K. Thompson
Finance Director	Renee L. Prather
Fire Chief	D. Stan Dial
Police Chief	M. Keith Glass
Public Works Director	H. Steve Worley
Water & Gas Director	Rodney W. Middlebrooks

City of Monroe, Georgia
Organizational Chart



Since 1821
THE CITY OF
Monroe

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Monroe, Georgia ("the City")** as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based in 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 from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, Georgia as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress – Retirement Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 combining and individual nonmajor fund financial statements and schedules, 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 introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules as well as the schedule of expenditures of special purpose local option sales tax proceeds (the "supplementary information") are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2013 on our consideration of the City'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 16, 2013

CITY OF MONROE, GEORGIA
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2012

As management of the City of Monroe, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Monroe for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Monroe exceeded its liabilities at the close of the fiscal year by $78,111,552 (reported as "net position"). Of this amount, $1,410,522 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position decreased by $439,451 during FY 2012 resulting from governmental and business-type activities.
- As of the close of the fiscal year, the City of Monroe's governmental funds reported combined fund balances of $1,875,027, an increase of $526,955 in comparison with the prior year. Of this amount, approximately 52% of this amount ($969,763) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the general fund was $970,038, or approximately 10% of total general fund expenditures.
- At the close of the fiscal year, assets and deferred outflows of resources in the City of Monroe's Utilities Fund exceeded its liabilities by $59,207,482. Of this $51,735 (unrestricted net position) is 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 position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 City of Monroe's net position changed during the fiscal year ended December 31, 2012. All changes in net position 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 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, solid waste and training center.

The government-wide financial statements include not only the City of Monroe itself (known as the primary government), but also a legally separate Downtown Development Authority and Convention & Visitors Bureau for which the City of Monroe exercises control over these component units by appointing its members. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund financial statements. The fund financial statements provide a more detailed look at the City's most significant activities. 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 52-53 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 20 of this report. Budgetary comparisons for Special Revenue and Debt Service Funds can be found on pages 56-58 of this report.

Proprietary funds. The City of Monroe maintains one type of proprietary fund. 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, solid waste and training center operations. The Utility and Solid Waste funds are considered major and the GUTA (training center operations) fund is nonmajor. They are the same as those functions shown in the business-type activities in the Statement of Net position and the Statement of Activities.

The City's proprietary fund financial statements are presented on pages 21-23.

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 24-50 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 51 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. In the case of the City of Monroe, assets and deferred outflows of resources exceeded liabilities by $78,111,552 at the close of the most recent fiscal year.

By far the largest portion of the City's net position, $64,478,623 (82.5%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks and utility service lines) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its 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

Net Position

Fiscal Years 2012 and 2011

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 3,957,481	$ 3,069,269	$ 18,361,584	$ 19,432,620	$ 22,319,065	$ 22,501,889
Capital assets	20,974,051	22,139,941	71,079,434	72,356,907	92,053,485	94,496,848
Total assets	24,931,532	25,209,210	89,441,018	91,789,527	114,372,550	116,998,737
Total deferred outflows of resources	155,086	-	653,788	-	808,874	-
Long-term liabilities	5,500,437	5,813,606	23,717,796	24,644,490	29,218,233	30,458,096
Other liabilities	1,827,315	1,478,250	6,024,324	6,082,897	7,851,639	7,561,147
Total liabilities	7,327,752	7,291,856	29,742,120	30,727,387	37,069,872	38,019,243
Net Position:						
Net investment in capital assets	16,120,259	16,815,773	48,358,364	48,016,934	64,478,623	64,832,707
Restricted	334,290	304,482	11,888,117	10,074,845	12,222,407	10,379,327
Unrestricted	1,304,317	797,099	106,205	2,970,361	1,410,522	3,767,460
Total net position	$ 17,758,866	$ 17,917,354	$ 60,352,686	$ 61,062,140	$ 78,111,552	$ 78,979,494

An additional portion of the City's net position (15.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $1,410,522 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Although the net position in our business-type activities represents 77% of total net position, the City generally can only use these resources to finance the continuing operations of the business-type activities.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The overall net position of the City decreased $439,451 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

CITY OF MONROE, GEORGIA
Changes in Net Position
Fiscal Years 2012 and 2011

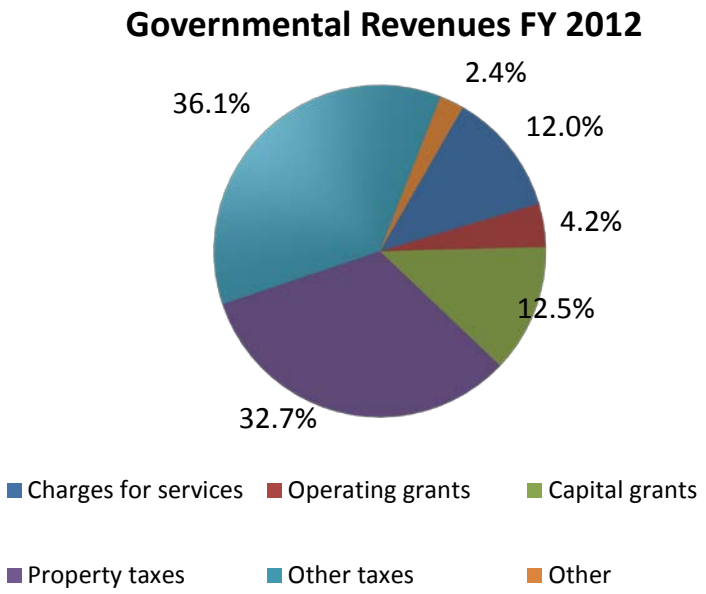
	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 1,078,613	$ 1,254,373	$ 36,279,811	$ 36,584,168	$ 37,358,424	$ 37,838,541
Operating grants	377,316	187,652	-	-	377,316	187,652
Capital grants	1,121,183	1,006,495	1,066,897	1,211,082	2,188,080	2,217,577
General revenues:						
Property taxes	2,931,008	2,865,418	-	-	2,931,008	2,865,418
Other taxes	3,236,506	3,135,453	-	-	3,236,506	3,135,453
Other	212,753	229,499	38,506	61,067	251,259	290,566
Total revenues	8,957,379	8,678,890	37,385,214	37,856,317	46,342,593	46,535,207
Expenses:						
General government	1,424,993	1,417,361	-	-	1,424,993	1,417,361
Judicial	96,201	103,077	-	-	96,201	103,077
Public Safety	5,315,309	5,246,043	-	-	5,315,309	5,246,043
Public Works	3,828,463	3,677,625	-	-	3,828,463	3,677,625
Health and welfare	15,638	11,555	-	-	15,638	11,555
Culture and recreation	485,611	441,207	-	-	485,611	441,207
Housing and development	568,750	518,594	-	-	568,750	518,594
Interest on long-term debt	245,921	266,783	-	-	245,921	266,783
Utilities	-	-	30,418,076	29,575,971	30,418,076	29,575,971
Solid Waste	-	-	4,334,093	4,554,533	4,334,093	4,554,533
GUTA	-	-	48,989	41,179	48,989	41,179
Total expenses	11,980,886	11,682,245	34,801,158	34,171,683	46,782,044	45,853,928
Increase (decrease) in net position before transfers	(3,023,507)	(3,003,355)	2,584,056	3,684,634	(439,451)	681,279
Transfers	2,918,105	1,682,370	(2,918,105)	(1,682,370)	-	-
Increase (decrease) in net positon	(105,402)	(1,320,985)	(334,049)	2,002,264	(439,451)	681,279
Net position, beginning (as restated) [1]	17,864,268	19,238,339	60,686,735	59,059,876	78,551,003	78,298,215
Net position, ending	$ 17,758,866	$ 17,917,354	$ 60,352,686	$ 61,062,140	$ 78,111,552	$ 78,979,494

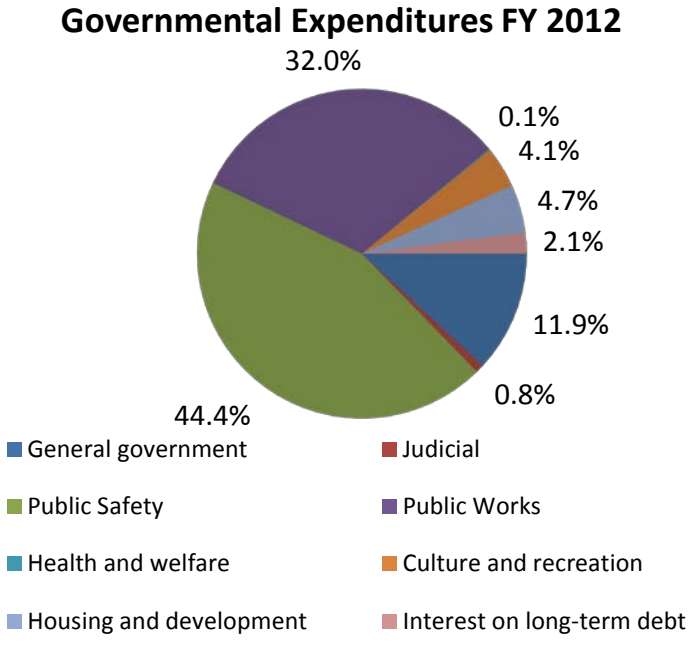
1 Net position restated in conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65. See Note 15.

Governmental activities. Governmental activities decreased the City of Monroe's net position by $105,402. Key elements of this decrease are as follows:

- Charges for Services revenue decreased during the year. This decrease is primarily due to fewer tickets written for traffic fines.
- Most expenses were consistent to prior year with slight increases due to the cost of health insurance.

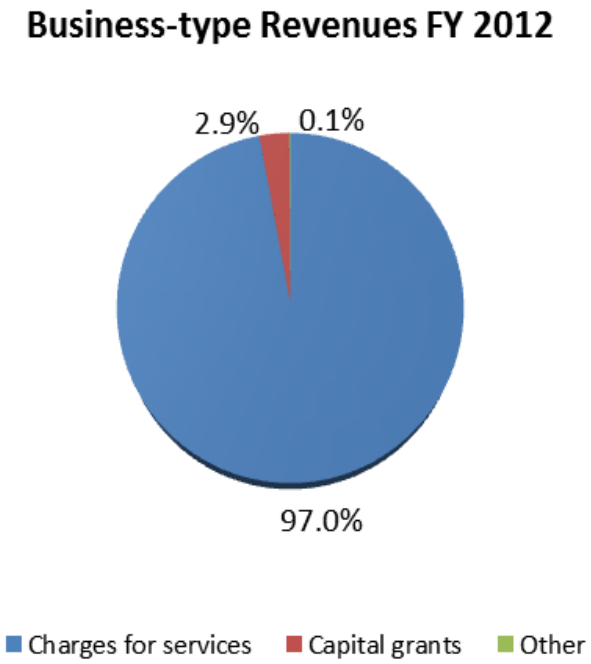
The following graphs show the breakdown by percentage of governmental revenues and expenses.

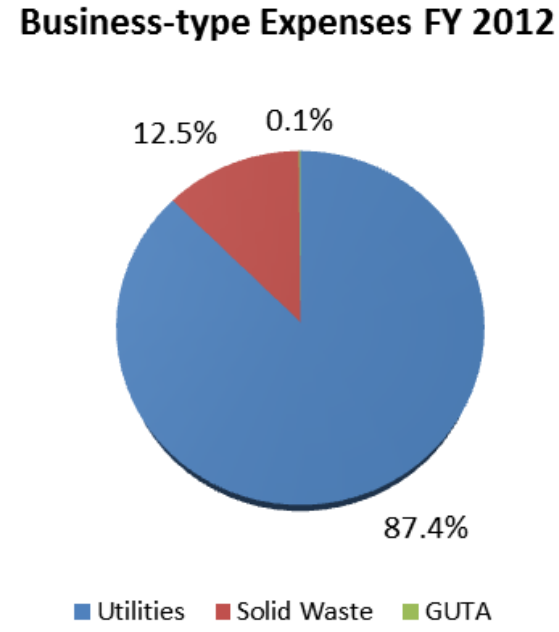




Business-type Activities. Business-type activities decreased the City of Monroe's net position by $334,049. The Utilities Fund, largest of the City's business-type activities, accounted for 87.4% of the operating expenses and approximately 97% of the operating revenues among business-type activities. Key elements are as follows:

- Increase in solid waste rates to keep up with increasing disposal rates.
- Increase in Electric rates to keep up with increased cost of sales.
- Increased cost of health insurance with overall effort to keep operating expenses down.





FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the City of Monroe uses 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, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Mayor and City Council.

At December 31, 2012, the City's governmental funds reported combined fund balances of $1,875,027, an increase of $526,955 (39.1%) in comparison with the prior year. Approximately 52% of this amount ($969,763) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form ($565,569), 2) restricted for particular purposes ($334,290), or 3) assigned for particular purposes ($5,405).

The General Fund is the chief operating fund of the City of Monroe. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $969,763, of the total fund balance of $1,720,961. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 10% of total General Fund expenditures, while total fund balance represents 18% of total General Fund expenditures.

A portion of fund balance in the General Fund is also restricted for the payment of debt service and for capital projects. This amount at year end was $185,354 or 11%. The amount of nonspendable fund balance for the General Fund is made up of prepaid expenditures of $88,966 and advances to other funds of $476,603 which is an advance to the Solid Waste Fund. This total of $565,569 is 33% of the General Fund's total fund balance.

Fund balance of the City of Monroe's General Fund increased by $531,901 during the current fiscal year. A key factor in this increase is an additional transfer of funds from proprietary type funds in 2012.

Total fund balance for nonmajor special revenue funds at year-end was $19,135. This total had a net decrease of $4,843. Included above are the Forfeited Drug Fund and the Hotel/Motel Tax Fund. In the Forfeited Drug Fund the decrease was primarily due to a decrease in revenue from cases forfeited through the court system with funds restricted for law enforcement purposes from prior years. The Hotel/Motel Tax Fund showed a slight increase. This fund accounts for local room taxes collected with the fund balance assigned for tourism in the City.

The debt service fund has a total fund balance of $293, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was $103. Principal payments made during the year were $470,000 and interest expenditures $252,103.

Proprietary Funds. The proprietary funds share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. This provides a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

Unrestricted net position of the Utilities Fund at the end of the year amounted to $51,735, the Solid Waste Fund amounted to $84,097, and those for GUTA totaled ($29,627). The total decrease in net position for these funds was $334,049.

At year end the total net position of the Utilities Fund decreased by $266,366, the Solid Waste Fund decreased by $79,827 and the GUTA fund total net position increased by $12,144. Financial analysis in regards to these funds can be found in the business-type activities section.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Monroe's General Fund budget is prepared according to Georgia Law and was amended by Council during the fiscal year. A comparison on General Fund actual expenditures to budget can be found on page 20. Differences between the original budget and the final amended budget for the General Fund are summarized as follows:

Revenue:

- Budgeted revenues decreased from $7,611,406 to $7,216,906.
- Tax revenues accounted for a decrease of $131,500 due to the decrease in property tax digest.
- Intergovernmental revenue decreased $67,000 due to over projection of grant revenue.
- Municipal Court Fines decreased $180,000 due to the decrease in municipal court collections.

Expenditures:

- Budgeted expenditures and transfers out increased from $9,506,581 to $10,137,081.
- This year's overspending was due for the most part to increases to General Government, Protective Inspection, Fire, Police, Highways and Streets, and Special Facilities for employee health insurance costs. Health insurance costs have continued to rise. The City is working to curb these continued increases with several wellness programs and hope to see this number stabilize.

Other Financing Sources (Uses):

- Increase to Other Financing Sources of $1,025,000. Most of the increase is attributed to an increase in transfers from enterprise funds.
- $50,000 decrease in budget for workers compensation insurance expenditures.

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, 2012, amounts to $92,053,485 (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 the following:

Governmental type activities:

- Purchase of almost $163 thousand in machinery, equipment and vehicles.
- Construction in progress as of the end of the current fiscal year totaling approximately $128 thousand.
- $17 thousand in equipment, furniture and vehicles sold as surplus.

Business-type activities:

- Purchase of $193 thousand in specialized service installation equipment and vehicles.
- Construction in progress projects of $893 thousand in utility infrastructure & improvements completed.
- Construction in progress as of the end of the current fiscal year totaling $6.4 million for electric, gas, sewer, water and cable upgrades and projects.
- $95 thousand in equipment, furniture and vehicles sold as surplus.

