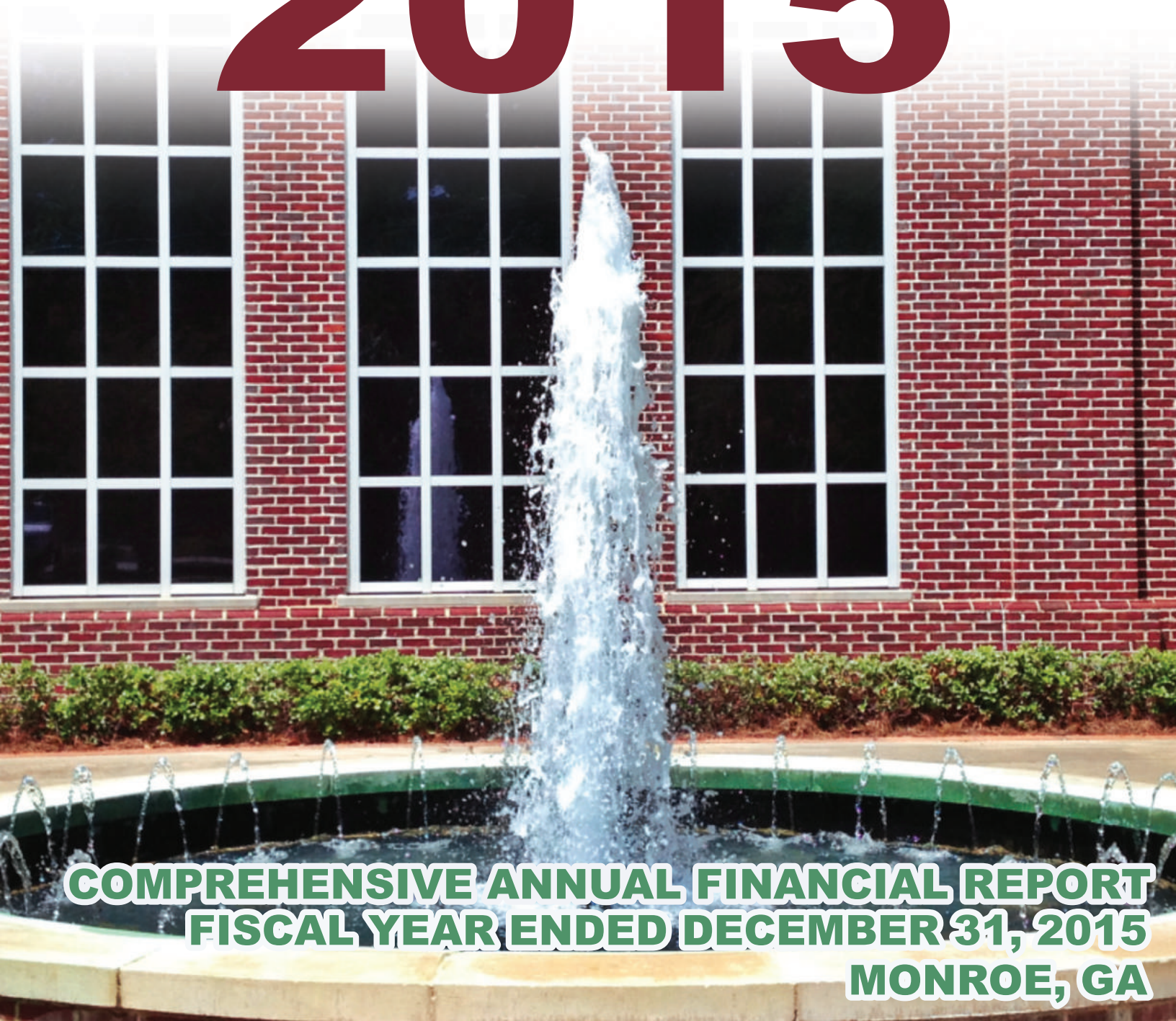
CAFR

Monroe

2015



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2015
MONROE, GA

CITY OF MONROE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2015

Prepared by Authority of:
City Council, City of Monroe, Georgia
Logan Propes, Finance Director

CITY OF MONROE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2015

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CITY OF MONROE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
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CITY OF MONROE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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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 3, 2016

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, 2015 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 unmodified opinion on the City of Monroe's financial statements for the year ended December 31, 2015. 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 2015, 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 • Myoshia Crawford • Norman Garrett
Lee P. Malcom • Nathan Little • Nathan Purvis • Jimmy Richardson

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 13,466. 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, stormwater, 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

Monroe has risen out of the previous economic downturn and into a new period of substantial commercial and residential growth. This has given stability to the overall economy in Monroe and the surrounding area and stabilized the City's revenues and positioned the city for additional growth in 2016.

The majority of the City's commercial development lies along the Highway US 78/GA 138 corridor with a new commercial expansion planned around the Highway 138 extension, Charlotte Rowell Boulevard.

Among the top ten employers in the City, four are governments accounting for around 38% of the number of jobs in the top ten employers and 18% of all jobs. Two of those government employers, Walton County Board of Commissioners and Walton County Board of Education, are also two of the City's top ten electric, water, gas and sewer customers.

Economic development is one of the City's main priorities. Local Option Sales Tax (LOST) and Special Purpose Local Option Sale Tax (SPLOST) revenues have steadily increased over the last few years but have not fully recovered to levels prior to the renegotiation of distribution that occurred in 2012. Some of this is attributed to revenues shifted over to the TAVT from sales taxes after the new state law went into effect in 2013.

Long-term Financial Planning

The City has completed a Transportation Enhancement (TE) program area located in the southern portion of the Downtown Development District. This Federally Funded project improved both sides of South Broad Street with sidewalk, retaining walls, pavers, landscaping and lighting from Alcovy Street through the Mears Street intersection.

Another transportation project that is now in right-of-way and design phases is the Livable Centers Initiative (LCI) project which will extend along North Broad Street from West Marable Street to Mayfield Drive. In addition to constructing new or expanded sidewalks along both sides of the corridor, this project will include planting trees and shrubs, raised curbs, a center median, defined pedestrian crossings, pedestrian scale lighting and ADA-accessible curb ramps. Concurrent with this work, storm water sewer upgrades will be completed with project funds. This is also a Federally Funded program with a projected total cost of over $2 million dollars.

Both projects are a continuation of a previously funded TE project and will complement on-going efforts within the Broad Street Corridor providing connectivity between neighborhood and commercial uses along the Broad Street Corridor and Historic Downtown.

Capital projects are generally financed using available grants and the 2013 Series SPLOST fund. Capital Projects in the Enterprise Fund are paid from an Expansion and Repair fund and the Utility Municipal Competitive Trust fund.

Relevant Financial Policies

The purpose of the City of Monroe's financial management policy is to insure that the City conducts its 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 continues to work closely with Georgia DOT and Walton County to implement the area's transportation initiatives. The Highway US 78/GA 138 area's growth has seen the need to address traffic in this area. This is one example of the partnership to improve our local transportation network. Another example is the partnership between Monroe and Walton County to complete a truck by-pass around the historic downtown area. The Preliminary Field Plans have been submitted to Georgia DOT for approval and we expect a review meeting scheduled in the near future so this much needed connector can proceed. The southern portion of the route is expected to be completed by 2020.

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, 2014. This was the 13th 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 11th 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, 2014. 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 City submitted to GFOA its annual budget for the fourth consecutive year for the fiscal year beginning January 1, 2016. Last year was the 3rd consecutive year the City has received this prestigious award for Distinguished Budget Presentation for fiscal year beginning January 1, 2015. 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. We believe our budget continues to meet the program requirements.

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,





Logan Propes
Finance Director

David Jahns
Assistant Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

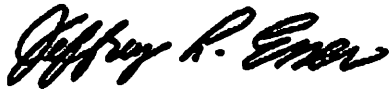
Presented to

City of Monroe

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014



Executive Director/CEO

CITY OF MONROE, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS

DECEMBER 31, 2015

ELECTED OFFICIALS

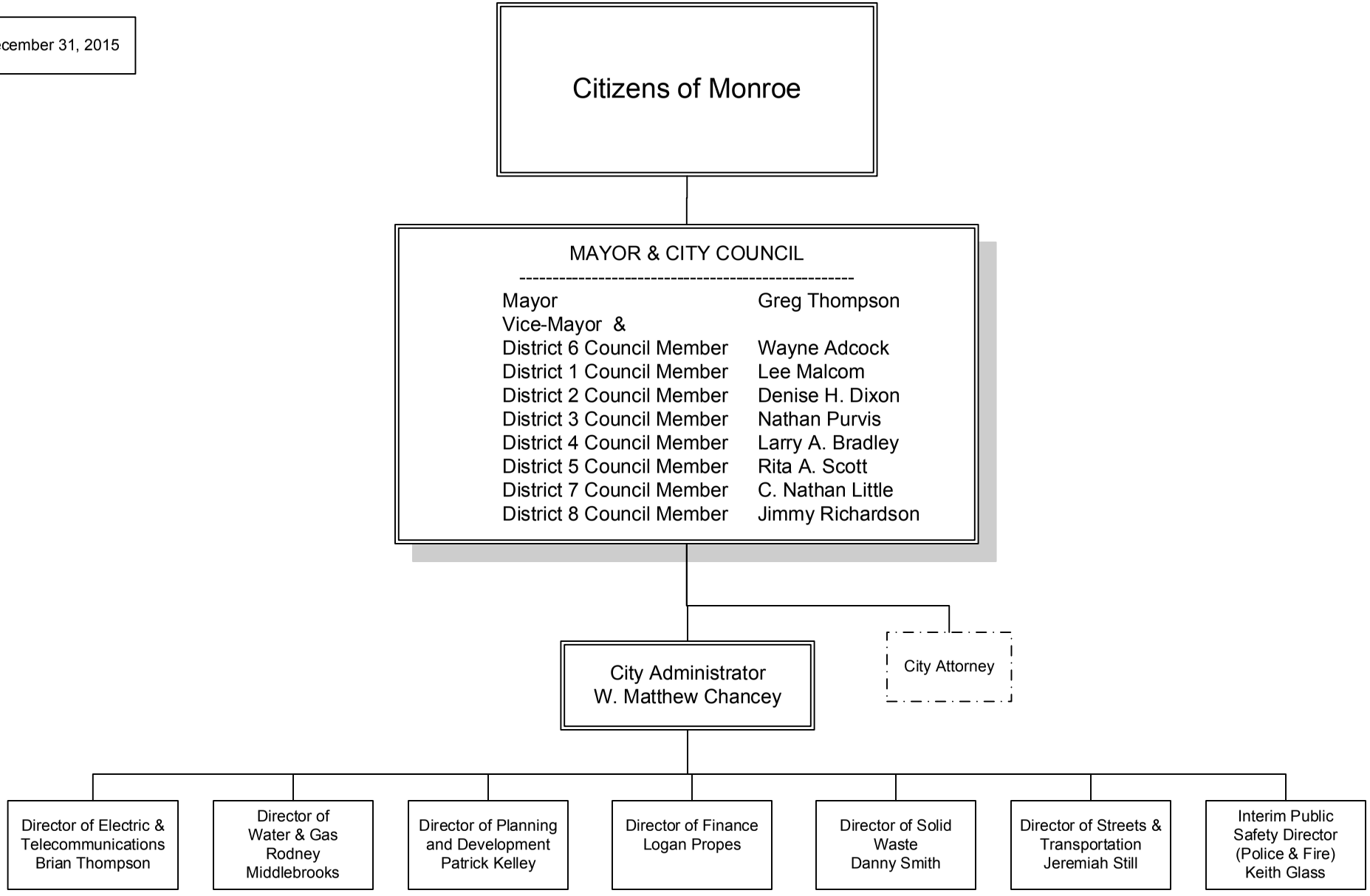
Mayor	Gregory P. Thompson
Vice Mayor and Council Member, District 6	L. Wayne Adcock
Council Member, District 1	Lee Malcom
Council Member, District 2	Denise Dixon
Council Member, District 3	Nathan Purvis
Council Member, District 4	Larry Bradley
Council Member, District 5	Rita Scott
Council Member, District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

APPOINTED OFFICIALS

City Administrator	Matthew Chancey
Code Enforcement	Patrick Kelley
Electric & Telecommunications Director	Brian K. Thompson
Finance Director	Logan Propes
Public Safety Director	M. Keith Glass
Solid Waste Director	Danny Smith
Streets and Transportation Director	Jeremiah Still
Water & Gas Director	Rodney W. Middlebrooks

City of Monroe, Georgia
Organizational Chart

December 31, 2015



FINANCIAL SECTION

MAULDIN & JENKINS

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, 2015, 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 on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2015, 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 9 and Note 15, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No 68*, as of January 1, 2015. These standards significantly changed the accounting for the City's net pension liability and the related disclosures. 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, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions, 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 48-8-121, 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 relate 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2016 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
April 27, 2016

CITY OF MONROE, GEORGIA
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2015

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, 2015. 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 and deferred inflows of resources at the close of the fiscal year by $89,051,209 (reported as "net position"). Of this amount, $8,465,352 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. **For 2015, the City has implemented the new reporting requirements of GASB 68 which includes recording the City's net pension liability and related items.**
- Total net position increased by $8,474,057 during 2015 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 $7,029,284 an increase of $2,168,442 in comparison with the prior year. This includes SPLOST funds. Approximately 37% or $2,570,778 of this amount 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 $2,581,137, or approximately 28% 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 $67,551,155. Of this $8,802,763 (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, 2015. 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 utility training academy.

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 15-16 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 59-60 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 61-63 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 (Georgia Utility Training Academy 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 24-56 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 57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

CITY OF MONROE, GEORGIA

Net Position

Fiscal Years 2015 and 2014

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 8,700,260	$ 6,847,310	$ 25,130,644	$ 21,661,578	$ 33,830,904	$ 28,508,888
Capital assets	19,669,419	19,994,654	70,686,747	70,421,582	90,356,166	90,416,236
Total assets	28,369,679	26,841,964	95,817,391	92,083,160	124,187,070	118,925,124
Total deferred outflows of resources	725,016	658,595	1,150,454	1,111,399	1,875,470	1,769,994
Long-term liabilities	7,471,061	8,796,126	23,801,649	25,647,618	31,272,710	34,443,744
Other liabilities	1,462,916	1,710,511	3,738,101	3,963,621	5,201,017	5,674,132
Total liabilities	8,933,977	10,506,637	27,539,750	29,611,239	36,473,727	40,117,876
Total deferred inflows of resources	261,404	-	276,200	-	537,604	-
Net Position:						
Net investment in capital assets	16,304,765	15,731,687	51,299,882	49,699,327	67,604,647	65,431,014
Restricted	4,381,805	2,154,654	8,599,405	9,020,467	12,981,210	11,175,121
Unrestricted	(787,256)	(892,419)	9,252,608	4,863,436	8,465,352	3,971,017
Total net position	$ 19,899,314	$ 16,993,922	$ 69,151,895	$ 63,583,230	$ 89,051,209	$ 80,577,152

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 and deferred inflows of resources by $89,051,209 at the close of the most recent fiscal year.

By far the largest portion of the City's net position, $67,604,647 (75.9%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (streets, 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.

An additional portion of the City's net position (14.6%) represents resources that are subject to external restrictions on how they may be used. Finally, the remaining balance of net position, classified as unrestricted net position, totals $8,465,352 (9.5%) 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 78% 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. The overall net position of the City increased $8,474,057 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

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CITY OF MONROE, GEORGIA

Changes in Net Position

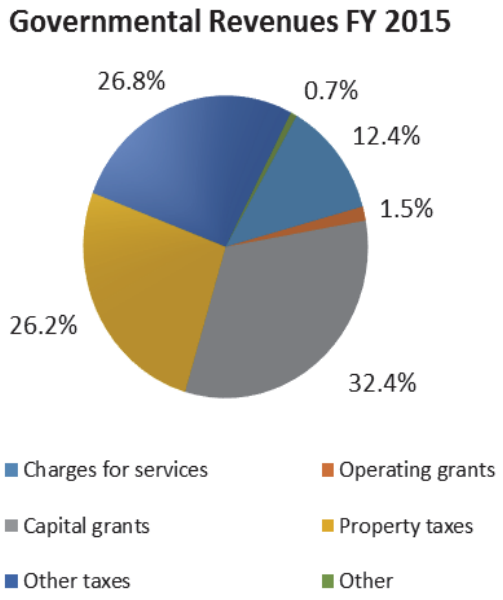
Fiscal Years 2015 and 2014

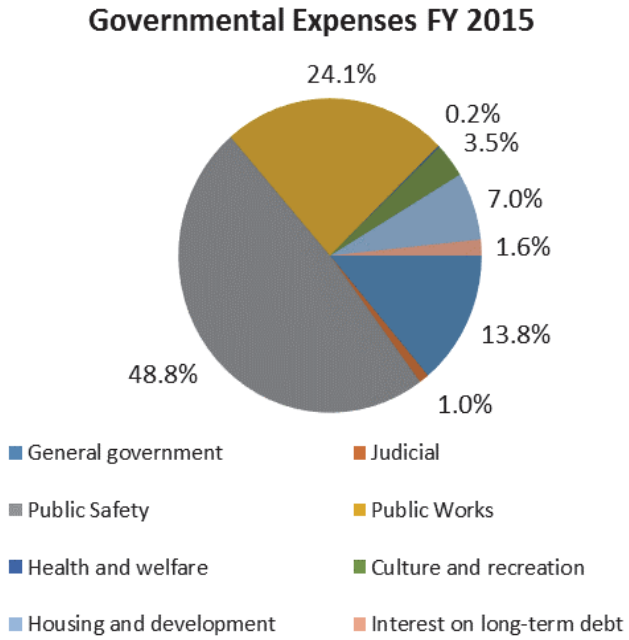
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Revenues:						
Program revenues:						
Charges for services	$ 1,491,137	$ 1,331,356	$ 40,385,725	$ 39,669,059	$ 41,876,862	$ 41,000,415
Operating grants	182,306	74,634	-	-	182,306	74,634
Capital grants	3,907,075	2,255,155	512,575	489,720	4,419,650	2,744,875
General revenues:						
Property taxes	3,158,414	3,216,546	-	-	3,158,414	3,216,546
Other taxes	3,231,497	3,166,104	-	-	3,231,497	3,166,104
Other	89,099	189,501	76,109	43,644	165,208	233,145
Total revenues	12,059,528	10,233,296	40,974,409	40,202,423	53,033,937	50,435,719
Expenses:						
General government	1,497,183	1,355,733	-	-	1,497,183	1,355,733
Judicial	112,734	97,474	-	-	112,734	97,474
Public Safety	5,282,765	5,327,544	-	-	5,282,765	5,327,544
Public Works	2,608,923	2,876,346	-	-	2,608,923	2,876,346
Health and welfare	16,296	13,571	-	-	16,296	13,571
Culture and recreation	382,685	389,091	-	-	382,685	389,091
Housing and development	755,074	541,373	-	-	755,074	541,373
Interest on long-term debt	178,624	208,995	-	-	178,624	208,995
Utilities	-	-	29,794,440	30,534,057	29,794,440	30,534,057
Solid Waste	-	-	3,851,963	3,604,884	3,851,963	3,604,884
GUTA	-	-	79,193	54,165	79,193	54,165
Total expenses	10,834,284	10,810,127	33,725,596	34,193,106	44,559,880	45,003,233
Increase (decrease) in net position before transfers	1,225,244	(576,831)	7,248,813	6,009,317	8,474,057	5,432,486
Transfers	1,680,148	1,867,001	(1,680,148)	(1,867,001)	-	-
Increase (decrease) in net positon	2,905,392	1,290,170	5,568,665	4,142,316	8,474,057	5,432,486
Net position, beginning	-	18,978,514	-	62,901,044	-	81,879,558
Restatement for implementation of GASB Statements No. 68/71	-	(3,274,762)	-	(3,460,130)	-	(6,734,892)
Net position, beginning, restated	16,993,922	15,703,752	63,583,230	59,440,914	80,577,152	75,144,666
Net position, ending	$ 19,899,314	$ 16,993,922	$ 69,151,895	$ 63,583,230	$ 89,051,209	$ 80,577,152

Governmental activities. Governmental activities increased the City of Monroe's net position by $2,905,392. Key elements of this increase are as follows:

- Capital grants increased Revenue due to a major transportation project (LCI in Monroe Town Center areas).
- An increase in Other Taxes such at the Insurance Premium Tax.

