



Dave Yost • Auditor of State

CITY OF MONROE
BUTLER COUNTY

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Monroe
Butler County
233 South Main Street
Monroe, Ohio 45050

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Butler County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2012, except for a restatement described in the opinion for which the date is March 7, 2013 wherein we noted the City has restated previously-issued financial statements due to accounting errors and wherein we noted the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 27, 2012, except for the restatement described above for which the date is March 7, 2013.

We intend this report solely for the information and use of management, the audit committee, City Council, and others within the City. It is for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 27, 2012, except for the restatement described above for which the date is March 7, 2013

**CITY OF MONROE
BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|--|------------------|--|
| 2010-1 | Audit adjustments were required to correct misclassifications, adjust taxes receivables and to record/report transactions (revenue and expenditure) for payments made to vendors by ODOT on the City's behalf. | No | Partially corrected, moved to Management Letter |

The City of Monroe, Ohio



The City's newest retail development (Cincinnati Premium Outlets) opened in August 2009

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2011



INTRODUCTORY SECTION



The Home Depot distribution building located in the business park



The City of Monroe, Ohio

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For The Year
Ended December 31, 2011

Prepared by:
Ms. Kacey Waggaman, Finance Director

City of Monroe, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011

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Robert E. Routson
Mayor

CITY OF MONROE

P.O. BOX 330
Monroe, OH 45050
www.monroehio.org

Monroe (513) 539-7374
Fax (513) 539-6460

William J. Brock
City Manager

June 27, 2012

Citizens of Monroe
Mayor and Members of City Council

We are pleased to submit the City of Monroe's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. This report contains basic financial statements and other financial and statistical information – providing complete and full disclosure of all financial aspects of the City for 2011.

Management's discussion and analysis (MD&A) immediately follows the report of independent auditor and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

This report is a culmination of the efforts of many people. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to set forth fairly the financial position of the City's operations, and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

THE CITY OF MONROE

Monroe was settled in the early 1800s and named for President James Monroe who was in office at the time. The City is situated about 20 miles north of Cincinnati and 30 miles south of Dayton. It overlaps two counties—the northeast corner of Butler County and the western section of Warren County. In the early years, Monroe was mainly a farming community and a major stagecoach stop on the Miami Turnpike.

The City has experienced substantial changes during the past century. In ten years, from 1990-2000, the population grew from 4,372 to 7,133. It was in 1995 when Monroe's population first surpassed the 5,000 mark, enabling it to achieve City status. The City opted for a Council/Manager form of government with Council Members and the Mayor elected on a non-partisan basis.

Data from the 2010 Census indicates that the City continues to grow rapidly. The City's current population is 12,442, indicating that the City grew by 74% from 2000-2010.

Although once strictly a farming community, the City of Monroe now has a strong industrial base. Currently, the total percentage of land area in Monroe is significantly weighted towards light and heavy industrial acreage (51% industrial and commercial). The income tax generated \$6,427,981 (budgetary basis), a \$183,366 increase from 2010. The City offers excellent access to the flourishing Interstate 75 corridor and holds 2,600 acres of prime green field industrial parcels ready for development.

CITY ORGANIZATION AND REPORTING ENTITY

The reporting entity includes the primary government and component units and is organized to ensure the financial statements of the City are not misleading. The primary government is composed of departments and funds that are not legally separate from the City. The government includes departments in the following areas: police and fire fighting, street repair and maintenance, planning and zoning, parks and recreation, water and sewer and community development. The Council and City Manager have direct responsibilities for these departments and supervise the staff essential to maintaining these functions.

Component units are also part of the reporting entity. These are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization or (2) the City is entitled to or can otherwise access the organization's resources. In this case, the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to; the organization or the City is obligated for the debt of the organization. Component units may also include organizations in which City approves the budget, the issuance of debt or the levying of taxes. The City has no component units.

The City is associated with the following jointly governed organizations: The Center for Local Government and the Ohio-Kentucky-Indiana Regional Council of Governments, which are presented in Note 16 to the basic financial statements.

ECONOMIC CONDITION AND MAJOR INITIATIVES

The City of Monroe is currently the 5th fastest growing community in the region. According to the 2010 Census, Monroe's population is currently 12,442 people (74.4% above the 7,133 residents from the 2000 census) and its land area comprises approximately 15.5 square miles of territory. Approximately 51% of Monroe's total land area is zoned for industrial and commercial uses. Monroe is located midway between downtown Cincinnati and Dayton. Monroe is served by a full Single-Point-Urban-Interchange at Interstate 75 as well as two 4-lane state highways, SR 4 and SR 63. Monroe is also served by two major rail lines providing rail served industrial sites.

Economic development in the City of Monroe has continued to be strong in recent years, despite relatively poor economic conditions. Distribution and logistics-focused operations continue to be a substantial part of the City's growth. In 2009, Home Depot located a Rapid Deployment Center in the Corridor 75 Premier Logistics Park. The Home Depot RDC is a 657,000 SF facility that serves local and regional retail locations. In 2009, IDI built a 721,000 SF speculative building that was quickly filled with two distribution tenants – Hayneedle, Inc. and Appleton Papers. IDI is nearing completion of a 553,000 SF distribution facility behind the Hayneedle/Appleton building. This building will complete the existing phases of the Monroe Logistics Center industrial park. Additionally, a 650,000 SF speculative building in the Corridor 75 Premier Logistics Park remains available for future single-tenant or multi-tenant occupancy.

Although large-scale development has certainly been an important part of Monroe's growth, several smaller industrial company expansions and construction of amenities (a daycare center, bank) throughout 2010 and 2011 have contributed to the City's growth and improving quality of life.

For more information on the local economy please refer to the economic factors discussed in the MD&A.

MAJOR INITIATIVES

The City of Monroe has several large infrastructure capital improvement projects in varying stages of development. The goal of Monroe's proactive infrastructure development plan is to ensure that our roadway and utility infrastructure can maintain its high level of service amidst the heavy demand caused by our rapid commercial and industrial growth.

Roadway Improvements

Improvements to State Route 63 are continuing with an Ohio Department of Transportation sponsored project replacing the Interstate 75 bridge and making substantial improvements to the north and south bound ramps onto State Route 63. Construction on the bridge deck and ramps is completed. The City was awarded \$750,000 in grant funding from OKI for beautification improvements to the interchange to complete the overall transformation of the City's front door. Design work began in 2009 and improvements began in the summer of 2011.

The City has been awarded \$508,000 in stimulus funding for safety improvements at the intersections of SR 63 and Main St and SR 63 and Britton Lane. The safety improvements include the installation of left turn lanes and signals mounted on mast arms. These improvements were completed in the fall of 2011.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition.
2. The reliability of financial records for preparing financial statements and maintaining accountability of assets.

The concept of reasonable assurance is based on the assumption that the cost of the internal accounting controls should not exceed the benefits expected to be derived from their implementation.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished a monthly budget report showing the status of the budget accounts for which he or she is responsible. The budget report details monthly transactions and summarizes the balances available to be spent from the allocated appropriations.

To further define the City's budgetary process, the City implemented a detailed purchasing policy and procedures document. The document was adopted in 2007 by City Council as an official policy that is monitored and executed by the Finance Director.

FINANCIAL CONDITION

The City finance department implemented new financial software, MUNIS, in 2008 and began live operation of the system January 1, 2009. MUNIS is a customizable solution that will provide for better functionality and reporting capabilities, will give departments real-time access to their budget information and also allows for decentralized requisitions and online approval routing for purchasing. The City's account structure was also overhauled into more detailed account codes to make the coding of purchases easier and allow for better reporting and budget projections. The City decentralized purchasing and payroll entry to the departments in 2012.

The City's bond rating was increased by Moody's Investors Services ("Moody's) from an A3 rating to A2 on April 16, 2009. The City's moderately sized tax base, solid operating reserves with stabilized financial operations and moderate debt burden were noted as factors behind the upgrade. This was the second rating increase the City has earned since coming out of fiscal emergency on August 9, 2007.

The City's bond rating was recalibrated by Moody's to their global scale on April 26, 2010. The City's global scale rating is Aa3.

FINANCIAL POLICIES

The City has a solid policy related to development within the City by promoting economic development through the various TIF and RID programs in the City. The City has a solid working relationship with the School District and has committed to using that additional revenue to benefit the residents and businesses of the City.

OTHER INFORMATION

Independent Audit

This report includes an unqualified audit report regarding the City's financial statements. The State of Ohio Auditor's office conducted this year's audit. The Independent Accountants' Report on the basic financial statements and required supplementary information is included in the financial section of this report. The auditor's conclusions related specifically to internal controls and compliance with applicable laws and regulations are presented in a separate report, which may be obtained from the City of Monroe.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Monroe for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This is the eleventh consecutive year the City has received the award.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitted it to the GFOA.

Acknowledgements

A note of sincere appreciation is extended to many hardworking and committed people who have contributed their time and effort to prepare this report. The staff would like to thank our current Council Members for supporting our work this year. A special thank you is also extended to Mr. Mark Hurst of Hurst, Kelly and Company for his assistance, efforts, and guidance in the preparation of this CAFR.

Respectfully submitted,


City Finance Director


City Manager

The City of Monroe, Ohio

List of Principal Officials

December 31, 2011

| <u>OFFICE HELD</u> | <u>NAME OF OFFICIAL</u> |
|---------------------------|--------------------------------|
| City Manager | William Brock |
| Finance Director | Kacey Waggaman |
| Law Director | K. Philip Callahan |
| Mayor | Robert Routson |
| Vice Mayor | Anna Hale |
| Mayor's Court Clerk | Rebecca Rosenbalm |
| Police Chief | Gregory Homer |
| Fire Chief | Mark Neu |
| Tax Commissioner | Tracy Vanderman |
| Public Works Director | Daniel Arthur |
| Director of Development | Kevin Chesar |

CITY COUNCIL MEMBERS

Steve Black
Robert Kelley
Suzi Rubin
Lora Stillman
Todd Hickman

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Monroe
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Dawson

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION



TireDiscounters located off State Route 63 on the east side of Interstate 75

The City's first major car dealership located on the northeast corner of State Route 63 and Interstate 75







Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Monroe
Butler County
233 South Main Street
Monroe, Ohio 45050
To the City Council:

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Butler County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Butler County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 19, during the year ended December 31, 2011, the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

As discussed in Notes 21 and 22 to the financial statements, certain errors related to the omission of an intergovernmental payable were discovered by management subsequent to year-end. The City's previously-issued financial statements have been restated. The previously-issued independent accountants' report dated June 27, 2012 is not to be relied upon because the previously-issued financial statements were materially misstated and the previously-issued independent accountants' report is replaced by the independent accountants' report on the restated financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2012, except for the restatement described above for which the date is March 7, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and *required budgetary comparison schedules* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 27, 2012, except for the restatement described above for which the date is March 7, 2013

The City of Monroe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

This discussion and analysis of the City of Monroe's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2011. While the intent of this discussion and analysis is to look at the City's financial performance as a whole, readers should also review the basic financial statements to enhance their understanding of the City's fiscal performance.

Financial Highlights

Key highlights for 2011 are as follows:

- ❑ The assets of the City exceeded its liabilities at the close of the year ended December 31, 2011, by \$59,799,574 (net assets). Of this amount, \$2,472,518 is classified as unrestricted in the business-type activities.
- ❑ The City's governmental net assets increased by \$576,739 which represents a 1.07% increase from 2010.
- ❑ At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$8,578,654. Of this amount \$6,281,350 is available for spending (unassigned fund balance) on behalf of its citizens.
- ❑ At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,646,925 or approximately 214% of total 2011 General Fund expenditures.
- ❑ The other major governmental funds: Fire 1989 Levy, Police Law Enforcement, 2004 TIFs and Bond Retirement funds had ending fund balances (deficits) of (\$154,528); (\$194,963); \$572,132 and \$18,379 respectively. The deficits in the Fire 1989 Levy and Police Law Enforcement Funds are due to outstanding payables at year end.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Monroe as a complete operating entity.

The Statement of Net Assets and Statement of Activities present both an aggregate view of the City's finances with a longer-term view. Fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting City of Monroe as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when the cash is received or paid.

The City of Monroe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
(Unaudited)

These two statements report the City's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities:

- **Government Activities** – Most of the City's services are reported here including police, social services programs, administration, and all departments with the exception of our Water, Sewer, Garbage, Stormwater Management and Cemetery funds.
- **Business-Type Activities** – These services have a charge based upon the amount of usage. The City charges fees to recoup the cost of the entire operation of our Water, Sewer, Garbage, Stormwater Management and Cemetery functions as well as all capital expenses associated with these facilities.
- **Component units** are legally separate entities that the City has voting control over or fiscal responsibility for the entity. The City has no component units.

Reporting City of Monroe's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City, 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 three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents.

However, these fund financial statements focus on the City's most significant funds. In the case of Monroe, our major funds are the General, Fire 1989 Levy, Police Law Enforcement, 2004 TIFs, Bond Retirement, Water and Sewer 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 current sources and uses 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.

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Management's Discussion and Analysis
For the Year Ended December 31, 2011
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The City maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds: The City maintains only one type of proprietary fund which is the enterprise type of 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 Water, Sewer, Garbage, Stormwater Management and Cemetery operations.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City maintains two agency funds which have no measurement focus and use the accrual basis of accounting.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements.

Required Supplementary Information: The City is required to report the budgetary schedules for the General Fund and major special revenue funds along with the applicable accounting policies to develop those schedules.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$59,799,574 (\$54,621,667 in governmental activities and \$5,177,907 in business type activities) as of December 31, 2011. By far, the largest portion of the City's net assets (77%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and streets), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to retire such liabilities.

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The following table provides a summary of the City's statement of net assets for 2011 compared to 2010.