CITY OF MONROE, GEORGIA
Capital Assets
(net of depreciation)
Fiscal Years 2012 and 2011

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	$ 3,691,554	$ 3,691,554	$ 2,109,443	$ 2,109,443	$ 5,800,997	$ 5,800,997
Infrastructure	8,241,837	8,856,409	36,355,584	36,472,595	44,597,421	45,329,004
Buildings and Improvements	7,922,613	8,354,476	20,294,361	21,097,496	28,216,974	29,451,972
Equipment, furniture & vehicles	989,687	1,175,858	5,894,584	6,718,991	6,884,271	7,894,849
Construction in progress	128,360	61,644	6,425,462	5,958,382	6,553,822	6,020,026
Total	$ 20,974,051	$ 22,139,941	$ 71,079,434	$ 72,356,907	$ 92,053,485	$ 94,496,848

Additional information on the capital assets can be found in the Notes to Financial Statements on pages 38-39 of this report.

Long-term debt. As of December 31, 2012, the City of Monroe's total long-term debt outstanding is $25,577,200. Of this amount, $4,905,000 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 2012 and 2011

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
General obligation bonds	$ 4,905,000	$ 5,375,000	$ -	$ -	$ 4,905,000	$ 5,375,000
Revenue bonds	-	-	20,672,200	22,332,100	20,672,200	22,332,100
Total	$ 4,905,000	$ 5,375,000	$ 20,672,200	$ 22,332,100	$ 25,577,200	$ 27,707,100

The City of Monroe's total debt decreased a net of $2,129,900 during the current fiscal year. The City did not issue any new debt during the fiscal year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City of Monroe is $35 million, which is in excess of the total bonded general obligation debt outstanding of $4.905 million.

The City of Monroe's outstanding governmental activity debt or general obligation (GO) debt enjoys a favorable rating of A from Standard & Poor's Rating Service. The City's outstanding business-type activity debt or utility revenue bond debt is rated A- by Standard & Poor's Rating Service and A2 by Moody's Investors Service.

Additional information on the City of Monroe's long-term debt can be found in the Notes to Financial Statements on pages 39-42.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The declining economy has adversely affected several of the City of Monroe's main revenue sources. The reduction in revenue for Sales Tax, which includes local option and special local option sales tax, has been the most significant revenue reductions. This reduction in revenue has resulted in the City's continued close monitoring of all revenues and expenditures.

The following indicators were taken into account when adopting the General Fund budget for 2013:

- Reductions in assessed value of the overall property tax digest of around 5.4%. The rollback millage rate if adopted will allow for the levy to remain fairly constant. Total tax levy was up just over $61 thousand from 2011 to 2012 with a total tax levy of $2,772,666.
- Decrease in local option sales tax revenue (LOST) and special purpose local option sales tax (SPLOST) revenues due to the re-negotiation of distribution percentages as required by Georgia Law.
- No additional staffing was approved for fiscal year 2013.

Anticipated revenues in the General Fund budget are $9.4 million, down $751 thousand from the amended 2012 budget. The 2013 budget was developed and adopted before 2012 fiscal year-end and reflects conservative revenue figures. No decrease in fund balance of General Fund is budgeted for fiscal year 2013.

In addition to adopting the 2013 budget ordinance, the Mayor and City Council also approved a cable television rate increase and restructuring of rates. CATV rates were increased to keep up with the rise of subscriber costs associated with providing this service. The City had not increased CATV rates since 2005.

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

BASIC FINANCIAL STATEMENTS

CITY OF MONROE, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention & Visitors Bureau
ASSETS					
Cash and cash equivalents	$ 1,121,634	$ 2,575,673	$ 3,697,307	$ 82,023	$ 21,704
Accounts receivable, net of allowances	49,469	4,163,584	4,213,053	-	-
Taxes receivable	390,476	-	390,476	-	-
Internal balances	2,013,795	(2,013,795)	-	-	-
Due from other governments	293,141	817,585	1,110,726	12,750	-
Due from component unit	-	14,760	14,760	-	-
Inventories and prepaid items	88,966	915,660	1,004,626	-	-
Restricted assets:					
Cash and cash equivalents	-	9,660,075	9,660,075	-	-
Investments	-	2,228,042	2,228,042	-	-
Capital assets:					
Non-depreciable	3,819,914	8,534,905	12,354,819	-	-
Depreciable, net of accumulated depreciation	17,154,137	62,544,529	79,698,666	-	-
Total assets	24,931,532	89,441,018	114,372,550	94,773	21,704
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	155,086	653,788	808,874	-	-
Total deferred outflows of resources	155,086	653,788	808,874	-	-
LIABILITIES					
Accounts payable	1,105,111	3,511,268	4,616,379	1,626	14,300
Accrued liabilities	681,643	2,513,056	3,194,699	-	-
Due to primary government	-	-	-	14,760	
Unearned revenue	40,561	-	40,561	-	-
Long-term liabilities:					
Portion due or payable within one year:					
Bonds and notes payable	525,000	1,701,300	2,226,300	-	-
Compensated absences	491,559	342,938	834,497	-	-
Portion due or payable in more than one year:					
Bonds and notes payable, net	4,483,878	21,673,558	26,157,436	-	-
Total liabilities	7,327,752	29,742,120	37,069,872	16,386	14,300
NET POSITION					
Net investment in capital assets	16,120,259	48,358,364	64,478,623	-	-
Restricted for law enforcement	14,005	-	14,005	-	-
Restricted for debt service	80,597	221,200	301,797	-	-
Restricted for capital projects	239,688	11,666,917	11,906,605	-	-
Restricted for tourism	-	-	-	-	7,404
Unrestricted	1,304,317	106,205	1,410,522	78,387	-
Total net position	$ 17,758,866	$ 60,352,686	$ 78,111,552	$ 78,387	$ 7,404

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

CITY OF MONROE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

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	$ 1,424,993	$ 603,191	$ 13,088	$ -
Judicial	96,201	342,480	-	-
Public safety	5,315,309	46,638	149,010	-
Public works	3,828,463	39,805	215,218	1,121,183
Health and welfare	15,638	-	-	-
Culture and recreation	485,611	2,775	-	-
Housing and development	568,750	43,724	-	-
Interest on long-term debt	245,921	-	-	-
Total governmental activities	11,980,886	1,078,613	377,316	1,121,183
Business-type activities:				
Utilities	30,418,076	31,737,327	-	1,066,897
Solid waste	4,334,093	4,481,351	-	-
GUTA	48,989	61,133	-	-
Total business-type activities	34,801,158	36,279,811	-	1,066,897
Total primary government	$ 46,782,044	$ 37,358,424	$ 377,316	$ 2,188,080
Component units:				
Downtown Development Authority	$ 108,583	$ 4,102	$ 9,536	$ -
Convention & Visitors Bureau	34,930	-	2,225	-
Total component units	$ 143,513	$ 4,102	$ 11,761	$ -
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 position				
Net position, beginning of year, restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position					
Primary Government				Component Units	
Governmental Activities	Business-type Activities	Total		Downtown Development Authority	Convention & Visitors Bureau
$ (808,714)	$ -	$ (808,714)		$ -	$ -
246,279	-	246,279		-	-
(5,119,661)	-	(5,119,661)		-	-
(2,452,257)	-	(2,452,257)		-	-
(15,638)	-	(15,638)		-	-
(482,836)	-	(482,836)		-	-
(525,026)	-	(525,026)		-	-
(245,921)	-	(245,921)		-	-
(9,403,774)	-	(9,403,774)		-	-
-	2,386,148	2,386,148		-	-
-	147,258	147,258		-	-
-	12,144	12,144		-	-
-	2,545,550	2,545,550		-	-
$ (9,403,774)	$ 2,545,550	$ (6,858,224)		$ -	$ -
$ -	$ -	$ -		$ (94,945)	$ -
-	-	-		-	(32,705)
$ -	$ -	$ -		$ (94,945)	$ (32,705)
$ 2,931,008	$ -	$ 2,931,008		$ -	$ -
2,227,932	-	2,227,932		15,000	25,000
220,358	-	220,358		-	-
788,216	-	788,216		-	-
-	38,506	38,506		66	-
6,823	-	6,823		-	-
205,930	-	205,930		66,260	40
2,918,105	(2,918,105)	-		-	-
9,298,372	(2,879,599)	6,418,773		81,326	25,040
(105,402)	(334,049)	(439,451)		(13,619)	(7,665)
17,864,268	60,686,735	78,551,003		92,006	15,069
$ 17,758,866	$ 60,352,686	$ 78,111,552		$ 78,387	$ 7,404

Since 1821
THE CITY OF
Monroe

CITY OF MONROE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash	$ 953,263	$ 168,371	$ 1,121,634
Taxes receivable	388,518	1,958	390,476
Accounts receivable	49,469	-	49,469
Due from other governments	197,778	95,363	293,141
Due from other funds	1,552,888	-	1,552,888
Advances to other funds	476,603	-	476,603
Prepaid expenditures	88,966	-	88,966
Total assets	$ 3,707,485	$ 265,692	$ 3,973,177
LIABILITIES			
Accounts payable	$ 993,485	$ 111,626	$ 1,105,111
Accrued liabilities	624,423	-	624,423
Due to other funds	15,696	-	15,696
Unearned revenue	40,561	-	40,561
Total liabilities	1,674,165	111,626	1,785,791
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	312,359	-	312,359
Total deferred inflows of resources	312,359	-	312,359
FUND BALANCES			
Fund balances:			
Nonspendable:			
Prepaid items	88,966	-	88,966
Advances	476,603	-	476,603
Restricted:			
Law enforcement	-	14,005	14,005
Debt service	80,304	293	80,597
Capital projects	105,050	134,638	239,688
Assigned:			
Public safety	275	-	275
Tourism	-	5,130	5,130
Unassigned	969,763	-	969,763
Total fund balances	1,720,961	154,066	1,875,027
Total liabilities, deferred inflows of resources, and fund balances	$ 3,707,485	$ 265,692	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,974,051
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	312,359
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(5,402,571)
Net position of governmental activities	$ 17,758,866

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 YEAR ENDED DECEMBER 31, 2012

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 6,080,275	$ 27,767	$ 6,108,042
Licenses and permits	111,449	-	111,449
Intergovernmental	377,316	1,121,183	1,498,499
Fines and forfeitures	342,480	29,231	371,711
Charges for services	595,453	-	595,453
Miscellaneous	205,930	-	205,930
Total revenues	7,712,903	1,178,181	8,891,084
Expenditures			
Current:			
General government	1,205,908	-	1,205,908
Judicial	96,201	-	96,201
Public safety	5,202,097	36,841	5,238,938
Public works	1,886,406	992,775	2,879,181
Health and welfare	15,638	-	15,638
Culture and recreation	437,876	-	437,876
Housing and development	544,341	25,000	569,341
Capital outlay	-	128,408	128,408
Debt service:			
Principal retirements	-	470,000	470,000
Interest	-	252,103	252,103
Total expenditures	9,388,467	1,905,127	11,293,594
Deficiency of revenues over expenditures	(1,675,564)	(726,946)	(2,402,510)
Other financing sources (uses):			
Proceeds from sale of capital assets	11,360	-	11,360
Transfers in	2,918,105	722,000	3,640,105
Transfers out	(722,000)	-	(722,000)
Total other financing sources (uses)	2,207,465	722,000	2,929,465
Net change in fund balances	531,901	(4,946)	526,955
Fund balances, beginning of year	1,189,060	159,012	1,348,072
Fund balances, end of year	$ 1,720,961	$ 154,066	$ 1,875,027

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 YEAR ENDED DECEMBER 31, 2012

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

Net change in fund balances - total governmental funds	$	526,955
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 depreciation exceeded capital outlay in the current period.		(1,161,353)
In the statement of activities only the gain on the sale of capital assets is recorded. However, in the governmental funds, the proceeds from the sale increase financial rescoures. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.		(4,537)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		59,472
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.		470,000
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.		4,061
Change in net position - governmental activities	$	(105,402)

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

Since 1821
THE CITY OF
Monroe

CITY OF MONROE, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 6,124,168	$ 5,992,668	$ 6,080,275	$ 87,607
Licenses and permits	106,000	106,000	111,449	5,449
Fines and forfeitures	525,000	345,000	342,480	(2,520)
Interest	2,000	2,000	-	(2,000)
Charges for services	435,750	435,750	595,453	159,703
Intergovernmental	211,000	144,000	377,316	233,316
Miscellaneous	207,488	191,488	205,930	14,442
Total revenues	7,611,406	7,216,906	7,712,903	495,997
Expenditures				
Current:				
General government:				
Legislative	260,672	250,672	250,185	487
Executive	392,774	395,774	395,580	194
Board of elections	12,000	999	144	855
Financial administration	435,203	417,203	414,609	2,594
Law	80,000	105,000	104,297	703
Internal audit	32,000	27,000	25,500	1,500
General administration fees	4,800	4,800	4,693	107
Community services	10,200	11,200	10,900	300
Total general government	1,227,649	1,212,648	1,205,908	6,740
Judicial:				
Municipal court	101,040	101,040	96,201	4,839
Total judicial	101,040	101,040	96,201	4,839
Public safety:				
Police	3,437,238	3,642,238	3,639,831	2,407
Fire	1,413,842	1,563,842	1,562,266	1,576
Total public safety	4,851,080	5,206,080	5,202,097	3,983
Public works:				
Highways and streets administration	1,686,709	1,894,709	1,886,406	8,303
Total public works	1,686,709	1,894,709	1,886,406	8,303
Health and welfare:				
Community center	13,000	16,000	15,638	362
Total health and welfare	13,000	16,000	15,638	362
Culture and recreation:				
Special facilities	245,675	314,675	314,276	399
Library	123,600	123,600	123,600	-
Total culture and recreation	369,275	438,275	437,876	399
Housing and development:				
Protective inspection administration	385,439	395,439	393,911	1,528
Planning and zoning	4,844	4,845	4,844	1
Economic development	15,000	15,000	15,000	-
Main street	130,442	130,942	130,586	356
Total housing and development	535,725	546,226	544,341	1,885
Total expenditures	8,784,478	9,414,978	9,388,467	26,511
Deficiency of revenues over expenditures	(1,173,072)	(2,198,072)	(1,675,564)	522,508
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	11,360	11,360
Transfers in	1,895,175	2,920,175	2,918,105	(2,070)
Transfers out	(722,103)	(722,103)	(722,000)	103
Total other financing sources (uses)	1,173,072	2,198,072	2,207,465	9,393
Net change in fund balances	-	-	531,901	531,901
Fund balance, beginning of year	1,189,060	1,189,060	1,189,060	-
Fund balance, end of year	$ 1,189,060	$ 1,189,060	$ 1,720,961	$ 531,901

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

CITY OF MONROE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

ASSETS	Utilities Fund	Solid Waste Fund	Non-major GUTA Fund	Totals
CURRENT ASSETS				
Cash and cash equivalents	$ 2,554,336	$ 4,949	$ 16,388	$ 2,575,673
Accounts receivable, net of allowances	3,792,004	371,580	-	4,163,584
Due from other governments	817,585	-	-	817,585
Due from component unit	14,760	-	-	14,760
Due from other funds	58,860	240,286	-	299,146
Prepaid items	51,830	16,428	-	68,258
Inventories	847,402	-	-	847,402
	8,136,777	633,243	16,388	8,786,408
RESTRICTED ASSETS				
Cash and cash equivalents	9,660,075	-	-	9,660,075
Investments	2,228,042	-	-	2,228,042
	11,888,117	-	-	11,888,117
Total current assets	20,024,894	633,243	16,388	20,674,525
CAPITAL ASSETS				
Non-depreciable	8,534,905	-	-	8,534,905
Depreciable, net of accumulated depreciation	61,453,795	705,073	385,661	62,544,529
	69,988,700	705,073	385,661	71,079,434
Total assets	90,013,594	1,338,316	402,049	91,753,959
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	653,788	-	-	653,788
Total deferred outflows of resources	653,788	-	-	653,788
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	3,511,268	-	-	3,511,268
Accrued liabilities	153,536	-	-	153,536
Customer deposits	2,241,491	-	-	2,241,491
Compensated absences payable	283,399	59,539	-	342,938
Due to other funds	1,777,319	13,004	46,015	1,836,338
	7,967,013	72,543	46,015	8,085,571
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
Revenue bonds payable - current	1,701,300	-	-	1,701,300
Accrued interest	118,029	-	-	118,029
	1,819,329	-	-	1,819,329
Total current liabilities	9,786,342	72,543	46,015	9,904,900
NONCURRENT LIABILITIES				
Revenue bonds payable	19,319,128	-	-	19,319,128
Notes payable	2,354,430	-	-	2,354,430
Advances from other funds	-	476,603	-	476,603
Total noncurrent liabilities	21,673,558	476,603	-	22,150,161
Total liabilities	31,459,900	549,146	46,015	32,055,061
NET POSITION				
Net investment in capital assets	47,267,630	705,073	385,661	48,358,364
Restricted for capital projects	11,666,917	-	-	11,666,917
Restricted for debt service	221,200	-	-	221,200
Unrestricted	51,735	84,097	(29,627)	106,205
Total net position	$ 59,207,482	$ 789,170	$ 356,034	$ 60,352,686