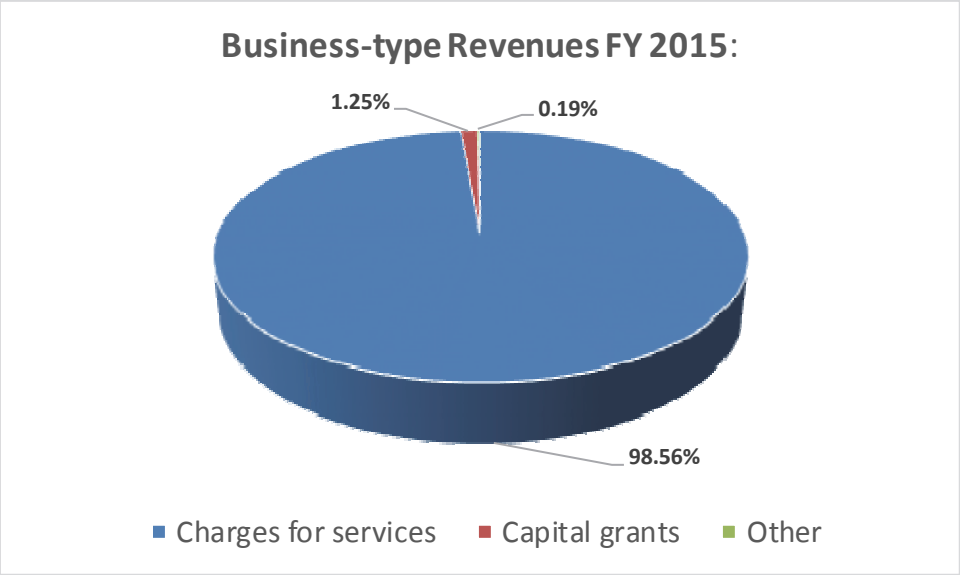
The following graphs show the breakdown by percentage of governmental revenues and expenses.

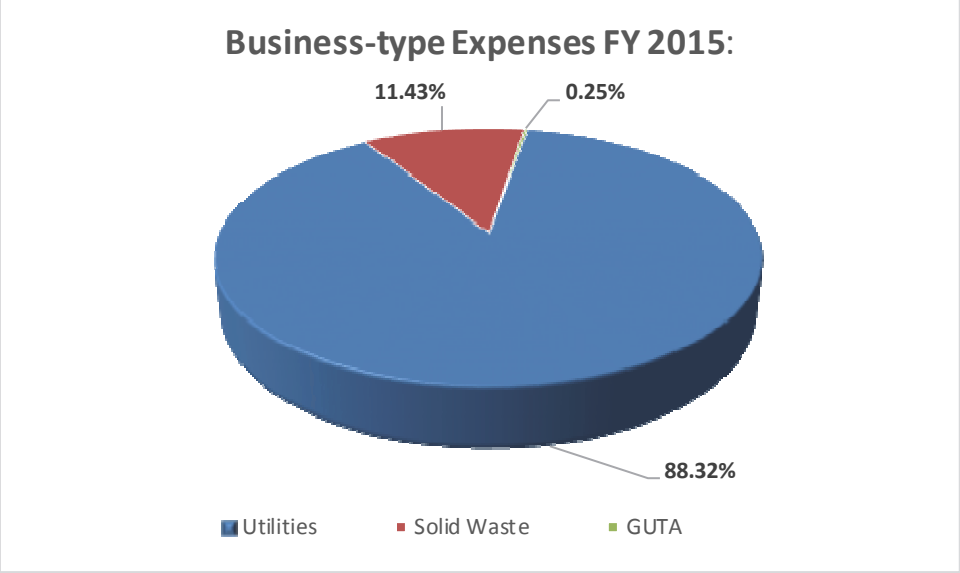




Business-type Activities. Business-type activities increased the City of Monroe's net position by $5,568,665. The Utilities Fund, largest of the City's business-type activities, accounted for 88.3% of the operating expenses and approximately 89% of the operating revenues among business-type activities. Key elements are as follows:

- Slight decrease in water meter base charges to reward consumption but a slight increase in water rates with higher consumptions.
- Increase in certain Cable TV/Telecom packages.
- Increase in overall revenue due to the increase in telecommunication customer base.





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.

The City's governmental funds reported combined fund balances of $7,029,284, an increase of $2,168,442 (44.61%) in comparison with the prior year. This large increase is primarily due to accumulation of SPLOST funds. Approximately 37% of this amount ($2,570,778) 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 ($79,697), 2) restricted for particular purposes ($4,368,450), or 3) assigned for particular purposes ($10,359).

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 $2,570,778 of the total fund balance of $2,858,077. 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 28% of total General Fund expenditures, while total fund balance represents 31% 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 $197,243 or 7%. The amount of nonspendable fund balance for the General Fund is made up of prepaid expenditures of $79,697 or 3% of the General Fund's total fund balance.

Fund balance of the City of Monroe's General Fund decreased by $47,416 during the current fiscal year. A key factor in this decrease were a few large medical claims from the self-funded health insurance plan along with some unbudgeted workers' compensation claims.

Total fund balance for nonmajor special revenue funds at year-end was $48,985. This total had a net decrease of $9,332. 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 decrease as well. This fund accounts for local room taxes collected with the fund balance restricted for tourism in the City.

The debt service fund has a total fund balance of $116, all of which is restricted for the payment of debt service. Fund Balance was unchanged from 2014. Principal payments made during the year were $645,000 and interest expenditures totaled $173,400.

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 $8,802,763, the Solid Waste Fund amounted to $471,137, and those for GUTA totaled ($21,292). The combined increase in total net position for these funds was $5,568,665.

For the year, the total net position of the Utilities Fund increased by $5,003,358, the Solid Waste Fund increased by $571,032 and the GUTA fund total net position decreased by $5,725. Financial analysis in regards to these funds can be found in the business-type activities section. This gives a total increase in proprietary funds net position of $5,568,665.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Monroe's General Fund budget is prepared according to Georgia Law and was amended as necessary by Council during the fiscal year. Primary differences between the original budget and the final amended budget for the General Fund are summarized as follows:

Revenue:

- Total budgeted revenues stayed the same from original to final budgets at $7,774,357.
- Actual revenues were $451,470 more than budgeted.
- Taxes made up the majority of the excess due to TAVT and LOST revenues coming in higher than anticipated.

Expenditures:

- Total budgeted expenditures stayed the same from original to final budgets at $8,857,299.
- Total expenditures were $478,878 more than budgeted.
- Executive, Police, and Fire were the primary departments over budget for the year.

A comparison on General Fund actual expenditures to budget can be found on page 20.

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, 2015, amounts to $90,356,166 (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 $236 thousand in machinery, equipment and vehicles.
- Construction in progress as of the end of the current fiscal year totaling approximately $255 thousand.
- $21 thousand in equipment, furniture and vehicles sold as surplus or transferred to another fund.

Business-type activities:

- Purchase of $561 thousand in specialized service installation equipment and vehicles.
- Construction in progress projects of $3.4 million in utility infrastructure & improvements completed.
- Construction in progress as of the end of the current fiscal year totaling $3.6 million for electric, gas, sewer, water and cable upgrades and projects.

CITY OF MONROE, GEORGIA
Capital Assets
(net of depreciation)
Fiscal Years 2015 and 2014

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	$ 3,691,554	$ 3,691,554	$ 2,109,443	$ 2,109,443	$ 5,800,997	$ 5,800,997
Infrastructure	7,861,998	7,274,569	38,955,356	39,765,996	46,817,354	47,040,565
Buildings and Improvements	6,647,231	7,074,409	21,019,643	18,699,116	27,666,874	25,773,525
Equipment, furniture & vehicles	1,213,407	1,280,119	4,977,372	5,040,673	6,190,779	6,320,792
Construction in progress	255,229	674,003	3,624,933	4,806,354	3,880,162	5,480,357
Total	$ 19,669,419	$ 19,994,654	$ 70,686,747	$ 70,421,582	$ 90,356,166	$ 90,416,236

Additional information on the capital assets can be found in the Notes to Financial Statements on pages 39-40 of this report.

Long-term debt. As of December 31, 2015 the City of Monroe's total long-term debt outstanding is $18,795,000. Of this amount, $3,150,000 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 2015 and 2014

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General obligation bonds	$ 3,150,000	$ 3,795,000	$ -	$ -	$ 3,150,000	$ 3,795,000
Revenue bonds	-	-	15,645,000	17,280,000	15,645,000	17,280,000
Total	$ 3,150,000	$ 3,795,000	$ 15,645,000	$ 17,280,000	$ 18,795,000	$ 21,075,000

The City of Monroe's total debt decreased a net of $2,280,000 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 $3.150 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 41-45.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In 2015 the city showed continued signs of emergence from the Great Recession's effects on property taxes, and other economic-related remittances such as sales taxes and permits. Although the City is seeing revenue and overall economic improvement, Council and the Finance Department are keen to carefully manage fund balances and to maintain an adequate amount of fund balance to meet debt obligations and help mitigate against any future economic downturns.

The following indicators were taken into account when adopting the General Fund budget for 2016:

- 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 have stabilized and were budgeted using new trend information.
- Revenue from the new Title and Ad Valorem Tax (TAVT) for motor vehicles was increased to a level consistent with the last two years of collections.
- Cost of implementation of a 2% COLA and up to 3% merit pool for employee salaries was included for a half year.
- Eleven new positions were approved for fiscal year 2016 and one position was unfunded.

Anticipated revenues in the General Fund budget are $10.1 million which includes transfers and other financing sources, or approximately $400,000 more than the 2015 budget. The 2016 budget was developed and adopted before 2015 fiscal year-end and reflects conservative revenue figures. No decrease in fund balance of General Fund is budgeted for fiscal year 2016.

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

CITY OF MONROE, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention & Visitors Bureau
ASSETS					
Cash and cash equivalents	$ 6,466,162	$ 3,336,247	$ 9,802,409	$ 65,271	$ 16,336
Investments	-	6,491,625	6,491,625	-	-
Accounts receivable, net of allowances	51,384	4,162,919	4,214,303	-	-
Taxes receivable	305,989	-	305,989	-	-
Internal balances	(250,936)	250,936	-	-	-
Due from other governments	2,047,964	-	2,047,964	-	-
Due from primary government	-	-	-	3,750	-
Inventories and prepaid items	79,697	809,395	889,092	-	-
Restricted assets:					
Cash and cash equivalents	-	8,599,405	8,599,405	-	-
Investments	-	1,480,117	1,480,117	-	-
Capital assets:					
Non-depreciable	3,946,783	5,734,376	9,681,159	-	-
Depreciable, net of accumulated depreciation	15,722,636	64,952,371	80,675,007	-	-
Total assets	28,369,679	95,817,391	124,187,070	69,021	16,336
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	86,158	475,433	561,591	-	-
Pension related items	638,858	675,021	1,313,879	-	-
Total deferred outflows of resources	725,016	1,150,454	1,875,470	-	-
LIABILITIES					
Accounts payable	1,115,896	1,376,540	2,492,436	4,965	678
Accrued liabilities	286,467	2,361,561	2,648,028	-	-
Unearned revenues	56,803	-	56,803	-	-
Due to component units	3,750	-	3,750	-	-
Long-term liabilities:					
Portion due or payable within one year:					
Bonds and notes payable	700,000	1,804,080	2,504,080	-	-
Capital leases	261,791	-	261,791	-	-
Compensated absences	518,243	327,672	845,915	-	-
Portion due or payable in more than one year:					
Bonds and notes payable, net	2,489,021	18,058,218	20,547,239	-	-
Compensated absences	83,813	-	83,813	-	-
Net pension liability	3,418,193	3,611,679	7,029,872	-	-
Total liabilities	8,933,977	27,539,750	36,473,727	4,965	678
DEFERRED INFLOWS OF RESOURCES					
Pension related items	261,404	276,200	537,604	-	-
NET POSITION					
Net investment in capital assets	16,304,765	51,299,882	67,604,647	-	-
Restricted for law enforcement	40,614	-	40,614	-	-
Restricted for debt service	83,893	215,898	299,791	-	-
Restricted for capital projects	4,248,927	8,383,507	12,632,434	-	-
Restricted for tourism	8,371	-	8,371	-	15,658
Unrestricted	(787,256)	9,252,608	8,465,352	64,056	-
Total net position	$ 19,899,314	$ 69,151,895	$ 89,051,209	$ 64,056	$ 15,658

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

CITY OF MONROE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

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	$ 1,497,183	$ 702,850	$ 18,613	$ -
Judicial	112,734	405,299	-	-
Public safety	5,282,765	125,489	92,088	522,974
Public works	2,608,923	35,930	71,605	3,384,101
Health and welfare	16,296	-	-	-
Culture and recreation	382,685	8,785	-	-
Housing and development	755,074	212,784	-	-
Interest on long-term debt	178,624	-	-	-
Total governmental activities	10,834,284	1,491,137	182,306	3,907,075
Business-type activities:				
Utilities	29,794,440	35,898,925	-	512,575
Solid waste	3,851,963	4,413,332	-	-
GUTA	79,193	73,468	-	-
Total business-type activities	33,725,596	40,385,725	-	512,575
Total primary government	$ 44,559,880	$ 41,876,862	$ 182,306	$ 4,419,650
Component units:				
Downtown Development Authority	$ 83,899	$ 18,685	$ -	$ -
Convention & Visitors Bureau	34,932	-	-	-
Total component units	$ 118,831	$ 18,685	$ -	$ -

General revenues:	
Property taxes	
Sales taxes	
Franchise taxes	
Business taxes	
Unrestricted investment earnings	
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
$ (775,720)	$ -	$ (775,720)		$ -	$ -
292,565	-	292,565		-	-
(4,542,214)	-	(4,542,214)		-	-
882,713	-	882,713		-	-
(16,296)	-	(16,296)		-	-
(373,900)	-	(373,900)		-	-
(542,290)	-	(542,290)		-	-
(178,624)	-	(178,624)		-	-
(5,253,766)	-	(5,253,766)		-	-
-	6,617,060	6,617,060		-	-
-	561,369	561,369		-	-
-	(5,725)	(5,725)		-	-
-	7,172,704	7,172,704		-	-
$ (5,253,766)	$ 7,172,704	$ 1,918,938		$ -	$ -
$ -	$ -	$ -		$ (65,214)	$ -
-	-	-		-	(34,932)
$ -	$ -	$ -		$ (65,214)	$ (34,932)
$ 3,158,414	$ -	$ 3,158,414		$ -	$ -
2,049,892	-	2,049,892		15,000	44,291
282,669	-	282,669		-	-
898,936	-	898,936		-	-
-	76,109	76,109		55	-
89,099	-	89,099		58,318	194
1,680,148	(1,680,148)	-		-	-
8,159,158	(1,604,039)	6,555,119		73,373	44,485
2,905,392	5,568,665	8,474,057		8,159	9,553
16,993,922	63,583,230	80,577,152		55,897	6,105
$ 19,899,314	$ 69,151,895	$ 89,051,209		$ 64,056	$ 15,658