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------|----------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Current and Other Assets | \$ 32,363,070 | \$ 33,902,258 | \$ 6,186,661 | \$ 5,869,408 | \$ 38,549,731 | \$ 39,771,666 |
| Capital Assets | 57,065,265 | 57,037,808 | 5,571,323 | 5,997,622 | 62,636,588 | 63,035,430 |
| Total Assets | <u>\$ 89,428,335</u> | <u>\$ 90,940,066</u> | <u>\$ 11,757,984</u> | <u>\$ 11,867,030</u> | <u>\$ 101,186,319</u> | <u>\$ 102,807,096</u> |
| Current Liabilities | \$ 21,114,555 | \$ 22,128,253 | \$ 504,621 | \$ 321,208 | \$ 21,619,176 | \$ 22,449,461 |
| Long-term Liabilities | 13,692,113 | 14,766,885 | 6,075,456 | 6,334,593 | 19,767,569 | 21,101,478 |
| Total Liabilities | <u>34,806,668</u> | <u>36,895,138</u> | <u>6,580,077</u> | <u>6,655,801</u> | <u>41,386,745</u> | <u>43,550,939</u> |
| Nets Assets: | | | | | | |
| Invested in Capital Assets, | | | | | | |
| Net of Related Debt | 43,525,991 | 43,867,043 | 2,705,389 | 2,873,285 | 46,231,380 | 46,740,328 |
| Restricted | 2,204,984 | 1,871,712 | - | - | 2,204,984 | 1,871,712 |
| Unrestricted | 8,890,692 | 8,306,173 | 2,472,518 | 2,337,944 | 11,363,210 | 10,644,117 |
| Total Net Assets | <u>\$ 54,621,667</u> | <u>\$ 54,044,928</u> | <u>\$ 5,177,907</u> | <u>\$ 5,211,229</u> | <u>\$ 59,799,574</u> | <u>\$ 59,256,157</u> |

An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. In the current fiscal year, this represented \$2,204,984 or 4% of net assets. The City's remaining unrestricted net assets were \$8,890,692 which increased by 0.7% from 2010. Overall, 2011 ending net assets for governmental activities and business-type activities were nearly the same as 2010 ending net assets.

During 2011, the City reduced its gross liabilities by making routine principal payments on outstanding obligations including bonds, notes and capital leases, without the need to issue any new debt.

The City of Monroe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
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A Summary of the statement of activities is as follows:

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 1,803,081 | \$ 2,059,779 | \$ 4,516,588 | \$ 4,206,776 | \$ 6,319,669 | \$ 6,266,555 |
| Operating Grants | 27,160 | 419,319 | - | 19,100 | 27,160 | 438,419 |
| Capital Grants | 687,994 | 665,571 | - | - | 687,994 | 665,571 |
| General Revenues: | | | | | | |
| Income Tax | 6,576,423 | 5,575,320 | - | - | 6,576,423 | 5,575,320 |
| Property Tax | 2,522,822 | 1,863,360 | - | - | 2,522,822 | 1,863,360 |
| Other Taxes | 1,049,360 | 960,077 | - | - | 1,049,360 | 960,077 |
| Payments in Lieu of Taxes | 2,910,801 | 2,415,620 | - | - | 2,910,801 | 2,415,620 |
| Unrestricted Grants and Contributions | 900,864 | 947,508 | 77,236 | - | 978,100 | 947,508 |
| Investment earnings | 260,634 | 137,047 | - | 21,884 | 260,634 | 158,931 |
| Other Revenues | | 37,194 | - | - | - | 37,194 |
| Transfers | (134,844) | - | 134,844 | - | - | - |
| Total Revenues | 16,604,295 | 15,080,795 | 4,728,668 | 4,247,760 | 21,332,963 | 19,328,555 |
| Program Expenses | | | | | | |
| Security of Persons and Property | 7,437,553 | 7,317,214 | - | - | 7,437,553 | 7,317,214 |
| Public Health and Welfare | - | 237,599 | - | - | - | 237,599 |
| Leisure Time Activities | 265,705 | 289,661 | - | - | 265,705 | 289,661 |
| Transportation | 2,839,671 | 3,221,985 | - | - | 2,839,671 | 3,221,985 |
| General Government | 4,936,519 | 4,258,487 | - | - | 4,936,519 | 4,258,487 |
| Interest and Fiscal Charges | 548,108 | 521,416 | - | - | 548,108 | 521,416 |
| Water | - | - | 2,625,712 | 2,492,173 | 2,625,712 | 2,492,173 |
| Sewer | - | - | 1,083,566 | 1,082,084 | 1,083,566 | 1,082,084 |
| Stormwater Management | - | - | 212,662 | 129,556 | 212,662 | 129,556 |
| Garbage | - | - | 769,260 | 621,710 | 769,260 | 621,710 |
| Cemetery | - | - | 70,790 | 48,435 | 70,790 | 48,435 |
| Total Expenses | 16,027,556 | 15,846,362 | 4,761,990 | 4,373,958 | 20,789,546 | 20,220,320 |
| Change in Net Assets | 576,739 | (765,567) | (33,322) | (126,198) | 543,417 | (891,765) |
| Beginning Net Assets, Restated | 54,044,928 | 54,810,495 | 5,211,229 | 5,337,427 | 59,256,157 | 60,147,922 |
| Ending Net Assets | \$ 54,621,667 | \$ 54,044,928 | \$ 5,177,907 | \$ 5,211,229 | \$ 59,799,574 | \$ 59,256,157 |

Governmental Activities

The primary focus of governmental activities is in the area of security of persons and property, which represents the police, fire and EMS services of the City. For 2011, security of persons and property expenses were approximately \$7.4 million, representing 46% of governmental activity spending.

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Program revenues of approximately \$1.1 million reduced the amount of general revenues needed to cover the balance of such security of persons and property program expenses. As such, for 2011, \$6.3 million of general revenues were used to cover the balance of security of persons and property program expenses.

In 2011, the City did not have any significant operating and capital grants.

Income tax and property tax revenue for 2011 increased \$1.0 million and \$.7 million, respectively, compared to 2010. These increases are the result of the City's continuing economic development efforts that have yielded increasing commercial property tax and wage bases.

Overall, the City saw total program expenses increase by approximately 1%. This increase is primarily related to the inflationary rise in the cost of purchased goods and services that are required to provide the services that the City offers.

Business-Type Activities

The City's business-type activities include the Water, Sewer, Stormwater Management, Garbage and Cemetery functions. The business-type activities as a whole reported a loss of \$33,322 for the year, which is essentially a point of breaking-even, which is the ultimate goal of the business-type activities the City provides.

Financial Analysis of the City's Funds

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

Governmental Funds: The focus of these City 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 as well as its ability to meet the needs of its citizens. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of 2011, the City's governmental funds reported a combined ending fund balance of \$8.6 million. Approximately \$6.3 million of this balance is unassigned, which is available for spending for citizens. The remainder of the balance is classified as nonspendable, restricted, committed or assigned to indicate that a portion of the fund balance "has been spoken for already" and is not available except for the particular purpose for which the balance was classified.

The General Fund is the chief operating fund of the City. As of December 31, 2011, the unassigned General Fund balance was \$6.6 million with a total fund balance of \$7.0 million. As a measure of liquidity, it is often useful to compare these numbers to total General Fund expenditures.

During 2011, the City's General Fund increased by \$0.9 million with revenues exceeding expenditures by \$6.0 million. This is primarily due to the revenue generated by the income tax base for the City.

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The City's other major funds had ending funds balances or net assets of:

| Fund | Ending Fund Balance/Net Assets | Dollar Change from Prior Year | Percentage Change from Prior Year |
|------------------------|-----------------------------------|----------------------------------|--------------------------------------|
| Fire 1989 Levy | \$ (154,528) | \$ (18,396) | -13.51% |
| Police Law Enforcement | (194,963) | (23,842) | -13.93% |
| 2004 TIFs | 572,132 | 81,633 | 16.64% |
| Bond Retirement | 18,379 | (12,075) | -39.65% |
| Water | 3,881,763 | (42,119) | -1.07% |
| Sewer | 496,576 | 89,772 | 22.07% |

The Fire 1989 Levy and Police Law Enforcement Funds saw their ending fund balance deficits remain near 2010 levels. The General Fund provides operating transfers to these funds as cash-basis expenditures exceed receipts. In 2011, the General Fund transferred \$2,453,000 to the Fire 1989 Levy Fund and \$2,250,000 to the Police Law Enforcement Fund.

The 2004 TIFs and Bond Retirement Fund saw their ending fund balances remain at near 2010 levels as 2011 revenues and other financing sources approximated 2011 expenditures and other financing uses.

The City's two major enterprise funds work hand and hand with each other. The water and sewer funds both generate the vast majority of their revenue from customers whether those are monthly users or new tenants tapping into the City's system. The City was able to generate a positive change in net assets of \$89,772 in the Sewer Fund for 2011 as operating revenues increased slightly over 2010 levels and expenses remained near flat. The Water Fund produced a negative change in net assets of \$42,119, which on 2011 operating revenues of \$2,371,513, is nearly break-even.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and the Charter of the City. The Budget is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2011, the City amended its total and General Fund budget several times. All recommendations for the budget came from the City Manager after consultation with individual directors and the Finance Department before submission to City Council. The City Council also approves small interdepartmental budget changes that modify line items within departments within the same fund. With the General Fund mainly supporting many of the activities of the City, the General Fund is monitored closely.

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The City had various minor revisions to projected revenues and expenditures line items as detailed in the table below:

| Description | Original Budget | Final Budget | Change |
|------------------------------|---------------------|---------------------|-------------------|
| Revenues: | | | |
| Property and Other Taxes | \$ 600,000 | \$ 200,000 | \$ (400,000) |
| Income Taxes | 6,370,390 | 6,270,390 | (100,000) |
| Intergovernmental Revenue | 325,941 | 274,372 | (51,569) |
| Fees, Licenses and Permits | 546,700 | 446,700 | (100,000) |
| Other Revenues | 409,734 | 209,734 | (200,000) |
| Total Revenues | 8,252,765 | 7,401,196 | (851,569) |
| Expenditures: | | | |
| Security of Persons/Property | 485,177 | 501,722 | 16,545 |
| General Government | 2,387,373 | 2,799,692 | 412,319 |
| Other Expenditures | 441,325 | 584,016 | 142,691 |
| Total Expenditures | \$ 3,313,875 | \$ 3,885,430 | \$ 571,555 |

The City was able to keep the majority of its expenditure line items under the budgeted amounts. The majority of the budgeted savings was in the general government function. The following table summarizes the major variations in revenues and expenditures from final budget to the actual results for 2011:

| Description | Final Budget | Actual | Variance |
|------------------------------|---------------------|---------------------|-------------------|
| Revenues: | | | |
| Property and Other Taxes | \$ 200,000 | \$ 747,093 | \$ 547,093 |
| Income Taxes | 6,270,390 | 6,427,981 | 157,591 |
| Intergovernmental Revenue | 274,372 | 592,570 | 318,198 |
| Fees, Licenses and Permits | 446,700 | 541,475 | 94,775 |
| Other Revenues | 209,734 | 479,623 | 269,889 |
| Total Revenues | 7,401,196 | 8,788,742 | 1,387,546 |
| Expenditures: | | | |
| Security of Persons/Property | 501,722 | 455,181 | 46,541 |
| General Government | 2,799,692 | 2,531,332 | 268,360 |
| Other Expenditures | 584,016 | 532,205 | 51,811 |
| Total Expenditures | \$ 3,885,430 | \$ 3,518,718 | \$ 366,712 |

The City saw the actual revenue results finish \$1.4 million more than the final certificate amount for estimated revenues. The City was being conservative in the projection of income taxes for the year. The final budgeted income tax amount was slightly lower than the initial budgeted amount as the unemployment rate remained relatively high in the greater Cincinnati area during the year. Accordingly, the City decided to use a reduced

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amount for such in the final budget. The intergovernmental revenue was higher than budgeted as estate tax revenues received exceeded anticipated amounts.

The City's final expenditures were very close to the final budgeted figures, other than the general government function was discussed previously in this analysis.

Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of December 31, 2011, amounts to \$46.2 Million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, equipment and machinery, and street infrastructure.

The City continued to increase funding for capital asset acquisition and construction during the current year. For 2011, 26% of the increase in City governmental capital assets was from local subdivision street infrastructure totaling \$0.7 million. For more information on the governmental and business-type capital assets see Note 8 in the notes to the financial statements.

Long-term Debt: At the end of 2011, the City had general obligation bonds outstanding of \$11.2 million in governmental activities. For more information on the City's debt, please see Note 14 in the notes to the basic financial statements.

Economic Factors affecting the City

The City of Monroe has become one of the fastest growing communities in southwest Ohio. Monroe's population is currently 12,442 in the 2010 census (above the 7,133 from the 2000 census) and its land area comprises approximately 16.1 square miles of territory. Monroe is located midway between downtown Cincinnati and Dayton. Monroe is served by a full interchange at Interstate 75 as well as two 4-lane state highways, SR 4 and SR 63. Monroe is also served by two major rail lines providing rail served industrial sites.

The City continued to see the development through building permits issued in 2011. Currently the City contains 18 approved residential subdivisions with many unbuilt dwelling units. Monroe also has 6 industrial subdivisions under development. Citywide, Monroe has approximately 3,300 acres of vacant industrial and commercially zoned land with direct access to all utilities and road frontage. Monroe recorded \$6.6 million in local income tax revenues based on an earnings tax rate of 1.5% in 2011.

Monroe aggressively attracts and retains business using several different development financing mechanisms. All industrially zoned property within the City has the Rural Enterprise Zone tax incentive program. Key large parcels are also eligible for real property tax abatements through the Community Reinvestment Area program. The City also utilizes Tax Increment Financing and special assessment financing to facilitate eligible industrial development.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, investors and elected officials with a general overview of the City's finances and to show accountability for the money it receives. If you have any questions about this report or need additional information, contact the City of Monroe Finance Director, 233 Main Street, Monroe, Ohio 45050, (513) 539-7374 or visit the City website at www.Monroehio.org.