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

CITY OF MONROE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Utilities Fund	Solid Waste Fund	Non-major GUTA Fund	Totals
OPERATING REVENUES				
Charges for sales and services	$ 31,737,327	$ 4,481,351	$ 61,133	$ 36,279,811
Total operating revenues	31,737,327	4,481,351	61,133	36,279,811
OPERATING EXPENSES				
Cost of sales and services	15,906,054	2,407,499	-	18,313,553
General operating expenses	10,850,275	1,828,149	40,953	12,719,377
Depreciation	2,724,434	88,454	8,036	2,820,924
Total operating expenses	29,480,763	4,324,102	48,989	33,853,854
Operating income	2,256,564	157,249	12,144	2,425,957
NON-OPERATING REVENUES (EXPENSES)				
Interest income	38,506	-	-	38,506
Loss on disposal of capital assets	-	(9,991)	-	(9,991)
Interest and fiscal charges	(937,313)	-	-	(937,313)
Total non-operating revenue (expenses)	(898,807)	(9,991)	-	(908,798)
Income before capital contributions and transfers	1,357,757	147,258	12,144	1,517,159
Capital contributions	1,066,897	-	-	1,066,897
Transfers out	(2,691,020)	(227,085)	-	(2,918,105)
	(1,624,123)	(227,085)	-	(1,851,208)
Change in net position	(266,366)	(79,827)	12,144	(334,049)
Net position, beginning of year, restated	59,473,848	868,997	343,890	60,686,735
Net position, end of year	$ 59,207,482	$ 789,170	$ 356,034	$ 60,352,686

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

CITY OF MONROE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Utilities Fund	Solid Waste Fund	Non-major GUTA Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 31,680,081	$ 4,613,510	$ 61,133	$ 36,354,724
Payments to suppliers	(20,604,011)	(2,925,440)	(80,894)	(23,610,345)
Payments to employees	(6,238,374)	(1,313,097)	-	(7,551,471)
Net cash provided by (used in) operating activities	4,837,696	374,973	(19,761)	5,192,908
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out to other funds	(1,441,020)	(227,085)	-	(1,668,105)
Repayment of advances from other funds	-	(7,644)	-	(7,644)
Net cash used in non-capital financing activities	(1,441,020)	(234,729)	-	(1,675,749)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(1,413,198)	(140,244)	-	(1,553,442)
Proceeds from long-term borrowings	411,176	-	-	411,176
Principal payments on bonds	(1,659,900)	-	-	(1,659,900)
Principal payments on note payable	(70,416)	-	-	(70,416)
Interest paid	(874,436)	-	-	(874,436)
Cash capital contributions	1,304,160	-	-	1,304,160
Net cash used in capital and related financing activities	(2,302,614)	(140,244)	-	(2,442,858)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	38,506	-	-	38,506
Purchase of investments	(402,330)	-	-	(402,330)
Net cash used in investing activities	(363,824)	-	-	(363,824)
Net increase (decrease) in cash and cash equivalents	730,238	-	(19,761)	710,477
Cash and cash equivalents, beginning of year	11,484,173	4,949	36,149	11,525,271
Cash and cash equivalents, end of year	$ 12,214,411	$ 4,949	$ 16,388	$ 12,235,748
Classified as:				
Cash and cash equivalents	$ 2,554,336	$ 4,949	$ 16,388	$ 2,575,673
Restricted cash and cash equivalents	9,660,075	-	-	9,660,075
	$ 12,214,411	$ 4,949	$ 16,388	$ 12,235,748
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income	$ 2,256,564	$ 157,249	$ 12,144	$ 2,425,957
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	2,724,434	88,454	8,036	2,820,924
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(90,755)	132,159	-	41,404
(Increase) decrease in due from other funds	33,509	(7,525)	-	25,984
Increase in due from component unit	(14,760)	-	-	(14,760)
Increase in prepaid items	(5,738)	(12,808)	-	(18,546)
Increase in inventories	(46,319)	-	-	(46,319)
Decrease in accounts payable	(210,419)	(553)	-	(210,972)
Increase in accrued liabilities	2,186	-	-	2,186
Increase in customer deposits	114,124	-	-	114,124
Increase in compensated absences payable	32,456	5,965	-	38,421
Increase (decrease) in due to other funds	42,414	12,032	(39,941)	14,505
Net cash provided by (used in) operating activities	$ 4,837,696	$ 374,973	$ (19,761)	$ 5,192,908

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

NOTES TO FINANCIAL STATEMENTS

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 other governmental authorities that are included as part of the City's reporting entity.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable and can impose its will. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are 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.

The Monroe Area Convention and Visitors Bureau Authority was activated by resolution in 2008 to promote and further develop trade and tourism 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 Convention and Visitors Bureau. The Convention and Visitors Bureau 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 position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. 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 units for which the primary government is financially accountable. The statement of net position 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of interfund services provided and used.

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.

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 committed or assigned fund balance since they do not constitute expenditures or liabilities. There were no outstanding encumbrances at December 31, 2012.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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, 2012, are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The City capitalizes intangible assets with an initial, individual cost of more than $100,000 and an estimated useful life in excess of one year. 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. The City has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

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

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows / Inflows of Resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of revenues, expenditures and changes in fund balance will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

L. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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 position. Bond premiums and discounts 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 expensed in the period in which they are incurred.

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.

N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (passage of a resolution) of the City Council.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council has delegated the Finance Director the authority to assign amounts to be used for specific purposes.

Unassigned – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications.

The City has established a minimum fund balance policy in the General Fund for working capital purposes to eliminate cash flow issues, cover the cost of expenditures caused by unforeseen emergencies, cover shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. The City will maintain the equivalent of approximately two (2) months of operating and debt service expenditures, including transfers to other funds, which amounts to approximately 17% of budgeted General Fund expenditures.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Net Position – Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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 Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 $5,402,571 difference are as follows:

Bonds payable	$ (4,905,000)
Bond premium	(103,878)
Deferred charges on refunding	155,086
Accrued interest payable	(57,220)
Compensated absences	(491,559)
Net adjustment to reduce *fund balance- total governmental funds* to arrive at *net position - governmental activities*	$ (5,402,571)

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 position 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 $1,161,353 difference are as follows:

Capital outlay	$	229,488
Depreciation expense		(1,390,841)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*		(1,161,353)

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 $4,061 difference are as follows:

Compensated absences	$	(2,121)
Accrued interest		5,806
Amortization of deferred charges on refunding		(22,976)
Amortization of bond premiums		23,352
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	4,061

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2012 are summarized as follows:

Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents	$	3,697,307
Restricted cash and cash equivalents		9,660,075
Restricted investments		2,228,042
Total	$	15,585,424
Cash deposited with financial institutions	$	13,357,382
Investments in the Municipal Competitive Trust		2,228,042
	$	15,585,424

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. State statutes and City policy 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 bankers' 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, 2012, the City's investments in the Municipal Competitive Trust were rated AA-plus by Standard & Poor's.

At December 31, 2012, the City had the following investments:

Investment	Maturities (in years)	Fair Value
Municipal Competitive Trust - Short-term	Less than 1	$ 2,228,042
Total		$ 2,228,042

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: 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. State statutes and City policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2012, the City and its component units are insured or collateralized as defined by GASB pronouncements and State of Georgia statutes.

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.

The billings are considered past due on December 21, at which time the applicable property is subject to lien and penalties and interest are assessed.

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

Receivables at December 31, 2012, 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	$ 388,518	$ -	$ -	$ 1,958
Accounts	49,469	3,902,406	371,580	-
Due from other governments	197,778	790,289	-	95,363
Less allowance for uncollectible	-	83,106	-	-
Net total receivable	$ 635,765	$ 4,609,589	$ 371,580	$ 97,321

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2012 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 3,691,554	$ -	$ -	$ -	$ 3,691,554
Construction in progress	61,644	66,716	-	-	128,360
Total	3,753,198	66,716	-	-	3,819,914
Capital assets, being depreciated:					
Infrastructure	23,747,947	-	-	-	23,747,947
Buildings and improvements	11,746,852	-	-	-	11,746,852
Equipment, furniture & vehicles	4,835,200	162,772	(17,000)	-	4,980,972
Total	40,329,999	162,772	(17,000)	-	40,475,771
Less accumulated depreciation for:					
Infrastructure	(14,891,538)	(614,572)	-	-	(15,506,110)
Buildings and improvements	(3,392,376)	(431,863)	-	-	(3,824,239)
Equipment, furniture & vehicles	(3,659,342)	(344,406)	12,463	-	(3,991,285)
Total	(21,943,256)	(1,390,841)	12,463	-	(23,321,634)
Total capital assets, being depreciated, net	18,386,743	(1,228,069)	(4,537)	-	17,154,137
Governmental activities capital assets, net	$ 22,139,941	$ (1,161,353)	$ (4,537)	$ -	$ 20,974,051
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 2,109,443	$ -	$ -	$ -	$ 2,109,443
Construction in progress	5,958,382	1,360,533	-	(893,453)	6,425,462
Total	8,067,825	1,360,533	-	(893,453)	8,534,905
Capital assets, being depreciated:					
Infrastructure	52,638,719	-	-	893,453	53,532,172
Buildings and improvements	31,683,728	-	-	-	31,683,728
Equipment, furniture & vehicles	18,446,703	192,909	(94,650)	-	18,544,962
Total	102,769,150	192,909	(94,650)	893,453	103,760,862
Less accumulated depreciation for:					
Infrastructure	(16,166,124)	(1,010,464)	-	-	(17,176,588)
Buildings and improvements	(10,586,232)	(803,135)	-	-	(11,389,367)
Equipment, furniture & vehicles	(11,727,712)	(1,007,325)	84,659	-	(12,650,378)
Total	(38,480,068)	(2,820,924)	84,659	-	(41,216,333)
Total capital assets, being depreciated, net	64,289,082	(2,628,015)	(9,991)	893,453	62,544,529
Business-type activities capital assets, net	$ 72,356,907	$ (1,267,482)	$ (9,991)	$ -	$ 71,079,434

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 233,789
Public safety	172,843
Public works	938,817
Culture and recreation	45,392
Total depreciation expense - governmental activities	$ 1,390,841
Business-type activities:	
Utilities	$ 2,724,434
Solid waste	88,454
GUTA	8,036
Total depreciation expense - business-type activities	$ 2,820,924

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 5,375,000	$ -	$ (470,000)	$ 4,905,000	$ 525,000
Original issue premium	127,230	-	(23,352)	103,878	-
Bonds payable, net	5,502,230	-	(493,352)	5,008,878	525,000
Deferred charges on refunding	(178,062)	-	22,976	(155,086)	-
Compensated absences	489,438	526,264	(524,143)	491,559	491,559
Governmental activity Long-term liabilities	$ 5,813,606	$ 526,264	$ (994,519)	$ 5,345,351	$ 1,016,559
Business-type activities:					
Revenue bonds payable	$ 22,332,100	$ -	$ (1,659,900)	$ 20,672,200	$ 1,701,300
Original issue premium	389,425	-	(41,197)	348,228	-
Bonds payable, net	22,721,525	-	(1,701,097)	21,020,428	1,701,300
Deferred charges on refunding	(721,773)	-	67,985	(653,788)	-
Note payable	2,340,221	84,625	(70,416)	2,354,430	-
Compensated absences	304,517	516,505	(478,084)	342,938	342,938
Business-type activity Long-term liabilities	$ 24,644,490	$ 601,130	$ (2,181,612)	$ 23,064,008	$ 2,044,238

For governmental funds, compensated absences are liquidated by the General Fund. The City has reported 100% of the compensated absence liability as due in one year based on historical trends of usage by employees.

NOTE 7. LONG-TERM DEBT (CONTINUED)

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:

Year Ending December 31,	Series 2006 Principal	Series 2006 Interest	Series 2000 Principal	Series 2000 Interest	Total
2013	$ 20,000	$ 203,375	$ 505,000	$ 25,503	$ 753,878
2014	585,000	202,650	-	-	787,650
2015	645,000	173,400	-	-	818,400
2016	700,000	141,150	-	-	841,150
2017	760,000	106,150	-	-	866,150
2018-2019	1,690,000	110,750	-	-	1,800,750
Total	$ 4,400,000	$ 937,475	$ 505,000	$ 25,503	$ 5,867,978

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

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. The debt service to maturity is as follows:

Year Ending December 31,	Series 2003 Principal	Series 2003 Interest	Total
2013	$ 720,000	141,050	$ 861,050
2014	700,000	115,850	815,850
2015	575,000	89,600	664,600
2016	600,000	66,600	666,600
2017	625,000	42,500	667,500
2018	440,000	17,600	457,600
Total	$ 3,660,000	$ 473,200	$ 4,133,200

NOTE 7. LONG-TERM DEBT (CONTINUED)

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.

In September 2011, the City issued the Combined Utility Revenue Refunding Bonds (Series 2011) to advance refund $2,845,000 in aggregate principal amount of the Series 2001 Revenue Bonds. These bonds were issued for an original amount of $2,984,200 bearing interest at a rate of 1.26% payable each June 1 and December 1 and maturing in 2014.

The debt service to maturity on the Series 2006 and Series 2011 revenue refunding bonds are as follows:

	Series 2006		Series 2011		
Year Ending December 31,	Principal	Interest	Principal	Interest	Total
2013	$ -	$ 707,163	$ 981,300	$ 24,850	$ 1,713,313
2014	-	707,163	990,900	12,485	1,710,548
2015	1,060,000	707,163	-	-	1,767,163
2016	1,115,000	654,163	-	-	1,769,163
2017	1,170,000	598,413	-	-	1,768,413
2018-2022	6,795,000	2,053,312		-	8,848,312
2023-2025	4,900,000	407,651	-	-	5,307,651
Total	$ 15,040,000	$ 5,835,028	$ 1,972,200	$ 37,335	$ 22,884,563

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, 2012, the outstanding amount of bonds considered defeased is as follows:

Series 2000 General Obligation Bonds	$ 4,270,000
Series 2001 Revenue Bonds, Refunded by Series 2006	14,720,000
Series 2001 Revenue Bonds, Refunded by Series 2011	1,940,000

NOTE 7. LONG-TERM DEBT (CONTINUED)

Note Payable. The City has incurred debt to the Georgia Environmental Finance Authority (GEFA) for construction of various water and sewer system projects. As of December 31, 2012, the City had one note outstanding with a principal balance of $2,354,430 that is still in the construction phase as of December 31, 2012. The repayment terms for this note will be determined upon completion of the projects and receipt of the final draw on the note. Interest accrues at 3.89%. As of December 31, 2012, the City is awaiting reimbursement from GEFA on draws totaling $27,296.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2012 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Utility Fund	Solid Waste Fund	$ 1,957
General Fund	GUTA Fund	4,808
General Fund	Utilities Fund	1,537,033
General Fund	Solid Waste Fund	11,047
Utility Fund	General Fund	15,696
Utility Fund	GUTA Fund	41,207
Solid Waste Fund	Utilities Fund	240,286
		$ 1,852,034

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.

Advances to/from other funds are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	$ 476,603

The amount payable from the Solid Waste Fund is for long-term financing provided by the General Fund and is expected to be repaid in periods beyond December 31, 2013.

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

Interfund transfers:

Transfers In	Transfers Out	Amount
Nonmajor governmental funds	General Fund	$ 722,000
General Fund	Utilities Fund	$ 2,691,020
General Fund	Solid Waste Fund	227,085
		$ 2,918,105

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.

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

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 July 1, 2012 the date of the most recent actuarial valuation, there were 312 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	59
Terminated vested participants not yet receiving benefits	38
Active employees - vested	180
Active employees - nonvested	35
Total	312

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 2012, the actuarially determined contribution rate was 14.40% of covered payroll. Plan members are not required to contribute to the Plan.