CITY OF MONROE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

ASSETS	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Cash	$ 4,081,134	$ 2,187,279	$ 197,749	$ 6,466,162
Taxes receivable	302,617	-	3,372	305,989
Accounts receivable	51,384	-	-	51,384
Due from other governments	226,904	1,821,060	-	2,047,964
Due from other funds	462,030	-	-	462,030
Prepaid expenditures	79,697	-	-	79,697
Total assets	$ 5,203,766	$ 4,008,339	$ 201,121	$ 9,413,226
LIABILITIES				
Accounts payable	$ 1,090,998	838	$ 24,060	$ 1,115,896
Accrued liabilities	251,179	-	-	251,179
Unearned revenue	56,803	-	-	56,803
Due to component units	3,750	-	-	3,750
Due to other funds	712,966	-	-	712,966
Total liabilities	2,115,696	838	24,060	2,140,594
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	206,877	-	-	206,877
Unavailable revenue - other receivables	23,116	13,355	-	36,471
Total deferred inflows of resources	229,993	13,355	-	243,348
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	79,697	-	-	79,697
Restricted:				
Law enforcement	-	-	40,614	40,614
Debt service	83,777	-	116	83,893
Capital projects	113,466	3,994,146	127,960	4,235,572
Tourism	-	-	8,371	8,371
Assigned:				
Public safety	10,359	-	-	10,359
Unassigned	2,570,778	-	-	2,570,778
Total fund balances	2,858,077	3,994,146	177,061	7,029,284
Total liabilities, deferred inflows of resources, and fund balances	$ 5,203,766	$ 4,008,339	$ 201,121	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	19,669,419
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	243,348
Deferred outflows and inflows of resources as well as the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(3,040,739)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,001,998)
Net position of governmental activities	$ 19,899,314

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, 2015

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 6,462,318	$ -	$ 40,023	$ 6,502,341
Licenses and permits	122,927	-	-	122,927
Intergovernmental	224,167	3,750,314	-	3,974,481
Fines and forfeitures	405,299	-	89,383	494,682
Charges for services	676,607	-	-	676,607
Miscellaneous	334,509	1,940	-	336,449
Total revenues	8,225,827	3,752,254	129,406	12,107,487
Expenditures				
Current:				
General government	1,508,238	-	-	1,508,238
Judicial	115,074	-	-	115,074
Public safety	5,091,822	-	94,447	5,186,269
Public works	1,619,565	269,452	-	1,889,017
Health and welfare	16,296	-	-	16,296
Culture and recreation	396,114	-	-	396,114
Housing and development	589,068	-	44,291	633,359
Capital outlay	-	786,458	3,369	789,827
Debt service:				
Principal retirements	-	257,070	645,000	902,070
Interest	-	9,529	173,400	182,929
Total expenditures	9,336,177	1,322,509	960,507	11,619,193
Excess (deficiency) of revenues over expenditures	(1,110,350)	2,429,745	(831,101)	488,294
Other financing sources (uses):				
Transfers in	1,881,334	37,745	818,400	2,737,479
Transfers out	(818,400)	(238,931)	-	(1,057,331)
Total other financing sources (uses)	1,062,934	(201,186)	818,400	1,680,148
Net change in fund balances	(47,416)	2,228,559	(12,701)	2,168,442
Fund balances, beginning of year	2,905,493	1,765,587	189,762	4,860,842
Fund balances, end of year	$ 2,858,077	$ 3,994,146	$ 177,061	$ 7,029,284

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, 2015

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

Net change in fund balances - total governmental funds	$ 2,168,442
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.	(350,277)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not current financial resources.	28,000
In the statement of activities, only the gain or loss on the sale of capital assets is recorded. However, in the governmental funds, proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	(2,958)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(75,959)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	902,070
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.	236,074
Change in net position - governmental activities	$ 2,905,392

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

CITY OF MONROE, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 6,271,037	$ 6,271,037	$ 6,462,318	$ 191,281
Licenses and permits	130,000	130,000	122,927	(7,073)
Fines and forfeitures	390,000	390,000	405,299	15,299
Charges for services	638,900	638,900	676,607	37,707
Intergovernmental	190,170	190,170	224,167	33,997
Miscellaneous	154,250	154,250	334,509	180,259
Total revenues	7,774,357	7,774,357	8,225,827	451,470
Expenditures				
Current:				
General government:				
Legislative	292,472	292,472	256,091	36,381
Executive	353,528	353,528	620,389	(266,861)
Board of Elections	10,000	10,000	960	9,040
Financial administration	446,334	446,334	475,110	(28,776)
Law	95,000	95,000	107,988	(12,988)
Internal audit	32,000	32,000	32,500	(500)
General administration fees	4,800	4,800	4,800	-
Community services	10,900	10,900	10,400	500
Total general government	1,245,034	1,245,034	1,508,238	(263,204)
Judicial:				
Municipal court	96,879	96,879	115,074	(18,195)
Total judicial	96,879	96,879	115,074	(18,195)
Public safety:				
Police	3,343,073	3,343,073	3,508,841	(165,768)
Fire	1,432,435	1,432,435	1,582,981	(150,546)
Total public safety	4,775,508	4,775,508	5,091,822	(316,314)
Public works:				
Highways and streets administration	1,740,070	1,740,070	1,619,565	120,505
Total public works	1,740,070	1,740,070	1,619,565	120,505
Health and welfare:				
Community center	12,000	12,000	16,296	(4,296)
Total health and welfare	12,000	12,000	16,296	(4,296)
Culture and recreation:				
Special facilities	273,345	273,345	272,514	831
Library	123,600	123,600	123,600	-
Total culture and recreation	396,945	396,945	396,114	831
Housing and development:				
Protective inspection administration	354,095	354,095	336,524	17,571
Planning and zoning	4,844	4,844	4,844	-
Economic development	231,924	231,924	247,700	(15,776)
Total housing and development	590,863	590,863	589,068	1,795
Total expenditures	8,857,299	8,857,299	9,336,177	(478,878)
Deficiency of revenues over expenditures	(1,082,942)	(1,082,942)	(1,110,350)	(27,408)
Other financing sources (uses)				
Transfers in	1,901,342	1,901,342	1,881,334	(20,008)
Transfers out	(818,400)	(818,400)	(818,400)	-
Total other financing sources (uses)	1,082,942	1,082,942	1,062,934	(20,008)
Net change in fund balances	-	-	(47,416)	(47,416)
Fund balance, beginning of year	2,905,493	2,905,493	2,905,493	-
Fund balance, end of year	$ 2,905,493	$ 2,905,493	$ 2,858,077	$ (47,416)

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

CITY OF MONROE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

ASSETS	Utilities Fund	Solid Waste Fund	Non-major GUTA Fund	Totals
CURRENT ASSETS				
Cash and cash equivalents	$ 2,679,481	$ 616,139	$ 40,627	$ 3,336,247
Investments	6,491,625	-	-	6,491,625
Accounts receivable, net of allowances	3,820,418	342,501	-	4,162,919
Due from other funds	764,070	272,604	-	1,036,674
Prepaid items	65,508	15,784	-	81,292
Inventories	728,103	-	-	728,103
	14,549,205	1,247,028	40,627	15,836,860
RESTRICTED ASSETS				
Cash and cash equivalents	8,599,405	-	-	8,599,405
Investments	1,480,117	-	-	1,480,117
	10,079,522	-	-	10,079,522
Total current assets	24,628,727	1,247,028	40,627	25,916,382
CAPITAL ASSETS				
Non-depreciable	5,730,155	-	4,221	5,734,376
Depreciable, net of accumulated depreciation	63,805,697	785,119	361,555	64,952,371
	69,535,852	785,119	365,776	70,686,747
Total assets	94,164,579	2,032,147	406,403	96,603,129
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	475,433	-	-	475,433
Pension related items	554,482	120,539	-	675,021
Total deferred outflows of resources	1,029,915	120,539	-	1,150,454
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,376,540	-	-	1,376,540
Accrued liabilities	126,807	-	-	126,807
Customer deposits	2,174,333	-	-	2,174,333
Compensated absences payable	250,077	77,595	-	327,672
Due to other funds	599,245	124,574	61,919	785,738
	4,527,002	202,169	61,919	4,791,090
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
Revenue bonds payable - current	1,715,000	-	-	1,715,000
Notes payable - current	89,080	-	-	89,080
Accrued interest	60,421	-	-	60,421
	1,864,501	-	-	1,864,501
Total current liabilities	6,391,503	202,169	61,919	6,655,591
NONCURRENT LIABILITIES				
Revenue bonds payable	14,148,975	-	-	14,148,975
Notes payable	3,909,243	-	-	3,909,243
Net pension liability	2,966,739	644,940	-	3,611,679
Total noncurrent liabilities	21,024,957	644,940	-	21,669,897
Total liabilities	27,416,460	847,109	61,919	28,325,488
DEFERRED INFLOWS OF RESOURCES				
Pension related items	226,879	49,321	-	276,200
NET POSITION				
Net investment in capital assets	50,148,987	785,119	365,776	51,299,882
Restricted for capital projects	8,383,507	-	-	8,383,507
Restricted for debt service	215,898	-	-	215,898
Unrestricted	8,802,763	471,137	(21,292)	9,252,608
Total net position	$ 67,551,155	$ 1,256,256	$ 344,484	$ 69,151,895

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, 2015

	Utilities Fund	Solid Waste Fund	Non-major GUTA Fund	Totals
OPERATING REVENUES				
Charges for sales and services	$ 35,898,925	$ 4,413,332	$ 73,468	$ 40,385,725
Total operating revenues	35,898,925	4,413,332	73,468	40,385,725
OPERATING EXPENSES				
Cost of sales and services	16,033,698	2,253,536	-	18,287,234
General operating expenses	10,509,869	1,474,073	71,158	12,055,100
Depreciation	2,422,606	124,354	8,035	2,554,995
Total operating expenses	28,966,173	3,851,963	79,193	32,897,329
Operating income (loss)	6,932,752	561,369	(5,725)	7,488,396
NON-OPERATING REVENUES (EXPENSES)				
Interest income	76,109	-	-	76,109
Interest and fiscal charges	(828,267)	-	-	(828,267)
Total non-operating revenue (expenses)	(752,158)	-	-	(752,158)
Income (loss) before capital contributions and transfers	6,180,594	561,369	(5,725)	6,736,238
Capital contributions	512,575	-	-	512,575
Transfers in	-	238,931	-	238,931
Transfers out	(1,689,811)	(229,268)	-	(1,919,079)
	(1,177,236)	9,663	-	(1,167,573)
Change in net position	5,003,358	571,032	(5,725)	5,568,665
Net position, beginning of year, restated	62,547,797	685,224	350,209	63,583,230
Net position, end of year	$ 67,551,155	$ 1,256,256	$ 344,484	$ 69,151,895

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, 2015

	Utilities Fund	Solid Waste Fund	Non-major GUTA Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 36,160,104	$ 4,402,110	$ 73,468	$ 40,635,682
Payments to suppliers	(22,302,888)	(2,502,366)	(70,624)	(24,875,878)
Payments to employees	(6,371,923)	(1,059,286)	-	(7,431,209)
Net cash provided by operating activities	7,485,293	840,458	2,844	8,328,595
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out to other funds	(1,689,811)	(229,268)	-	(1,919,079)
Net cash used in non-capital financing activities	(1,689,811)	(229,268)	-	(1,919,079)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(2,577,009)	(238,931)	(4,220)	(2,820,160)
Proceeds from long-term borrowings	317,131	-	-	317,131
Principal payments on bonds	(1,635,000)	-	-	(1,635,000)
Principal payments on notes	(14,513)	-	-	(14,513)
Interest paid	(834,265)	-	-	(834,265)
Cash capital contributions	512,575	-	-	512,575
Transfers in from other funds for capital purposes	-	238,931	-	238,931
Net cash used in capital and related financing activities	(4,231,081)	-	(4,220)	(4,235,301)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	76,109	-	-	76,109
Purchase of investments	(1,532,061)	-	-	(1,532,061)
Net cash used in investing activities	(1,455,952)	-	-	(1,455,952)
Net increase (decrease) in cash and cash equivalents	108,449	611,190	(1,376)	718,263
Cash and cash equivalents, beginning of year	11,170,437	4,949	42,003	11,217,389
Cash and cash equivalents, end of year	$ 11,278,886	$ 616,139	$ 40,627	$ 11,935,652
Classified as:				
Cash and cash equivalents	$ 2,679,481	$ 616,139	$ 40,627	$ 3,336,247
Restricted cash and cash equivalents	8,599,405	-	-	8,599,405
	$ 11,278,886	$ 616,139	$ 40,627	$ 11,935,652
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$ 6,932,752	$ 561,369	$ (5,725)	$ 7,488,396
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	2,422,606	124,354	8,035	2,554,995
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	219,595	(11,222)	-	208,373
(Increase) decrease in due from other funds	(712,982)	109,690	-	(603,292)
Increase in prepaid items	(7,362)	(2,005)	-	(9,367)
Decrease in inventories	54,332	-	-	54,332
Increase in deferred outflows of resources for pension items	(77,591)	(16,868)	-	(94,459)
Decrease in accounts payable	(224,833)	-	-	(224,833)
Decrease in accrued liabilities	(27,900)	-	-	(27,900)
Increase in customer deposits	41,584	-	-	41,584
Increase (decrease) in compensated absences payable	(35,754)	9,502	-	(26,252)
Increase (decrease) in due to other funds	(973,629)	92,926	534	(880,169)
Decrease in net pension liability	(352,404)	(76,609)	-	(429,013)
Increase in deferred inflows of resources for pension items	226,879	49,321	-	276,200
Net cash provided by operating activities	$ 7,485,293	$ 840,458	$ 2,844	$ 8,328,595

The accompanying notes are an integral part of these 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 appointed by the City, one of which is a member of the City Council. 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 appointed by the City, one of which is a member of the City Council. 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 funds:

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 **SPLOST 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

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

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

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, 2015.

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, 2015, are recorded as prepaid items in both government-wide and fund financial statements. The City accounts for prepaid items using the consumption method (i.e., the cost of prepaid items is recorded as expenditures / expenses when consumed rather than when purchased).

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 statement of net position because their use is limited by applicable bond covenants. 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

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 deferred charge on refunding reported in the government-wide and proprietary fund statements of net position qualifies for reporting in this category. 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 financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The governmental funds balance sheet reports unavailable revenues from property taxes and other sources as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available under the modified accrual basis of accounting.

The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. These contributions will reduce the net pension liability in the subsequent period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 and deferred inflows of resources 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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. Furthermore, a resolution of the City Council is also required to rescind the commitment of fund balance.

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 resolution passed by the City Council which adopted the City's fund balance policy 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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 of resources, liabilities, and deferred inflows of resources 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.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Monroe Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. 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 $4,001,998 difference are as follows:

Bonds payable	$	(3,150,000)
Bond premium		(39,021)
Deferred charges on refunding		86,158
Accrued interest payable		(35,288)
Capital leases payable		(261,791)
Compensated absences		(602,056)
Net adjustment to reduce *fund balance- total governmental funds* to arrive at *net position - governmental activities*	$	(4,001,998)

Another element of that reconciliation explains that "deferred outflows and inflows of resources as well as the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds." The details of this $3,040,739 difference are as follows:

Deferred outflows of resources - pension related items	$	638,858
Deferred inflows of resources - pension related items		(261,404)
Net pension liability		(3,418,193)
Net adjustment to reduce *fund balances - total governmental funds* to arrive at *net position - governmental activities*	$	(3,040,739)

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 $350,277 difference are as follows:

Capital outlay	$ 998,719
Depreciation expense	(1,348,996)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (350,277)

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this $902,070 difference are as follows:

Principal repayment of bonds	$ 645,000
Principal repayment of capital leases	257,070
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 902,070

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

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

The final 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 $236,074 difference are as follows:

Compensated absences	$	(2,254)
Accrued interest		8,062
Amortization of deferred charges on refunding		(22,976)
Amortization of bond premiums		19,219
Net pension expense		234,023
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	236,074

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 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

For the year ended December 31, 2015, the following funds and General Fund departments had actual expenditures in excess of appropriations:

General Fund departments:	
General government - executive	$ 266,861
General government - financial administration	28,776
General government - law	12,988
General government - internal audit	500
Judicial - municipal court	18,195
Public safety - police	165,768
Public safety - fire	150,546
Health and welfare - community center	4,296
Housing and development - economic development	15,776
Forfeited Drug Fund	40,447
Hotel / Motel Tax Fund	19,291

These excess expenditures were funded by greater than anticipated revenues and available fund balances, as necessary.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2015 are summarized as follows:

Amounts as presented on the entity wide statement of net position:	
Cash and cash equivalents	$ 9,802,409
Restricted cash and cash equivalents	8,599,405
Restricted investments	7,971,742
Total	$ 26,373,556
Cash deposited with financial institutions	$ 19,881,931
Investments in the Municipal Competitive Trust	6,491,625
	$ 26,373,556

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. The City's investments in the Municipal Competitive Trust were not rated.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2015, the City had the following investments:

Investment	Maturities	Fair Value
Municipal Competitive Trust - Short-term	281 days	$ 3,931,232
Municipal Competitive Trust - Intermediate	4.85 years	2,560,393
Certificate of deposit	12 months	1,480,117
Total		$ 7,971,742

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, 2015, the City had approximately $1.2 million of deposits at a financial institution that were uninsured and under-collateralized. As a result, on January 4, 2016 the financial institution pledged an additional security with a market value of $1,617,703 to secure the City's deposits in accordance GASB rules and State 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 inflows of resources in the General Fund when assessed and revenues are recognized when available.