THE CITY OF MONROE
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|-----------------------|
| Assets: | | | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$ 8,358,583 | \$ 5,108,440 | \$ 13,467,023 |
| Receivables (net of allowance for doubtful accounts): | | | |
| Taxes-Real & Personal Property | 2,333,300 | - | 2,333,300 |
| Taxes-Municipal Income | 1,503,000 | - | 1,503,000 |
| Accounts | 115,883 | 429,700 | 545,583 |
| Special Assessments | 17,562,132 | - | 17,562,132 |
| Payment in Lieu of Taxes | 1,351,000 | - | 1,351,000 |
| Due from Other Governments | 902,159 | - | 902,159 |
| Restricted Cash and Cash Equivalents | - | 520,675 | 520,675 |
| Bond Issuance Costs | 237,013 | 127,846 | 364,859 |
| Nondepreciable Capital Assets | 1,979,548 | 563,741 | 2,543,289 |
| Depreciable Capital Assets | 55,085,717 | 5,007,582 | 60,093,299 |
| Total Assets | \$ 89,428,335 | \$ 11,757,984 | \$ 101,186,319 |
| Liabilities: | | | |
| Accounts Payable | \$ 344,497 | \$ 165,362 | \$ 509,859 |
| Accrued Wages and Benefits | 329,680 | 12,570 | 342,250 |
| Due to Other Governments | 17,061,731 | 281,965 | 17,343,696 |
| Accrued Interest Payable | 49,647 | 24,774 | 74,421 |
| Deposits Payable | - | 19,950 | 19,950 |
| Unearned Revenue | 3,329,000 | - | 3,329,000 |
| Long-Term Liabilities due within 1 year | 1,080,696 | 239,102 | 1,319,798 |
| Long-Term Liabilities due over 1 year | 12,611,417 | 5,836,354 | 18,447,771 |
| Total Liabilities | 34,806,668 | 6,580,077 | 41,386,745 |
| Net Assets: | | | |
| Invested in Capital Assets, Net of Related Debt | 43,525,991 | 2,705,389 | 46,231,380 |
| Restricted: | | | |
| Transportation | 745,739 | - | 745,739 |
| Security of Persons and Property | 56,230 | - | 56,230 |
| Capital Improvements | 589,446 | - | 589,446 |
| Purposes Permitted by TIF/RID Agreements | 693,676 | - | 693,676 |
| Other | 119,893 | - | 119,893 |
| Unrestricted | 8,890,692 | 2,472,518 | 11,363,210 |
| Total Net Assets | 54,621,667 | 5,177,907 | 59,799,574 |
| Total Liabilities and Net Assets | \$ 89,428,335 | \$ 11,757,984 | \$ 101,186,319 |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

| Function/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--|------------------------|----------------------|------------------------------------|--------------------------|---|--------------------------|-------------|----------------------|
| | Expenses | Charges for Services | Capital | | Primary Government | | Total | |
| | | | Operating Grants and Contributions | Grants and Contributions | Governmental Activities | Business-Type Activities | | |
| Governmental Activities: | | | | | | | | |
| Security of Persons and Property | \$ (7,437,553) | \$ 1,039,918 | \$ 27,160 | \$ - | \$ (6,370,475) | \$ - | \$ - | (6,370,475) |
| Leisure Time Activities | (265,705) | 41,609 | - | 66,330 | (157,766) | - | - | (157,766) |
| Transportation | (2,839,671) | 197,629 | - | 621,664 | (2,020,378) | - | - | (2,020,378) |
| General Government | (4,936,519) | 523,925 | - | - | (4,412,594) | - | - | (4,412,594) |
| Interest and Fiscal Charges | (548,108) | - | - | - | (548,108) | - | - | (548,108) |
| Total Governmental Activities | (16,027,556) | 1,803,081 | 27,160 | 687,994 | (13,509,321) | - | - | (13,509,321) |
| Business-Type Activities: | | | | | | | | |
| Water | (2,625,712) | 2,371,513 | - | - | - | (254,199) | - | (254,199) |
| Sewer | (1,083,566) | 1,173,338 | - | - | - | 89,772 | - | 89,772 |
| Stormwater Management | (212,662) | 244,383 | - | - | - | 31,721 | - | 31,721 |
| Garbage | (769,260) | 668,327 | - | - | - | (100,933) | - | (100,933) |
| Cemetery | (70,790) | 59,027 | - | - | - | (11,763) | - | (11,763) |
| Total Business-Type Activities | (4,761,990) | 4,516,588 | - | - | - | (245,402) | - | (245,402) |
| Total | \$ (20,789,546) | \$ 6,319,669 | \$ 27,160 | \$ 687,994 | \$ (13,509,321) | \$ (245,402) | \$ - | (13,754,723) |
| General Revenues: | | | | | | | | |
| Income Taxes | | | | | \$ 6,576,423 | \$ - | \$ - | 6,576,423 |
| Property Taxes Levied For: | | | | | | | | |
| General Purposes | | | | | 816,508 | - | - | 816,508 |
| Security of Persons and Property | | | | | 1,706,314 | - | - | 1,706,314 |
| Payment in Lieu of Taxes | | | | | 2,910,801 | - | - | 2,910,801 |
| Other Taxes | | | | | 1,049,360 | - | - | 1,049,360 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 900,864 | 77,236 | - | 978,100 |
| Unrestricted Investment Earnings | | | | | 260,634 | - | - | 260,634 |
| Transfers | | | | | (134,844) | 134,844 | - | - |
| Total General Revenues and Transfers | | | | | 14,086,060 | 212,080 | - | 14,298,140 |
| Changes in Net Assets | | | | | 576,739 | (33,322) | - | 543,417 |
| Net Assets, Beginning of Year, Restated | | | | | 54,044,928 | 5,211,229 | - | 59,256,157 |
| Net Assets, End of Year | | | | | \$ 54,621,667 | \$ 5,177,907 | \$ - | \$ 59,799,574 |

See accompanying notes to the basic financial statements

**THE CITY OF MONROE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

| | General | Fire 1989 Levy | Police Law Enforcement | 2004 TIFS | Bond Retirement | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------|---------------------------|---------------------|----------------------|--------------------------------|--------------------------------|
| Assets: | | | | | | | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$ 6,241,997 | \$ 70,086 | \$ 67,627 | \$ 661,425 | \$ 17,096 | \$ 1,300,352 | \$ 8,358,583 |
| Receivables (Net of Allowance for Doubtful Accounts): | | | | | | | |
| Taxes-Real & Personal Property | 694,900 | 511,700 | 511,700 | - | - | 615,000 | 2,333,300 |
| Taxes-Municipal Income Accounts | 1,503,000 | - | - | - | - | - | 1,503,000 |
| Special Assessments | 45,855 | 67,000 | 252 | - | - | 2,776 | 115,883 |
| Payment in Lieu of Taxes | - | - | - | - | 17,414,132 | 148,000 | 17,562,132 |
| Due from Other Funds | 35,000 | - | - | 965,000 | - | 386,000 | 1,351,000 |
| Due from Other Governments | 434,699 | 16,700 | 18,089 | - | 1,283 | - | 35,000 |
| Total Assets | \$ 8,955,451 | \$ 665,486 | \$ 597,668 | \$ 1,626,425 | \$ 17,432,511 | \$ 2,883,516 | \$ 32,161,057 |
| Liabilities: | | | | | | | |
| Accounts Payable | \$ 148,781 | \$ 27,516 | \$ 38,485 | \$ 89,293 | \$ - | \$ 40,422 | \$ 344,497 |
| Accrued Wages and Benefits | 54,028 | 113,907 | 121,273 | - | - | 40,472 | 329,680 |
| Due to Other Funds | - | - | - | - | - | 35,000 | 35,000 |
| Due to Other Governments | 52,306 | 130,326 | 104,221 | - | 16,748,682 | 26,196 | 17,061,731 |
| Deferred Revenue | 1,669,492 | 548,265 | 528,652 | 965,000 | 665,450 | 1,434,636 | 5,811,495 |
| Total Liabilities | 1,924,607 | 820,014 | 792,631 | 1,054,293 | 17,414,132 | 1,576,726 | 23,582,403 |
| Fund Balances: | | | | | | | |
| Nonspendable | 35,000 | - | - | - | - | - | 35,000 |
| Restricted | - | - | - | 572,132 | 18,379 | 1,275,051 | 1,865,562 |
| Committed | - | - | - | - | - | 47,823 | 47,823 |
| Assigned | 348,919 | - | - | - | - | - | 348,919 |
| Unassigned | 6,646,925 | (154,528) | (194,963) | - | - | (16,084) | 6,281,350 |
| Total Fund Balances (Deficit) | 7,030,844 | (154,528) | (194,963) | 572,132 | 18,379 | 1,306,790 | 8,578,654 |
| Total Liabilities and fund balances | \$ 8,955,451 | \$ 665,486 | \$ 597,668 | \$ 1,626,425 | \$ 17,432,511 | \$ 2,883,516 | \$ 32,161,057 |

See accompanying notes to the basic financial statements

**THE CITY OF MONROE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2011**

| | | |
|----------------------------------|----|-----------|
| Total governmental fund balances | \$ | 8,578,654 |
|----------------------------------|----|-----------|

Amounts reported for governmental activities in the statement of net assets are different due to the following:

| | | |
|---|--|------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 57,065,265 |
|---|--|------------|

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

| | | |
|---|--|---------|
| Income taxes receivable | | 763,608 |
| Delinquent property taxes receivable | | 355,300 |
| Special assessments receivable | | 801,450 |
| Intergovernmental and other receivables | | 562,137 |

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

| | | |
|------------------------------------|--|--------------|
| General obligation bonds | | (11,190,000) |
| Revenue bonds | | (1,530,000) |
| Special assessment bonds | | (521,800) |
| Capital lease obligations | | (185,941) |
| Compensated absences | | (152,839) |
| Accrued interest on long-term debt | | (49,647) |
| Premium on bonds | | (111,533) |
| Unamortized issuance costs | | 237,013 |

| | | |
|---------------------------------------|----|--------------------------|
| Net assets of governmental activities | \$ | <u><u>54,621,667</u></u> |
|---------------------------------------|----|--------------------------|

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | General | Fire 1989 Levy | Police Law Enforcement | 2004 TIFS | Bond Retirement | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------|---------------------------|-------------------|--------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | | |
| Income Taxes | \$ 6,600,141 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,600,141 |
| Property and Other Taxes | 749,873 | 495,792 | 495,792 | - | - | 659,030 | 2,400,487 |
| Payment in Lieu of Taxes | - | - | - | 1,907,058 | - | 1,003,743 | 2,910,801 |
| Intergovernmental | 763,222 | 91,094 | 97,672 | - | 16,673 | 788,659 | 1,757,320 |
| Charges for Services | 51,302 | 658,128 | 152,117 | - | - | 197,629 | 1,059,176 |
| Licenses and Permits | 542,932 | - | - | - | - | 38,801 | 581,733 |
| Investment Earnings | 253,387 | - | - | - | - | 7,247 | 260,634 |
| Fines and Forfeitures | 145,068 | - | 13,566 | - | - | 41,572 | 200,206 |
| Special Assessments | 1,750 | - | - | - | 739,835 | 121,971 | 863,556 |
| Miscellaneous | 25,962 | 1,000 | 2,654 | - | 1,402 | 2,563 | 33,581 |
| Total Revenues | 9,133,637 | 1,246,014 | 761,801 | 1,907,058 | 757,910 | 2,861,215 | 16,667,635 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Security of Persons and Property | 413,790 | 3,620,528 | 3,035,643 | - | - | 50,108 | 7,120,069 |
| Leisure Time Activities | 224,446 | - | - | - | - | 243 | 224,689 |
| Payment to Schools | - | - | - | 719,678 | - | 639,320 | 1,358,998 |
| Transportation | 213,922 | - | - | - | - | 1,248,579 | 1,462,501 |
| General Government | 2,245,191 | - | - | - | - | 5,564 | 2,250,755 |
| Miscellaneous | - | - | - | 21,934 | - | 9,669 | 31,603 |
| Intergovernmental | - | - | - | 560,996 | 621,664 | - | 1,182,660 |
| Capital Outlay | - | - | - | 207,817 | - | 1,622,290 | 1,830,107 |
| Debt Service: | | | | | | | |
| Principal Retirement | 1,876 | 83,591 | - | - | 834,400 | 165,000 | 1,084,867 |
| Interest and Fiscal Charges | 2,671 | 13,591 | - | - | 510,831 | 4,961 | 532,054 |
| Total Expenditures | 3,101,896 | 3,717,710 | 3,035,643 | 1,510,425 | 1,966,895 | 3,745,734 | 17,078,303 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 6,031,741 | (2,471,696) | (2,273,842) | 396,633 | (1,208,985) | (884,519) | (410,668) |
| Other Financing Sources (Uses): | | | | | | | |
| Transfers - In | - | 2,453,300 | 2,250,000 | - | 1,196,910 | 268,642 | 6,168,852 |
| Transfers - Out | (5,083,852) | - | - | (315,000) | - | (904,844) | (6,303,696) |
| Total Other Financing Sources (Uses) | (5,083,852) | 2,453,300 | 2,250,000 | (315,000) | 1,196,910 | (636,202) | (134,844) |
| Net Change in Fund Balances | 947,889 | (18,396) | (23,842) | 81,633 | (12,075) | (1,520,721) | (545,512) |
| Fund Balances (Deficit) at Beginning of Year | 6,082,955 | (136,132) | (171,121) | 490,499 | 30,454 | 2,827,511 | 9,124,166 |
| Fund Balances (Deficit) at End of Year | \$ 7,030,844 | \$ (154,528) | \$ (194,963) | \$ 572,132 | \$ 18,379 | \$ 1,306,790 | \$ 8,578,654 |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
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, 2011

Net change in fund balances - total governmental funds \$ (545,512)

Amounts reported for governmental activities in the statement of activities are different due to the following:

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 as depreciation expenses:

| | |
|----------------------------|-------------|
| Capital asset acquisitions | 1,917,114 |
| Depreciation expense | (1,889,657) |

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds:

| | |
|---|-----------|
| Income taxes receivable | (23,718) |
| Delinquent property taxes receivable | 260,227 |
| Special assessments receivable | (270,844) |
| Intergovernmental and other receivables | 76,887 |

Governmental Funds report premiums, discounts, and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities:

| | |
|-------------------------------------|----------|
| Amortization of bond issuance costs | (15,779) |
| Amortization of bond premiums | 6,476 |