NOTE 9. PENSION PLAN (CONTINUED)

Funding Policy (Continued)

For 2012, the City's recommended contribution was $1,223,915. Actual contributions totaled $1,223,915. The recommended contribution was determined as part of the July 1, 2011 actuarial valuation using the projected unit credit actuarial cost method. Actuarial assumptions include a 7.75% rate of return on investments, projected salary increases of 3.5%, and an inflation rate assumption of 3.5%. The equivalent single amortization period, and related method, for amortizing the initial unfunded actuarial accrued liability is 13 years as a level dollar amount. The amortization period is 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.

Employer Contributions

Fiscal Year Ended December 31,	Annual Pension Cost (APC)	Actual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation
2012	$ 1,223,915	$ 1,223,915	100.0 %	$ -
2011	1,150,073	$ 1,150,073	100.0	-
2010	1,135,094	$ 1,135,094	100.0	-

The following is a schedule of funding progress, using the actuarial cost method:

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
7/1/12	$ 12,304,838	$ 17,527,784	$ 5,222,946	70.20 %	$ 9,065,652	57.61 %

The above schedule of funding progress serves as a surrogate for the funded status and the funding progress of the plan. The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

NOTE 9. PENSION PLAN (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2012.

NOTE 10. 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 Commission (RC). Dues to the RC are assessed at the County level and are, accordingly, paid by Walton County. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC 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 RC. Separate financial statements may be obtained from the RC's administrative office at 305 Research Drive, Athens, Georgia 30605.

NOTE 11. 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 12. 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. The City has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issues, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

NOTE 12. RISK MANAGEMENT (CONTINUED)

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defined by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims have not exceeded coverage in the past three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the current or prior year.

The City is self-insured for employee group health insurance. The City maintains specific stop loss coverage in the amount $50,000 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
2012	$ 444,200	$ 1,904,201	$ 1,761,881	$ 586,520
2011	848,329	2,398,928	2,798,057	444,200

The ending claims liability is expected to be paid during 2013 and, therefore, has been classified as a current liability.

NOTE 13. COMMITMENTS AND CONTINGENCIES

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.

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

As of December 31, 2012, 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 MEAG. 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 $10,645,370 in 2012.

At December 31, 2012, the outstanding debt of MEAG was approximately $6.0 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately $95.7 million at December 31, 2012.

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Gas Authority of Georgia:

The City has also entered into a contract for wholesale natural gas purchases with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire the bonds issued by MGAG, the City is obligated to pay its "obligation share" of the costs of the gas supply and related services MGAG provides to the City, which costs includes amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2016, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to MGAG are made monthly based on actual usage. The total payments under these contracts amounted to $1,867,548 in 2012.

At December 31, 2012, the outstanding debt of MGAG was approximately $337.7 million. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately $3.9 million at December 31, 2012.

NOTE 14. HOTEL/MOTEL LODGING TAX

The City imposes a 5% hotel/motel tax on lodging facilities within the City. Revenues were $27,767 for the year ended December 31, 2012. Of this amount, 90%, or $25,000, was expended for the promotion of tourism.

NOTE 15. CHANGES IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than capitalized and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, in conjunction with the implementation of Statement No. 65, the following restatements were required to the beginning net position of the Governmental Activities and Utilities Fund to properly recognize debt issuance costs as expenses in the periods in which they were incurred:

Net position, Governmental Activities, previously reported	$	17,917,354
Recognition of issuance costs incurred in prior periods		(53,086)
Beginning net position, Governmental Activities, restated	$	17,864,268

Net position, Utilities Fund, previously reported	$	59,849,253
Recognition of issuance costs incurred in prior periods		(375,405)
Beginning net position, Utilities Fund, restated	$	59,473,848

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THE CITY OF
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REQUIRED SUPPLEMENTARY INFORMATION

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
7/1/12	$ 12,304,838	$ 17,527,784	$ 5,222,946	70.2%	$ 9,065,652	57.6%
7/1/11	11,107,981	15,777,671	4,669,690	70.4%	8,355,692	55.9%
7/1/10	9,998,559	14,442,984	4,444,425	69.2%	8,470,865	52.5%
10/1/09	9,044,142	14,120,044	5,075,902	64.1%	8,507,450	59.7%
11/1/08	8,569,985	12,326,661	3,756,676	69.5%	8,216,415	45.7%
11/1/07	7,679,938	11,274,452	3,594,514	68.1%	7,241,557	49.6%

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

CITY OF MONROE, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditures 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, 2012

	Special Revenue Funds		
ASSETS	Forfeited Drug Fund	Hotel/Motel Tax Fund	Debt Service Fund
Cash and cash equivalents	$ 30,265	$ 3,172	$ 293
Taxes receivable	-	1,958	-
Due from other governments	-	-	-
Total assets	$ 30,265	$ 5,130	$ 293
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 16,260	$ -	$ -
Total liabilities	16,260	-	-
FUND BALANCES			
Restricted:			
Law enforcement	14,005	-	-
Debt service	-	-	293
Capital projects	-	-	-
Assigned:			
Tourism	-	5,130	-
Total fund balances	14,005	5,130	293
Total liabilities and fund balances	$ 30,265	$ 5,130	$ 293

Capital Projects Funds			Total
GO Bond Fund	Capital Projects Fund	SPLOST Fund	Nonmajor Governmental Funds
$ 128,589	$ 2,740	$ 3,312	$ 168,371
-	-	-	1,958
-	-	95,363	95,363
$ 128,589	$ 2,740	$ 98,675	$ 265,692
$ -	$ -	$ 95,366	$ 111,626
-	-	95,366	111,626
-	-	-	14,005
-	-	-	293
128,589	2,740	3,309	134,638
-	-	-	5,130
128,589	2,740	3,309	154,066
$ 128,589	$ 2,740	$ 98,675	$ 265,692

CITY OF MONROE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds		
	Forfeited Drug Fund	Hotel/Motel Tax Fund	Debt Service Fund
REVENUES			
Taxes	$ -	$ 27,767	$ -
Intergovernmental	-	-	-
Fines and forfeitures	29,231	-	-
Total revenues	29,231	27,767	-
EXPENDITURES			
Current			
Public safety	36,841	-	-
Public works	-	-	-
Housing and development	-	25,000	-
Capital outlay	-	-	-
Debt service			
Principal retirements	-	-	470,000
Interest and issuance costs	-	-	252,103
Total expenditures	36,841	25,000	722,103
Excess (deficiency) of revenues over (under) expenditures	(7,610)	2,767	(722,103)
OTHER FINANCING SOURCES			
Transfers in	-	-	722,000
Total other financing sources	-	-	722,000
Net change in fund balances	(7,610)	2,767	(103)
FUND BALANCES, beginning of year	21,615	2,363	396
FUND BALANCES, end of year	$ 14,005	$ 5,130	$ 293

Capital Projects Funds			Total
GO Bond Fund	Capital Projects Fund	SPLOST Fund	Nonmajor Governmental Funds
$ -	$ -	$ -	$ 27,767
-	-	1,121,183	1,121,183
-	-	-	29,231
-	-	1,121,183	1,178,181
-	-	-	36,841
-	-	992,775	992,775
-	-	-	25,000
-	-	128,408	128,408
-	-	-	470,000
-	-	-	252,103
-	-	1,121,183	1,905,127
-	-	-	(726,946)
-	-	-	722,000
-	-	-	722,000
-	-	-	(4,946)
128,589	2,740	3,309	159,012
$ 128,589	$ 2,740	$ 3,309	$ 154,066

CITY OF MONROE, GEORGIA
FORFEITED DRUG FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines & forfeitures	$ 30,000	$ 30,000	$ 29,231	$ (769)
Total revenues	30,000	30,000	29,231	(769)
EXPENDITURES				
Public safety	30,000	40,000	36,841	3,159
Net change in fund balances	-	(10,000)	(7,610)	2,390
FUND BALANCES, beginning of year	21,615	21,615	21,615	-
FUND BALANCES, end of year	$ 21,615	$ 11,615	$ 14,005	$ 2,390

CITY OF MONROE, GEORGIA
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 25,000	$ 25,000	$ 27,767	$ 2,767
EXPENDITURES				
Housing and development	25,000	25,000	25,000	-
Net change in fund balances	-	-	2,767	2,767
FUND BALANCES, beginning of year	2,363	2,363	2,363	-
FUND BALANCES, end of year	$ 2,363	$ 2,363	$ 5,130	$ 2,767

CITY OF MONROE, GEORGIA
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
Debt service				
Principal retirements	$ 470,000	$ 470,000	$ 470,000	$ -
Interest	252,103	252,103	252,103	-
Total expenditures	722,103	722,103	722,103	-
Deficiency of revenues over expenditures	(722,103)	(722,103)	(722,103)	-
OTHER FINANCING SOURCES				
Transfers in	722,103	722,103	722,000	(103)
Total other financing sources	722,103	722,103	722,000	(103)
Net change in fund balances	-	-	(103)	(103)
FUND BALANCES, beginning of year	396	396	396	-
FUND BALANCES, end of year	$ 396	$ 396	$ 293	$ (103)

CITY OF MONROE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2012

Project	Original and Current Estimated Cost	Prior Year	Current Year	Total
Transportation, drainage and sidewalks	$ 9,136,000	$ 5,789,063	$ 1,121,183	$ 6,910,246
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	$ 5,789,063	$ 1,121,183	$ 6,910,246

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COMPONENT UNITS

CITY OF MONROE, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	35,851
Payments to suppliers		(118,816)
Net cash used in operating activities		(82,965)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Tax receipts		15,000
Grant receipts		9,536
Other nonoperating income		66,260
Net cash provided by non-capital financing activities		90,796
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		66
Net cash provided by investing activities		66
Net increase in cash		7,897
Cash, beginning of year		74,126
Cash, end of year	$	82,023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(104,481)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Change in assets and liabilities:		
Decrease in accounts receivable		31,749
Decrease in accounts payable		(10,233)
Net cash used in operating activities	$	(82,965)

CITY OF MONROE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
DECEMBER 31, 2012

ASSETS	
Cash	$ 21,704
Total assets	$ 21,704
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 14,300
Total liabilities	14,300
FUND BALANCE	
Restricted - tourism	7,404
Total liabilities and fund balance	$ 21,704

CITY OF MONROE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2012

REVENUES		
Taxes	$	25,000
Intergovernmental		2,225
Miscellaneous		40
Total revenues		27,265
EXPENDITURES		
Tourism		34,930
Total expenditures		34,930
Net change in fund balance		(7,665)
FUND BALANCE, beginning of year		15,069
FUND BALANCE, end of year	$	7,404

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STATISTICAL SECTION

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..... 63

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 70

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

Debt Capacity 84

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..... 89

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 92

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.

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CITY OF MONROE, GEORGIA

NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities										
Net investment in capital assets	**$ 16,120,259**	$ 16,815,773	$ 17,638,965	$ 18,072,719	$ 18,777,190	$ 18,830,133	$ 17,937,677	$ 3,271,486	$ 2,685,278	$ 1,726,425
Restricted for law enforcement	**14,005**	21,615	40,435	38,796	44,239	44,756	31,437	42,395	25,692	20,107
Restricted for debt service	**80,597**	148,229	93,945	190,629	180,283	163,098	157,092	673	97,713	98,040
Restricted capital projects	**239,688**	134,638	134,619	134,394	163,852	440,587	926,939	1,281,593	1,866,132	2,692,178
Unrestricted	**1,304,317**	744,013	1,330,375	1,503,924	1,621,780	1,965,422	1,270,486	6,082,755	3,214,411	2,322,308
Total governmental activities net position	**$ 17,758,866**	$ 17,864,268 (1)	$ 19,238,339	$ 19,940,462	$ 20,787,344	$ 21,443,996	$ 20,323,631	$ 10,678,902	$ 7,889,226	$ 6,859,058
Business-type activities										
Net investment in capital assets	**$ 48,358,364**	$ 48,016,934	$ 46,398,368	$ 45,584,606	$ 48,383,571	$ 48,532,376	$ 47,035,378	$ 46,638,687	$ 40,778,483	$ 39,380,191
Restricted for debt service	**221,200**	274,045	316,073	309,721	230,896	235,771	231,506	245,156	440,980	467,025
Restricted for capital projects	**11,666,917**	9,800,800	9,523,530	7,782,254	4,359,447	4,483,876	3,239,488	3,575,686	5,074,140	5,224,398
Unrestricted	**106,205**	2,594,956	2,821,904	3,463,071	1,706,696	1,816,385	1,890,394	391,690	778,983	377,372
Total business-type activities net position	**$ 60,352,686**	$ 60,686,735 (1)	$ 59,059,875	$ 57,139,652	$ 54,680,610	$ 55,068,408	$ 52,396,766	$ 50,851,219	$ 47,072,586	$ 45,448,986
Primary government										
Net investment in capital assets	**$ 64,478,623**	$ 64,832,707	$ 64,037,333	$ 63,657,325	$ 67,160,761	$ 67,362,509	$ 57,515,398	$ 49,910,173	$ 43,463,761	$ 41,106,616
Restricted for law enforcement	**14,005**	21,615	40,435	38,796	44,239	44,756	31,437	42,395	25,692	20,107
Restricted for debt service	**301,797**	422,274	410,018	500,350	411,179	398,869	388,598	245,829	538,693	565,065
Restricted for capital projects	**11,906,605**	9,935,438	9,658,149	7,916,648	4,523,299	4,924,463	4,166,427	4,857,279	6,940,272	7,916,576
Unrestricted	**1,410,522**	3,338,969	4,152,279	4,966,995	3,328,476	3,781,807	3,160,880	6,474,445	3,993,394	2,699,680
Total primary government net position	**$ 78,111,552**	$ 78,551,003 (1)	$ 78,298,214	$ 77,080,114	$ 75,467,954	$ 76,512,404	$ 65,262,740	$ 61,530,121	$ 54,961,812	$ 52,308,044

(1) In conjunction with the implementatin of Statement No. 65, restatements were required to net position to properly recognize debt issuance costs as expenses in the periods in which they were incurred

CITY OF MONROE, GEORGIA

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
General government	**$ 1,424,993**	$ 1,417,361	$ 1,472,876	$ 1,455,946	$ 1,256,230	$ 1,201,330	$ 1,694,194 (2)	$ 1,268,756	$ 996,623	$ 910,553
Judicial	**96,201**	103,077	123,640	104,591	86,259	76,621	101,795	66,903	59,771	53,943
Public safety	**5,315,309**	5,246,043	5,299,486	4,996,201	5,149,446	4,905,576	4,584,679	4,089,578	4,226,825	3,842,396
Public works	**3,828,463**	3,677,625	3,480,863	3,843,201	3,903,485	2,981,950	2,179,824	1,432,099	2,375,572	2,219,978
Health and welfare	**15,638**	11,555	16,530	14,904	8,756	18,514	9,674	11,918	47,688	5,519
Culture and recreation	**485,611**	441,207	428,110	379,755	364,677	366,993	328,177	322,390	358,311	338,373
Housing and development	**568,750**	518,594	491,352	456,953	546,277	474,499	345,994	239,393	185,843	211,352
Interest on long-term debt	**245,921**	266,783	284,722	300,072	313,270	324,998	340,523	365,053	370,794	441,473
Total governmental activities expenses	**11,980,886**	11,682,245	11,597,579	11,551,623	11,628,400	10,350,481	9,584,860	7,796,090	8,621,427	8,023,587
Business-type activities:										
Utilities	**30,418,076** (10)	29,575,971	28,520,470 (7)	28,256,164 (7)	30,977,046	29,386,045 (5)	30,529,266	30,061,743	26,800,621	22,403,859
Solid Waste	**4,334,093**	4,554,533	4,819,518	4,371,576	3,600,554	3,329,996	3,489,003	2,863,895	2,768,145	2,622,391
GUTA	**48,989**	41,179	53,699	-	-	-	-	-	-	-
Total business-type activities expenses	**34,801,158**	34,171,683	33,393,687	32,627,740	34,577,600	32,716,041	34,018,269	32,925,638	29,568,766	25,026,250
Total primary government expenses	**$ 46,782,044**	$ 45,853,928	$ 44,991,266	$ 44,179,363	$ 46,206,000	$ 43,066,522	$ 43,603,129	$ 40,721,728	$ 38,190,193	$ 33,049,837
Program Revenues										
Governmental activities:										
Charges for services:										
General government	**$ 603,191**	$ 646,816	$ 549,883	$ 524,931	$ 594,914	$ 595,072 (4)	$ 310,339 (1)	$ 87,012	$ 58,566	$ 89,804
Judicial	**342,480**	509,174	461,730	464,820	503,899	467,927	331,732 (1)	-	-	-
Public safety	**46,638**	82,798	57,119	58,667	78,890	64,580	23,579 (1)	413,337	386,801	316,653
Public works	**39,805**	13,810	15,380	11,470	19,788	12,470	17,680	800	2,785	-
Health and welfare	**-**	-	-	-	-	-	-	16,800	20,625	4,000
Culture and recreation	**2,775**	1,775	1,650	875	2,000	1,065	1,225	-	-	-
Housing and development	**43,724**	-	-	-	-	-	- (1)	262,033	290,370	213,459
Operating grants and contributions	**377,316**	187,652	334,014	125,117	108,675	107,712	86,254	-	-	67,080
Capital grants and contributions	**1,121,183**	1,006,495	1,316,349	236,642	282,814	911,483	2,874,695 (2)	-	-	1,022,218
Total governmental activities program revenues	**2,577,112**	2,448,520	2,736,125	1,422,522	1,590,980	2,160,309	3,645,504	779,982	759,147	1,713,214
Business-type activities:										
Charges for services:										
Utilities	**31,737,327**	31,714,571	30,822,621 (7)	30,583,031 (7)	31,443,996	31,538,917 (5)	33,310,694	33,730,259	29,919,255	26,627,546
Solid Waste	**4,481,351**	4,848,063	5,136,546 (8)	4,689,342 (8)	3,645,200	3,286,002	3,248,198	2,791,420	2,734,281	2,692,889
GUTA	**61,133**	21,535	15,460 (9)	-	-	-	-	-	-	-
Operating grants and contributions	**-**	-	-	-	-	-	-	36,796	12,905	-
Capital grants and contributions	**1,066,897**	1,211,082	651,018	481,350	258,931 (6)	1,481,998	716,201 (3)	4,249,412	2,136,117	472,979
Total business-type activities program revenues	**37,346,708**	37,795,251	36,625,645	35,753,723	35,348,127	36,306,917	37,275,093	40,807,887	34,802,558	29,793,414
Total primary government program revenues	**$ 39,923,820**	$ 40,243,771	$ 39,361,770	$ 37,176,245	$ 36,939,107	$ 38,467,226	$ 40,920,597	$ 41,587,869	$ 35,561,705	$ 31,506,628