NOTE 5. RECEIVABLES (CONTINUED)

Receivables at December 31, 2015, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST	Utilities	Solid Waste	Nonmajor Governmental Funds
Receivables:					
Taxes	$ 302,617	$ -	$ -	$ -	$ 3,372
Accounts	51,384	-	3,948,288	342,501	-
Due from other governments	226,904	1,821,060	-	-	-
Less allowance for uncollectible	-	-	127,870	-	-
Net total receivable	$ 580,905	$ 1,821,060	$ 3,820,418	$ 342,501	$ 3,372

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 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	674,003	790,226	-	(1,209,000)	255,229
Total	4,365,557	790,226	-	(1,209,000)	3,946,783
Capital assets, being depreciated:					
Infrastructure	24,013,260	-	-	1,209,000	25,222,260
Buildings and improvements	11,746,852	-	-	-	11,746,852
Equipment, furniture & vehicles	5,482,887	236,493	(20,700)	-	5,698,680
Total	41,242,999	236,493	(20,700)	1,209,000	42,667,792
Less accumulated depreciation for:					
Infrastructure	(16,738,691)	(621,571)	-	-	(17,360,262)
Buildings and improvements	(4,672,443)	(427,178)	-	-	(5,099,621)
Equipment, furniture & vehicles	(4,202,768)	(300,247)	17,742	-	(4,485,273)
Total	(25,613,902)	(1,348,996)	17,742	-	(26,945,156)
Total capital assets, being depreciated, net	15,629,097	(1,112,503)	(2,958)	1,209,000	15,722,636
Governmental activities capital assets, net	$ 19,994,654	$ (322,277)	$ (2,958)	$ -	$ 19,669,419

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 2,109,443	$ -	$ -	$ -	$ 2,109,443
Construction in progress	4,806,354	2,258,722	-	(3,440,143)	3,624,933
Total	6,915,797	2,258,722	-	(3,440,143)	5,734,376
Capital assets, being depreciated:					
Infrastructure	58,996,374	-	-	315,209	59,311,583
Buildings and improvements	31,683,728	-	-	3,116,705	34,800,433
Equipment, furniture & vehicles	19,078,195	561,438	-	8,229	19,647,862
Total	109,758,297	561,438	-	3,440,143	113,759,878
Less accumulated depreciation for:					
Infrastructure	(19,230,378)	(1,125,849)	-	-	(20,356,227)
Buildings and improvements	(12,984,612)	(796,178)	-	-	(13,780,790)
Equipment, furniture & vehicles	(14,037,522)	(632,968)	-	-	(14,670,490)
Total	(46,252,512)	(2,554,995)	-	-	(48,807,507)
Total capital assets, being depreciated, net	63,505,785	(1,993,557)	-	3,440,143	64,952,371
Business-type activities capital assets, net	$ 70,421,582	$ 265,165	$ -	$ -	$ 70,686,747

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

Governmental activities:	
General government	$ 115,351
Public safety	249,756
Public works	810,543
Housing and development	158,311
Culture and recreation	15,035
Total depreciation expense - governmental activities	$ 1,348,996
Business-type activities:	
Utilities	$ 2,422,606
Solid waste	124,354
GUTA	8,035
Total depreciation expense - business-type activities	$ 2,554,995

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 3,795,000	$ -	$ (645,000)	$ 3,150,000	$ 700,000
Original issue premium	58,240	-	(19,219)	39,021	-
Bonds payable, net	3,853,240	-	(664,219)	3,189,021	700,000
Capital leases	518,861	-	(257,070)	261,791	261,791
Compensated absences	599,802	518,557	(516,303)	602,056	518,243
Net pension liability	3,824,223	1,252,779	(1,658,809)	3,418,193	-
Governmental activity Long-term liabilities	$ 8,796,126	$ 1,771,336	$ (3,096,401)	$ 7,471,061	$ 1,480,034
Business-type activities:					
Revenue bonds payable	$ 17,280,000	$ -	$ (1,635,000)	$ 15,645,000	$ 1,715,000
Original issue premium	265,917	-	(46,942)	218,975	-
Bonds payable, net	17,545,917	-	(1,681,942)	15,863,975	1,715,000
Note payable	3,707,085	305,751	(14,513)	3,998,323	89,080
Compensated absences	353,924	566,541	(592,793)	327,672	327,672
Net pension liability	4,040,692	1,303,912	(1,732,925)	3,611,679	-
Business-type activity Long-term liabilities	$ 25,647,618	$ 2,176,204	$ (4,022,173)	$ 23,801,649	$ 2,131,752

For governmental funds, compensated absences and the net pension liability are liquidated by the General Fund. The City estimates the current portion of compensated absences based on historical trends of usage by employees.

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

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

	Series 2006		
Year Ending December 31,	Principal	Interest	Total
2016	$ 700,000	$ 141,150	$ 841,150
2017	760,000	106,150	866,150
2018	815,000	75,750	890,750
2019	875,000	35,000	910,000
Total	$ 3,150,000	$ 358,050	$ 3,508,050

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:

	Series 2003		
Year Ending December 31,	Principal	Interest	Total
2016	$ 600,000	$ 66,600	$ 666,600
2017	625,000	42,500	667,500
2018	440,000	17,600	457,600
Total	$ 1,665,000	$ 126,700	$ 1,791,700

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.

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

	Series 2006		
Year Ending December 31,	Principal	Interest	Total
2016	$ 1,115,000	$ 654,163	$ 1,769,163
2017	1,170,000	598,413	1,768,413
2018	1,230,000	539,913	1,769,913
2019	1,290,000	478,413	1,768,413
2020	1,355,000	413,913	1,768,913
2021-2025	7,820,000	1,028,726	8,848,726
Total	$ 13,980,000	$ 3,713,541	$ 17,693,541

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, 2015, the outstanding amount of bonds considered defeased is as follows:

Series 2000 General Obligation Bonds	$ 3,085,000
Series 2001 Revenue Bonds, Refunded by Series 2006	13,685,000

Capital Leases. In August 2013, the City entered into a lease agreement as lessee with a financial institution to finance the acquisition of a fire truck in the amount of $332,472. As the ownership of the fire truck transfers to the City at the conclusion of the lease it is considered a capital lease for financial reporting purposes. The lease bears interest at 2.11% and annual payments in the amount of $115,182 began in June 2014 and conclude in June 2016.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued). In October 2013, the City entered into a lease agreement as lessee with a financial institution to finance the acquisition of several vehicles for the City's police department in the amount of $439,913. As the ownership of each vehicle transfers to the City at the conclusion of the lease it is considered a capital lease for financial reporting purposes. The lease bears interest at 1.63% and annual payments in the amount of $151,444 began in October 2014 and conclude in October 2016.

The City's total debt service requirements to maturity on its capital leases are as follows:

	Governmental Activities
Year Ending December 31,	
2016	$ 266,626
Total minimum lease payments	266,626
Less amount representing interest	4,835
Present value of future minimum lease payments	$ 261,791

The original cost of the City's assets under capital lease arrangements at December 31, 2015 is $800,832 and there has been $196,065 of accumulated depreciation as of year-end. The expense resulting from amortization of these assets is included with depreciation expense.

Notes Payable. The City has incurred debt to the Georgia Environmental Finance Authority (GEFA) for construction of various water and sewer system improvement projects, repayment of which commenced in November 2015. The note bears interest at 3.89% and is due in equal monthly installments of $15,753 until it matures on October 1, 2035. Debt service requirements to maturity on this note payable to GEFA are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	$ 89,080	$ 99,956	$ 189,036
2017	92,607	96,429	189,036
2018	96,275	92,761	189,036
2019	100,088	88,948	189,036
2020	104,050	84,986	189,036
2021-2025	585,424	359,756	945,180
2026-2030	710,892	234,288	945,180
2031-2035	831,695	81,976	913,671
Total	$ 2,610,111	$ 1,139,100	$ 3,749,211

NOTE 7. LONG-TERM DEBT (CONTINUED)

In August 2013 the City executed a Water Conservation Loan with GEFA that will allow the City to borrow up to $2,000,000 to replace approximately 7,000 water meters with new automated meter reading technology. As of December 31, 2015, the City's note, which has an outstanding principal balance of $1,388,212, is still in the construction phase and final repayment terms will be determined upon completion of the projects and receipt of the final draw on the note. Interest accrues at 0.50%.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2015 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Utilities Fund	$ 326,641
General Fund	Solid Waste Fund	124,574
General Fund	GUTA Fund	10,815
Solid Waste Fund	Utilities Fund	272,604
Utilities Fund	General Fund	712,966
Utilities Fund	GUTA Fund	51,104
		$ 1,498,704

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

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

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Utilities Fund	$ 1,652,066
General Fund	Solid Waste Fund	229,268
		$ 1,881,334
SPLOST Fund	Utilities Fund	$ 37,745
Solid Waste Fund	SPLOST Fund	$ 238,931
Nonmajor governmental funds	General Fund	$ 818,400

Transfers were used to: (1) use unrestricted revenues collected in the Utilities and Solid Waste Funds to finance various programs accounted for in other funds; (2) to move required local matching dollars from the Utilities Fund to the SPLOST Fund where the project and related grant revenues are being recorded; and (3) to transfer SPLOST funds to the Solid Waste Fund for the purchase of vehicles and equipment in accordance with the voter approved referendum.

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Monroe Retirement Plan) covering all full-time employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to 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.

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend, from time to time, the benefits provided and the contribution rates of the City and its employees. 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 at www.gmanet.com or 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.

Plan membership. As of July 1, 2015, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	76
Terminated vested participants not yet receiving benefits	62
Active employees - vested	165
Active employees - nonvested	39
Total	342

Contributions. 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, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of Plan members, as determined by the City Council. For the year ended December 31, 2015, the City's contribution rate was 17.70% of annual payroll and contributions to the Plan totaled $1,472,825. Currently, Plan members do not contribute although some participants still have contributions remaining in the Plan.

Net Pension Liability of the City

Effective January 1, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. These new standards significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

The City's net pension liability was measured as of March 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2015.

Actuarial assumptions. The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.25%
Salary increases	3.75% - 8.25%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates for the July 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2015 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	50%	5.95%
International equity	15%	6.45
Fixed income	25%	1.55
Real estate	10%	3.75
Cash	—%	
Total	100%	

* Rates shown are net of the 3.25% assumed rate of inflation

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended December 31, 2015 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/14	$ 22,873,876	$ 15,008,961	$ 7,864,915
Changes for the year:			
Service cost	535,685	-	535,685
Interest	1,734,555	-	1,734,555
Differences between expected and actual experience	261,577	-	261,577
Assumption Changes	(381,710)	-	(381,710)
Contributions—employer	-	1,498,029	(1,498,029)
Contributions—employee	-	38,115	(38,115)
Net investment income	-	1,473,880	(1,473,880)
Benefit payments, including refunds of employee contributions	(985,044)	(985,044)	-
Administrative expense	-	(24,874)	24,874
Other changes	-	-	-
Net changes	1,165,063	2,000,106	(835,043)
Balances at 12/31/15	$ 24,038,939	$ 17,009,067	$ 7,029,872

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 10,027,190	$ 7,029,872	$ 4,524,709

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 March 31, 2015 and the current sharing pattern of costs between employer and employee.

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NOTE 9. PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the City recognized pension expense of $991,330. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 209,260	$ -
Changes in assumptions	-	305,368
Net difference between projected and actual earnings on pension plan investments	-	232,236
City contributions subsequent to the measurement date	1,104,619	-
Total	$ 1,313,879	$ 537,604

City contributions subsequent to the measurement date of $1,104,619 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2016	$ (82,086)
2017	(82,086)
2018	(82,086)
2019	(82,086)
Total	$ (328,344)

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.

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.

NOTE 12. RISK MANAGEMENT (CONTINUED)

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
2015	$ 300,561	$ 1,757,139	$ 1,467,023	$ 590,677
2014	205,939	1,412,109	1,317,487	300,561

The ending claims liability is expected to be paid during 2016 and, therefore, has been classified as a current liability.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Agreements with the Municipal Electric Authority of Georgia:

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

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Electric Authority of Georgia (Continued):

As of December 31, 2015, 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 $12,041,850 in 2015.

At December 31, 2015, the outstanding debt of MEAG was approximately $6.8 billion. The City's guarantee varies by individual projects undertaken by MEAG and as of December 31, 2015 totals approximately $110.7 million.

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 $1,415,790 in 2015.

At December 31, 2015, the outstanding debt of MGAG was approximately $267.2 million. The City’s guarantee varies by individual projects undertaken by MGAG and totals approximately $3.1 million at December 31, 2015.

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grant Contingencies:

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

Contractual Commitments:

As of December 31, 2015, the City has contractual commitments on uncompleted contracts of $113,210 primarily for infrastructure improvements to its highways and streets as well as to its utilities system.

Litigation:

The City is a defendant is various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 14. HOTEL/MOTEL LODGING TAX

The City imposes a 5% hotel/motel tax on lodging facilities within the City. Revenues were $40,023 for the year ended December 31, 2015. Of this amount, 100%, or $40,023, was expended for the promotion of tourism.

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 9, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* effective January 1, 2015. This new standard significantly changed the City's accounting for pension amounts.

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

As a result of this change in accounting principle, the City was required to restate beginning net position of governmental activities, business-type activities, the Utilities Fund, and the Solid Waste Fund as illustrated below:

Beginning net position, governmental activities, as previously reported	$ 20,268,684
City's net pension liability, beginning balance	(3,824,223)
Deferred outflows of resources, pension related items, beginning balance	549,461
Beginning net position, governmental activities, restated	$ 16,993,922

Beginning net position, business-type activities, as previously reported	$ 67,043,360
Restatement to Utilities Fund, as shown below	(2,842,252)
Restatement to Solid Waste Fund, as shown below	(617,878)
Beginning net position, business-type activities, restated	$ 63,583,230

Beginning net position, Utilities Fund, as previously reported	$ 65,390,049
City's net pension liability, beginning balance	(3,319,143)
Deferred outflows of resources, pension related items, beginning balance	476,891
Beginning net position, Utilities Fund, restated	$ 62,547,797

Beginning net position, Solid Waste Fund, as previously reported	$ 1,303,102
City's net pension liability, beginning balance	(721,549)
Deferred outflows of resources, pension related items, beginning balance	103,671
Beginning net position, Solid Waste Fund, restated	$ 685,224

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MONROE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

		2015
Total pension liability		
Service cost	$	535,685
Interest on total pension liability		1,734,555
Differences between expected and actual experience		261,577
Changes of assumptions		(381,710)
Benefit payments, including refunds of employee contributions		(985,044)
Net change in total pension liability		1,165,063
Total pension liability - beginning		22,873,876
Total pension liability - ending (a)	$	24,038,939
Plan fiduciary net position		
Contributions - employer	$	1,498,029
Contributions - employee		38,115
Net investment income		1,473,880
Benefit payments, including refunds of member contributions		(985,044)
Administrative expenses		(24,874)
Net change in plan fiduciary net position		2,000,106
Plan fiduciary net position - beginning		15,008,961
Plan fiduciary net position - ending (b)	$	17,009,067
City's net pension liability - ending (a) - (b)	$	7,029,872
Plan fiduciary net position as a percentage of the total pension liability		70.76%
Covered-employee payroll	$	8,915,059
City's net pension liability as a percentage of covered-employee payroll		78.85%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF MONROE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2015	2014
Actuarially determined contribution	$ 1,472,825	$ 1,506,697
Contributions in relation to the actuarially determined contribution	1,472,825	1,506,697
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	$ 8,319,435	$ 8,850,160
Contributions as a percentage of covered-employee payroll	17.70%	17.02%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2014
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.75% - 8.75% (including 3.25% for inflation)
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

(2) The schedule will present 10 years of information once it is accumulated.

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 – This fund is used 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.

CITY OF MONROE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue Funds		
ASSETS	Forfeited Drug Fund	Hotel/Motel Tax Fund	Debt Service Fund
Cash and cash equivalents	$ 64,674	$ 4,999	$ 116
Taxes receivable	-	3,372	-
Total assets	$ 64,674	$ 8,371	$ 116
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 24,060	$ -	$ -
Total liabilities	24,060	-	-
FUND BALANCES			
Restricted:			
Law enforcement	40,614	-	-
Debt service	-	-	116
Capital projects	-	-	-
Tourism	-	8,371	-
Total fund balances	40,614	8,371	116
Total liabilities and fund balances	$ 64,674	$ 8,371	$ 116

Capital Projects Funds		Total
GO Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds
$ 125,220	$ 2,740	$ 197,749
-	-	3,372
$ 125,220	$ 2,740	$ 201,121
$ -	$ -	$ 24,060
-	-	24,060
-	-	40,614
-	-	116
125,220	2,740	127,960
-	-	8,371
125,220	2,740	177,061
$ 125,220	$ 2,740	$ 201,121

CITY OF MONROE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds		
	Forfeited Drug Fund	Hotel/Motel Tax Fund	Debt Service Fund
REVENUES			
Taxes	$ -	$ 40,023	$ -
Fines and forfeitures	89,383	-	-
Total revenues	89,383	40,023	-
EXPENDITURES			
Current			
Public safety	94,447	-	-
Housing and development	-	44,291	-
Capital outlay	-	-	-
Debt service			
Principal retirements	-	-	645,000
Interest	-	-	173,400
Total expenditures	94,447	44,291	818,400
Deficiency of revenues over expenditures	(5,064)	(4,268)	(818,400)
OTHER FINANCING SOURCES			
Transfers in	-	-	818,400
Total other financing sources	-	-	818,400
Net change in fund balances	(5,064)	(4,268)	-
FUND BALANCES, beginning of year	45,678	12,639	116
FUND BALANCES, end of year	$ 40,614	$ 8,371	$ 116

Capital Projects Funds		Total
GO Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds
$ -	$ -	$ 40,023
-	-	89,383
-	-	129,406
-	-	94,447
-	-	44,291
3,369	-	3,369
-	-	645,000
-	-	173,400
3,369	-	960,507
(3,369)	-	(831,101)
-	-	818,400
-	-	818,400
(3,369)	-	(12,701)
128,589	2,740	189,762
$ 125,220	$ 2,740	$ 177,061

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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines & forfeitures	$ 54,000	$ 54,000	$ 89,383	$ 35,383
Total revenues	54,000	54,000	89,383	35,383
EXPENDITURES				
Public safety	54,000	54,000	94,447	(40,447)
Net change in fund balances	-	-	(5,064)	(5,064)
FUND BALANCES, beginning of year	45,678	45,678	45,678	-
FUND BALANCES, end of year	$ 45,678	$ 45,678	$ 40,614	$ (5,064)

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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 25,000	$ 25,000	$ 40,023	$ 15,023
EXPENDITURES				
Housing and development	25,000	25,000	44,291	(19,291)
Net change in fund balances	-	-	(4,268)	(4,268)
FUND BALANCES, beginning of year	12,639	12,639	12,639	-
FUND BALANCES, end of year	$ 12,639	$ 12,639	$ 8,371	$ (4,268)

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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES				
Debt service				
Principal retirements	$ 645,000	$ 645,000	$ 645,000	$ -
Interest	173,400	173,400	173,400	-
Total expenditures	818,400	818,400	818,400	-
Deficiency of revenues over expenditures	(818,400)	(818,400)	(818,400)	-
OTHER FINANCING SOURCES				
Transfers in	818,400	818,400	818,400	-
Total other financing sources	818,400	818,400	818,400	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	116	116	116	-
FUND BALANCES, end of year	$ 116	$ 116	$ 116	$ -

CITY OF MONROE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE YEAR ENDED DECEMBER 31, 2015

Project	Original and Current Estimated Cost	Prior Year	Current Year	Total
SPLOST - 2007 SERIES				
Transportation, drainage and sidewalks	$ 9,136,000	$ 7,374,051	$ -	$ 7,374,051
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	$ 7,374,051	$ -	$ 7,374,051
SPLOST - 2013 SERIES				
Transportation, drainage and sidewalks	$ 5,900,000	$ 718,079	$ 191,250	$ 909,329
Public safety improvements	1,200,000	839,806 (1)	9,529	849,335
Solid waste improvements	2,100,000	124,920	238,931	363,851
	$ 9,200,000	$ 1,682,805	$ 439,710	$ 2,122,515
Total 2007 and 2013 SPLOST			$ 439,710	
Expenditures funded by intergovernmental revenues and transfers in			864,660	
Principal payments on capital leases used to acquire assets in prior years			257,070	
Total SPLOST Fund expenditures for year ended December 31, 2015			$ 1,561,440	

(1) The City has corrected the amount reported as prior year expenditures for the public safety improvements line item. The amount reported in the prior year improperly included principal payments on capital leases that were used to acquire assets in previous years. The costs to acquire these assets were reported at the time they were purchased.