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:

| | |
|---|---------|
| Bond principal retirement | 999,400 |
| Principal retirement on capital lease obligations | 85,467 |

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

(6,751)

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

| | |
|----------------------|----------|
| Compensated absences | (16,571) |
|----------------------|----------|

| | |
|---|------------|
| Change in net assets of governmental activities | \$ 576,739 |
|---|------------|

THE CITY OF MONROE
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
DECEMBER 31, 2011

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | |
|--|---|-------------------|---------------------------------|----------------------|
| | Water | Sewer | Nonmajor Enterprise Funds | Totals |
| Assets: | | | | |
| Current Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 3,819,769 | \$ 621,667 | \$ 667,004 | \$ 5,108,440 |
| Accounts Receivable (Net of Allowance for Doubtful Accounts) | 262,300 | 136,300 | 31,100 | 429,700 |
| Total Current Assets | 4,082,069 | 757,967 | 698,104 | 5,538,140 |
| Noncurrent Assets: | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 520,675 | - | - | 520,675 |
| Bond Issuance Costs | 127,846 | - | - | 127,846 |
| Capital Assets: | | | | |
| Nondepreciable Assets | 563,741 | - | - | 563,741 |
| Depreciable Assets | 4,786,739 | - | 220,843 | 5,007,582 |
| Total Capital Assets (Net of Accumulated Deprecation) | 5,350,480 | - | 220,843 | 5,571,323 |
| Total Noncurrent Assets | 5,999,001 | - | 220,843 | 6,219,844 |
| Total Assets | \$ 10,081,070 | \$ 757,967 | \$ 918,947 | \$ 11,757,984 |
| Liabilities: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 46,374 | \$ 5,069 | \$ 113,919 | \$ 165,362 |
| Accrued Wages and Benefits | 12,570 | - | - | 12,570 |
| Due to Other Governments | 20,183 | 256,322 | 5,460 | 281,965 |
| Accrued Interest Payable | 24,774 | - | - | 24,774 |
| Deposits Payable | 19,950 | - | - | 19,950 |
| Revenue Bonds Payable - Current | 205,000 | - | - | 205,000 |
| Loan Payable - Current | 34,102 | - | - | 34,102 |
| Total Current Liabilities | 362,953 | 261,391 | 119,379 | 743,723 |
| Noncurrent Liabilities: | | | | |
| Compensated Absences Payable | 13,522 | - | - | 13,522 |
| Premium on Debt | 35,367 | - | - | 35,367 |
| Revenue Bonds Payable | 5,420,000 | - | - | 5,420,000 |
| Loans Payable | 367,465 | - | - | 367,465 |
| Total Noncurrent Liabilities | 5,836,354 | - | - | 5,836,354 |
| Total Liabilities | 6,199,307 | 261,391 | 119,379 | 6,580,077 |
| Net Assets: | | | | |
| Invested in Capital Assets, Net of Related Debt | 2,484,546 | - | 220,843 | 2,705,389 |
| Unrestricted | 1,397,217 | 496,576 | 578,725 | 2,472,518 |
| Total Net Assets | 3,881,763 | 496,576 | 799,568 | 5,177,907 |
| Total Net Assets and Liabilities | \$ 10,081,070 | \$ 757,967 | \$ 918,947 | \$ 11,757,984 |

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | Totals |
|---|---|-------------------|---------------------------------|---------------------|
| | Water | Sewer | Nonmajor Enterprise Funds | |
| Operating Revenues: | | | | |
| Charges for Services | \$ 2,366,914 | \$ 1,173,338 | \$ 971,737 | \$ 4,511,989 |
| Special Assessments | 4,599 | - | - | 4,599 |
| Total Operating Revenues | 2,371,513 | 1,173,338 | 971,737 | 4,516,588 |
| Operating Expenses: | | | | |
| Personal Services | 565,412 | 44,711 | 177,953 | 788,076 |
| Materials and Supplies | 1,115,091 | - | 67,030 | 1,182,121 |
| Contractual Services | 225,391 | 1,038,855 | 782,639 | 2,046,885 |
| Depreciation | 410,692 | - | 23,700 | 434,392 |
| Total Operating Expenses | 2,316,586 | 1,083,566 | 1,051,322 | 4,451,474 |
| Operating Income (Loss) | 54,927 | 89,772 | (79,585) | 65,114 |
| Non-Operating Income (Expense): | | | | |
| Interest and Fiscal Charges | (309,126) | - | (1,390) | (310,516) |
| Other Intergovernmental Revenues | 77,236 | - | - | 77,236 |
| Total Non-Operating Income (Expense) | (231,890) | - | (1,390) | (233,280) |
| Income (Loss) Before Transfers | (176,963) | 89,772 | (80,975) | (168,166) |
| Transfers-In | 134,844 | - | - | 134,844 |
| Change in Net Assets | (42,119) | 89,772 | (80,975) | (33,322) |
| Total Net Assets - Beginning of Year | 3,923,882 | 406,804 | 880,543 | 5,211,229 |
| Total Net Assets - End of Year | <u>\$ 3,881,763</u> | <u>\$ 496,576</u> | <u>\$ 799,568</u> | <u>\$ 5,177,907</u> |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | |
|---|---|-------------------|---------------------------------|---------------------|
| | Water | Sewer | Nonmajor Enterprise Funds | Totals |
| Cash Flows from Operating Activities: | | | | |
| Cash Received from Customers | \$ 2,299,442 | \$ 1,144,755 | \$ 1,027,212 | \$ 4,471,409 |
| Cash Paid for Employee Services and Benefits | (613,489) | (44,711) | (176,234) | (834,434) |
| Cash Paid to Suppliers for Goods and Services | (1,320,753) | (886,371) | (790,165) | (2,997,289) |
| Other Receipts | 9,688 | 2,835 | 11,484 | 24,007 |
| Net Cash Provided by Operating Activities | <u>374,888</u> | <u>216,508</u> | <u>72,297</u> | <u>663,693</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Other Intergovernmental Receipts | 77,236 | - | - | 77,236 |
| Transfers-in from Other Funds | 134,844 | - | - | 134,844 |
| Net Cash Provided by Noncapital Financing Activities | <u>212,080</u> | <u>-</u> | <u>-</u> | <u>212,080</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Acquisition of Capital Assets | (8,093) | - | - | (8,093) |
| Principal Paid on Bonds | (200,000) | - | - | (200,000) |
| Principal Paid on Loans and Capital Leases | (32,453) | - | (28,088) | (60,541) |
| Interest and Fiscal Charges | (302,939) | - | (1,390) | (304,329) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>(543,485)</u> | <u>-</u> | <u>(29,478)</u> | <u>(572,963)</u> |
| Net Increase in Cash and Cash Equivalents | 43,483 | 216,508 | 42,819 | 302,810 |
| Cash and Cash Equivalents at Beginning of Year | <u>4,296,961</u> | <u>405,159</u> | <u>624,185</u> | <u>5,326,305</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 4,340,444</u> | <u>\$ 621,667</u> | <u>\$ 667,004</u> | <u>\$ 5,629,115</u> |

THE CITY OF MONROE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | |
|---|---|------------|---------------------------------|------------|
| | Water | Sewer | Nonmajor Enterprise Funds | Totals |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | |
| Operating Income (Loss) | \$ 54,927 | \$ 89,772 | \$ (79,585) | \$ 65,114 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | |
| Depreciation Expense | 410,692 | - | 23,700 | 434,392 |
| Change in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accounts Receivable | (67,472) | (28,583) | 55,475 | (40,580) |
| Decrease in Special Assessment Receivable | 5,089 | 2,835 | 11,484 | 19,408 |
| Increase (Decrease) in Accounts Payables | 29,159 | 5,069 | 59,878 | 94,106 |
| (Decrease) in Contracts Payables | (11,125) | - | - | (11,125) |
| Increase in Deposits Payable | 1,695 | - | - | 1,695 |
| (Decrease) in Accrued Wages and Benefits | (514) | - | - | (514) |
| Increase in Compensated Absences Payable | 3,266 | - | - | 3,266 |
| Increase (Decrease) in Due to Other Governments | (50,829) | 147,415 | 1,345 | 97,931 |
| Total Adjustments | 319,961 | 126,736 | 151,882 | 598,579 |
| Net Cash Provided by Operating Activities | \$ 374,888 | \$ 216,508 | \$ 72,297 | \$ 663,693 |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2011

| | Agency |
|---|-----------|
| Assets: | |
| Cash and Cash Equivalents in Segregated Accounts | \$ 15,819 |
| Total Assets | \$ 15,819 |
| Liabilities: | |
| Due to Other Governments | \$ 15,799 |
| Due to Others | 20 |
| Total Liabilities | \$ 15,819 |

See accompanying notes to the basic financial statements

Note I - Reporting Entity and Basis of Presentation

The City of Monroe is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own charter. The current charter, which provides for a Council/Manager form of government, was adopted in 1984. The seven-member Council is elected to four-year terms. Annually, the Council selects one of its members to serve as Mayor. The Council appoints the City Manager, Finance Director and Law Director.

The Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City. Services provided by the City include police and fire protection, emergency medical services, street maintenance and repair, community development, planning and zoning, parks and recreation, water, storm water, sewer and garbage removal. The City's staff provides essential support (i.e., payroll processing, accounts payable, revenue collection) to deliver these services. The Council and the City Manager have direct responsibility for these services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City had no reported component units at December 31, 2011.

The Monroe Mayor's Court has been included in the City's financial statements as an agency fund. The clerk of court has a fiduciary responsibility for the collection and distribution of the court fees and fines.

The City is also associated with two jointly governed organizations, The Center for Local Governments and the Ohio-Kentucky-Indiana Regional Council of Government, which are presented in Note 16 to the Basic financial statements.

Basis of Presentation – Fund Accounting

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effect of inter-fund activity has been removed from these statements except interfund services provided and used in the normal course of business. Taxes and intergovernmental revenues normally support governmental activities. *Business-type activities* are supported by charges for services.

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 properly included among program revenues are reported instead as *general revenues*.

Note 2 - Summary of Significant Accounting Policies

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

Measurement Focus Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the enterprise 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.

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 government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is expected to be liquidated with expendable, available resources. However, debt service expenditures, as well as compensated absences, are recorded only when payment is due.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City employs the use of three categories of funds: governmental, enterprise, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The governmental funds reporting focus is on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The current financial resource approach of the governmental funds differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for governmental funds.

Enterprise Funds

Enterprise 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales 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.

The City of Monroe

Notes to the Basic Financial Statements – December 31, 2011

The City reports the following major governmental funds:

General Fund

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

Fire 1989 Levy Fund

The Fire 1989 Levy Fund accounts for property tax levied in 1989 for payment of a portion of general operating expenditures of the department and capital costs.

Police Law Enforcement

The Police Law Enforcement Fund accounts for property taxes, charges for services, and other revenues received to maintain the operational and capital needs of the City's police department.

2004 TIFs

The 2004 TIFs Fund accounts for payments in lieu of taxes received from commercial properties located in the City's TIF Districts.

Bond Retirement Fund

The Bond Retirement Fund is used to account for the revenues, expenditures and other financing sources and uses related to the retirement of specific long-term obligations of the City.

The City reports the following major enterprise funds:

Water Fund

To account for activities of the City's water system.

Sewer Fund

To account for activities of the City's wastewater system.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets using the economic resources measurement focus and accrual basis of accounting. The fiduciary fund category is split into four classifications: private purpose trust funds, pension trust funds, investment trust funds and agency funds. The City maintains a Mayor's Court agency fund, which accounts for funds that flow through the municipal court office. The City also maintains a Flexible Spending Account, which accounts for the payroll deductions and withdraws from the account. The City's agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

Pursuant to GASB Statement No, 20, *Accounting and Financial Reporting for Enterprise and Other Governmental Entities that Use Enterprise Fund Accounting*, the City has elected to follow FASB guidance issued prior to December 1, 1989, to the extent that guidance does not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The City also has the option of following subsequent FASB guidance for their business-type and enterprise funds, subject to this same limitation. The City has elected not to apply FASB guidance issued after November 30, 1989, to its enterprise funds.

Cash and Cash Equivalents

To improve cash management, all cash received by the City is pooled. Monies for all funds, including enterprise funds, except cash held by a trustee or fiscal agent and specific fund investments, are maintained in this pool. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the fund balance sheet and statement of net assets. Individual fund integrity is maintained through the City's records. The City maintains the remaining bond proceeds in trust accounts that can only be used for purposes described in the bond documents. These monies are reported as "Restricted Cash and Cash Equivalents" on the statement of net assets. The City's Mayor's Court has its own checking accounts for collection and distribution of court fines and forfeitures that are presented on the statement of fiduciary net assets as "Cash and cash equivalents in segregated accounts."

For purposes of the statement of cash flows and for presentation on the fund balance sheet and statement of net assets, investments with original maturities of three months or less and funds within the cash management pool are considered to be cash equivalents. Except for non-participating investment contracts, investments are reported at fair value, which is based on quoted market prices. Non-participating investment contracts, such as certificates of deposit, are reported at cost. During fiscal year 2011, investments were limited to U.S. Governmental agency notes, STAR Ohio, money market mutual funds and certificates of deposit.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011.

Capital Assets and Depreciation

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 columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost (or estimated historical cost if purchased or constructed). Donated capital assets are recorded at estimated fair market value on the date of donation. Intangible assets, such as easements, are reported at estimated cost and not depreciated.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

| | <u>Estimated Lives (Years)</u> |
|-------------------------------------|--------------------------------|
| Buildings and Building Improvements | 40 |
| Infrastructure – Streets | 50 |
| Infrastructure – Water Lines | 20 |
| Machinery, Equipment and Vehicles | 5 – 20 |

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

Transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Transfers In” by the recipient fund and “Transfers Out” by the disbursing fund on the fund financial statements. These transfers are consolidated within the governmental activities columns.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City.

Pensions

The provisions for pension costs are recorded when the related payroll is accrued and the obligation is incurred.