(continued)

CITY OF MONROE, GEORGIA

CHANGES IN NET POSITION (continued)
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net (expense)/revenue										
Governmental activities	**$ (9,403,774)**	$ (9,233,725)	$ (8,861,454)	$ (10,129,101)	$ (10,037,420)	$ (8,190,172)	$ (5,939,356)	$ (7,016,108)	$ (7,862,280)	$ (6,310,373)
Business-type activities	**2,545,550**	3,623,568	3,231,958	3,125,983	770,527	3,590,876	3,256,824	7,882,249	5,233,792	4,767,164
Total primary government net (expense) revenue	**$ (6,858,224)**	$ (5,610,157)	$ (5,629,496)	$ (7,003,118)	$ (9,266,893)	$ (4,599,296)	$ (2,682,532)	$ 866,141	$ (2,628,488)	$ (1,543,209)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	**$ 2,931,008**	$ 2,865,418	$ 2,987,370	$ 2,957,251	$ 3,058,767	$ 2,950,804	$ 2,686,312	$ 2,542,580	$ 2,351,239	$ 2,258,913
Sales taxes	**2,227,932**	2,141,501	2,140,642	3,714,049	3,828,681	3,892,735	2,390,642	1,780,995	1,609,567	1,267,971
Franchise taxes	**220,358**	240,578	241,805	224,043	197,159	252,451	263,886	255,742	237,448	217,793
Other taxes	**788,216**	753,374	736,234	760,134	773,845	750,143	718,778	1,057,955	980,690	924,769
Intergovernmental revenues	**-**	-	-	-	-	-	-	-	-	62,247
Unrestricted investment earnings	**-**	130	1,751	5,913	26,652	60,448	108,567	71,213	37,124	102,621
Miscellaneous	**205,930**	229,369	347,464	255,658	138,700	112,459	101,300	10,000	-	-
Gain on sale of capital assets	**6,823**	-	-	7,709	24,247	21,649	23,593	-	6,905	35,253
Transfers	**2,918,105**	1,682,370	1,704,065	1,357,462	1,332,717	1,269,848	1,433,043	1,391,317	1,860,198	1,714,894
Total governmental activities	**9,298,372**	7,912,740	8,159,331	9,282,219	9,380,768	9,310,537	7,726,121	7,109,802	7,083,171	6,584,461
Business-type activities:										
Investment earnings	**38,506**	61,067	72,110	87,161	172,734	331,500	213,843	132,093	67,039	72,033
Miscellaneous	**-**	-	-	-	-	-	-	-	-	45,019
Gain on sale of capital assets	**-**	-	320,220	603,360 (7)	1,658	19,114	-	(9,264)	7,993	36,690
Transfers	**(2,918,105)** (10)	(1,682,370)	(1,704,065)	(1,357,462)	(1,332,717)	(1,269,848)	(1,433,043)	(1,530,464)	(1,860,947)	(1,714,894)
Total business-type activities	**(2,879,599)** (10)	(1,621,303)	(1,311,735)	(666,941)	(1,158,325)	(919,234)	(1,219,200)	(1,407,635)	(1,785,915)	(1,561,152)
Total primary government	**$ 6,418,773**	$ 6,291,437	$ 6,847,596	$ 8,615,278	$ 8,222,443	$ 8,391,303	$ 6,506,921	$ 5,702,167	$ 5,297,256	$ 5,023,309
Change in Net Position										
Governmental activities	**$ (105,402)**	$ (1,320,985)	$ (702,123)	$ (846,882)	$ (656,652)	$ 1,120,365	$ 1,786,765	$ 93,694	$ (779,109)	$ 274,088
Business-type activities	**(334,049)** (10)	2,002,265	1,920,223	2,459,042	(387,798)	2,671,642	2,037,624	6,474,614	3,447,877	3,206,012
Total primary government	**$ (439,451)**	$ 681,280	$ 1,218,100	$ 1,612,160	$ (1,044,450)	$ 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.

(6) Economic conditions in 2008 caused decrease in new construction and therefore reducing revenue from tap fees and capital contributions.

(7) In 2009, the City raised water and sewer rates, lost a major wholesale water customer mid-year, sold the Oconee County Gas system factors that would lower revenues but also lower expenses.

(8) The City raised solid waste rates.

(9) 2010 was the first year for its new regional training facility.

(10) The City transferred additional funds to establish a stabilization fund coupled with an increase in expenses caused a decrease in the business type activities net position.

CITY OF MONROE, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN 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
2008	3,058,767	3,828,681	197,159 (2)	773,845	7,858,452
2009	2,957,251	3,714,049	224,043	760,134	7,655,477
2010	2,987,370	2,140,642 (3)	241,805	736,234	6,106,051
2011	2,865,418	2,141,501	240,578	753,374	6,000,871
2012	**2,931,008**	**2,227,932**	**220,358**	**788,216**	**6,167,514**

(1) Sales tax increase in 2007 was due to the first year for collection of Special Purpose Local Option Sales Tax (SPLOST).
(2) Franchise tax decrease in 2008 was due to the closing of an industry where Georgia Power paid franchise tax to the city.
(3) Sales tax decrease in 2010 was due to reduction in the amount of SPLOST collected.

CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General fund										
Nonspendable	**$ 565,569**	$ 541,999 (1)	$ 487,204	$ 360,414	$ 614,722	$ 610,247	$ 661,158	$ 756,881	$ 416,940	$ 279,787
Restricted	**185,354**	147,833	93,280	190,227	179,673	162,507	143,644	-	-	816
Assigned	**275**	272	3,142	-	-	-	-	-	-	-
Unassigned	**969,763** (4)	498,956 (2)	802,954	1,041,342	957,494	1,156,514	1,017,728	1,614,766	1,608,322	1,960,925
Total general fund	**$ 1,720,961**	$ 1,189,060	$ 1,386,580	$ 1,591,983	$ 1,751,889	$ 1,929,268	$ 1,822,530	$ 2,371,647	$ 2,025,262	$ 2,241,528
Nonmajor governmental funds										
Restricted	**$ 148,936** (3)	$ 156,649 (3)	$ 153,141	$ 156,703	$ 64,137	$ 745,525	$ 824,611	$ 1,212,319	$ 1,918,403	$ 2,820,492
Assigned	**5,130**	2,363	2,157	4,123	5,948	6,678	43,204	21,101	47,756	33,884
Total nonmajor governmental funds	**$ 154,066**	$ 159,012	$ 155,298	$ 160,826	$ 70,085	$ 752,203	$ 867,815	$ 1,233,420	$ 1,966,159	$ 2,854,376

(1) The variances in nonspendable fund balance in the general fund is due to advances to the Solid Waste Fund.
(2) The decrease in unassigned fund balance of the general fund was due to excess health insurance costs for which there were no offsetting revenues.
(3) The decreasing restricted fund balance in nonmajor governmental funds is due to the completion of projects for which there were no offsetting revenues.
(4) The increase in unassigned fund balance of the general fund was due to a transfer from the Capital Improvement Account in the Enterprise Fund.

CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes	**$ 6,108,042**	$ 6,281,497	$ 6,123,772 (6)	$ 7,699,696	$ 7,649,019	$ 7,718,946 (2)	$ 6,154,877	$ 5,331,546	$ 5,076,269	$ 4,507,752
Licenses and permits	**111,449**	180,880	133,385	115,645	172,791	179,757	303,400	208,714	241,633	171,298
Intergovernmental	**1,498,499**	1,182,147	1,224,363 (3)	307,309	252,935	716,836	2,129,920	2,090,227	1,383,794 (3)	834,318
Fines and forfeitures	**371,711**	554,003	500,670	504,874	565,637	509,974	337,512	420,414	398,839	331,814
Charges for services	**595,453**	497,875	451,707	437,664	456,636	446,792	38,459	112,623	113,705	97,257
Interest income	**-**	130	1,751	5,913	26,652	60,448	92,654	62,847	28,528	100,070
Miscellaneous	**205,930**	229,369	347,464	258,238	143,127	117,050	106,484	202,602	44,690	59,541
Total revenues	**8,891,084**	8,925,901	8,783,112	9,329,339	9,266,797	9,749,803	9,163,306	8,428,973	7,287,458	6,102,050
Expenditures										
General government	**1,205,908**	1,146,185	1,227,762	1,201,703	1,075,790	1,094,922	1,602,150	988,142	1,167,400	1,331,514
Judicial	**96,201**	103,077	123,640	104,591	86,259	82,684	95,732	77,198	46,817	42,429
Public safety	**5,238,938**	5,198,818	5,126,640	4,916,959	4,900,123	4,899,432	4,282,047	4,268,592	3,542,765	3,073,846
Public works	**2,879,181**	2,697,704	2,383,556	2,990,673	2,725,633 (4)	1,833,370	2,142,527	1,307,365	1,160,618	1,371,404
Health and welfare	**15,638**	11,555	16,530	14,904	8,756	18,514	9,674	6,880	7,081	-
Culture and recreation	**437,876**	392,804	427,526	348,115	321,178	331,981	297,433	280,813	317,589	287,906
Housing and development	**569,341**	513,349	490,840	454,176	544,849	500,377	330,822	246,559	228,045	167,225
Intergovernmental	**-**	-	138,907 (7)	-	-	-	-	-	-	-
Capital outlay	**128,408**	66,479	121,027	118,346 (5)	1,234,861 (5)	1,942,400	2,343,884	2,593,331	1,828,500	1,056,490
Debt service										
Principal retirements	**470,000**	410,000	355,000	310,000	270,000	230,000	200,000	125,000	172,815	170,882
Interest and fiscal charges	**252,103**	272,265	289,482	304,208	316,897	317,062	464,145	365,053	370,794	441,473
Total expenditures	**11,293,594**	10,812,236	10,700,910	10,763,675	11,484,346	11,250,742	11,768,414	10,258,933	8,842,424	7,943,169
Excess of revenues over (under) expenditures	**(2,402,510)**	(1,886,335)	(1,917,798)	(1,434,336)	(2,217,549)	(1,500,939)	(2,605,108)	(1,829,960)	(1,554,966)	(1,841,119)

(Continued)

CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other financing sources (uses)										
Issuance of long-term debt	**-**	-	-	-	-	-	4,430,000 (1)	-	-	-
Premium from issuance of debt	**-**	-	-	-	-	-	250,230 (1)	-	-	-
Payment to refunded bond escrow agent	**-**	-	-	-	-	-	(4,568,686) (1)	-	-	-
Capital leases	**-**	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	**11,360**	10,159	2,802	7,709	25,335	51,100	55,865	17,334	12,089	35,253
Transfers in	**3,640,105** (8)	2,390,995	2,458,316	2,097,121	2,187,399	2,180,769	2,372,834	2,466,036	1,860,403	1,565,271
Transfers out	**(722,000)**	(708,625)	(754,251)	(739,659)	(854,682)	(739,804)	(939,791)	(1,039,764)	(1,407,009)	(1,088,883)
Total other financing sources (uses)	**2,929,465**	1,692,529	1,706,867	1,365,171	1,358,052	1,492,065	1,600,452	1,443,606	465,483	511,641
Net change in fund balances	**$ 526,955** (8)	$ (193,806)	$ (210,931)	$ (69,165)	$ (859,497)	$ (8,874)	$ (1,004,656)	$ (386,354)	$ (1,089,483)	$ (1,329,478)
Debt service as a percentage of noncapital expenditures	**6.53%**	6.41%	6.14%	5.92%	5.60%	5.88%	7.05%	6.39%	7.75%	8.89%

(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) Increase in grant funds.
(4) This includes SPLOST funds and reflects the first full year of projects.
(5) Due to economic conditions the City reduced capital purchases during 2008 and in 2009.
(6) Sales tax decrease in 2010 was due to reduction in the amount of SPLOST collected.
(7) Prior year payment to Walton County to supplement debt service payment on SPLOST bonds.
(8) Additional transfer in from business type activities increased fund balance.

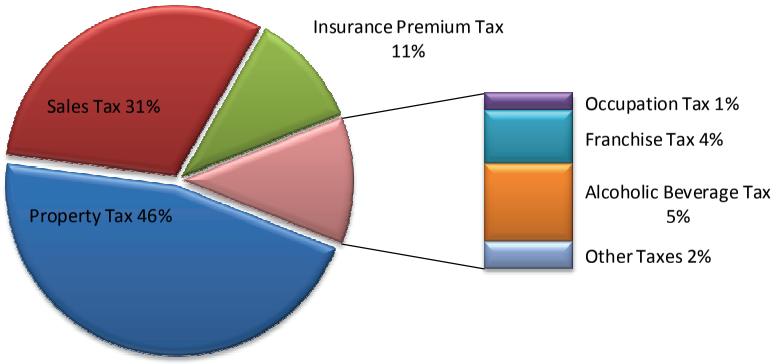
CITY OF MONROE, GEORGIA

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
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
2008	2,796,952	3,466,283	81,573	638,429	197,159	325,791	142,831	7,649,019
2009	2,982,426	2,609,135 (2)	81,800	632,440	224,043	315,945	853,907 (3)	7,699,696
2010	2,925,133	1,827,746	79,725	614,059	241,805	310,500	124,802	6,123,772
2011	3,000,325	1,869,516	78,900	620,730	240,578	313,318	158,130	6,281,497
2012	**2,811,677**	**1,904,411**	**76,800**	**659,319**	**220,358**	**323,521**	**111,956**	6,108,042

(1) Sales tax increase in 2007 was due to the first year for collection of Special Purpose Local Option Sales Tax (SPLOST).
(2) Sales tax decrease in 2009 was due to a combination of Local Option Sales Tax (LOST) collections down around $170 thousand and fewer projects funded by Special Local Option Sales Tax (SPLOST).
(3) Other tax increase in 2009 was due to tax revenue from Walton County for by-pass project.