COMPONENT UNITS

CITY OF MONROE, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	18,685
Payments to suppliers		(88,159)
Net cash used in operating activities		(69,474)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Tax receipts		15,000
Other nonoperating receipts		58,318
Net cash provided by non-capital financing activities		73,318
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		55
Net cash provided by investing activities		55
Net increase in cash		3,899
Cash, beginning of year		61,372
Cash, end of year	$	65,271
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(65,214)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Change in assets and liabilities:		
Decrease in accounts payable		(4,260)
Net cash used in operating activities	$	(69,474)

CITY OF MONROE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
DECEMBER 31, 2015

ASSETS	
Cash	$ 16,336
Total assets	$ 16,336
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 678
Total liabilities	678
FUND BALANCE	
Restricted - tourism	15,658
Total liabilities and fund balance	$ 16,336

CITY OF MONROE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUES	
Taxes	$ 44,291
Miscellaneous	194
Total revenues	44,485
EXPENDITURES	
Tourism	34,932
Total expenditures	34,932
Net change in fund balance	9,553
FUND BALANCE, beginning of year	6,105
FUND BALANCE, end of year	$ 15,658

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 **68**

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 **76**

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

Debt Capacity **89**

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 **94**

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 **96**

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.

CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	**$ 16,304,765**	$ 15,731,687	$ 15,194,056	$ 16,120,259	$ 16,815,773	$ 17,638,965	$ 18,072,719	$ 18,777,190	$ 18,830,133	$ 17,937,677
Restricted for law enforcement	**40,614**	45,678	26,451	14,005	21,615	40,435	38,796	44,239	44,756	31,437
Restricted for debt service	**83,893**	86,421	68,524	80,597	148,229	93,945	190,629	180,283	163,098	157,092
Restricted for capital projects	**4,248,927**	2,009,916	1,487,470	239,688	134,638	134,619	134,394	163,852	440,587	926,939
Restricted for tourism	**8,371**	12,639	8,510	-	-	-	-	-	-	-
Unrestricted	**(787,256)**	2,382,343	2,193,503	1,304,317	744,013	1,464,994	1,638,318	1,785,632	2,406,009	2,197,425
Total governmental activities net position	**$ 19,899,314**	$ 20,268,684	$ 18,978,514	$ 17,758,866	$ 17,864,268	$ 19,372,958	$ 20,074,856	$ 20,951,196	$ 21,884,583	$ 21,250,570
Business-type activities										
Net investment in capital assets	**$ 51,299,882**	$ 49,699,327	$ 48,731,409	$ 48,358,364	$ 48,016,934	$ 46,398,368	$ 45,584,606	$ 48,383,571	$ 48,532,376	$ 47,035,378
Restricted for debt service	**215,898**	215,898	215,898	221,200	274,045	316,073	309,721	230,896	235,771	231,506
Restricted for capital projects	**8,383,507**	15,244,250	12,615,279	11,666,917	9,800,800	9,523,530	7,782,254	4,359,447	4,483,876	3,239,488
Unrestricted	**9,252,608**	1,883,885	1,338,458	106,205	2,594,956	2,821,904	3,463,071	1,706,696	1,816,385	1,890,394
Total business-type activities net position	**$ 69,151,895**	$ 67,043,360	$ 62,901,044	$ 60,352,686	$ 60,686,735	$ 59,059,875	$ 57,139,652	$ 54,680,610	$ 55,068,408	$ 52,396,766
Primary government										
Net investment in capital assets	**$ 67,604,647**	$ 65,431,014	$ 63,925,465	$ 64,478,623	$ 64,832,707	$ 64,037,333	$ 63,657,325	$ 67,160,761	$ 67,362,509	$ 57,515,398
Restricted for law enforcement	**40,614**	45,678	26,451	14,005	21,615	40,435	38,796	44,239	44,756	31,437
Restricted for debt service	**299,791**	302,319	284,422	301,797	422,274	410,018	500,350	411,179	398,869	388,598
Restricted for capital projects	**12,632,434**	17,254,166	14,102,749	11,906,605	9,800,800	9,523,530	7,782,254	4,359,447	4,483,876	3,239,488
Restricted for tourism	**8,371**	12,639	8,510	-	-	-	-	-	-	-
Unrestricted	**8,465,352**	4,266,228	3,531,961	1,410,522	3,338,969	4,286,898	5,101,389	3,492,328	4,222,394	4,087,819
Total primary government net position	**$ 89,051,209**	$ 87,312,044	$ 81,879,558	$ 78,111,552	$ 78,416,365	$ 78,298,214	$ 77,080,114	$ 75,467,954	$ 76,512,404	$ 65,262,740

CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	**$ 1,497,183**	$ 1,355,733	$ 1,386,060	$ 1,424,993	$ 1,417,361	$ 1,472,876	$ 1,455,946	$ 1,256,230	$ 1,201,330	$ 1,694,194 (2)
Judicial	**112,734**	97,474	91,707	96,201	103,077	123,640	104,591	86,259	76,621	101,795
Public safety	**5,282,765**	5,327,544	4,953,432	5,315,309	5,246,043	5,299,486	4,996,201	5,149,446	4,905,576	4,584,679
Public works	**2,608,923**	2,876,346	2,900,831	3,828,463	3,677,625	3,480,863	3,843,201	3,903,485	2,981,950	2,179,824
Health and welfare	**16,296**	13,571	12,010	15,638	11,555	16,530	14,904	8,756	18,514	9,674
Culture and recreation	**382,685**	389,091	418,912	485,611	441,207	428,110	379,755	364,677	366,993	328,177
Housing and development	**755,074**	541,373	483,185	568,750	518,594	491,352	456,953	546,277	474,499	345,994
Interest on long-term debt	**178,624**	208,995	222,051	245,921	266,783	284,722	300,072	313,270	324,998	340,523
Total governmental activities expenses	**10,834,284**	10,810,127	10,468,188	11,980,886	11,682,245	11,597,579	11,551,623	11,628,400	10,350,481	9,584,860
Business-type activities:										
Utilities	**29,794,440**	30,534,057	29,840,533	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
Solid Waste	**3,851,963**	3,604,884	4,189,968	4,334,093	4,554,533	4,819,518	4,371,576	3,600,554	3,329,996	3,489,003
GUTA	**79,193**	54,165	45,617	48,989	41,179	53,699	-	-	-	-
Total business-type activities expenses	**33,725,596**	34,193,106	34,076,118	34,801,158	34,171,683	33,393,687	32,627,740	34,577,600	32,716,041	34,018,269
Total primary government expenses	**$ 44,559,880**	$ 45,003,233	$ 44,544,306	$ 46,782,044	$ 45,853,928	$ 44,991,266	$ 44,179,363	$ 46,206,000	$ 43,066,522	$ 43,603,129
Program Revenues										
Governmental activities:										
Charges for services:										
General government	**$ 702,850**	$ 711,630	$ 739,038	$ 603,191	$ 646,816	$ 549,883	$ 524,931	$ 594,914	$ 595,072 (4)	$ 310,339 (1)
Judicial	**405,299**	408,191	455,532	342,480	509,174	461,730	464,820	503,899	467,927	331,732 (1)
Public safety	**125,489**	97,188	77,546	46,638	82,798	57,119	58,667	78,890	64,580	23,579 (1)
Public works	**35,930**	31,530	22,471	39,805	13,810	15,380	11,470	19,788	12,470	17,680
Health and welfare	**-**	-	-	-	-	-	-	-	-	-
Culture and recreation	**8,785**	12,313	12,313	2,775	1,775	1,650	875	2,000	1,065	1,225
Housing and development	**212,784**	70,504	126,510	43,724	-	-	-	-	-	- (1)
Operating grants and contributions	**182,306**	74,634	73,074	377,316	187,652	334,014	125,117	108,675	107,712	86,254
Capital grants and contributions	**3,907,075**	2,255,155	1,880,433	1,121,183	1,006,495	1,316,349	236,642	282,814	911,483	2,874,695 (2)
Total governmental activities program revenues	**5,580,518**	3,661,145	3,386,917	2,577,112	2,448,520	2,736,125	1,422,522	1,590,980	2,160,309	3,645,504
Business-type activities:										
Charges for services:										
Utilities	**35,898,925**	35,424,676	33,267,174	31,737,327	31,714,571	30,822,621 (7)	30,583,031 (7)	31,443,996	31,538,917 (5)	33,310,694
Solid Waste	**4,413,332**	4,207,418	4,402,965	4,481,351	4,848,063	5,136,546 (8)	4,689,342 (8)	3,645,200	3,286,002	3,248,198
GUTA	**73,468**	36,965	56,992	61,133	21,535	15,460 (9)	-	-	-	-
Operating grants and contributions	**-**	-	-	-	-	-	-	-	-	-
Capital grants and contributions	**512,575**	489,720	492,841	1,066,897	1,211,082	651,018	481,350	258,931 (6)	1,481,998	716,201 (3)
Total business-type activities program revenues	**40,898,300**	40,158,779	38,219,972	37,346,708	37,795,251	36,625,645	35,753,723	35,348,127	36,306,917	37,275,093
Total primary government program revenues	**$ 46,478,818**	$ 43,819,924	$ 41,606,889	$ 39,923,820	$ 40,243,771	$ 39,361,770	$ 37,176,245	$ 36,939,107	$ 38,467,226	$ 40,920,597

(continued)

CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (expense)/revenue										
Governmental activities	**$ (5,253,766)**	$ (7,148,982)	$ (7,081,271)	$ (9,403,774)	$ (9,233,725)	$ (8,861,454)	$ (10,129,101)	$ (10,037,420)	$ (8,190,172)	$ (5,939,356)
Business-type activities	**7,172,704**	5,965,673	4,143,854	2,545,550	3,623,568	3,231,958	3,125,983	770,527	3,590,876	3,256,824
Total primary government net (expense) revenue	**$ 1,918,938**	$ (1,183,309)	$ (2,937,417)	$ (6,858,224)	$ (5,610,157)	$ (5,629,496)	$ (7,003,118)	$ (9,266,893)	$ (4,599,296)	$ (2,682,532)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	**$ 3,158,414**	$ 3,216,546	$ 3,254,266	$ 2,931,008	$ 2,865,418	$ 2,987,370	$ 2,957,251	$ 3,058,767	$ 2,950,804	$ 2,686,312
Sales taxes	**2,049,892**	2,050,222	1,944,524	2,227,932	2,141,501	2,140,642	3,714,049	3,828,681	3,892,735	2,390,642
Franchise taxes	**282,669**	263,862	281,939	220,358	240,578	241,805	224,043	197,159	252,451	263,886
Other taxes	**898,936**	852,020	815,235	788,216	753,374	736,234	760,134	773,845	750,143	718,778
Unrestricted investment earnings	**-**	-	-	-	130	1,751	5,913	26,652	60,448	108,567
Miscellaneous	**89,099**	164,450	276,084	205,930	229,369	347,464	255,658	138,700	112,459	101,300
Gain on sale of capital assets	**-**	25,051	101,227	6,823	-	-	7,709	24,247	21,649	23,593
Transfers	**1,680,148**	1,867,001	1,627,644	2,918,105	1,682,370	1,704,065	1,357,462	1,332,717	1,269,848	1,433,043
Total governmental activities	**8,159,158**	8,439,152	8,300,919	9,298,372	7,912,740	8,159,331	9,282,219	9,380,768	9,310,537	7,726,121
Business-type activities:										
Investment earnings	**76,109**	43,644	32,148	38,506	61,067	72,110	87,161	172,734	331,500	213,843
Gain on sale of capital assets	**-**	-	-	-	-	320,220	603,360 (7)	1,658	19,114	-
Transfers	**(1,680,148)**	(1,867,001)	(1,627,644)	(2,918,105) (10)	(1,682,370)	(1,704,065)	(1,357,462)	(1,332,717)	(1,269,848)	(1,433,043)
Total business-type activities	**(1,604,039)**	(1,823,357)	(1,595,496)	(2,879,599) (10)	(1,621,303)	(1,311,735)	(666,941)	(1,158,325)	(919,234)	(1,219,200)
Total primary government	**$ 6,555,119**	$ 6,615,795	$ 6,705,423	$ 6,418,773	$ 6,291,437	$ 6,847,596	$ 8,615,278	$ 8,222,443	$ 8,391,303	$ 6,506,921
Change in Net Position										
Governmental activities	**$ 2,905,392**	$ 1,290,170	$ 1,219,648	$ (105,402)	$ (1,320,985)	$ (702,123)	$ (846,882)	$ (656,652)	$ 1,120,365	$ 1,786,765
Business-type activities	**5,568,665**	4,142,316	2,548,358	(334,049) (10)	2,002,265	1,920,223	2,459,042	(387,798)	2,671,642	2,037,624
Total primary government	**$ 8,474,057**	$ 5,432,486 (12)	$ 3,768,006 (11)	$ (439,451)	$ 681,280	$ 1,218,100	$ 1,612,160	$ (1,044,450)	$ 3,792,007	$ 3,824,389

(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 accounting 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.

(11) The City eliminated several positions city wide and redesigned health insurance benefits contributing to in an increase in net position which is in line with historic trends.

(12) Utility rates were restructured coupled with an increase in telecommunication customer base.

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
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
2013	3,254,266	1,944,524	281,939	815,235	6,295,964
2014	3,216,546	2,050,222	263,862	852,020	6,382,650
2015	**3,158,414**	**2,049,892**	**282,669**	**898,936**	**6,389,911**

(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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund										
Nonspendable	**$ 79,697**	$ 93,464	$ 524,692	$ 565,569	$ 541,999 (1)	$ 487,204	$ 360,414	$ 614,722	$ 610,247	$ 661,158
Restricted	**197,243**	199,305	68,408	185,354	147,833	93,280	190,227	179,673	162,507	143,644
Assigned	**10,359**	5,209	2,800	275	272	3,142	-	-	-	-
Unassigned	**2,570,778**	2,607,515 (7)	1,907,321 (5)	969,763 (4)	498,956 (2)	802,954	1,041,342	957,494	1,156,514	1,017,728
Total general fund	**$ 2,858,077**	$ 2,905,493	$ 2,503,221	$ 1,720,961	$ 1,189,060	$ 1,386,580	$ 1,591,983	$ 1,751,889	$ 1,929,268	$ 1,822,530
Other governmental funds										
Nonspendable	**$ -**	$ -	$ 329,445	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	**4,171,207**	1,955,349	1,522,547 (6)	148,936 (3)	156,649 (3)	153,141	156,703	64,137	745,525	824,611
Assigned	**-**	-	-	5,130	2,363	2,157	4,123	5,948	6,678	43,204
Total nonmajor governmental funds	**$ 4,171,207**	$ 1,955,349	$ 1,851,992	$ 154,066	$ 159,012	$ 155,298	$ 160,826	$ 70,085	$ 752,203	$ 867,815

(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 other 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.
(5) The increase in unassigned fund balance of the general fund was due to a change in health insurance benefits.
(6) The increase in restricted fund balance of the other governmental funds was due to an increase in cash in the SPLOST Fund.
(7) The increase in unassigned fund balance of the general fund was due to the advance from solid waste, shown in non spendable prior years being repaid.

CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	**$ 6,502,341**	$ 6,348,447	$ 6,325,445	$ 6,108,042	$ 6,281,497	$ 6,123,772 (5)	$ 7,699,696	$ 7,649,019	$ 7,718,946 (2)	$ 6,154,877
Licenses and permits	**122,927**	138,792	196,760	111,449	180,880	133,385	115,645	172,791	179,757	303,400
Intergovernmental	**3,974,481**	2,064,479	1,953,507	1,498,499	1,182,147	1,224,363 (6)	307,309	252,935	716,836	2,129,920
Fines and forfeitures	**494,682**	488,314	514,691	371,711	554,003	500,670	504,874	565,637	509,974	337,512
Charges for services	**676,607**	690,311	710,246	595,453	497,875	451,707	437,664	456,636	446,792	38,459
Interest income	**-**	-	-	-	130	1,751	5,913	26,652	60,448	92,654
Miscellaneous	**336,449**	176,163	241,020	205,930	229,369	347,464	258,238	143,127	117,050	106,484
Total revenues	**12,107,487**	9,906,506	9,941,669	8,891,084	8,925,901	8,783,112	9,329,339	9,266,797	9,749,803	9,163,306
Expenditures										
General government	**1,508,238**	1,212,677	1,136,495	1,205,908	1,146,185	1,227,762	1,201,703	1,075,790	1,094,922	1,602,150
Judicial	**115,074**	97,474	91,707	96,201	103,077	123,640	104,591	86,259	82,684	95,732
Public safety	**5,186,269**	5,036,599	4,753,252	5,238,938	5,198,818	5,126,640	4,916,959	4,900,123	4,899,432	4,282,047
Public works	**1,889,017**	1,916,788	1,968,151	2,879,181	2,697,704	2,383,556	2,990,673	2,725,633 (3)	1,833,370	2,142,527
Health and welfare	**16,296**	13,571	12,010	15,638	11,555	16,530	14,904	8,756	18,514	9,674
Culture and recreation	**396,114**	364,867	393,915	437,876	392,804	427,526	348,115	321,178	331,981	297,433
Housing and development	**633,359**	561,720	483,288	569,341	513,349	490,840	454,176	544,849	500,377	330,822
Intergovernmental		-	-	-	-	138,907 (7)	-	-	-	-
Capital outlay	**789,827**	1,035,642	445,571	128,408	66,479	121,027	118,346 (4)	1,234,861 (4)	1,942,400	2,343,884
Debt service										
Principal retirements	**902,070**	838,524	525,000	470,000	410,000	355,000	310,000	270,000	230,000	200,000
Interest and fiscal charges	**182,929**	215,725	228,877	252,103	272,265	289,482	304,208	316,897	317,062	464,145
Total expenditures	**11,619,193**	11,293,587	10,038,266	11,293,594	10,812,236	10,700,910	10,763,675	11,484,346	11,250,742	11,768,414
Excess of revenues over (under) expenditures	**488,294**	(1,387,081)	(96,597)	(2,402,510)	(1,886,335)	(1,917,798)	(1,434,336)	(2,217,549)	(1,500,939)	(2,605,108)

(Continued)

CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	**-**	-	772,385	-	-	-	-	-	-	-
Proceeds from sale of capital assets	**-**	25,709	176,754	11,360	10,159	2,802	7,709	25,335	51,100	55,865
Transfers in	**2,737,479**	2,659,802	2,506,264	3,640,105 (8)	2,390,995	2,458,316	2,097,121	2,187,399	2,180,769	2,372,834
Transfers out	**(1,057,331)**	(792,801)	(878,620)	(722,000)	(708,625)	(754,251)	(739,659)	(854,682)	(739,804)	(939,791)
Total other financing sources (uses)	**1,680,148**	1,892,710	2,576,783	2,929,465	1,692,529	1,706,867	1,365,171	1,358,052	1,492,065	1,600,452
Net change in fund balances	**$ 2,168,442**	$ 505,629	$ 2,480,186 (9)	$ 526,955 (8)	$ (193,806)	$ (210,931)	$ (69,165)	$ (859,497)	$ (8,874)	$ (1,004,656)
Debt service as a percentage of noncapital expenditures	**10.31%**	10.34%	7.89%	6.53%	6.41%	6.14%	5.92%	5.60%	5.88%	7.05%

(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) This includes SPLOST funds and reflects the first full year of projects.
(4) Due to economic conditions the City reduced capital purchases during 2008 and in 2009.
(5) Sales tax decrease in 2010 was due to reduction in the amount of SPLOST collected.
(6) Increase in grant funds.
(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.
(9) Due to decrease in health insurance expense, reduction of employee count along with other cost saving measures.

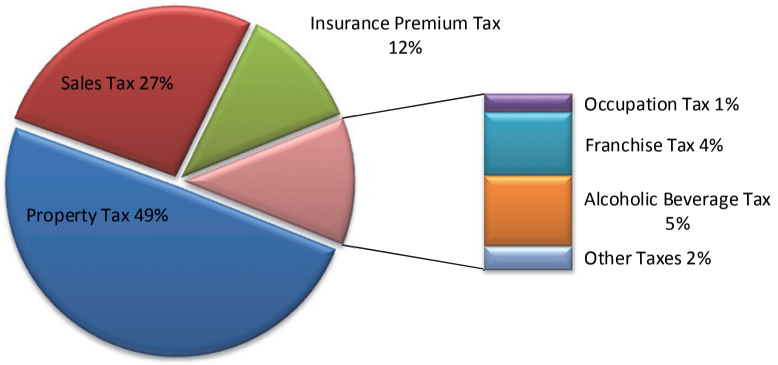
CITY OF MONROE, GEORGIA

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
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
2013	3,226,884 (4)	1,624,397 (5)	79,100	682,662	281,939	320,128	110,335	6,325,445
2014	3,139,290	1,732,915	81,700	712,964	263,862	317,307	100,409	6,348,447
2015	**3,218,624**	**1,734,966**	**84,150**	**761,685**	**282,669**	**314,926**	**105,321**	**6,502,341**

(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.
(4) Property tax increase in 2013 was due to a large abated property becoming taxable.
(5) Sales tax decrease in 2013 was due to the renegotiation of allocation from Walton County.

FOR THE YEAR 2015



CITY OF MONROE, GEORGIA

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

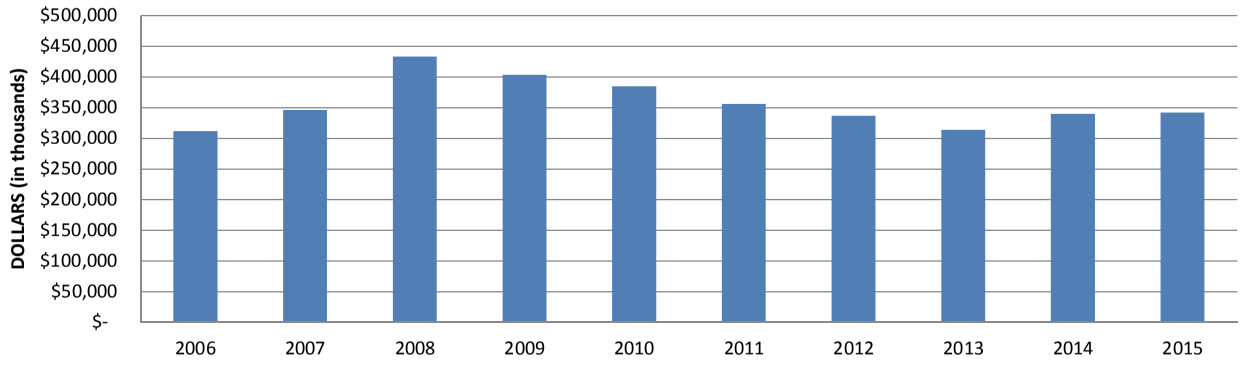
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2006	155,682,204	110,239,548	21,823,918	30,254,207	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%
2013	107,348,542	125,669,505	58,924,814	29,444,826	7,518,692	313,868,995 (3)	8.470	784,672,488	40%
2014	111,572,435	151,640,759	65,604,578	24,586,089	13,654,853 (4)	339,749,008	8.353	849,372,520	40%
2015	**122,503,729**	**149,253,961**	**63,854,238**	**20,097,713**	**13,888,756**	**341,820,885**	**8.115**	**854,552,213**	**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 abatement period for major industry.
(3) Decrease in digest values due to reassessments.
(4) Increase in exempt real property due to Wal-Mart Dist failed to file for freeport exemption

TOTAL TAXABLE ASSESSED VALUE OF PROPERTY



CITY OF MONROE, GEORGIA

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

	City of Monroe, Georgia			Overlapping Rates					
					School District				Total Direct &
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	County	Operating Millage	Debt Service Millage	Total School Millage	State	Overlapping Rates
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
2013	5.971	2.499	8.470	11.928	19.802	3.700	23.502	0.15	44.050
2014	6.017	2.336	8.353	11.773	19.502	3.500	23.002	0.10	43.228
2015	**5.734**	**2.381**	**8.115**	**11.194**	**19.250**	**3.350**	**22.600**	**0.05**	**41.959**

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.

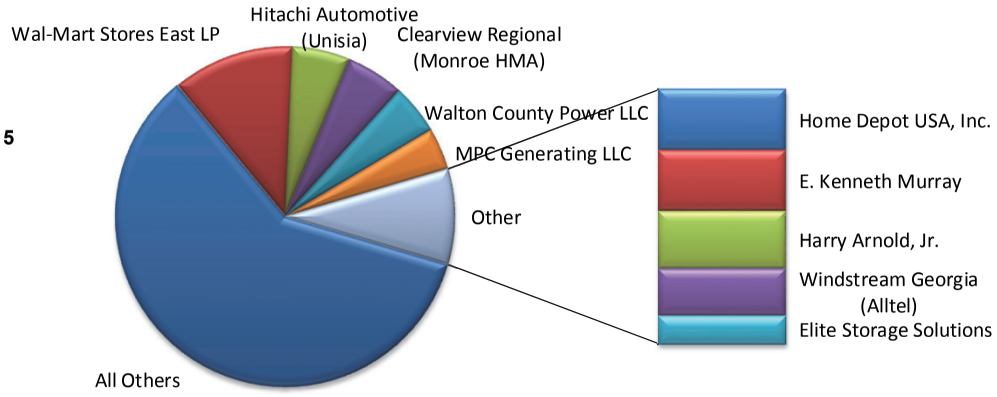
CITY OF MONROE, GEORGIA

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

	2015			2006		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Wal-Mart Stores East LP	$ 39,806	1	11.65 %	$ 16,167	3	5.46 %
Hitachi Automotive (Unisia)	19,033	2	5.57	9,068	4	3.06
Clearview Regional (Monroe HMA)	18,715	3	5.48	3,836	8	1.30
Walton County Power LLC	16,299	4	4.77	30,856	1	10.43
MPC Generating LLC	13,618	5	3.98	24,841	2	8.39
Home Depot USA, Inc.	7,442	6	2.18	4,091	6	1.38
E. Kenneth Murray	7,370	7	2.16			
Harry Arnold, Jr.	7,010	8	2.05			
Windstream Georgia (Alltel)	5,706	9	1.67	5,836	5	1.97
Elite Storage Solutions	3,497	10	1.02			
Walton Ventures, Inc.				4,011	7	1.36
Rowell Family				3,279	9	1.11
Avondale Mills				2,608	10	0.88
Totals	$ 138,496		40.52 %	$ 104,593		35.34 %

Source: City of Monroe Finance Department

FOR THE YEAR 2015

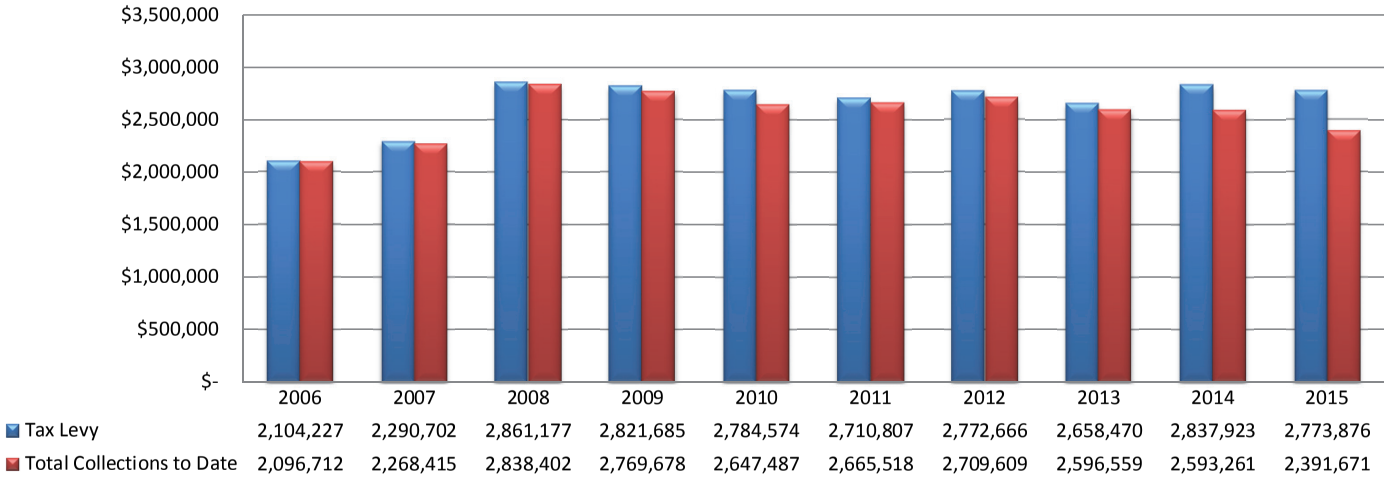


CITY OF MONROE, GEORGIA

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
2006	2,104,227	1,774,313	84.3	322,399	2,096,712	99.6
2007	2,290,702	1,896,608	82.8	371,807	2,268,415	99.0
2008	2,861,177	2,384,167	83.3	454,236	2,838,402	99.2
2009	2,821,685	2,434,128	86.3	335,550	2,769,678	98.2
2010	2,784,574	2,294,092	82.4	353,395	2,647,487	95.1
2011	2,710,807	2,310,988	85.3	354,530	2,665,518	98.3
2012	2,772,666	2,429,276	87.6	280,333	2,709,609	97.7
2013	2,658,470	2,371,648	89.2	224,911	2,596,559	97.7
2014	2,837,923	2,381,738	83.9	211,523	2,593,261	91.4
2015	**2,773,876**	**2,391,671**	**86.2**	**-**	**2,391,671**	**86.2**

TAX LEVY AND COLLECTIONS



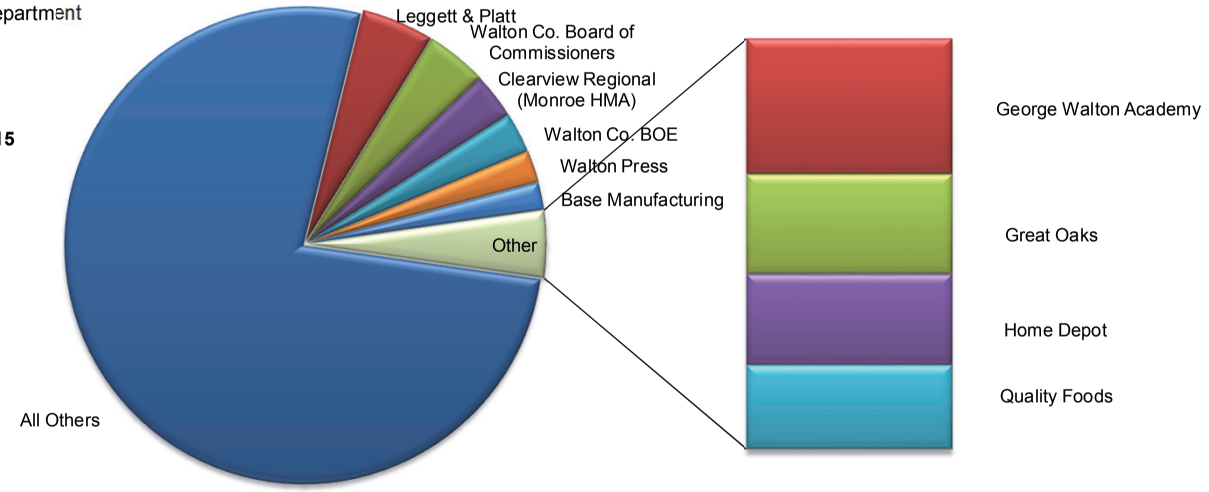
CITY OF MONROE, GEORGIA

TOP TEN ELECTRIC CUSTOMERS
CURRENT AND NINE YEARS AGO

	2015				2006			
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
Leggett & Platt	**10,677**	**$ 800**	**1**	**4.89 %**	8,431	$ 388	4	3.00 %
Walton Co. Board of Commissioners	**6,151**	**679**	**2**	**4.15**	6,676	549	2	4.24
Clearview Regional (Monroe HMA)	**5,061**	**505**	**3**	**3.09**	4,974	415	3	3.21
Walton Co. Board of Education	**3,751**	**445**	**4**	**2.72**	6,049	708	1	5.47
Walton Press	**3,307**	**352**	**5**	**2.15**	1,970	190	7	1.47
Base Manufacturing	**2,768**	**304**	**6**	**1.86**	1,272	164	8	1.27
George Walton Academy	**2,176**	**246**	**7**	**1.50**	2,301	246	5	1.90
Great Oaks	**1,583**	**180**	**8**	**1.10**				
Home Depot	**1,512**	**165**	**9**	**1.01**	2,477	124	10	0.96
Quality Foods	**1,526**	**152**	**10**	**0.93**	1,412	138	9	1.07
Oxford Industries					1,783	203	6	1.57
Totals	**38,512**	**3,828**		**23.40**	37,345	3,125		24.14
All Others	**106,852**	**12,530**		**76.60**	107,390	9,819		**75.86**
Annual Totals	**145,364**	**$ 16,358**		**100.00 %**	144,735	$ 12,944		100.00 %