Compensated Absences

The City follows the provisions of Governmental Accounting Standards Board Statement No. 16, “Accounting for Compensated Absences.” Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the vesting method. The City records a liability for sick leave for employees with ten years of service. The employees are eligible to receive payment for one-quarter of the vested balance up to a maximum of 240 hours.

Matured leave payable in the fund financial statements represents the entire current portion. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations, retirements or contractual obligation. The City has no matured leave payable at December 31, 2011. The entire liability is reported on the government-wide statement of net assets. For enterprise funds, the entire liability is reflected in the fund statement of net assets.

Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. Bonds and capital leases are reported as a liability of the governmental activities on the statement of net assets.

Long-term debt and other obligations financed by enterprise funds are reported as liabilities in the appropriate enterprise funds and on the statement of net assets.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Long-term liabilities are being repaid from the following funds:

| Obligation | Fund |
|--------------------------|---|
| Compensated Absences | Will be paid by the fund from which the employee’s salary is paid. |
| General Obligation Bonds | Will be paid from the debt service fund. |
| Loans Payable | Will be paid from the water fund, which is utilizing the water tower associated with the loan. |
| Capital Leases Payable | Will be paid from the general, fire 1989 levy special revenue and stormwater management enterprise funds. |
| Special Assessment Bonds | Will be paid from the debt service fund. |
| Revenue Obligation Bonds | Will be paid through payments in lieu of taxes from the I-75 Corridor fund. Water revenue bonds will be repaid through the operated revenues of the Water Fund. |

Classification of Fund Balance

In accordance with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” the City’s fund balance is divided into five classifications based primarily on the extent to which the City must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The City classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted - Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed - The City’s Council can commit amounts via formal action (resolution). The City must adhere to these commitments unless the City’s Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the City’s Council or by State Statute.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Assets

Net assets represent the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net assets are remaining assets less remaining liabilities that do not meet the definition of invested in capital asset, net of related debt or restricted net assets.

Unearned/Deferred Revenues

Unearned/deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes and payments in lieu of taxes, for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenues.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Exchange/Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 - Compliance and Accountability

Fund Deficits

The following funds had fund balance deficits at December 31, 2011:

| | <u>Fund Deficit</u> |
|-----------------------------------|--------------------------|
| Major Funds: | |
| Governmental Funds: | |
| Fire 1989 Levy | \$ 154,528 |
| Police Law Enforcement | 194,963 |
| Total Major Governmental Funds | <u>349,491</u> |
| Nonmajor Funds: | |
| Governmental Funds: | |
| Street Lighting | 16,084 |
| Total Nonmajor Governmental Funds | <u>16,084</u> |
| Total All Funds | <u><u>\$ 365,575</u></u> |

The deficits were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 4 - Deposits and Investments

Policies and Procedures

The investment and deposit of City monies are governed by the Ohio Revised Code. State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

State statute permits interim monies to be deposited in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligations or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bond, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this section are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, city, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and GASB Statement No. 40, "Deposits and Investment Risk Disclosures."

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Deposits

At year-end, the carrying amount of the City's deposits was \$13,787,086 and the bank balance was \$14,009,704. \$1,019,988 of the City's deposits were insured by federal depository insurance. As of December 31, 2011, \$12,989,716 of the City's bank balance of \$14,009,704 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2011 the City had the following investments.

| Categorized Investments | Fair Value and Maturity | | Credit Rating |
|------------------------------|-------------------------|-------------------|---------------|
| | Under One Year | One to Five Years | |
| Federal Home Loan Bank Notes | \$ - | \$ 100,212 | S&P - AAA |
| Star Ohio | 7,656 | - | S&P - AAAM |
| Money Market Mutual Funds | 108,563 | - | S&P - AAAM |
| Total | \$ 116,219 | \$ 100,212 | |

Interest Rate Risk - The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk - The City is not subject to any credit risk as there are no investments subject to credit risk. The City has no investment policy that would further limit its investment choices.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk - The City places no limit on the amount it may invest in any one issuer. The City has 46% of its investments in Federal Home Loan Bank Notes and 50% of its investments in Money Market Mutual funds.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Note 5 - Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2011 were levied after October 1, 2010, on assessed values as of January 1, 2010, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 2009. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31st of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City. The County Auditor periodically remits to the City its portion of the taxes collected.

| Category | Assessed Value |
|---|-----------------------|
| Real Property Valuation | \$ 282,027,380 |
| Public Utility Tangible Personal Property | 79,977,540 |
| Total | <u>\$ 362,004,920</u> |

Note 6 - Income Tax

The City levies a municipal income tax of one and one-half percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council.

Note 7 - Receivables

Receivables at December 31, 2011 consisted of property and other taxes, income taxes, utility accounts (shown net of an allowance for uncollectible accounts), special assessments, interest on investments, and intergovernmental receivables and shared revenues arising from entitlements.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Note 8 - Capital Assets

A summary of the changes in capital assets during the year ended December 31, 2011, follows:

| | 12/31/2010 | Increases | Decreases | 12/31/2011 |
|---|----------------------|---------------------|---------------------|----------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land and Easements | \$ 1,436,276 | \$ - | \$ - | \$ 1,436,276 |
| Construction in Progress | 769,620 | 517,181 | (743,529) | 543,272 |
| Total Capital Assets, Not Being Depreciated | 2,205,896 | 517,181 | (743,529) | 1,979,548 |
| Capital Assets, Being Depreciated: | | | | |
| Buildings and Building Improvements | 8,135,223 | 448,829 | - | 8,584,052 |
| Machinery, Equipment and Vehicles | 5,744,013 | 993,331 | (66,640) | 6,670,704 |
| Infrastructure – Streets | 64,372,522 | 701,302 | - | 65,073,824 |
| Total Capital Assets, Being Depreciated | 78,251,758 | 2,143,462 | (66,640) | 80,328,580 |
| Accumulated Depreciation | | | | |
| Buildings and Building Improvements | (2,294,218) | (214,371) | - | (2,508,589) |
| Machinery, Equipment and Vehicles | (3,199,290) | (484,438) | 66,640 | (3,617,088) |
| Infrastructure – Streets | (17,926,338) | (1,190,848) | - | (19,117,186) |
| Less Accumulated Depreciation | (23,419,846) | (1,889,657) | 66,640 | (25,242,863) |
| Total Capital Assets, Being Depreciated, Net | 54,831,912 | 253,805 | - | 55,085,717 |
| Governmental Activities Capital Assets, Net | \$ 57,037,808 | \$ 770,986 | \$ (743,529) | \$ 57,065,265 |
| Business-Type Activities | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Land | \$ 563,741 | \$ - | \$ - | \$ 563,741 |
| Total Capital Assets, Not Being Depreciated | 563,741 | - | - | 563,741 |
| Capital Assets, Being Depreciated | | | | |
| Buildings and Building Improvements | 1,461,242 | - | - | 1,461,242 |
| Machinery and Equipment | 960,288 | - | - | 960,288 |
| Infrastructure – Water Lines/Storm Sewers | 6,789,353 | 8,093 | - | 6,797,446 |
| Total Capital Assets, Being Depreciated | 9,210,883 | 8,093 | - | 9,218,976 |
| Accumulated Depreciation | | | | |
| Buildings and Building Improvements | (775,525) | (32,548) | - | (808,073) |
| Machinery and Equipment | (462,146) | (77,955) | - | (540,101) |
| Infrastructure – Water Lines | (2,539,331) | (323,889) | - | (2,863,220) |
| Less Accumulated Depreciation | (3,777,002) | (434,392) | - | (4,211,394) |
| Total Capital Assets, Being Depreciated, Net | 5,433,881 | (426,299) | - | 5,007,582 |
| Business-Type Activities Capital Assets, Net | \$ 5,997,622 | \$ (426,299) | \$ - | \$ 5,571,323 |

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

| | |
|--|---------------------|
| Security of Persons and Property | \$ 381,803 |
| Transportation, Including Depreciation of General Infrastructure Assets | 1,352,020 |
| Leisure Time Activities | 41,016 |
| General Government | 114,818 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,889,657</u> |

Business-Type Activities:

| | |
|---|-------------------|
| Water | \$ 410,692 |
| Stormwater Management | 23,700 |
| Total Depreciation Expense – Business-Type Activities | <u>\$ 434,392</u> |

Note 9 - Defined Benefit Pension Plans

Public Employees Retirement System

The City contributes to the Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222- PERS (7377).

OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan
- The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
- The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. Contributions are authorized by State statute. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City’s required contributions to OPERS for the years ended December 31, 2011, 2010, and 2009, were \$315,610, \$206,888 and \$178,989, respectively. All required contributions have been made for 2011, 2010 and 2009.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan. The Fund provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The Fund issues a publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 and 24 percent, respectively, for police officers and firefighters. Contributions are authorized by State statute. The City's required contributions to the Fund for the years ended December 31, 2011, 2010, and 2009, were \$810,834, \$622,342, and \$460,971, respectively. The full amount has been contributed for 2011, 2010 and 2009.

Note 10 - Post Employment Benefits

Public Employees Retirement System (OPERS)

OPERS maintains a cost-sharing multiple employer benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members to both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution rate to a rate not to exceed 14.00% of the covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS's Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2011, the employer contribution allocated to the health care plan for members in the traditional plan was 4%. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05%. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

The City's actual contributions that were used to fund post-employment benefits for 2011, 2010 and 2009 were \$90,174, \$138,763 and \$112,578, respectively. The full amount has been contributed for 2011, 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006-2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final increase in January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

OPERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222- PERS (7377).

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined benefit postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered amount. The amount of the employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provision of Section 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of dependents and the coverage selected.

The City's contributions for the years ended December 31, 2011, 2010 and 2009 were \$249,089, \$286,029, and \$198,819, respectively. The full amount has been contributed for 2011, 2010 and 2009.

The Ohio Police and Fire Pension Fund issues a publicly available financial report that includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

Note 11 - Other Employee Benefits

Compensated Absences

Accumulated Unpaid Sick Leave

All non-contract employees earn ten hours of sick leave for each full month worked. City employees can receive payment of twenty-five percent of accrued sick leave up to 240 hours (maximum sixty hours) after ten years with the City.

Accumulated Unpaid Vacation

Non-union employees earn vacation leave at varying rates based on length of service. On January 1 following the date of hire, employees receive two weeks of vacation leave prorated by the portion of the previous calendar year worked. Employees earn two weeks up to the completion of five years of service, three weeks after five years, four weeks after ten years and five weeks after twenty years of service. All vacation time must be used within the calendar year earned or is forfeited unless the employee has received special permission from the City Manager. Upon departure from City employment, an employee (or his or her estate) will be paid for unused vacation leave. Union employees earn, use and accumulate vacation leave per the terms of their particular contract.

Health Care Benefits

The City provides life insurance and accidental death and dismemberment insurance to most employees through various life insurance companies. The City has elected to provide employee medical/surgical benefits through Anthem. Non-union employees pay 14 percent of the premium. The City Manager and Law Director pay twenty percent of the health and dental insurance premiums. For union employees, the premium varies with employee depending on the terms of the union contract. The City also provides a portion of the deductible: \$1,000 for employees on the single plan and \$2,000 for employees on the family plan. The City provides dental insurance to all employees through Dental Care Plus and vision insurance provided through VSP.

Note 12 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees and natural disasters. During 2011, the City contracted with MacDonald Insurance Agency for vehicle, property, equipment and machinery, police and professional and general liability insurance.

Equipment and machinery losses are subject to a \$1,000 deductible. Vehicle deductible levels vary with vehicles while property and general liability deductibles range from \$1,000 to \$2,000. The City carries a \$10,000 deductible for both police and professional liability insurance.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

A summary of coverage amounts follows:

| | | |
|--|----|-----------|
| Public Official Liability | \$ | 1,000,000 |
| Deductible | | 3,000 |
| Automobile Liability | | 1,000,000 |
| Deductible | | 1,000 |
| Comprehensive General Liability, Each Occurrence | | 1,000,000 |
| Comprehensive General Liability, Aggregate | | 2,000,000 |
| Commercial Umbrella | | 2,000,000 |
| Deductible | | 10,000 |
| Employee Dishonesty | | 10,000 |
| Theft | | 10,000 |

Settled claims have not exceeded insurance coverage in any of the past three years. There was no significant decline in the level of coverage from the prior year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries.

Note 13 - Capital Leases

The City has entered into capitalized leases for various pieces of equipment. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. These expenditures are reported as function expenditures/expenses on the budgetary statements.

Capital assets acquired under capital leases have been capitalized in the statement of net assets in the amount of \$779,890. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was also recorded. Principal payments in fiscal year 2011 totaled \$1,876 in the General Fund, \$83,591 in the Fire 1989 Levy Fund and \$28,088 in the Storm Water Management Fund.