FOR THE YEAR 2012



CITY OF MONROE, GEORGIA

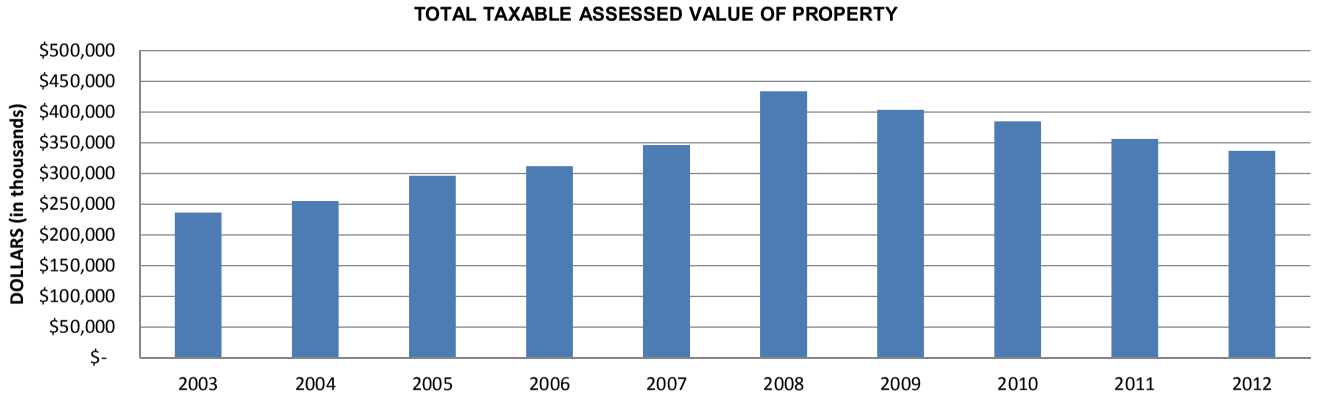
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

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
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%
2008	187,519,051	138,469,311	79,581,022 (2)	31,299,097	3,422,418	433,446,063	6.601	1,083,615,158	40%
2009	161,673,076	139,580,443	73,839,067	32,131,394	3,953,327	403,270,653 (3)	6.997	1,008,176,633	40%
2010	146,326,775	139,440,236	77,025,123	29,152,513	7,335,008	384,609,639 (3)	7.240	961,524,098	40%
2011	129,835,247	135,178,569	69,790,797	28,142,060	6,823,832	356,122,841 (3)	7.612	890,307,103	40%
2012	**109,425,675**	**132,208,471**	**76,182,889**	**27,209,932**	**8,170,494**	**336,856,473 (3)**	**8.231**	**842,141,183**	**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.
(2) Increase in industrial property due to end of tax ebatement period for major industry.
(3) Decrease in digest values due to reassessments.



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	Total City Millage	County	Operating Millage	Debt Service Millage	Total School Millage	State	Overlapping Rates
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
2008	5.189	1.412	6.601	9.632	17.490	2.450	19.940	0.25	36.423
2009	5.403	1.594	6.997	10.231	18.250	2.200	20.450	0.25	37.928
2010	5.512	1.728	7.240	10.542	18.600	2.200	20.800	0.25	38.832
2011	5.565	2.047	7.612	11.135	19.600	2.200	21.800	0.25	40.797
2012	**6.020**	**2.211**	**8.231**	**11.998**	**19.300**	**3.500**	**22.800**	**0.20**	**43.229**

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.

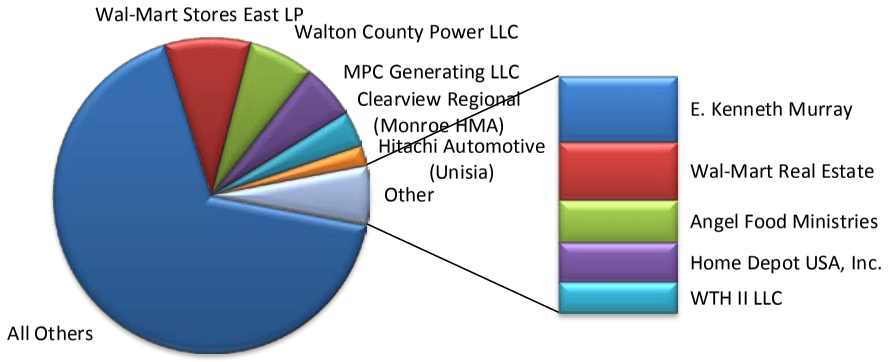
CITY OF MONROE, GEORGIA

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

	2012			2003		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Wal-Mart Stores East LP	$ 29,637	1	8.80 %	$		%
Walton County Power LLC	22,406	2	6.65	7,668	4	3.25
MPC Generating LLC	18,775	3	5.57			
Clearview Regional (Monroe HMA)	12,419	4	3.69			
Hitachi Automotive (Unisia)	7,059	5	2.10			
E. Kenneth Murray	5,538	6	1.64	6,045	6	2.56
Wal-Mart Real Estate	4,878	7	1.45			
Angel Food Ministries	3,605	8	1.07			
Home Depot USA, Inc.	3,367	9	1.00			
WTH II LLC	2,554	10	0.76	4,115	9	1.74
Windstream Georgia (Alltel)				8,668	3	3.67
Walton Ventures, Inc.				5,625	7	2.38
Avondale Mills				19,830	2	8.40
Harry Arnold, Jr.				22,718	1	9.63
Oxford Industries				6,100	5	2.59
Roger Rowell Family				5,410	8	2.29
Universal Rundle				3,888	10	1.65
Totals	$ 110,238		32.73 %	$ 90,067		38.17 %

Source: City of Monroe Finance Department

FOR THE YEAR 2012

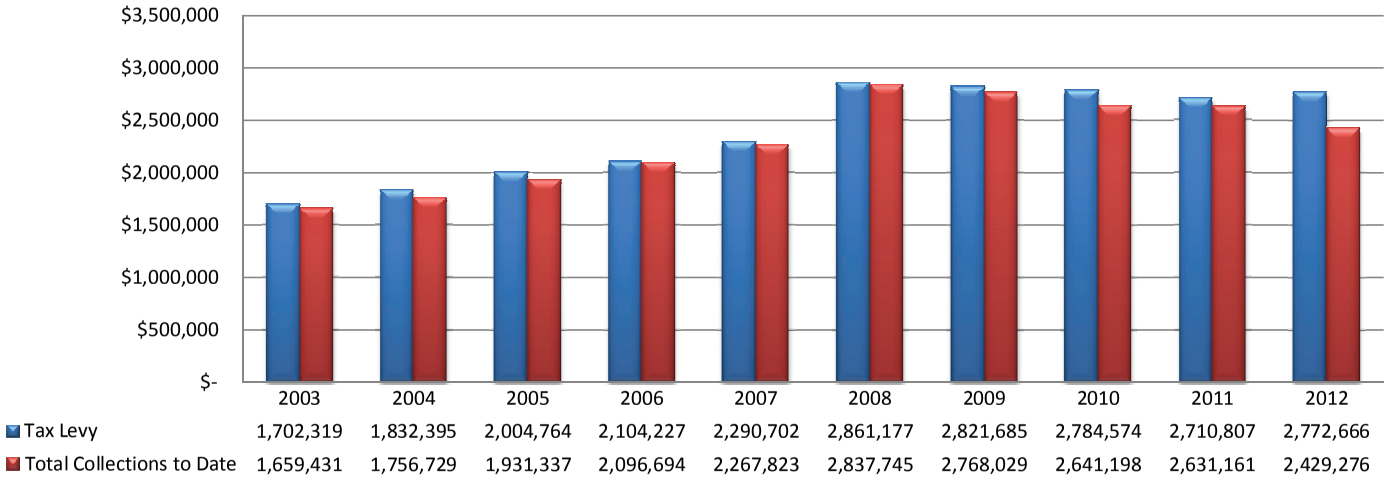


CITY OF MONROE, GEORGIA

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*
2003	$ 1,702,319	$ 1,464,536	86.0 %	$ 194,895	$ 1,659,431	97.5 %
2004	1,832,395	1,546,276	84.4	210,453	1,756,729	95.9
2005	2,004,764	1,628,805	81.2	302,531	1,931,337	96.3
2006	2,104,227	1,774,313	84.3	322,381	2,096,694	99.6
2007	2,290,702	1,896,608	82.8	371,215	2,267,823	99.0
2008	2,861,177	2,384,167	83.3	453,578	2,837,745	99.2
2009	2,821,685	2,434,128	86.3	333,901	2,768,029	98.1
2010	2,784,574	2,294,092	82.4	347,106	2,641,198	94.9
2011	2,710,807	2,310,988	85.3	320,173	2,631,161	97.1
2012	**2,772,666**	**2,429,276**	**87.6**	**-**	**2,429,276**	**87.6**

TAX LEVY AND COLLECTIONS



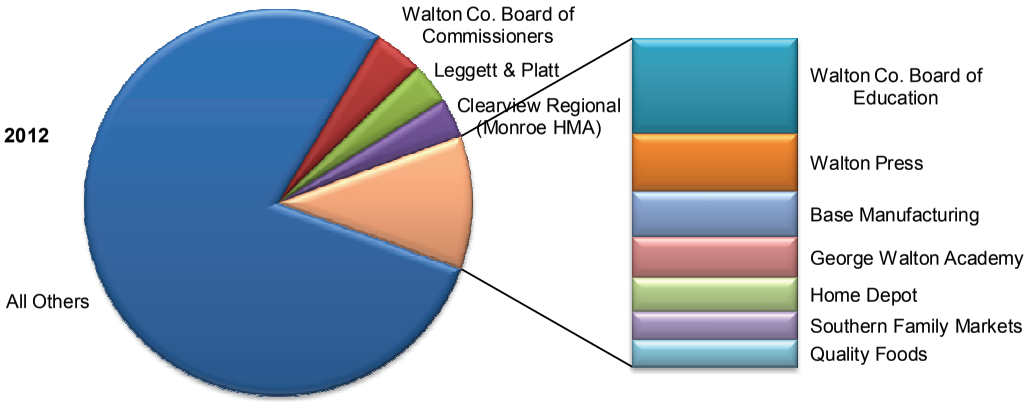
CITY OF MONROE, GEORGIA

TOP TEN ELECTRIC CUSTOMERS
CURRENT AND NINE YEARS AGO

	2012				2003			
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 Commissioners	**6,349**	**$ 627**	**1**	**4.11 %**	1,473	$ 152	7	1.39 %
Leggett & Platt	**8,450**	**525**	**2**	**3.44**	9,404	276	3	2.53
Clearview Regional (Monroe HMA)	**6,793**	**497**	**3**	**3.26**	5,900	412	2	3.78
Walton Co. Board of Education	**4,688**	**494**	**4**	**3.24**	5,030	515	1	4.73
Walton Press	**3,283**	**297**	**5**	**1.95**				
Base Manufacturing	**2,455**	**234**	**6**	**1.53**	1,672	72	10	0.66
George Walton Academy	**2,130**	**210**	**7**	**1.38**	2,141	230	6	2.11
Home Depot	**2,020**	**174**	**8**	**1.14**				
Southern Family Markets	**1,888**	**146**	**9**	**0.96**	2,300	230	5	2.11
Quality Foods	**1,838**	**140**	**10**	**0.92**	1,676	137	8	1.26
Oxford Industries					2,425	249	4	2.28
Wal-Mart Store					1,237	114	9	1.05
Totals	**39,894**	**3,344**		**21.91**	33,258	2,387		21.90
All Others	**105,869**	**11,919**		**78.09**	95,972	8,511		77.90
Annual Totals	**145,763**	**$ 15,263**		**100.00 %**	129,230	$ 10,898		99.80 %

Source: City of Monroe Utility Department

FOR THE YEAR 2012

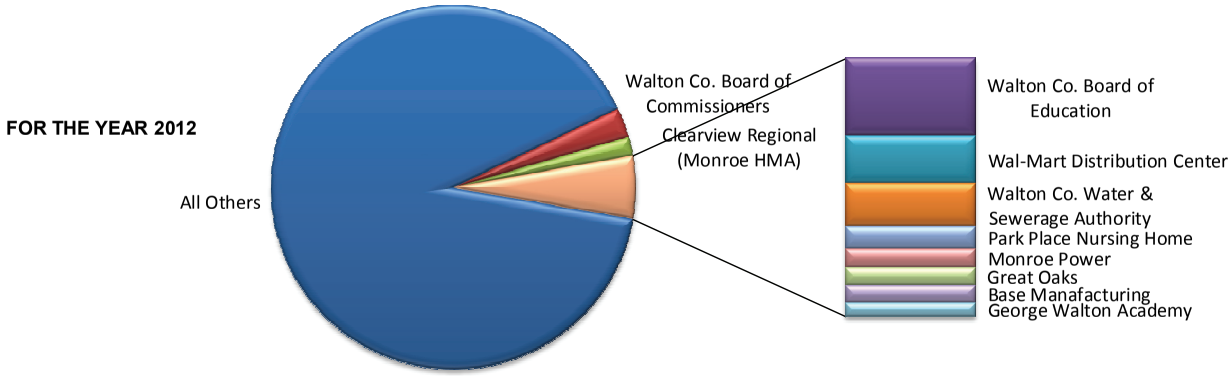


CITY OF MONROE, GEORGIA

TOP TEN WATER CUSTOMERS
CURRENT AND NINE YEARS AGO

	2012				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. Board of Commissioners	**18,502**	**$ 97**	**1**	**2.61 %**	13,234	$ 38	6	1.28 %
Clearview Regional (Monroe HMA)	**15,623**	**62**	**2**	**1.67**	19,318	44	4	1.49
Walton Co. Board of Education	**11,354**	**62**	**3**	**1.67**	13,405	41	5	1.39
Wal-Mart Distribution Center	**9,485**	**38**	**4**	**1.02**	9,992	33	7	1.12
Walton Co. Water & Sewerage Authority	**16,400**	**34**	**5**	**0.92**	548,354	771	1	26.06
Park Place Nursing Home	**2,919**	**18**	**6**	**0.48**	2,014	8	10	0.27
Monroe Power	**5,017**	**15**	**7**	**0.40**				
Great Oaks	**2,928**	**14**	**8**	**0.38**				
Base Manafacturing	**3,313**	**14**	**9**	**0.38**				
George Walton Academy	**2,697**	**11**	**10**	**0.30**	3,140	10	9	0.34
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	**88,238**	**365**		**9.83**	676,132	1,058		35.77
All Others	**516,762**	**3,348**		**90.17**	548,911	1,900		64.23
Annual Totals	**605,000**	**$ 3,713**		**100.00 %**	1,225,043	$ 2,958		100.00 %

Source: City of Monroe Utility Department



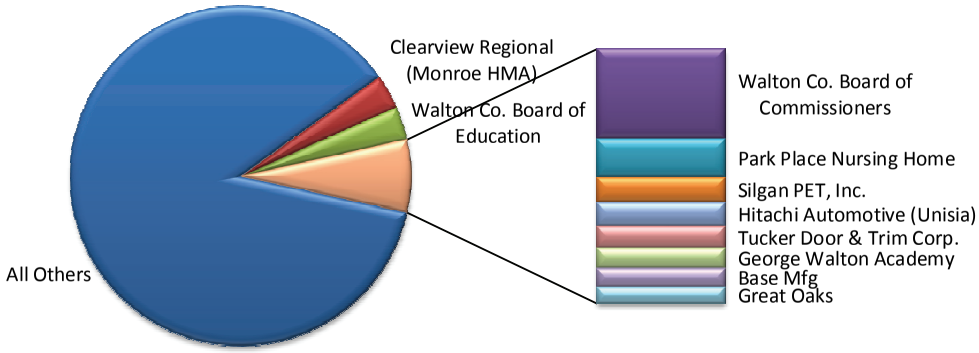
CITY OF MONROE, GEORGIA

TOP TEN SEWER CUSTOMERS
CURRENT AND NINE YEARS AGO

	2012				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
Clearview Regional (Monroe HMA)	**13,872**	**$ 106**	**1**	**3.25 %**		$		%
Walton Co. Board of Education	**8,090**	**104**	**2**	**3.19**	13,405	54	3	2.77
Walton Co. Board of Commissioners	**8,601**	**79**	**3**	**2.42**	13,234	54	4	2.77
Park Place Nursing Home	**2,914**	**34**	**4**	**1.04**	2,014	14	6	0.72
Silgan PET, Inc.	**1,874**	**22**	**5**	**0.68**	4,270	19	5	0.98
Hitachi Automotive (Unisia)	**2,697**	**21**	**6**	**0.64**				
Tucker Door & Trim Corp.	**1,574**	**19**	**7**	**0.58**				
George Walton Academy	**1,870**	**18**	**8**	**0.55**	3,140	5	10	0.26
Base Mfg	**1,696**	**16**	**9**	**0.49**				
Great Oaks	**1,918**	**15**	**10**	**0.46**				
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	**45,106**	**434**		**13.30**	113,180	371		19.05
All Others		**2,825**		**86.70**		1,576		80.95
Annual Totals		**$ 3,259**		**100.00 %**		$ 1,947		100.00 %