Source: City of Monroe Utility Department

FOR THE YEAR 2015

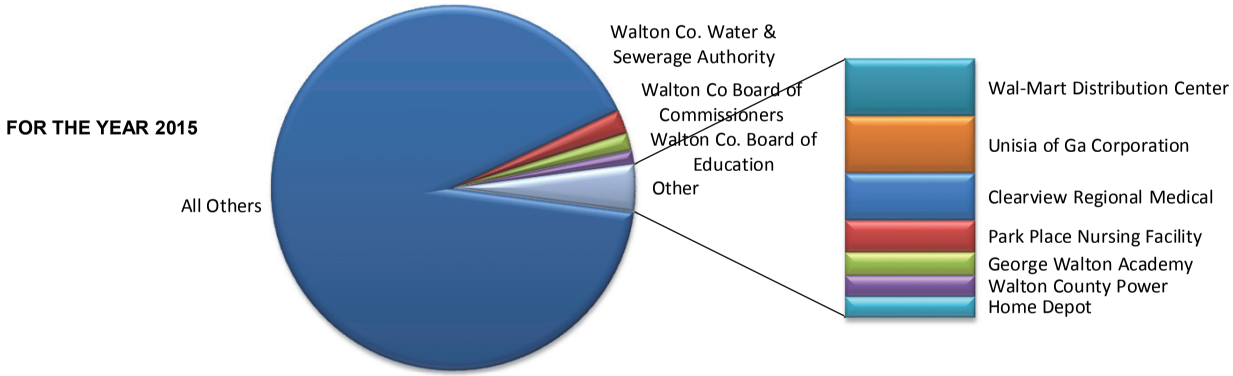


CITY OF MONROE, GEORGIA

TOP TEN WATER CUSTOMERS
CURRENT AND NINE YEARS AGO

	2015				2006			
Customer	Usage in Kgallons	Annual Revenue (in thousands)	Rank	Percentage of Total Revenues	Usage in Kgallons	Annual Revenue (in thousands)	Rank	Percentage of Total Revenues
Walton Co. Water & Sewerage Authority	**52,418**	**$ 89**	**1**	**2.12 %**	584,349	$ 891	1	23.93 %
Walton Co. Board of Commissioners	**9,324**	**66**	**2**	**1.57**	16,003	64	4	1.72
Walton Co. Board of Education	**6,880**	**50**	**3**	**1.19**	16,443	67	3	1.80
Wal-Mart Distribution Center	**8,660**	**39**	**4**	**0.93**	9,739	29	6	0.78
Unisia of Ga Corporation	**7,870**	**39**	**5**	**0.92**				
Clearview Regional Medical	**6,760**	**32**	**6**	**0.76**	29,346	86	2	2.31
Park Place Nursing Facility	**3,288**	**22**	**7**	**0.51**	2,220	10	9	0.27
George Walton Academy	**2,260**	**16**	**8**	**0.37**	4,975	15	7	0.40
Walton County Power	**2,975**	**14**	**9**	**0.34**				
Home Depot	**2,327**	**14**	**10**	**0.33**				
Universal Rundle					21,142	62	5	1.66
Avondale Mills (Walton-Monroe Mills)					5,101	15	8	0.40
Silgan PET, Inc.					2,099	9	10	0.24
Totals	**102,762**	**379**		**9.04**	691,417	1,248		33.51
All Others	**486,238**	**3,822**		**90.96**	573,560	2,476		66.49
Annual Totals	**589,000**	**$ 4,201**		**100.00 %**	1,264,977	$ 3,724		100.00 %

Source: City of Monroe Utility Department



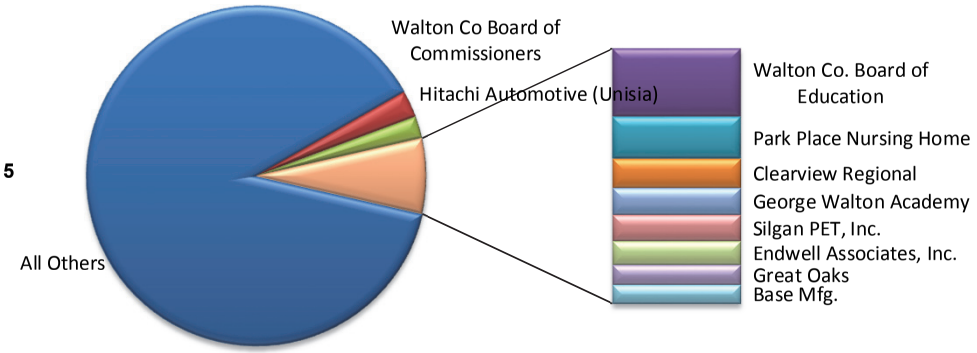
CITY OF MONROE, GEORGIA

TOP TEN SEWER CUSTOMERS
CURRENT AND NINE YEARS AGO

	2015				2006			
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	**7,087**	**$ 88**	**1**	**2.55 %**	16,003	$ 62	3	2.62 %
Hitachi Automotive (Unisia)	**7,870**	**72**	**2**	**2.10**				
Walton Co. Board of Education	**4,710**	**66**	**3**	**1.91**	16,443	62	2	2.62
Park Place Nursing Home	**3,288**	**41**	**4**	**1.18**	2,220	19	4	0.80
Clearview Regional (Monroe HMA)	**3,078**	**28**	**5**	**0.81**				
George Walton Academy	**2,164**	**26**	**6**	**0.75**	4,975	8	9	0.34
Silgan PET, Inc.	**1,789**	**25**	**7**	**0.74**	2,099	18	5	0.76
Endwell Associates, Inc.	**2,701**	**23**	**8**	**0.66**				
Great Oaks	**2,112**	**19**	**9**	**0.56**	1,176	10	8	0.42
Base Mfg.	**1,678**	**18**	**10**	**0.52**				
Universal Rundle					21,142	118	1	4.99
Avondale Mills (Walton-Monroe Mills)					5,101	12	6	0.51
Wal-Mart Store					2,639	11	7	0.47
Wal-Mart Distribution Center					9,739	8	10	0.34
Totals	**36,477**	**406**		**11.78**	81,537	328		13.88
All Others		**3,028**		**88.22**		2,035		86.12
Annual Totals		**$ 3,434**		**100.00 %**		$ 2,363		100.00 %

Source: City of Monroe Utility Department

FOR THE YEAR 2015



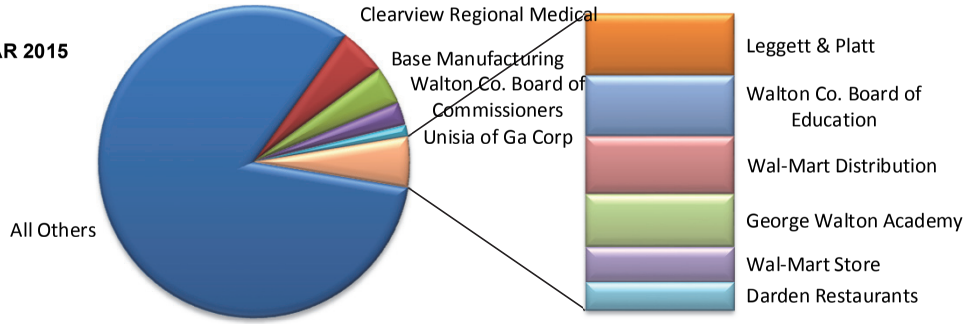
CITY OF MONROE, GEORGIA

TOP TEN GAS CUSTOMERS
CURRENT AND NINE YEARS AGO

	2015				2006			
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	**25,698**	**$ 205**	**1**	**4.87 %**	13,721	$ 174	5	2.14 %
Clearview Regional Medical (Monroe HMA)	**18,655**	**166**	**2**	**3.94**	15,141	227	3	2.79
Walton Co. Board of Commissioners	**10,436**	**99**	**3**	**2.35**	8,913	133	6	1.64
Unisia of Ga Corp	**5,628**	**51**	**4**	**1.21**				
Leggett & Platt	**5,161**	**46**	**5**	**1.09**	12,300	180	4	2.21
Walton Co. Board of Education	**4,748**	**45**	**6**	**1.07**	6,001	121	7	1.49
Wal-Mart Distribution	**4,822**	**43**	**7**	**1.02**				
George Walton Academy	**4,135**	**39**	**8**	**0.93**				
Wal-Mart Store	**2,847**	**26**	**9**	**0.62**	5,729	81	8	1.00
Darden Restaurants	**2,312**	**21**	**10**	**0.50**				
A Warrior Roofing					27,247	347	2	4.27
Oconee County Schools					2,748	41	10	0.50
Oxford Industries					3,135	50	9	0.61
Universal Rundle					244,429	2,937	1	36.12
Totals	**84,442**	**741**		**17.60**	339,364	4,291		52.77
All Others	**252,921**	**3,469**		**82.40**	248,566	3,841		47.23
Annual Totals	**337,363**	**$ 4,210**		**100.00 %**	587,930	$ 8,132		100.00 %

Source: City of Monroe Utility Department

FOR THE YEAR 2015



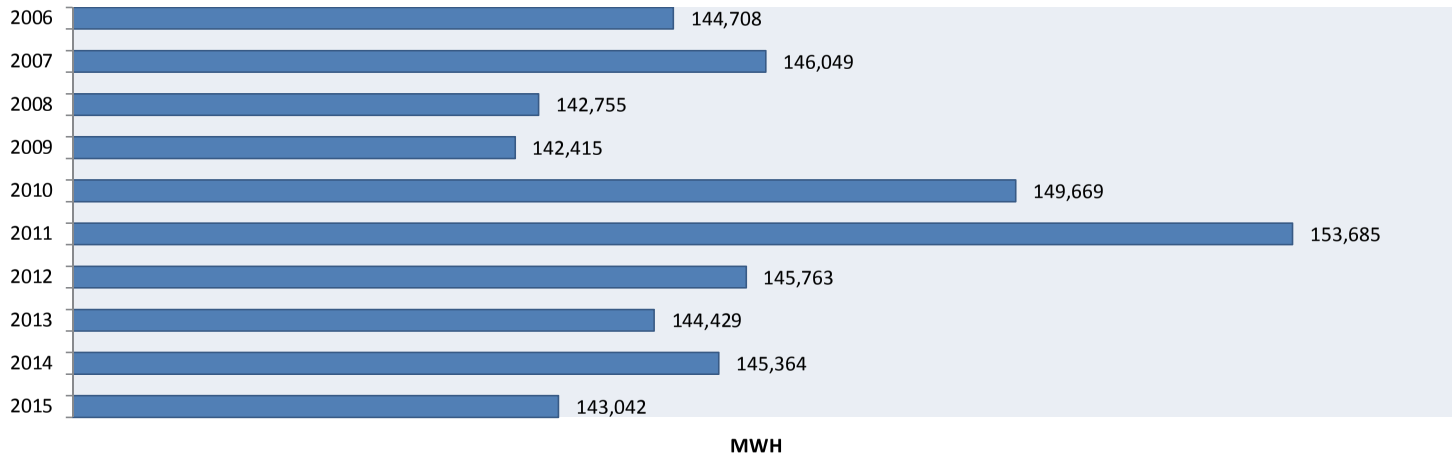
CITY OF MONROE, GEORGIA

ELECTRIC MWH SOLD BY TYPE OF CUSTOMER
LAST TEN YEARS

	Fiscal Year									
Type of Customer	**2015**	2014	2013	2012	2011	2010	2009	2008	2007	2006
Residential	**71,109**	71,914	68,679	66,309	73,685	72,690	66,608	66,972	67,462	66,069
Commercial	**62,282**	64,971	67,529	73,865	80,000	76,979	75,807	75,783	78,587	78,639
Industrial	**9,651**	8,479	8,221	5,589 (1)	N/A	N/A	N/A	N/A	N/A	N/A
Total	**143,042**	145,364	144,429	145,763	153,685	149,669	142,415	142,755	146,049	144,708

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

Source: City of Monroe Utility Department



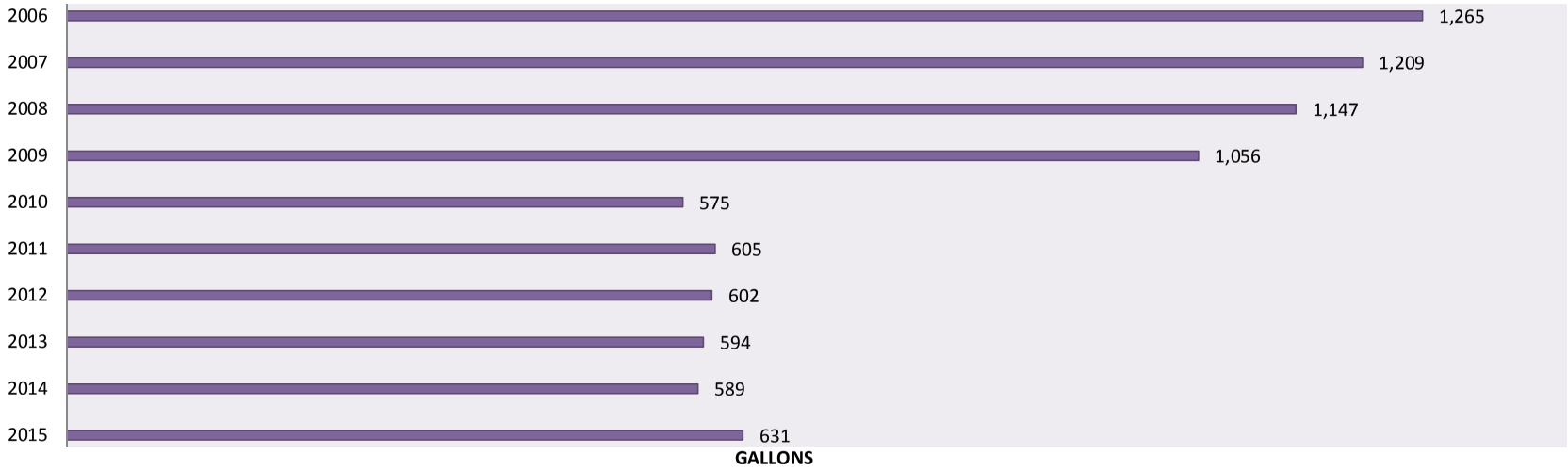
CITY OF MONROE, GEORGIA

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

	Fiscal Year									
Type of Customer	**2015**	2014	2013	2012	2011	2010	2009	2008	2007	2006
Residential	**419**	399	406	420	424	402	412	417 (2)	473	461
Small Commercial & Industrial (1)	**119**	114	111	129	130	118	124	116 (2)	144	147
Large Commercial & Industrial (1)	**41**	25	27	37	36	29	40	43 (2)	54	73
Wholesale	**52**	51	50 (5)	16	15	26 (4)	480 (3)	571	538	584
Total	**631**	589	594	602	605	575	1,056	1,147	1,209	1,265

(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.
(5) Walton County Water & Sewer Authority purchased a greater amount of wholesale during 2013.

Source: City of Monroe Utility Department



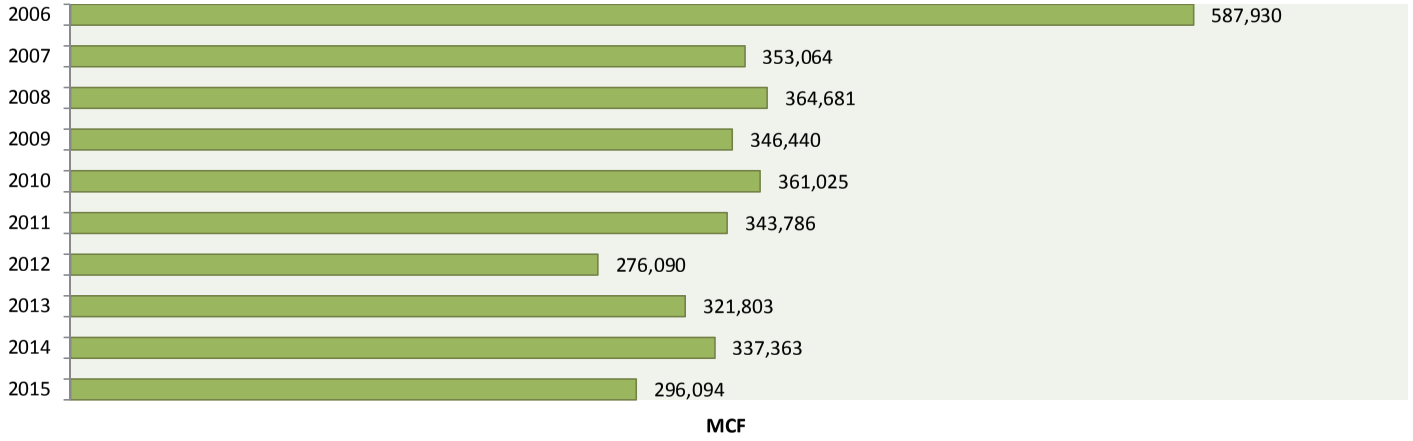
CITY OF MONROE, GEORGIA

GAS MCF SOLD BY TYPE OF CUSTOMER
LAST TEN YEARS

	Fiscal Year									
Type of Customer	**2015**	2014	2013	2012	2011	2010	2009	2008	2007	2006
Residential	**142,784**	154,956	148,391	115,644 (3)	160,106	169,568	169,916	177,587	163,726	166,590 (1)
Commercial	**129,427**	152,196	130,356	115,164 (3)	136,208	155,223 (2)	123,767	130,154	128,151	127,735
Agriculture	**4,046**	3,341	3,517	3,782	2,987	1,460	3,487	1,941	3,742	6,626
Industrial	**19,837**	26,870	39,539	41,500 (3)	44,485	34,774 (2)	49,270	54,999	57,445 (1)	286,979 (1)
Interruptible	**-**	-	-	-	-	-	-	-	-	-
Total	**296,094**	337,363	321,803	276,090	343,786	361,025	346,440	364,681	353,064	587,930

(1) 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.
(2) Large customer switched from Industrial Rate to Commercial Rate.
(3) Decrease as a result of milder weather conditions.