The assets acquired through capital leases are as follows:

| | Governmental Activities | Business-Type Activities |
|-----------------------------------|----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Machinery, Equipment and Vehicles | \$ 645,761 | \$ 134,129 |
| Less: Accumulated Depreciation | (364,147) | (80,477) |
| Total | <u>\$ 281,614</u> | <u>\$ 53,652</u> |

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2011.

| Fiscal Year Ending December 31 | Governmental Activities |
|---|----------------------------|
| 2012 | \$ 101,728 |
| 2013 | 100,591 |
| Total | <u>202,319</u> |
| Less: Amounts Representing Interest | (16,378) |
| Present Value of Net Minimum Lease Payments | <u><u>\$ 185,941</u></u> |

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Note 14 –Long-Term Obligations

A summary of the changes in long-term obligations during the year ended December 31, 2011 follows:

| | 12/31/2010 | Increase | Decrease | 12/31/2011 | Due Within One Year |
|---|---------------|-----------|----------------|---------------|------------------------|
| Governmental Activities | | | | | |
| Special Assessment Bonds | | | | | |
| 6.70% 1991 Waterline Extension I | \$ 45,000 | \$ - | \$ (45,000) | \$ - | \$ - |
| 6.61% 1998 Waterline Extension II | 64,200 | - | (9,400) | 54,800 | 9,900 |
| 5.25% - 5.75% 1993 American Way | 32,000 | - | (10,000) | 22,000 | 11,000 |
| 4.45% - 5.70% 2002 Limited Edition | 485,000 | - | (40,000) | 445,000 | 40,000 |
| Total - Special Assessment Bonds | 626,200 | - | (104,400) | 521,800 | 60,900 |
| Revenue Obligation Bonds | | | | | |
| 1999 Adjustable Rate Tax Incremental | 1,695,000 | - | (165,000) | 1,530,000 | 180,000 |
| General Obligation Bonds (Unvoted) | | | | | |
| 2.00% - 5.25% 2004 VP Bonds | 5,075,000 | - | (465,000) | 4,610,000 | 480,000 |
| Premium | 26,853 | - | (1,918) | 24,935 | - |
| 6.15% 2010 Building America Bonds | 715,000 | - | - | 715,000 | - |
| 2 - 4.25% 2010 VP Bonds | 6,130,000 | - | (265,000) | 5,865,000 | 265,000 |
| Premium | 91,156 | - | (4,558) | 86,598 | - |
| Total - General Obligation Bonds | 12,038,009 | - | (736,476) | 11,301,533 | 745,000 |
| Capital Leases Payable | 271,408 | - | (85,467) | 185,941 | 90,664 |
| Compensated Absences | 136,268 | 24,009 | (7,438) | 152,839 | 4,132 |
| Total - Governmental Activities | 14,766,885 | 24,009 | (1,098,781) | 13,692,113 | 1,080,696 |
| Business-Type Activities | | | | | |
| 5.9-6.35% 2010 Series A Bonds | 3,590,000 | - | - | 3,590,000 | - |
| 2-3.75% 2010 Series B Bonds | 2,235,000 | - | (200,000) | 2,035,000 | 205,000 |
| Premium | 37,229 | - | (1,862) | 35,367 | - |
| 5.02% 2001 Loan Payable | 434,020 | - | (32,453) | 401,567 | 34,102 |
| Capital Leases Payable | 28,088 | - | (28,088) | - | - |
| Compensated Absences | 10,256 | 3,443 | (177) | 13,522 | - |
| Total - Business-Type Activities | 6,334,593 | 3,443 | (262,580) | 6,075,456 | 239,102 |
| Total - All Activities | \$ 21,101,478 | \$ 27,452 | \$ (1,361,361) | \$ 19,767,569 | \$ 1,319,798 |

The Water Line Extension I special assessment bond was issued at an interest rate of 6.70 percent on October 1, 1991. The debt was issued for the purpose of constructing a water line extension, a sewer line extension, street improvements and a storm water control system in order to provide police and fire access and sanitary facilities.

The Water Line Extension II special assessment bond was issued at an interest rate of 6.61 percent on January 1, 1998. The debt was issued for the purpose of constructing a water line extension down three roads in the City.

The American Way special assessment bond was issued at varying interest rates from 5.25 to 5.75 percent. The debt was issued on September 3, 1993 for the purpose of constructing a road extension.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

The Limited Edition special assessment bond was issued at varying interest rates from 4.45 to 5.70 percent. The debt was issued on September 15, 2002 for the purpose of making improvements around the Mount Pleasant Retirement home area.

The special assessment bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. The special assessment bonds will be paid from the debt service fund.

The adjustable rate tax incremental bonds were issued on March 1, 1999 at a 3.35 percent stated interest rate. The bonds were issued to finance the Interstate 75 Corridor project. The bonds will be repaid from service payments recorded in the Corridor 75 capital projects fund with a final maturity of December 1, 2018. The City has pledged 100 percent of all future revenues from the 75 Park Corridor tax increment financing district to repay the principal and interest obligations of the 1999 Adjustable Rate Revenue Bond set to mature on December 1, 2018. The original principal amount was \$2,000,000 and the City does not expect the future interest obligations to exceed \$650,000.

The various purpose general obligation bonds were issued at varying interest rates from 4.00 to 5.50 percent on December 1, 1999. The bonds were issued for numerous items in the City. The City refunded the bonds during 2004 with the issuance of various purpose general obligation bonds at varying interest rates from 2.00 to 5.25 percent. The 2004 Various Purpose Bonds are financed bond anticipation notes and repaid the outstanding balance on the capital leases in the special revenue funds.

In 2010, the City issued \$6,845,000 of various purpose bonds, including \$715,000 in Build America Bonds that carry an interest subsidy of thirty-five percent. The bonds were issued for several purposes including State Route 63 right of way, interchange improvements and work on State Route 63 and Toddhunter Road. The bonds also financed the acquisition of a fire truck and improvements to Gallaher Road. The bonds have a final maturity of December 1, 2030.

The unvoted general obligation bond issues will be paid from property taxes out of the special revenue funds and the capital projects funds.

The capital leases will be paid from the General and Fire 1989 Levy funds based on each fund's prorated share of the obligations.

The compensated absences will be paid from the fund from which the employees' salaries are paid, mainly the General fund as well as the Street, Fire Levy, Water, Sewer and Stormwater funds.

During 2010, the City issued \$5,825,000 in waterworks system improvements and refunding revenue bonds. The bonds were issued as two series. The 2010A series was for \$3,590,000 as Build America Bonds that carry a thirty-five percent interest subsidy. The 2010B series was for \$2,235,000. The bonds have a final maturity of December 1, 2030 and will be repaid from water operating revenues.

The Loan payable was issued at an interest of 5.02 percent in December 2001 for the purpose of the paying the City's portion of a water tower used with the City of Middletown. The loans will be paid from the water fund charges for services. The loan matures on June 1, 2021.

As of December 31, 2011, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was approximately \$26.8 million for total debt and \$8.5 million for unvoted debt.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2011 are:

Governmental Activities

| Year | 2004 General Obligation Bonds | | | 2010 General Obligation Bonds | | |
|-----------|-------------------------------|---------------------|---------------------|-------------------------------|---------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2012 | \$ 480,000 | \$ 211,642 | \$ 691,642 | \$ 265,000 | \$ 244,723 | \$ 509,723 |
| 2013 | 495,000 | 193,403 | 688,403 | 275,000 | 239,422 | 514,422 |
| 2014 | 510,000 | 173,602 | 683,602 | 275,000 | 233,923 | 508,923 |
| 2015 | 465,000 | 152,693 | 617,693 | 285,000 | 228,422 | 513,422 |
| 2016 | 485,000 | 133,162 | 618,162 | 285,000 | 221,298 | 506,298 |
| 2017-2021 | 1,800,000 | 306,650 | 2,106,650 | 1,560,000 | 978,736 | 2,538,736 |
| 2022-2026 | 375,000 | 38,000 | 413,000 | 1,810,000 | 673,876 | 2,483,876 |
| 2027-2031 | - | - | - | 1,825,000 | 239,776 | 2,064,776 |
| Totals | <u>\$ 4,610,000</u> | <u>\$ 1,209,152</u> | <u>\$ 5,819,152</u> | <u>\$ 6,580,000</u> | <u>\$ 3,060,176</u> | <u>\$ 9,640,176</u> |

Governmental Activities

| Year | Special Assessment Bonds | | | Revenue Bonds | | |
|-----------|--------------------------|-------------------|-------------------|---------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2012 | \$ 60,900 | \$ 28,487 | \$ 89,387 | \$ 180,000 | \$ 54,315 | \$ 234,315 |
| 2013 | 61,400 | 25,275 | 86,675 | 190,000 | 47,925 | 237,925 |
| 2014 | 55,900 | 22,017 | 77,917 | 205,000 | 41,180 | 246,180 |
| 2015 | 56,500 | 19,060 | 75,560 | 215,000 | 33,903 | 248,903 |
| 2016 | 62,100 | 16,026 | 78,126 | 230,000 | 26,270 | 256,270 |
| 2017-2021 | 225,000 | 32,785 | 257,785 | 510,000 | 27,513 | 537,513 |
| 2022-2026 | - | - | - | - | - | - |
| 2027-2031 | - | - | - | - | - | - |
| Totals | <u>\$ 521,800</u> | <u>\$ 143,650</u> | <u>\$ 665,450</u> | <u>\$ 1,530,000</u> | <u>\$ 231,106</u> | <u>\$ 1,761,106</u> |

Business-Type Activities

| Year | Loans Payable | | | 2010 Revenue Improvement Bonds | | |
|-----------|-------------------|-------------------|-------------------|--------------------------------|---------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2012 | \$ 34,102 | \$ 19,839 | \$ 53,941 | \$ 205,000 | \$ 277,450 | \$ 482,450 |
| 2013 | 35,836 | 18,106 | 53,942 | 210,000 | 273,350 | 483,350 |
| 2014 | 37,657 | 16,285 | 53,942 | 215,000 | 269,150 | 484,150 |
| 2015 | 39,572 | 14,371 | 53,943 | 220,000 | 264,850 | 484,850 |
| 2016 | 41,583 | 12,359 | 53,942 | 225,000 | 259,350 | 484,350 |
| 2017-2021 | 212,817 | 27,858 | 240,675 | 1,260,000 | 1,188,775 | 2,448,775 |
| 2022-2026 | - | - | - | 1,680,000 | 824,010 | 2,504,010 |
| 2027-2031 | - | - | - | 1,610,000 | 260,349 | 1,870,349 |
| Totals | <u>\$ 401,567</u> | <u>\$ 108,818</u> | <u>\$ 510,385</u> | <u>\$ 5,625,000</u> | <u>\$ 3,617,284</u> | <u>\$ 9,242,284</u> |

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Note 15 - Interfund Transactions

Interfund transfers during 2011 were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--|---------------------|----------------------|
| Major Funds: | | |
| Governmental Funds: | | |
| General Fund | \$ - | \$ 5,083,852 |
| Fire 1989 Levy | 2,453,300 | - |
| Police Law Enforcement | 2,250,000 | |
| Bond Retirement | 1,196,910 | |
| 2004 TIFs | - | 315,000 |
| Total Major Governmental Funds | <u>5,900,210</u> | <u>5,398,852</u> |
| Business-Type Activities Funds: | | |
| Water | <u>134,844</u> | - |
| Total Major Business-Type Activities Funds | <u>134,844</u> | - |
| Nonmajor Funds: | | |
| Governmental Funds: | | |
| Street | 250,642 | - |
| State Highway | 2,000 | - |
| 2005 Fire Levy | - | 730,000 |
| Motor Vehicle License | 8,000 | - |
| 2004 RIDs | - | 40,000 |
| CPO TIF | - | 134,844 |
| Street Lighting | <u>8,000</u> | - |
| Total Nonmajor Governmental Funds | <u>268,642</u> | <u>904,844</u> |
| Total All Funds | <u>\$ 6,303,696</u> | <u>\$ 6,303,696</u> |

The transfer out of the 2005 fire levy was related to the fund's obligation on the long-term bond issue. The transfer out from the CPO TIF fund was to reimburse the Water Fund for the expenditures incurred on behalf of the CPO TIF Fund in a prior period. The Transfers out of the 2004 TIFs and 2004 RIDs Funds were for debt service. The other transfers are related to various items, including debt payments and the General Fund supplementing the respective operations.

Interfund loans at December 31, 2011 consisted of a \$35,000 balance owed to the General Fund from the Street Lighting Fund. The interfund loan was made to assist the Street Lighting Fund with short-term cash flow needs.

Note 16 - Jointly Governed Organizations

The Center for Local Government, a jointly governed organization, was established to improve public service delivery by the cities, townships and villages in the Greater Cincinnati metropolitan area, especially among its member jurisdictions, through improved information exchange, cost reductions, shared resources, interjurisdictional collaboration, and new approaches to capital equipment and skills acquisition. The Board of Trustees consists of eight members made up of elected representatives from the participating governments. The

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

City does not have any financial interest in or responsibility for the Center. The City made no financial contribution during 2011. Information can be obtained from the Center by writing to Director of the Center for Local Government, 10979 Reed Hartman Highway, Suite 239, Cincinnati, Ohio 45242.

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI), a jointly governed organization, was established to provide coordinated planning services to the appropriate federal, state and local governments, their political subdivisions, agencies, departments, instrumentalities, and special districts, in connection with the preparation and development of comprehensive and continuing regional transportation and development plans within the OKI Region. OKI members include Butler, Clermont and Warren Counties in Ohio, Boone, Campbell and Kenton Counties in Kentucky and Dearborn and Ohio Counties in Indiana. OKI also serves as an area wide review agency in conjunction with comprehensive planning within the OKI Region.

OKI contracts periodically for local funds and other support with the governing board of each of the governments who are members of OKI or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented. A Board of Trustees was created for conducting the activities of the OKI. This Board consists of one elected official of each City and municipal corporation, one individual selected by each City planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member City. This Board of Trustees then selects not more than ten residents of the OKI Region. The total membership of the Board of Trustees shall not exceed 100. Any member of OKI may withdraw its membership upon written notice to OKI to be effective two years after receipt of the notice by OKI. The City made no financial contribution during 2011. To obtain financial information, write to Director of Finance and Administration of the Ohio-Kentucky-Indiana Regional Council of Governments at 920 Pete Rose Way Suite 420, Cincinnati, Ohio, 45202.

Note 17 - Contingent Liabilities

Litigation

From time to time, the City may be subject to various lawsuits and/or claims over which litigation has not yet commenced. Although the outcomes of any such matters are not presently determinable, in the opinion of management, the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

Federal and State Grants

The City receives federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 18 – Contractual Commitments

The City had several major outstanding contracts for services. The following amounts remain on these contracts as of December 31, 2011:

| Contractor | Project | Amount |
|----------------------------------|---|------------|
| CDS Associates | SR 63 Corridor Signal Management Project | \$ 49,792 |
| Quality Control Inspection, Inc. | SR 63 Corridor Signal Management Project | 34,220 |
| Kleingers and Associates | Mason & Butler-Warren Roads Extension Project | 18,682 |
| | | \$ 102,694 |

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Note 19 – Adoption of New Accounting Pronouncement

In 2011, the City implemented GASB Statement No. 54 – “Fund Balance Reporting and Governmental Fund Type Definitions.” The implementation of this statement resulted in the City’s fund balance being divided into five classifications based primarily on the extent to which the City must observe constraints imposed upon the use of its governmental-fund resources.