Source: City of Monroe Utility Department

FOR THE YEAR 2012



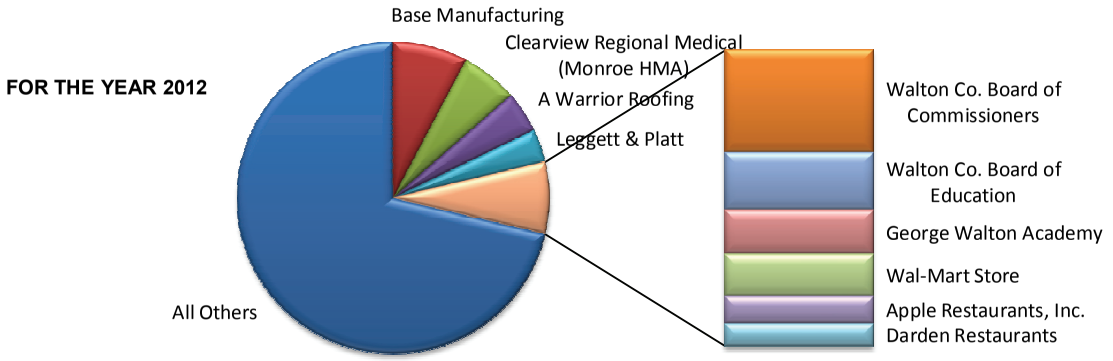
CITY OF MONROE, GEORGIA

TOP TEN GAS CUSTOMERS
CURRENT AND NINE YEARS AGO

	2012				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
Base Manufacturing	**29,444**	**$ 260**	**1**	**7.77 %**	15,092	$ 144	5	2.31 %
Clearview Regional Medical (Monroe HMA)	**19,864**	**196**	**2**	**5.87**		145	4	
A Warrior Roofing	**16,565**	**143**	**3**	**4.28**	12,512			2.30
Leggett & Platt	**11,217**	**114**	**4**	**3.41**	15,143	140	6	2.38
Walton Co. Board of Commissioners	**7,827**	**86**	**5**	**2.57**	7,007	76	8	1.25
Walton Co. Board of Education	**4,179**	**48**	**6**	**1.44**	10,077	108	7	1.77
George Walton Academy	**3,298**	**37**	**7**	**1.11**				
Wal-Mart Store	**3,334**	**35**	**8**	**1.05**				
Apple Restaurants, Inc.	**2,299**	**23**	**9**	**0.69**				
Darden Restaurants	**1,876**	**19**	**10**	**0.57**				
Universal Rundle					280,888	1,874	1	30.75
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	**99,903**	**961**		**28.76**	405,688	3,041		49.85
All Others	**176,187**	**2,380**		**71.24**	295,412	3,054		50.15
Annual Totals	**276,090**	**$ 3,341**		**100.00 %**	701,100	$ 6,095		100.00 %

Source: City of Monroe Utility Department

FOR THE YEAR 2012



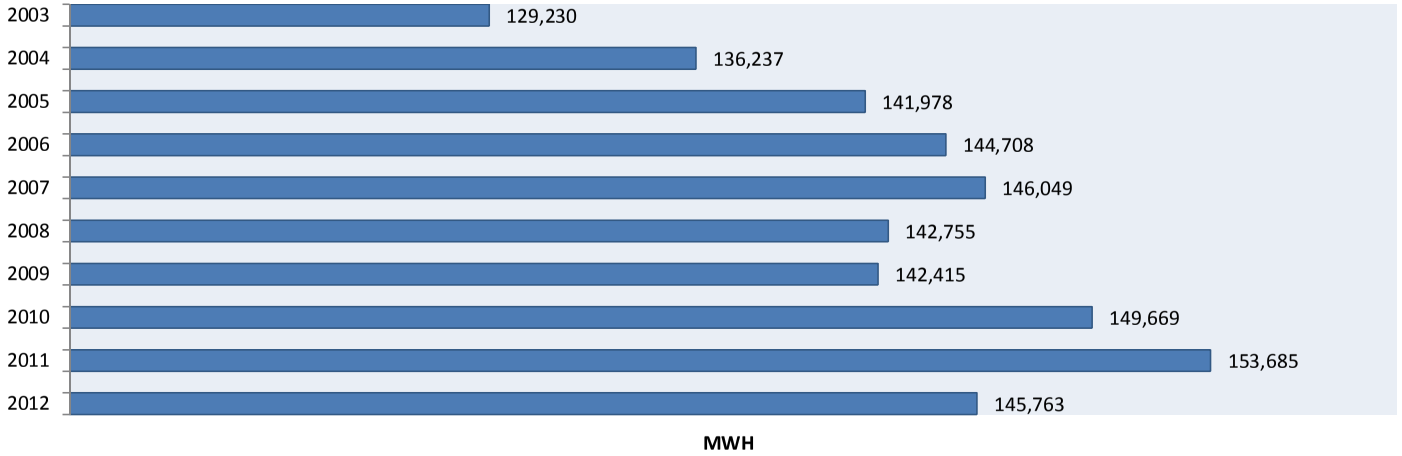
CITY OF MONROE, GEORGIA

ELECTRIC MWH SOLD BY TYPE OF CUSTOMER
LAST TEN YEARS

	Fiscal Year									
Type of Customer	**2012**	2011	2010	2009	2008	2007	2006	2005	2004	2003
Residential	**66,309**	73,685	72,690	66,608	66,972	67,462	66,069	65,327	61,577	59,020
Commercial	**73,865**	80,000	76,979	75,807	75,783	78,587	78,639	76,651	74,660	70,210
Industrial	**5,589** (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	**145,763**	153,685	149,669	142,415	142,755	146,049	144,708	141,978	136,237	129,230

(1) Beginning in 2012, the industrial classification was added. Previously this customer was included in commercial.

Source: City of Monroe Utility Department



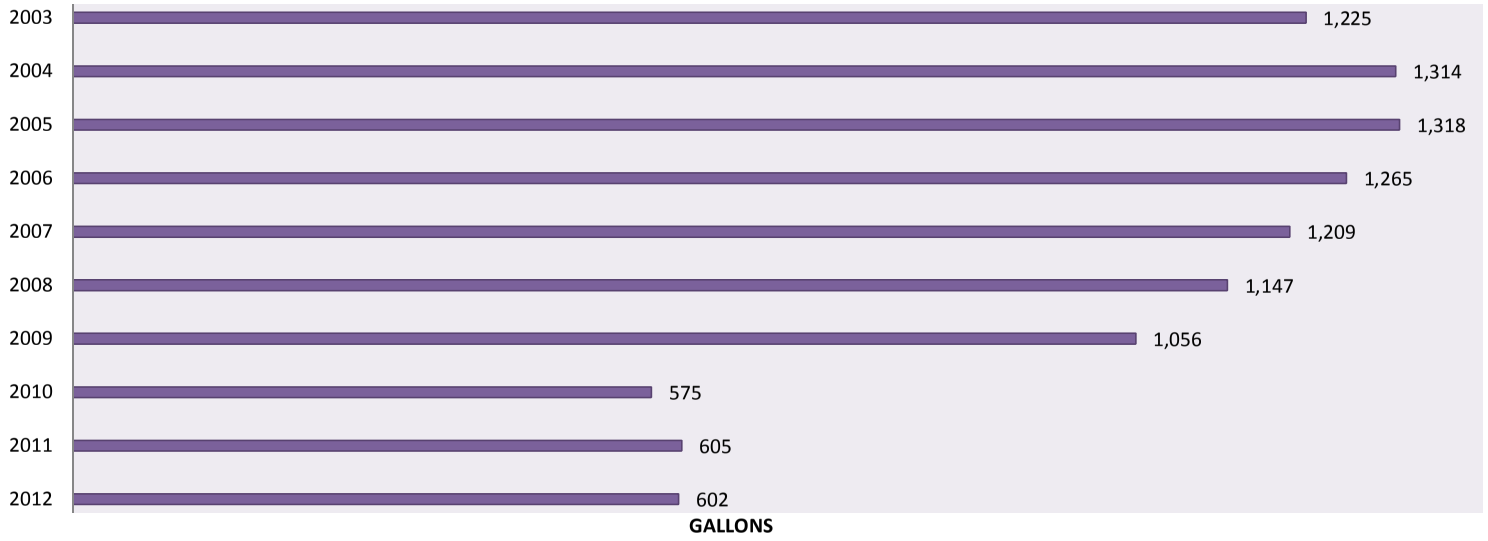
CITY OF MONROE, GEORGIA

WATER GALLONS SOLD BY TYPE OF CUSTOMER
LAST TEN YEARS
(amounts expressed in millions)

	Fiscal Year									
Type of Customer	**2012**	2011	2010	2009	2008	2007	2006	2005	2004	2003
Residential	**420**	424	402	412	417	473	461	439	413	404
Small Commercial & Industrial (1)	**129**	130	118	124	116	144	147	223	226	230
Large Commercial & Industrial (1)	**37**	36	29	40	43	54	73	-	-	-
Wholesale	**16**	15	26 (4)	480 (3)	571	538	584	656	675	591
Total	**602**	605	575	1,056	1,147 (2)	1,209	1,265	1,318	1,314	1,225

(1) 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.
(2) Residential, Commercial and Industrial sold decreased in 2008 due to increased conservation measures during drought.
(3) Wholesale sold decreased due to agreement ending late in 2009 with Walton County Water & Sewer Authority.
(4) Walton County Water & Sewer Authority purchased a small amount of wholesale during 2010.

Source: City of Monroe Utility Department



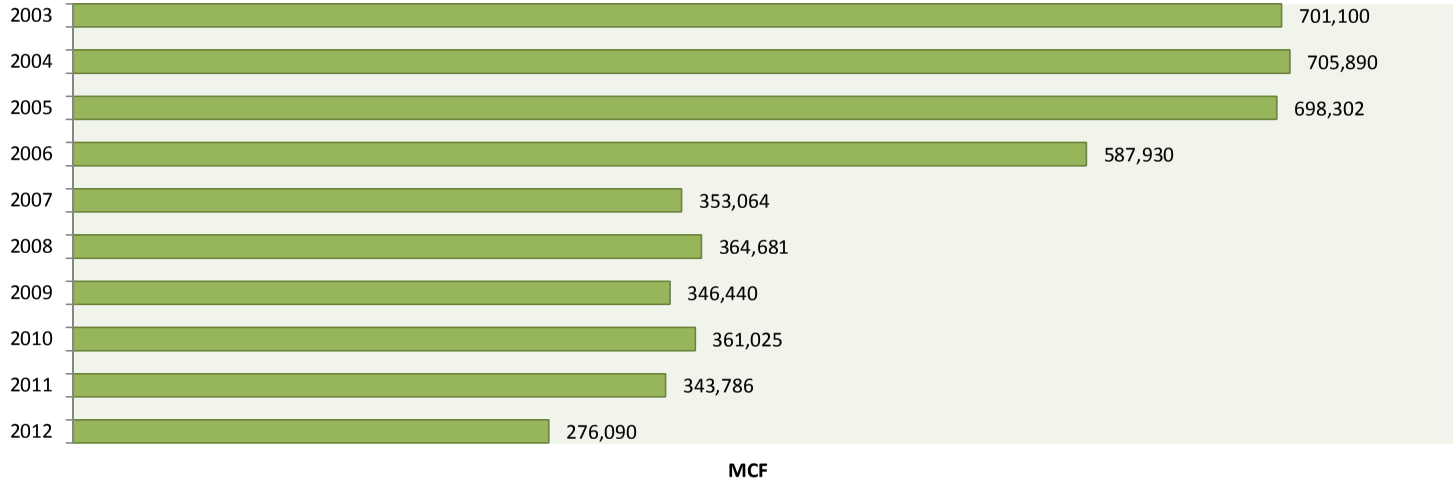
CITY OF MONROE, GEORGIA

GAS MCF SOLD BY TYPE OF CUSTOMER
LAST TEN YEARS

	Fiscal Year									
Type of Customer	**2012**	2011	2010	2009	2008	2007	2006	2005	2004	2003
Residential	**115,644**	160,106	169,568	169,916	177,587	163,726	166,590 (2)	198,027	191,033	191,711
Commercial	**115,164**	136,208	155,223 (3)	123,767	130,154	128,151	127,735	127,668	122,971	120,813
Agriculture	**3,782**	2,987	1,460	3,487	1,941	3,742	6,626	8,135	9,840	2,761
Industrial	**41,500**	44,485	34,774 (3)	49,270	54,999	57,445 (2)	286,979 (2)	364,472	366,325	348,357
Interruptible	**-**	-	-	-	-	-	-	-	15,721 (1)	37,458
Total	**276,090** (4)	343,786	361,025	346,440	364,681	353,064	587,930	698,302	705,890	701,100

(1) The City only had one Interruptible customer, and that company closed operations in 2004.
(2) 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.
(3) Large customer switched from Industrial Rate to Commercial Rate.
(4) Decrease as a result of milder weather conditions.

Source: City of Monroe Utility Department



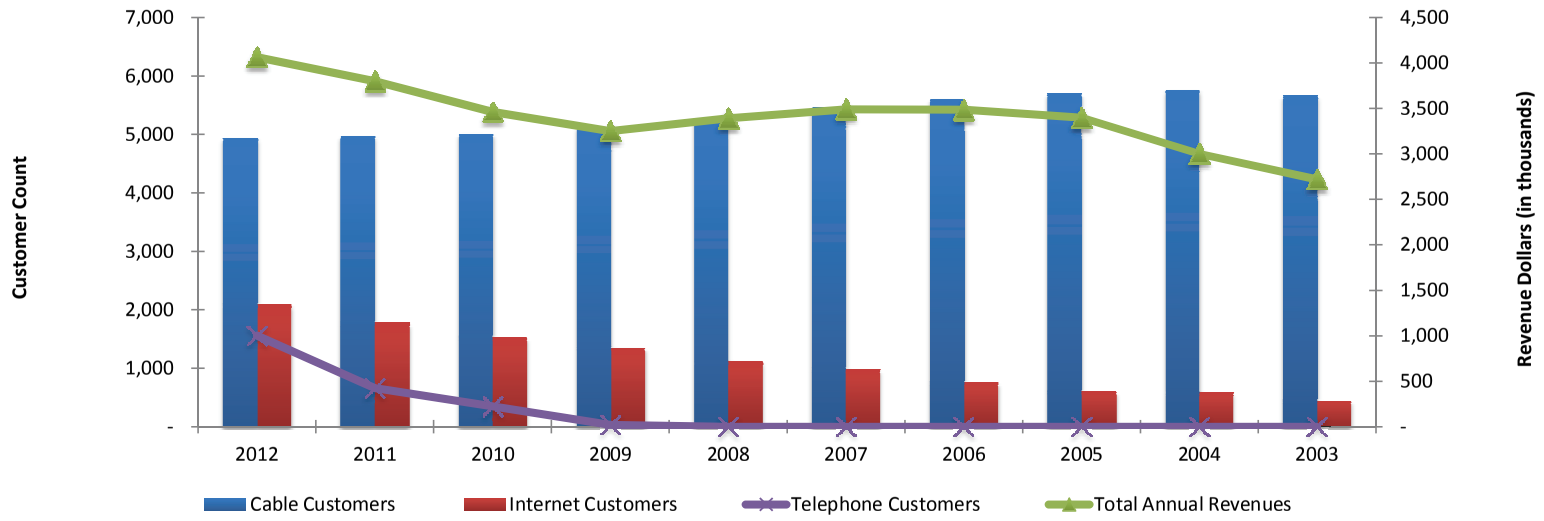
CITY OF MONROE, GEORGIA

TELECOMMUNICATION SALES
LAST TEN YEARS

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Standard Cable Customers	**4,944**	4,978	4,989	5,098	5,244	5,411	5,518	5,613	5,704	5,665
Digital Cable Customers	**-**	-	29	38	44	57	80	88	66 (1)	-
Internet Customers	**2,095**	1,774	1,531	1,347	1,121	981	757	604	588	447
Telephone Customers	**1,003**	424	224	20 (2)	-	-	-	-	-	-
Annual Sales (in thousands)	**$ 4,065**	$ 3,800	$ 3,463	$ 3,252	$ 3,391	$ 3,492	$ 3,486	$ 3,398	$ 3,002	$ 2,719

(1) Digital cable service started in 2004.
(2) Telephone service started in 2009 with 2010 the first full year for new customers.