Source: City of Monroe Utility Department



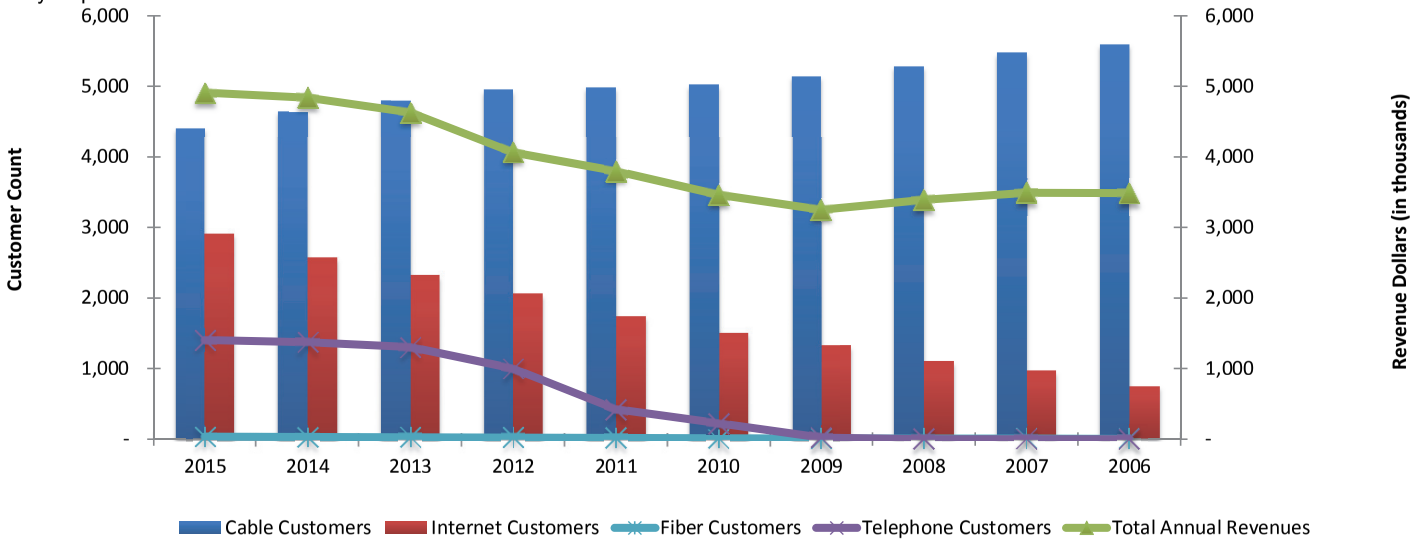
CITY OF MONROE, GEORGIA

TELECOMMUNICATION SALES
LAST TEN YEARS

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Standard Cable Customers	**4,348**	4,607	4,784	4,944	4,978	4,989	5,098	5,244	5,411	5,518
Digital Cable Customers	**49**	36	-	-	-	29	38	44	57	80
Internet Customers	**2,912**	2,570	2,321	2,066	1,749	1,511	1,332	1,110	974	751
Fiber Customers	**41**	39	33	29	25	20	15	11	7	6
Telephone Customers	**1,405**	1,371	1,304	1,003	424	224	20 (1)	-	-	-
Annual Sales (in thousands)	**$ 4,911**	$ 4,839	$ 4,628	$ 4,065	$ 3,800	$ 3,463	$ 3,252	$ 3,391	$ 3,492	$ 3,486

(1) 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
2006	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	8.25	1.50 (2)	7.00	2.75
2007	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	8.25	1.50 (2)	7.00	2.75
2008	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	8.25	1.50 (2)	7.00	2.75
2009	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	12.00 (3)	1.95 (2)	12.00 (3)	3.58
2010	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	14.00 (4)	1.95 (2)	14.00 (4)	3.58
2011	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	14.00	1.95 (2)	14.00	3.58
2012	10.00 (5)	0.0900 (5)	0.1280 (5)	0.0780 (5)	10.00	0.375	0.375	14.00	1.95 (2)	14.00	3.58
2013	10.00	0.0900	0.1280	0.0780	10.00	0.375	0.375	14.00	1.95 (2)	14.00	3.58
2014	10.00	0.0900	0.1280	0.0780	12.00 (6)	0.375	0.375	15.00 (6)	2.07 (7)	15.00 (6)	3.58
2015	**10.00**	**0.0900**	**0.1280**	**0.0780**	**12.00**	**0.375**	**0.375**	**15.00**	**2.07**	**15.00**	**3.58**

Note: Rates are plus fuel adjustment and applicable sales tax

(1) Rates based on 0 - 10,000 gallons, residential in-city and do not include out-of-city or commercial rates.
(2) Rates based on 0 - 3,000 gallons, residential in-city and do not include out-of-city or commercial rates.
(3) Base rate and consumption rates increased on 01/01/2009.
(4) Base rate increased on 01/01/2010.
(5) Base rate and usage rates increased on 01/01/2011.
(6) Base rate increased on 1/1/2014
(7) Rates based on 0 - 2,000 gallons, residential in-city and do not include out-of-city or commercial rates. Rates increased 01/01/2014

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			
2006	6,950,000	-	-	29,595,000	513,873	-	37,058,873	9.57	2,895
2007	6,720,000	-	-	28,170,000	428,685	-	35,318,685	8.49	2,678
2008	6,450,000	-	-	26,710,000	341,780	-	33,501,780	7.81	2,504
2009	6,140,000	-	-	25,275,000	1,027,574	-	32,442,574	7.63	2,397
2010	5,785,000	-	-	23,785,000	987,931	-	30,557,931	7.15	2,309
2011	5,375,000	-	-	22,332,100	2,340,221	-	30,047,321	6.56	2,251
2012	5,008,878	-	-	21,020,428	2,354,430	-	28,383,736	5.93	2,126
2013	4,460,633	-	772,385	19,278,131	2,431,888	-	26,943,037	5.59	2,018
2014	3,853,240	-	518,861	17,545,917	3,707,085	-	25,625,103	5.27	1,903
2015	**3,189,021**	**-**	**261,791**	**15,863,975**	**3,998,323**	**-**	**23,313,110**	**5.28**	**1,731**

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 of Property (1)	Per Capita (2)
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	403
2012	5,008,878	293	5,008,585	0.59	375
2013	4,460,633	116	4,460,517	0.57	334
2014	3,853,240	116	3,853,124	0.45	286
2015	**3,189,021**	**116**	**3,188,905**	**0.37**	**237**

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

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	-	20.43%	
Walton County Board of Education	$ 53,105,000	14.81%	$ 7,864,851
Overlapping debt	53,105,000		7,864,851
Direct:			
City of Monroe	3,450,812	100.00%	3,450,812
Total direct and overlapping debt	$ 56,555,812		$ 11,315,663

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	**$ 35,571**	$ 35,340	$ 32,139	$ 34,503	$ 36,295	$ 39,195	$ 39,194	$ 43,687	$ 34,885	$ 31,800
Total net debt applicable to limit	**3,367**	4,286	4,461	4,905	5,375	5,785	5,785	6,450	6,720	6,950
Legal debt margin	**$ 32,204**	$ 31,054	$ 27,678	$ 29,598	$ 30,920	$ 33,410	$ 33,409	$ 37,237	$ 28,165	$ 24,850
Total net debt applicable to the limit as a percentage of debt limit	**9.47%**	12.13%	13.88%	14.22%	14.81%	14.76%	14.76%	14.76%	19.26%	21.86%

Assessed Value	**$ 341,821**
Add back: exempt real property	**13,889**
Total assessed value	**355,710**
Debt limit (10% of total assessed value)	**35,571**
Debt applicable to limit:	
General obligation debt	**3,451**
Less: Amount set aside for repayment of general obligation debt	**(84)**
Total net debt applicable to limit	**3,367**
Legal debt margin	**$ 32,204**

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	
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
2013	33,233	26,264	6,969	1,701	873	2,574	2.71
2014	35,357	27,342	8,015	1,691	837	2,528	3.17
2015	**35,974**	**26,544**	**9,430**	**1,635**	**797**	**2,432**	**3.88**

(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)*
2006	12,799	387,144	30,248	32	4,637	4.6	25,173
2007	13,187	415,839	31,534	32	4,637	4.7	26,129
2008	13,381	429,022	32,062	32	4,637	6.4	25,429
2009	13,534	425,306	31,425	32	4,637	10.3	24,047
2010	13,234	427,392	32,295	33	6,006	10.2	23,660
2011	13,349	458,338	34,335	33	6,250	9.9	24,286
2012	13,349	478,962	35,880	33	6,250	8.3	23,750
2013	13,349	482,339	36,133	33	6,212	7.5	24,443
2014	13,466	486,567	36,133	35	6,131	6.5	24,443
2015	**13,466**	**441,240**	**32,767**	**36**	**6,446**	**5.3**	**25,178**

(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

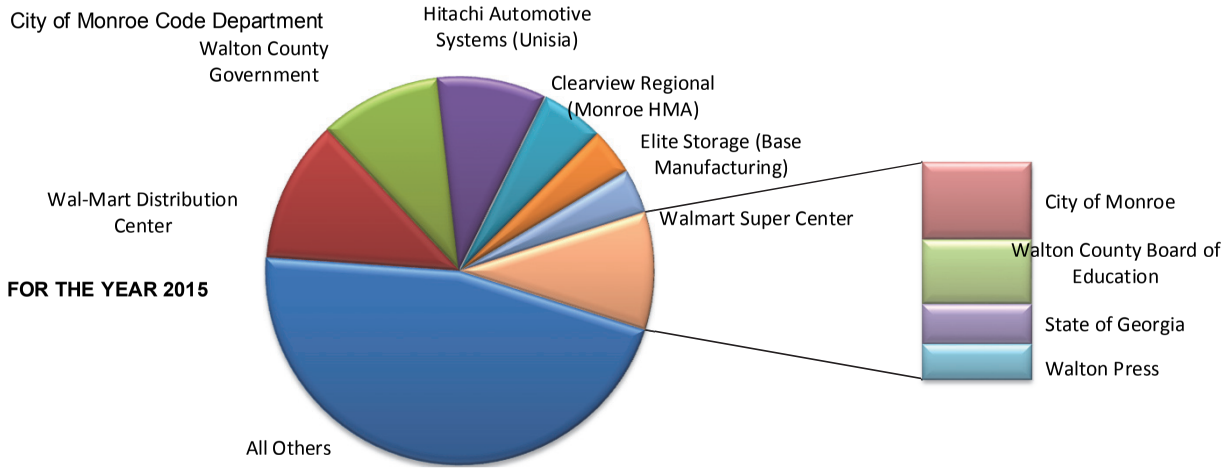
* Data only available at the County level

CITY OF MONROE, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Distribution Center	**721**	**1**	**11.9 %**	990	1	20.9 %
Walton County Government	**619**	**2**	**10.2**	517	2	10.9
Hitachi Automotive Systems (Unisia)	**549**	**3**	**9.1**	120	9	2.5
Clearview Regional (Monroe HMA)	**316**	**4**	**5.2**	362	3	7.7
Elite Storage (Base Manufacturing)	**238**	**5**	**3.9**	125	7	2.6
Walmart Super Center	**224**	**6**	**3.7**	244	4	5.2
City of Monroe	**210**	**7**	**3.5**	225	5	4.8
Walton County Board of Education	**176**	**8**	**2.9**	194	6	4.1
State of Georgia	**111**	**9**	**1.8**			
Walton Press	**95**	**10**	**1.6**	123	8	2.6
Home Depot				73	10	1.5
Totals	**3,259**		**53.8 %**	2,973		62.8 %

Source: City of Monroe Code Department

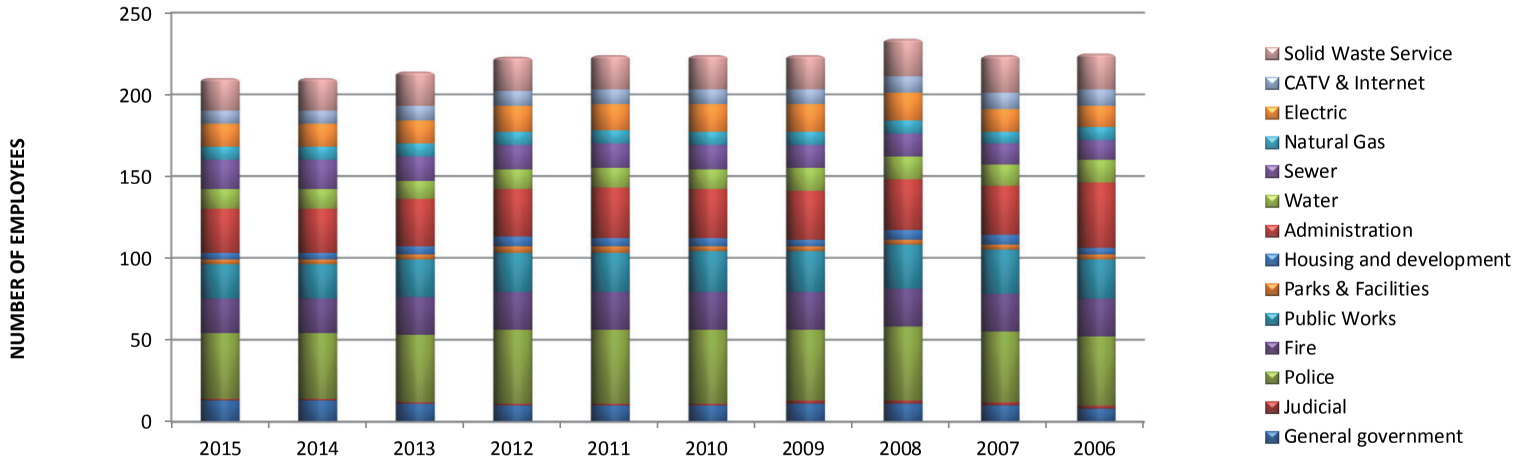


CITY OF MONROE, GEORGIA

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Function										
General government	**13**	13	11	10	10	10	11	11	10	8
Judicial	**1**	1	1	1	1	1	2	2	2	2
Public Safety										
Police	**40**	40	41	45	45	45	43	45	43	42
Fire	**21**	21	23	23	23	23	23	23	23	23
Public Works	**21**	21	23	24	24	25	25	27	27	24
Culture and recreation										
Parks & Facilities	**3**	3	3	4	4	3	3	3	3	3
Housing and development	**4**	4	5	6	5	5	4	6	6	4
Utilities										
Administration	**27**	27	29	29	31	30	30	31	30	40
Water	**12**	12	11	12	12	12	14	14	13	14
Sewer	**18**	18	15	15	15	15	14	14	13	12
Natural Gas	**8**	8	8	8	8	8	8	8	7	8
Electric	**14**	14	14	16	16	17	17	17	14	13
CATV & Internet	**8**	8	9	9	9	9	9	10	10	10
Solid Waste Service	**20**	20	21	21	21	21	21	23	23	22
Totals	**210**	210	214	223	224	224	224	234	224	225

Source: City Finance Department



CITY OF MONROE, GEORGIA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function		Fiscal Year 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police:											
	Number of dispatches	**47,513**	45,624	46,763	42,509	45,298	50,769	54,165	40,901	41,618	38,276
	Number of traffic citations issued	**3,613**	4,510	3,738	2,715	4,189	4,330	3,843	4,416	3,697	3,049
Fire:											
	Number of fire/EMS dispatches	**2,489**	2,063	2,045	2,030	1,736	1,436	1,361	1,482	1,353	1,207
Highways and streets:											
	Street resurfacing (lane miles)	**2.12**	2.18	2.28	2.30	2.30	2.82	8.84	9.82	9.00	14.00
Housing and development:											
	Value of new building construction (in 000's)	**$ 8,091**	$ 13,797 (5)	$ 36,969	$ 5,000	$ 2,535	$ 2,582	$ 7,766	$ 7,040 (1)	$ 37,415	$ 35,882
	Number of permits issued	**130**	149 (6)	53	12	31	26	24	76 (1)	207	271
Utilities: Cable & Internet											
	Number of customers standard cable	**4,607**	4,607	4,784	4,945	4,978	4,989	5,098	5,244	5,411	5,518
	Number of customers digital cable	**36**	36	-	-	-	29	38	44	57	80
	Number of Internet customers	**2,609**	2,609	2,354	2,094	1,774	1,531	1,264	914	892	757
	Number of phone customers	**1,371**	1,371	1,304	1,003	424 (2)	224 (2)	20 (2)	N/A	N/A	N/A
Electric											
	Number of customers	**6,191**	6,154	6,117	6,059	5,978	5,933	5,848	5,870	5,964	5,809
	Average daily consumption (KWh)	**405,877**	398,256	382,002	385,935	406,702	395,562	390,152	391,111	400,228	400,134
Natural gas											
	Number of customers	**3,692**	3,700	3,708	2,732	3,720 (3)	3,760 (3)	4,094	4,250	4,240	4,105
	Average daily consumption (MCF)	**831**	924	881	756	941	989	949	999	967	1,611
Wastewater											
	Number of customers	**6,804**	6,757	6,762	6,644	6,550	6,459	6,434	6,461	6,527	6,244
	Average daily sewage treatment (MGD)	**1.700**	1.600	1.540	1.314	1.413	1.571	1.510	1.408	1.432	2.005
Water											
	Number of customers	**8,986**	8,941	8,876	8,783	8,665	8,560	8,312	8,295	8,387	8,113
	Average daily consumption (Kgallons)	**1,731**	1,615	1,628	1,652	1,658	1,566	2,893	3,142	3,311	3,466
Solid Waste Service:											
	Refuse collected (tons)	**11,604**	11,032	10,858	10,302	10,394	11,173	11,738	11,201	12,106	11,517
	Recyclables collected (tons)	**1,562**	1,545 (4)	167	168	265	188	243	361	497	358
	Number of residential customers	**5,361**	5,381	5,348	5,211	5,129	5,120	5,168	5,231	5,331	5,142
	Number of commercial customers	**625**	655	682	665	609	604	583	573	482	477
	Number of transfer station customers	**15**	16	16	14	19	20	23	18	16	19

Source: Various City Departments

N/A - Information not available

Note: Indicators are not available for the General government function.

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

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

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

(4) Increase in number of tons due to reporting all recovered materials in 2014, prior years was only curbside recycling.

(5) Decrease in permit valuation due to permits purchased in 2013 for Hitachi expansion

(6) Increase in permits issued due to Physician's building at the hospital and increase in construction

CITY OF MONROE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function		Fiscal Year									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police:											
	Stations	**1**	1	1	1	1	1	1	1	1	1
	Vehicles	**44**	46	45	40	40	40	40	40	40	38
Fire:											
	Stations	**1**	1	1	1	1	1	1	1	1	1
Highways and streets:											
	Streets (miles)	**80**	80 (2)	75	75	75	75	75	75	75	75
	Streetlights	**1,136**	1,136	1,136	1,136	1,134	1,134	1,134	1,134	1,134	1,134
	Traffic signals	**3**	3	3	3	3	3	3	3	3	4
Utilities: Cable & Internet											
	Cable (miles)	**267**	267	267	267	267	267	267	267	267	240
Electric											
	Lines (miles)	**185**	185	185	185	185	185	185	185	185	180
Natural gas											
	Mains (miles)	**114**	114	114	114	113	107	107 (1)	153	152	149
Wastewater											
	Sanitary sewer (miles)	**140**	140 (3)	154	154	154	153	153	153	150	141
	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)	**218**	215 (3)	241	241	241	240	240	240	240	237
	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	11	11	11	9	9	9	9
	Recycling trucks	**2**	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

(2) Increase in miles of streets due to streets dedicated to the City

(3) Decrease in mile of mains due to corrected data from GIS in 2014