Note 20 – Fund Balance

The fund balances for all governmental funds are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources. The constraints placed on the fund balance for the major governmental funds and all other non-major governmental funds are presented as follows:

| | General | Fire 1989 Levy | Police Law Enforcement | 2004 TIFs | Bond Retirement | Non-major Governmental Funds | Total Governmental Funds |
|---|--------------|-------------------|---------------------------|------------|--------------------|------------------------------------|--------------------------------|
| Nonspendable: | | | | | | | |
| Interfund Loans | \$ 35,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 35,000 |
| Total Nonspendable | 35,000 | - | - | - | - | - | 35,000 |
| Restricted for: | | | | | | | |
| Public safety | - | - | - | - | - | 134,004 | 134,004 |
| Public Works | - | - | - | - | - | 357,987 | 357,987 |
| Capital Improvements | - | - | - | - | - | 589,446 | 589,446 |
| Debt Service | - | - | - | - | 18,379 | - | 18,379 |
| Purposes Permitted by TIF/RID Agreements | - | - | - | 572,132 | - | 121,544 | 693,676 |
| Public Health | - | - | - | - | - | 69,829 | 69,829 |
| Other Purposes | - | - | - | - | - | 2,241 | 2,241 |
| Total Restricted | - | - | - | 572,132 | 18,379 | 1,275,051 | 1,865,562 |
| Committed for: | | | | | | | |
| Parks and Recreation | - | - | - | - | - | 47,823 | 47,823 |
| Total Committed | - | - | - | - | - | 47,823 | 47,823 |
| Assigned: | | | | | | | |
| Other Purposes | 348,919 | - | - | - | - | - | 348,919 |
| Total Assigned | 348,919 | - | - | - | - | - | 348,919 |
| Unassigned (Deficit) | 6,646,925 | (154,528) | (194,963) | - | - | (16,084) | 6,281,350 |
| Total Fund Balances | \$ 7,030,844 | \$ (154,528) | \$ (194,963) | \$ 572,132 | \$ 18,379 | \$ 1,306,790 | \$ 8,578,654 |

Note 21 – Intergovernmental Agreements, Special Assessment Receivable and Intergovernmental Payable

The City has entered into intergovernmental agreements with the Warren County Port Authority for the purpose of furthering commercial and industrial development that is mutually economically beneficial to both the City and Warren County. There are currently two such intergovernmental agreements covering two projects and their related TIF Districts – the VH Monroe Project and the Cincinnati Premium Outlets Project.

The general terms of these two intergovernmental agreements directed the Warren County Port Authority to issue debt for the purpose of constructing infrastructure that would entice commercial and industrial development to be located within certain designated sections (TIF Districts) of the City. These agreements further directed the City to pledge service payments (payments in lieu of taxes) to the Warren County Port Authority to cover the principal and interest payments on the related debt issued by the Port Authority as well as amounts required to cover the administrative costs of the Port Authority related to these projects. Additionally, property owners in these two Districts are subject to a special assessment in the event that in any year the service payments collected are not sufficient to cover the debt service and administrative costs of the Warren County Port Authority.

At December 31, 2011, the City estimated that the future service payments were sufficient to cover the debt service payments and administrative charges of the Cincinnati Premium Outlets Project, but not sufficient to cover the debt service payments and the administrative charges of the VH Monroe Project.

Since the future service payments of the VH Monroe Project are estimated to be less than the amount of debt service and administrative charges required by the intergovernmental agreement with the Warren County Port Authority, the City has reported a special assessment receivable from property owners in the VH Monroe Project TIF District and an intergovernmental payable to the Warren County Port Authority for estimated future value of the deficiency of service payments under debt service payments and administrative expenses as of December 31, 2011, that is estimated based on the assumptions in the table below.

VH Monroe Project - Estimated Special Assessment Receivable and Estimated Intergovernmental Payable Calculation

| | |
|---|-----------------------------------|
| Cash Inflows: | |
| Estimated Service Payments, 2012 to 2034 | \$ 5,344,688 |
| Estimated Interest Income on Debt Reserve Balance, 2012 to 2034 | 1,689,725 |
| Total, Future Value of Cash Inflows | <u>7,034,413</u> |
| Cash Outflows: | |
| Public Improvement Bonds, Principal due from 2012 to 2034 | 10,000,000 |
| Public Improvement Bonds, Interest due from 2012 to 2034 | 12,142,925 |
| Estimated Administrative Expenses, due from 2012 to 2034 | 1,640,170 |
| Total, Future Value of Cash Outflows | <u>23,783,095</u> |
| Special Assessment Receivable/Intergovernmental Payable | <u><u>\$ (16,748,682)</u></u> |

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2011

Note 22 – Restatement of Prior Year Net Assets and Liabilities

The City’s net assets and liabilities at December 31, 2010 have been restated to account for a previously unrecorded intergovernmental payable that is due to the Warren County Port Authority that is related to the special assessment receivable described in Note 21 to the Basic Financial Statements.

A restatement of the December 31, 2010 amounts are as follows:

| Governmental Activities | | | |
|----------------------------------|---|---------------------|---------------------------------|
| | December 31, 2010 (As Originally Issued) | Adjustment | December 31, 2010 (Restated) |
| Liabilities: | | | |
| Due to Other Governments | \$ 402,820 | \$ 17,370,346 | \$ 17,773,166 |
| All Other Liabilities | 19,121,972 | - | 19,121,972 |
| | <u>19,524,792</u> | <u>17,370,346</u> | <u>36,895,138</u> |
| Net Assets: | | | |
| Invested in Capital Assets, | | | |
| Net of Related Debt | 43,867,043 | - | 43,867,043 |
| Restricted | 1,871,712 | - | 1,871,712 |
| Unrestricted | 25,676,519 | (17,370,346) | 8,306,173 |
| Total Net Assets | <u>71,415,274</u> | <u>(17,370,346)</u> | <u>54,044,928</u> |
| Total Liabilities and Net Assets | <u>\$ 90,940,066</u> | <u>\$ -</u> | <u>\$ 90,940,066</u> |

REQUIRED
SUPPLEMENTARY
INFORMATION

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2011

| | GENERAL FUND | | | |
|------------------------------------|------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 600,000 | \$ 200,000 | \$ 747,093 | \$ 547,093 |
| Special Assessments | - | - | 1,750 | 1,750 |
| Income Taxes | 6,370,390 | 6,270,390 | 6,427,981 | 157,591 |
| Charges for Services | 46,200 | 46,200 | 51,302 | 5,102 |
| Fees, Licenses, and Permits | 546,700 | 446,700 | 541,475 | 94,775 |
| Fines and Forfeitures | 223,534 | 23,534 | 139,086 | 115,552 |
| Intergovernmental | 325,941 | 274,372 | 592,570 | 318,198 |
| Interest | 140,000 | 140,000 | 253,387 | 113,387 |
| Other | - | - | 34,098 | 34,098 |
| Total Revenues | 8,252,765 | 7,401,196 | 8,788,742 | 1,387,546 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Council | | | | |
| Personal Services | 82,055 | 82,096 | 80,599 | 1,497 |
| Other | 278,750 | 292,265 | 317,138 | (24,873) |
| Total Council | 360,805 | 374,361 | 397,737 | (23,376) |
| Mayor's Court | | | | |
| Personal Services | 58,729 | 58,762 | 60,717 | (1,955) |
| Other | 27,850 | 32,083 | 19,481 | 12,602 |
| Total Mayor's Court | 86,579 | 90,845 | 80,198 | 10,647 |
| Human Resources | | | | |
| Other | 1,500 | 1,500 | - | 1,500 |
| Total Human Resources | 1,500 | 1,500 | - | 1,500 |
| Development | | | | |
| Personal Services | 281,178 | 281,322 | 281,691 | (369) |
| Other | 668,945 | 891,643 | 646,442 | 245,201 |
| Total Development | 950,123 | 1,172,965 | 928,133 | 244,832 |
| Finance | | | | |
| Personal Services | 290,478 | 290,668 | 291,154 | (486) |
| Other | 308,000 | 381,891 | 361,476 | 20,415 |
| Total Finance | 598,478 | 672,559 | 652,630 | 19,929 |
| City Manager's Office | | | | |
| Personal Services | 215,088 | 217,552 | 211,258 | 6,294 |
| Other | 174,800 | 269,910 | 261,376 | 8,534 |
| Total City Manager's Office | 389,888 | 487,462 | 472,634 | 14,828 |
| Total General Government | 2,387,373 | 2,799,692 | 2,531,332 | 268,360 |

(continued)

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2011

| | GENERAL FUND | | | Variance Positive (Negative) |
|--------------------------------------|--------------|--------------|--------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Security of Persons and Property | | | | |
| Police Law Enforcement | | | | |
| Personal Services | 398,037 | 398,231 | 359,499 | 38,732 |
| Other | 87,140 | 103,491 | 95,682 | 7,809 |
| Total Police Law Enforcement | 485,177 | 501,722 | 455,181 | 46,541 |
| Public Health and Welfare | | | | |
| Cemetery | | | | |
| Personal Services | - | 104 | 104 | - |
| Total Public Health and Welfare | - | 104 | 104 | - |
| Public Works | | | | |
| Service Buildings and Grounds | | | | |
| Other | 282,950 | 321,799 | 298,255 | 23,544 |
| Total Service Buildings and Grounds | 282,950 | 321,799 | 298,255 | 23,544 |
| Leisure Time Activities | | | | |
| Parks | | | | |
| Personal Services | 80,075 | 175,075 | 173,963 | 1,112 |
| Other | 78,300 | 87,038 | 59,883 | 27,155 |
| Total Leisure Time Activities | 158,375 | 262,113 | 233,846 | 28,267 |
| Total Expenditures | 3,313,875 | 3,885,430 | 3,518,718 | 366,712 |
| Excess of Revenues Over Expenditures | 4,938,890 | 3,515,766 | 5,270,024 | 1,754,258 |
| Other Financing Sources (Uses): | | | | |
| Transfers - Out | (5,828,855) | (5,828,855) | (5,118,852) | 710,003 |
| Total Other Financing Sources (Uses) | (5,828,855) | (5,828,855) | (5,118,852) | 710,003 |
| Net Change in Fund Balance | (889,965) | (2,313,089) | 151,172 | 2,464,261 |
| Fund Balance at Beginning of Year | 5,017,573 | 5,017,573 | 5,017,573 | - |
| Prior Year Encumbrances Appropriated | 594,134 | 594,134 | 594,134 | - |
| Fund Balance at End of Year | \$ 4,721,742 | \$ 3,298,618 | \$ 5,762,879 | \$ 2,464,261 |

See accompanying notes to the required supplementary information

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2011

| | FIRE 1989 LEVY FUND | | | |
|--|---------------------|---------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 350,000 | \$ 350,000 | \$ 495,792 | \$ 145,792 |
| Charges for Services | 678,375 | 678,375 | 657,828 | (20,547) |
| Intergovernmental | 187,930 | 187,930 | 91,094 | (96,836) |
| Other | - | - | 11,518 | 11,518 |
| Total Revenues | <u>1,216,305</u> | <u>1,216,305</u> | <u>1,256,232</u> | <u>39,927</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 3,208,104 | 3,070,302 | 3,214,787 | (144,485) |
| Other | 533,083 | 617,400 | 591,771 | 25,629 |
| Total Security of Persons and Property | <u>3,741,187</u> | <u>3,687,702</u> | <u>3,806,558</u> | <u>(118,856)</u> |
| Deficiency of Revenues | | | | |
| Under Expenditures | (2,524,882) | (2,471,397) | (2,550,326) | (78,929) |
| Other Financing Sources: | | | | |
| Transfers In | 2,521,898 | 4,013,494 | 2,453,300 | (1,560,194) |
| Total Other Financing Sources | <u>2,521,898</u> | <u>4,013,494</u> | <u>2,453,300</u> | <u>(1,560,194)</u> |
| Net Change in Fund Balance | (2,984) | 1,542,097 | (97,026) | (1,639,123) |
| Fund Balance at Beginning of Year | 8,020 | 8,020 | 8,020 | - |
| Prior Year Encumbrances Appropriated | 92,516 | 92,516 | 92,516 | - |
| Fund Balance at End of Year | <u>\$ 97,552</u> | <u>\$ 1,642,633</u> | <u>\$ 3,510</u> | <u>\$ (1,639,123)</u> |

See accompanying notes to the required supplementary information

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2011

| | POLICE LAW ENFORCEMENT FUND | | | |
|---|-----------------------------|-------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 350,000 | \$ 404,365 | \$ 495,792 | \$ 91,427 |
| Charges for Services | 150,538 | 150,538 | 160,742 | 10,204 |
| Fines and Forfeitures | - | - | 13,566 | 13,566 |
| Intergovernmental | 118,638 | 119,557 | 96,283 | (23,274) |
| Other | - | - | 15,811 | 15,811 |
| Total Revenues | 619,176 | 674,460 | 782,194 | 107,734 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 2,690,579 | 2,521,906 | 2,606,960 | (85,054) |
| Other | 371,500 | 435,243 | 407,945 | 27,298 |
| Total Security of Persons and Property | 3,062,079 | 2,957,149 | 3,014,905 | (57,756) |
| Capital Outlay | 62,000 | 62,500 | 62,500 | - |
| Total Expenditures | 3,124,079 | 3,019,649 | 3,077,405 | (57,756) |
| Deficiency of Revenues Under Expenditures | (2,504,903) | (2,345,189) | (2,295,211) | 49,978 |
| Other Financing Sources: | | | | |
| Transfers - In | 2,496,405 | 2,496,405 | 2,250,000 | (246,405) |
| Total Other Financing Sources | 2,496,405 | 2,496,405 | 2,250,000 | (246,405) |
| Net Change in Fund Balance | (8,498) | 151,216 | (45,211) | (196,427) |
| Fund Balance at Beginning of Year | 3,999 | 3,999 | 3,999 | - |
| Prior Year Encumbrances Appropriated | 64,597 | 64,597 | 64,597 | - |
| Fund Balance at End of Year | \$ 60,098 | \$ 219,812 | \$ 23,385 | \$ (196,427) |

See accompanying notes to the required supplementary information

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2011

| | 2004 TIFs | | | Variance Positive (Negative) |
|--|-------------------|------------------|-------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Payment in Lieu of Taxes | \$ 1,399,500 | \$ 1,452,000 | \$ 1,907,058 | \$ 455,058 |
| Total Revenues | <u>1,399,500</u> | <u>1,452,000</u> | <u>1,907,058</u> | <u>455,058</u> |
| Expenditures: | | | | |
| Miscellaneous | 18,400 | 18,400 | 17,414 | 986 |
| Capital Outlay | 110,000 | 368,400 | 283,049 | 85,351 |
| Intergovernmental | 1,167,000 | 1,202,000 | 1,199,869 | 2,131 |
| Total Expenditures | <u>1,295,400</u> | <u>1,588,800</u> | <u>1,500,332</u> | <u>88,468</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 104,100 | (136,800) | 406,726 | 543,526 |
| Other Financing Uses: | | | | |
| Transfers - Out | - | (315,000) | (315,000) | - |
| Total Other Financing Uses | <u>-</u> | <u>(315,000)</u> | <u>(315,000)</u> | <u>-</u> |
| Change in Fund Balance | 104,100 | (451,800) | 91,726 | 543,526 |
| Fund Balance at Beginning of Year | 327,706 | 327,706 | 327,706 | - |
| Prior Year Encumbrances Appropriated | <u>169,193</u> | <u>169,193</u> | <u>169,193</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 600,999</u> | <u>\$ 45,099</u> | <u>\$ 588,625</u> | <u>\$ 543,526</u> |

See accompanying notes to the required supplementary information

The City of Monroe
Notes to the Required Supplementary Information – December 31, 2011

Note I - Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the Fire Escrow Deposit special revenue fund and agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level (personal services and other expenditures) within each department. Budgetary modifications may only be made by ordinance of the City Council.