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
2003	$ 9.00	$ 0.0685	$ 0.0950	$ 0.0560	$ 10.00	$ 0.375	$ 0.375	$ 3.25	$ 2.68 (1)	$ 5.70	$ 2.52
2004	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	3.41	2.81 (1)	5.99	2.65
2005	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	3.41	2.85 (2)	6.00	2.75
2006	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	8.25	1.50 (3)	7.00	2.75
2007	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	8.25	1.50 (3)	7.00	2.75
2008	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	8.25	1.50 (3)	7.00	2.75
2009	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	12.00 (4)	1.95 (3)	12.00 (4)	3.58
2010	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	14.00 (5)	1.95 (3)	14.00 (5)	3.58
2011	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	14.00	1.95 (3)	14.00	3.58
2012	**10.00** (6)	**0.0900** (6)	**0.1280** (6)	**0.0780** (6)	**10.00**	**0.375**	**0.375**	**14.00**	**1.95** (3)	**14.00**	**3.58**

Note: Rates are plus fuel adjustment and applicable sales tax

(1) Rates based on 0 - 100,000 gallons, residential in-city and do not include out-of-city or commercial rates.
(2) Rates based on 0 - 10,000 gallons, residential in-city and do not include out-of-city or commercial rates.
(3) Rates based on 0 - 3,000 gallons, residential in-city and do not include out-of-city or commercial rates.
(4) Base rate and consumption rates increased on 01/01/2009.
(5) Base rate increased on 01/01/2010.
(6) Base rate and usage rates increased on 01/01/2011.

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			
2003	$ 7,180,000	-	$ 107,296	$ 33,400,000	$ 789,474	$ 130,806	$ 41,607,576	13.93 %	$ 3,495
2004	7,115,000	-	-	32,050,000	679,235	24,493	39,868,728	12.73	3,331
2005	6,990,000	-	-	30,675,000	597,379	-	38,262,379	11.12	3,084
2006	6,950,000	-	-	29,595,000	513,873	-	37,058,873	9.87	2,895
2007	6,720,000	-	-	28,170,000	428,685	-	35,318,685	8.84	2,678
2008	6,450,000	-	-	26,710,000	341,780	-	33,501,780	7.81	2,475
2009	6,140,000	-	-	25,275,000	1,027,574	-	32,442,574	7.57	2,397
2010	5,785,000	-	-	23,785,000	987,931	-	30,557,931	7.11	2,309
2011	5,375,000	-	-	22,332,100	2,340,221	-	30,047,321	6.99	2,270
2012	**4,905,000**	**-**	**-**	**20,672,200**	**2,354,430**	**-**	**27,931,630**	**6.11**	**2,091**

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 TEN YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
2003	$ 7,180,000	$ 97,224	$ 7,082,776	1.20 %	$ 595
2004	7,115,000	97,713	7,017,287	1.10	586
2005	6,990,000	673	6,989,327	0.94	563
2006	6,950,000	(183)	6,950,183	0.89	543
2007	6,720,000	591	6,719,409	0.78	510
2008	6,450,000	610	6,449,390	0.60	482
2009	6,140,000	402	6,139,598	0.61	454
2010	5,785,000	661	5,784,339	0.60	437
2011	5,375,000	396	5,374,604	0.60	402
2012	4,905,000	**293**	**4,904,707**	**0.58**	**367**

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

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

(2) 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, 2012

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	$ 13,915,000	21.58%	$ 3,002,857
Walton County Board of Education	58,673,776	15.43%	9,053,364
Subtotal, overlapping debt	72,588,776		12,056,221
Direct:			
City of Monroe	4,905,000	100.00%	4,905,000
Total direct and overlapping debt	$ 77,493,776		$ 16,961,221

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 TEN YEARS
(amounts expressed in thousands)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	**$ 34,503**	$ 36,295	$ 39,195	$ 39,194	$ 43,687	$ 34,885	$ 31,800	$ 30,217	$ 26,200	$ 24,682
Total net debt applicable to limit	**4,905**	5,375	5,785	5,785	6,450	6,720	6,950	6,989	7,017	7,083
Legal debt margin	**$ 29,598**	$ 30,920	$ 33,410	$ 33,409	$ 37,237	$ 28,165	$ 24,850	$ 23,228	$ 19,183	$ 17,599
Total net debt applicable to the limit as a percentage of debt limit	**14.22%**	14.81%	14.76%	14.76%	14.76%	19.26%	21.86%	23.13%	26.78%	28.70%

Assessed Value	**$ 336,856**
Add back: exempt real property	**8,170**
Total assessed value	**345,026**
Debt limit (10% of total assessed value)	**34,503**
Debt applicable to limit:	
General obligation bonds	**4,905**
Less: Amount set aside for repayment of general obligation debt	**(81)**
Total net debt applicable to limit	**4,824**
Legal debt margin	**$ 29,679**

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	
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
2008	31,290	26,578	4,712	1,460	1,228	2,688	1.75
2009	30,602	24,254	6,348	1,435	1,170	2,605	2.44
2010	30,473	24,614	5,859	1,490	1,117	2,607	2.25
2011	31,538	25,584	5,954	1,592	1,025	2,617	2.28
2012	**31,500**	**26,756**	**4,744**	**1,660**	**910**	**2,570**	**1.85**

(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)*
2003	11,905	$ 298,625	$ 25,084	32	4,637	4.2	17,654
2004	11,968	313,238	26,173	32	4,637	4.4	19,052
2005	12,405	344,226	27,749	32	4,637	4.7	19,969
2006	12,799	375,625	29,348	32	4,637	4.6	21,568
2007	13,187	399,672	30,308	32	4,637	4.7	22,318
2008	13,381	413,460	30,899	32	4,637	6.4	21,632
2009	13,534	428,689	31,675	32	4,637	10.3	20,281
2010	13,234	429,840	32,480	33	6,006	10.2	19,952
2011	13,359	457,359	34,236	33	6,250	9.9	20,344
2012	**13,359**	**457,359**	**34,236**	**33**	**6,250**	**8.3**	**20,344**

(1) Source: U.S. Census Bureau - all numbers are estimates from the Census Bureau except for 2010.

(2) Source: Bureau of Economic Analysis

(3) Source: BLS/Georgia Stats UGA

* Data only available at the County level

Note: Beginning in 2005, 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 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.

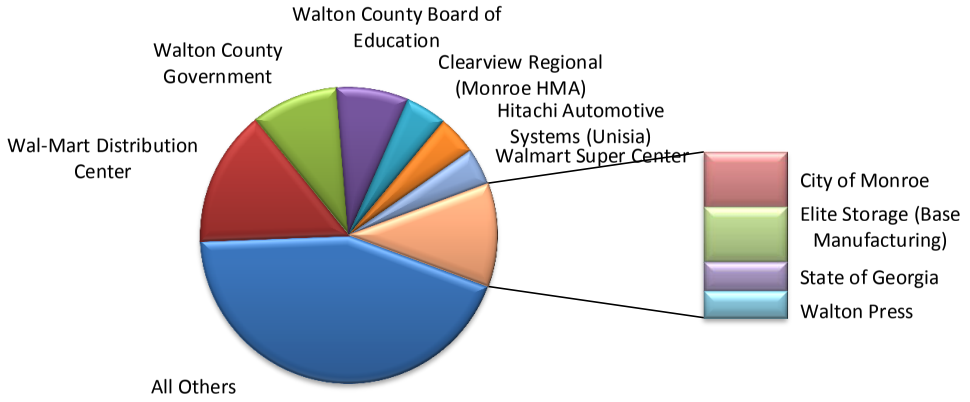
CITY OF MONROE, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2012			2003		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Distribution Center	**863**	**1**	**14.8 %**			
Walton County Government	**555**	**2**	**9.5**	343	3	10.9 %
Walton County Board of Education	**456**	**3**	**7.8**			
Clearview Regional (Monroe HMA)	**263**	**4**	**4.5**			
Hitachi Automotive Systems (Unisia)	**252**	**5**	**4.3**			
Walmart Super Center	**232**	**6**	**4.0**	86	7	2.7
City of Monroe	**223**	**7**	**3.8**	170	6	5.4
Elite Storage (Base Manufacturing)	**216**	**8**	**3.7**			
State of Georgia	**114**	**9**	**2.0**			
Walton Press	**102**	**10**	**1.8**	80	8	2.5
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	**3,276**		**56.3 %**	2,186		69.2 %

Source: City of Monroe Code Department

FOR THE YEAR 2012

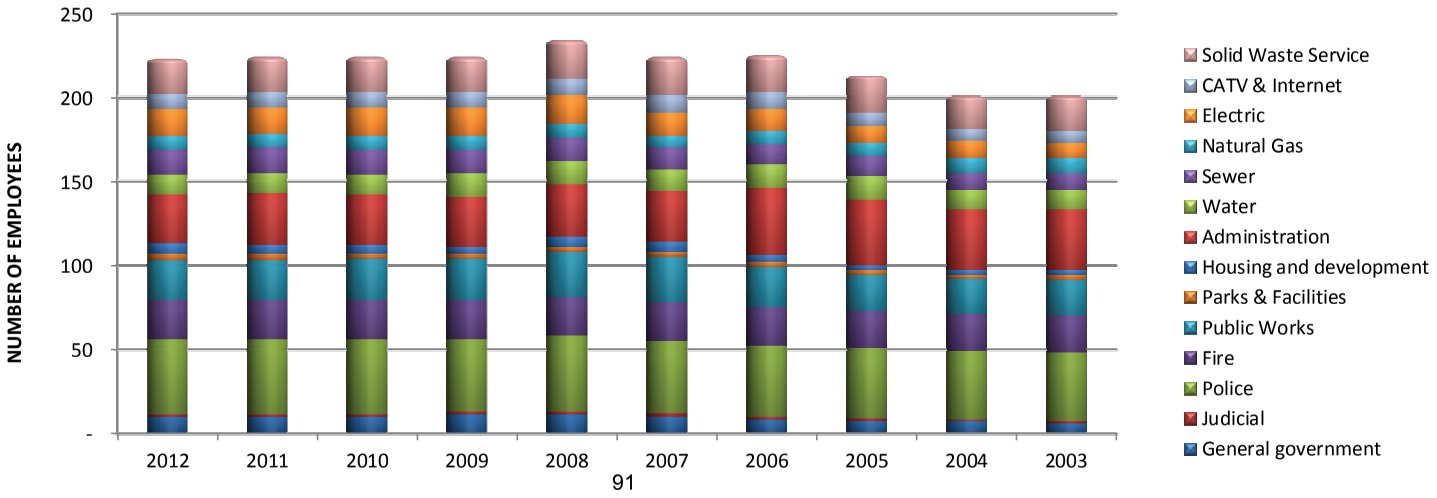


CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Function										
General government	**10**	10	10	11	11	10	8	7	7	6
Judicial	**1**	1	1	2	2	2	2	2	1	1
Public Safety										
Police	**45**	45	45	43	45	43	42	42	41	41
Fire	**23**	23	23	23	23	23	23	22	22	22
Public Works	**24**	24	25	25	27	27	24	21	21	21
Culture and recreation										
Parks & Facilities	**4**	4	3	3	3	3	3	3	2	3
Housing and development	**6**	5	5	4	6	6	4	3	3	3
Utilities										
Administration	**29**	31	30	30	31	30	40	39	36	36
Water	**12**	12	12	14	14	13	14	14	12	12
Sewer	**15**	15	15	14	14	13	12	12	10	10
Natural Gas	**8**	8	8	8	8	7	8	8	9	9
Electric	**16**	16	17	17	17	14	13	10	10	9
CATV & Internet	**9**	9	9	9	10	10	10	8	7	7
Solid Waste Service	**21**	21	21	21	23	23	22	22	20	21
Totals	**223**	224	224	224	234	224	225	213	201	201

Source: City Finance Department



CITY OF MONROE, GEORGIA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function		Fiscal Year									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police:											
	Number of dispatches	**42,509**	45,298	50,769	54,165	40,901	41,618	38,276	33,396	33,549	40,881
	Number of traffic citations issued	**2,715**	4,189	4,330	3,843	4,416	3,697	3,049	3,759	3,396	3,550
Fire:											
	Number of fire/EMS dispatches	**2,030**	1,736	1,436	1,361	1,482	1,353	1,207	1,203	1,007	969
Highways and streets:											
	Street resurfacing (lane miles)	**2**	2	3	9	10	9	14	N/A	N/A	N/A
Housing and development:											
	Value of new building construction (in 000's)	**$ 5,000**	$ 2,535	$ 2,582	$ 7,766	$ 7,040 (2)	$ 37,415	$ 35,882	$ 23,207	$ 37,247	$ 19,640
	Number of permits issued	**12**	31	26	24	76 (2)	207	271	131	177	115
Utilities: Cable & Internet											
	Number of customers standard cable	**4,945**	4,978	4,989	5,098	5,244	5,411	5,518	5,613	5,704	5,665
	Number of customers digital cable	**-**	-	29	38	44	57	80	88	66 (1)	N/A
	Number of Internet customers	**2,094**	1,774	1,531	1,264	914	892	757	604	588	447
	Number of phone customers	**1,003**	424 **(3)**	224 (3)	20 (3)	N/A	N/A	N/A	N/A	N/A	N/A
Electric											
	Number of customers	**6,059**	5,978	5,933	5,848	5,870	5,964	5,809	5,647	5,596	5,539
	Average daily consumption (KWh)	**385,935**	406,702	395,562	390,152	391,111	400,228	400,134	389,060	372,322	354,055
Natural gas											
	Number of customers	**3,732**	3,720 **(4)**	3,760 (4)	4,094	4,250	4,240	4,105	4,081	4,010	3,955
	Average daily consumption (MCF)	**756**	941	989	949	999	967	1,611	1,913	1,934	1,921
Wastewater											
	Number of customers	**6,644**	6,550	6,459	6,434	6,461	6,527	6,244	5,905	5,712	5,474
	Average daily sewage treatment (MGD)	**1.314**	1.413	1.571	1.510	1.408	1.432	2.005	2.170	1.660	1.870
Water											
	Number of customers	**8,783**	8,665	8,560	8,312	8,295	8,387	8,113	7,699	7,410	7,165
	Average daily consumption (Kgallons)	**1,652**	1,658	1,566	2,893	3,142	3,311	3,466	3,612	3,588	3,356
Solid Waste Service:											
	Refuse collected (tons)	**10,302**	10,394	11,173	11,738	11,201	12,106	11,517	12,567	12,771	N/A
	Recyclables collected (tons)	**168**	265	188	243	361	497	358	496	415	N/A
	Number of residential customers	**5,211**	5,129	5,120	5,168	5,231	5,331	5,142	4,917	4,802	N/A
	Number of commercial customers	**665**	609	604	583	573	482	477	462	437	N/A
	Number of transfer station customers	**14**	19	20	23	18	16	19	19	19	11

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) Decrease Housing and development for 2008 due to slow-down in the economy.

(3) Phone service started in 2009 with first full year in 2010

(4) Decrease in number of customers due to sale of Oconee County Gas System to Atlanta Gas Light in 2009

CITY OF MONROE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function		Fiscal Year									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police:											
	Stations	**1**	1	1	1	1	1	1	1	1	1
	Vehicles	**40**	40	40	40	40	40	38	38	38	26
Fire:											
	Stations	**1**	1	1	1	1	1	1	1	1	1
Highways and streets:											
	Streets (miles)	**75**	75	75	75	75	75	75	75	75	73
	Streetlights	**1,136**	1,134	1,134	1,134	1,134	1,134	1,134	1,109	1,109	1,108
	Traffic signals	**3**	3	3	3	3	3	4	4	N/A	N/A
Utilities: Cable & Internet											
	Cable (miles)	**267**	267	267	267	267	267	240	230	220	200
Electric											
	Lines (miles)	**185**	185	185	185	185	185	180	175	170	163
	Substations	**3**	3	3	3	3	3	3	3	3	3
Natural gas											
	Mains (miles)	**114**	113	107	107 (1)	153	152	149	146	143	141
Wastewater											
	Sanitary sewer (miles)	**154**	154	153	153	153	150	141	140	115	100
	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)	**241**	241	240	240	240	240	237	235	210	190
	Maximum daily treatment capacity (MGD)	**10**	10	10	10	10	10	10	10	10	10
	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	795
Solid Waste Service:											
	Collection trucks	**11**	11	11	9	9	9	9	9	8	8
	Recycling trucks	**1**	1	1	1	1	1	1	1	1	1
	Transfer stations	**1**	1	1	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) Decrease in mile of mains due to sale of Oconee County Gas System to Atlanta Gas Light

Since 1821
THE CITY OF
Monroe