Tax Budget

A tax budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer and the Budget Commission agree that the estimate needs to be increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2011, while the original budget column reflects amounts in the original official certificate of estimated resources.

Appropriations

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by ordinance of City Council. During the year several supplemental appropriation measures were passed; however, none of them were significant. The budget figures that appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

The City of Monroe

Notes to the Required Supplementary Information – December 31, 2011

Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the “Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund and major Special Revenue Funds are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications. Budget figures appearing in the statement of budgetary comparisons are based upon the following:

Initial Budget is the legally adopted amount of appropriation originally passed by City Council through the original appropriation ordinance.

Final Budget represents the final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of the formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities for governmental funds in the basic financial statements.

Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be re-appropriated.

Note 2 - Budget to GAAP Reconciliation

Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedules of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual (Budget Basis) — Major Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The City of Monroe
Notes to the Required Supplementary Information – December 31, 2011

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. The retirement of short-term debt is recorded when paid in cash (budget basis) as opposed to reducing the liability (GAAP basis).
3. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when a liability is incurred (GAAP basis).
4. Outstanding year-end encumbrances are treated as expenditures on the budget basis.

The adjustments necessary to convert the results of operations for the year ended December 31, 2011, on the GAAP basis to the budget basis for the General Fund and Major Special Revenue Funds are as follows:

| | General | Fire 1989 Levy | Police Law Enforcement | 2004 TIFs |
|----------------------|-------------------|--------------------|---------------------------|------------------|
| GAAP Basis | \$ 947,889 | \$ (18,396) | \$ (23,842) | \$ 81,633 |
| Adjustments: | | | | |
| Revenue Accruals | (344,895) | (300) | 11,364 | |
| Expenditure Accruals | 62,296 | (11,754) | 11,509 | 82,893 |
| Advances | (35,000) | - | - | - |
| Encumbrances | (479,118) | (66,576) | (44,242) | (72,800) |
| Budget Basis | <u>\$ 151,172</u> | <u>\$ (97,026)</u> | <u>\$ (45,211)</u> | <u>\$ 91,726</u> |

**CITY OF MONROE, OHIO
NONMAJOR FUND DESCRIPTIONS
DECEMBER 31, 2011**

GOVERNMENTAL FUNDS

Special Revenue Funds

Street

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

State Highway

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of state highways within the City.

Motor Vehicle License

To account for additional motor vehicle license taxes levied for routine street maintenance and repairs.

DARE Grant

To account for grant money related to the cost associated with administrating the DARE officer and other resources.

Enforcement and Education

To account for a portion of fines collected in DUI cases used to enforce DUI laws and teach the public about the dangers of driving under the influence.

2005 Fire Levy

To account for the property tax levied in 2005 for operating purposes.

2004 RIDs

To account for the payments in lieu of taxes on all the residential incentive districts within the City limits.

Street Lighting

To account for an assessment received by the City to pay for street lighting.

Cemetery Trust Fund

To account for monies that were donated for the purposes of maintenance and cemetery improvements.

Longstreet Trust Fund

To account for monies that were donated for purposes of using the donation to repair and maintain the Long Street area.

Law Enforcement

To account for monies received from the sale of forfeited goods and property that is spent on law enforcement.

Fire Escrow Deposit

To account for monies that are recovered from insurance proceeds related to City fire damage and controlled disbursements to applicable residents.

**CITY OF MONROE, OHIO
NONMAJOR FUND DESCRIPTIONS
DECEMBER 31, 2011**

Fire Historical Preservation Fund

To account for monies that are recovered from insurance proceeds related to City fire damage and controlled disbursements to applicable residents.

Debt Service Funds

Corridor I-75

To account for monies received primarily from a special taxing district in the City's attempt to create a business district along the Interstate 75 corridor of State Route 63 and used strictly for the retirement of special obligations bonds.

Capital Project Funds

Park Improvement

To account for user fees related to use of the City's various parks. Expenditures relate to the upkeep and maintenance of the parks.

Capital Improvement

To account for short term bond anticipation note proceeds in connection with the State Route 63 widening. This fund has been used by the City in past for minor infrastructure improvement projects through General fund transfers.

Court Technology Improvement

To account for collection of certain fines that will enable the City to update certain technology within the court system.

CPO TIF

To account for monies received from tax incremental financing in the Cincinnati Premium Outlets development that will be used to fund infrastructure improvements in and around the development.

Enterprise Funds

Storm Water Management

To account for the collection of user charges and maintain the City's storm water system.

Garbage

To account for the provision of trash collection services to the residents and commercial users in the City.

Cemetery

To account for the provision of cemetery plats and burials to the residents in the City.

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-----------------------------------|---------------------------------------|---|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 610,291 | \$ - | \$ 690,061 | \$ 1,300,352 |
| Receivables (Net of Allowance for Doubtful Accounts): | | | | |
| Taxes-Real & Personal Property | 615,000 | - | - | 615,000 |
| Accounts | 2,083 | - | 693 | 2,776 |
| Special Assessments | 136,000 | - | 12,000 | 148,000 |
| Payments in Lieu of Taxes | 219,000 | 167,000 | - | 386,000 |
| Due from Other Governments | 431,388 | - | - | 431,388 |
| Total Assets | \$ 2,013,762 | \$ 167,000 | \$ 702,754 | \$ 2,883,516 |
| Liabilities: | | | | |
| Accounts Payable | \$ 38,839 | \$ - | \$ 1,583 | \$ 40,422 |
| Accrued Wages and Benefits | 40,472 | - | - | 40,472 |
| Due to Other Funds | 35,000 | - | - | 35,000 |
| Due to Other Governments | 26,196 | - | - | 26,196 |
| Deferred Revenue | 1,267,636 | 167,000 | - | 1,434,636 |
| Total Liabilities | 1,408,143 | 167,000 | 1,583 | 1,576,726 |
| Fund Balances: | | | | |
| Restricted | 621,703 | - | 653,348 | 1,275,051 |
| Committed | - | - | 47,823 | 47,823 |
| Unassigned | (16,084) | - | - | (16,084) |
| Total Fund Balances | 605,619 | - | 701,171 | 1,306,790 |
| Total Liabilities and Fund Balances | \$ 2,013,762 | \$ 167,000 | \$ 702,754 | \$ 2,883,516 |

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-----------------------------------|---------------------------------------|---|
| Revenues: | | | | |
| Property and Other Taxes | \$ 659,030 | \$ - | \$ - | \$ 659,030 |
| Payment in Lieu of Taxes | 838,048 | 165,695 | - | 1,003,743 |
| Intergovernmental | 788,659 | - | - | 788,659 |
| Charges for Services | 197,629 | - | - | 197,629 |
| Licenses and Permits | - | - | 38,801 | 38,801 |
| Investment Earnings | 7,247 | - | - | 7,247 |
| Fines and Forfeitures | 24,801 | - | 16,771 | 41,572 |
| Special Assessments | 100,007 | - | 21,964 | 121,971 |
| Miscellaneous | 2,563 | - | - | 2,563 |
| Total Revenues | 2,617,984 | 165,695 | 77,536 | 2,861,215 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 50,108 | - | - | 50,108 |
| Leisure Time Activities | - | - | 243 | 243 |
| Payment to Schools | 639,320 | - | - | 639,320 |
| Transportation | 1,248,579 | - | - | 1,248,579 |
| General Government | - | - | 5,564 | 5,564 |
| Miscellaneous | 9,669 | - | - | 9,669 |
| Capital Outlay | 331,616 | - | 1,290,674 | 1,622,290 |
| Debt Service: | | | | |
| Principal Retirement | - | 165,000 | - | 165,000 |
| Interest and Fiscal Charges | - | 4,961 | - | 4,961 |
| Total Expenditures | 2,279,292 | 169,961 | 1,296,481 | 3,745,734 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 338,692 | (4,266) | (1,218,945) | (884,519) |
| Other Financing Sources (Uses): | | | | |
| Transfers - In | 268,642 | - | - | 268,642 |
| Transfers - Out | (770,000) | - | (134,844) | (904,844) |
| Total Other Financing Sources (Uses) | (501,358) | - | (134,844) | (636,202) |
| Net Change in Fund Balances | (162,666) | (4,266) | (1,353,789) | (1,520,721) |
| Fund Balances at Beginning of Year | 768,285 | 4,266 | 2,054,960 | 2,827,511 |
| Fund Balances at End of Year | \$ 605,619 | \$ - | \$ 701,171 | \$ 1,306,790 |

THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

| | Street | State Highway | Motor Vehicle License | Dare Grant | Enforcement and Education | 2005 Fire Levy |
|--|-------------------|------------------|-----------------------------|------------------|---------------------------------|-------------------|
| Assets: | | | | | | |
| Equity in Pooled Cash and Investments | \$ 133,453 | \$ 63,796 | \$ 119,765 | \$ 19,818 | \$ 5,969 | \$ 3,088 |
| Receivables (Net of Allowance for Doubtful Accounts): | | | | | | |
| Taxes-Real & Personal Property | - | - | - | - | - | 615,000 |
| Accounts | 1,858 | - | - | 200 | 25 | - |
| Special Assessments | - | - | - | - | - | - |
| Payment in Lieu of Taxes | - | - | - | - | - | - |
| Due from Other Governments | 320,051 | 25,950 | 55,587 | - | - | 29,800 |
| Total Assets | \$ 455,362 | \$ 89,746 | \$ 175,352 | \$ 20,018 | \$ 5,994 | \$ 647,888 |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 27,441 | \$ 141 | \$ 387 | \$ 1,062 | \$ - | \$ - |
| Accrued Wages and Benefits | 40,472 | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - | - |
| Due to Other Governments | 26,196 | - | - | - | - | - |
| Deferred Revenue | 213,477 | 17,301 | 37,058 | - | - | 644,800 |
| Total Liabilities | 307,586 | 17,442 | 37,445 | 1,062 | - | 644,800 |
| Fund Balances: | | | | | | |
| Restricted | 147,776 | 72,304 | 137,907 | 18,956 | 5,994 | 3,088 |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balances | 147,776 | 72,304 | 137,907 | 18,956 | 5,994 | 3,088 |
| Total Liabilities and Fund Balances | \$ 455,362 | \$ 89,746 | \$ 175,352 | \$ 20,018 | \$ 5,994 | \$ 647,888 |

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011**

| 2004 RIDs | Street Lighting | Cemetery Trust | Longstreet Trust | Law Enforcement | Fire Escrow Deposit | Fire Historical Preservation | Total |
|-------------------|--------------------|-------------------|---------------------|--------------------|------------------------|------------------------------------|---------------------|
| \$ 104,623 | \$ 19,744 | \$ 69,829 | \$ 2,241 | \$ 53,754 | \$ - | \$ 14,211 | \$ 610,291 |
| - | - | - | - | - | - | - | 615,000 |
| - | - | - | - | - | - | - | 2,083 |
| - | 136,000 | - | - | - | - | - | 136,000 |
| 219,000 | - | - | - | - | - | - | 219,000 |
| - | - | - | - | - | - | - | 431,388 |
| <u>\$ 323,623</u> | <u>\$ 155,744</u> | <u>\$ 69,829</u> | <u>\$ 2,241</u> | <u>\$ 53,754</u> | <u>\$ -</u> | <u>\$ 14,211</u> | <u>\$ 2,013,762</u> |
| \$ 7,959 | \$ 828 | \$ - | \$ - | \$ 1,021 | \$ - | \$ - | \$ 38,839 |
| - | - | - | - | - | - | - | 40,472 |
| - | 35,000 | - | - | - | - | - | 35,000 |
| - | - | - | - | - | - | - | 26,196 |
| 219,000 | 136,000 | - | - | - | - | - | 1,267,636 |
| <u>226,959</u> | <u>171,828</u> | <u>-</u> | <u>-</u> | <u>1,021</u> | <u>-</u> | <u>-</u> | <u>1,408,143</u> |
| 96,664 | - | 69,829 | 2,241 | 52,733 | - | 14,211 | 621,703 |
| - | (16,084) | - | - | - | - | - | (16,084) |
| <u>96,664</u> | <u>(16,084)</u> | <u>69,829</u> | <u>2,241</u> | <u>52,733</u> | <u>-</u> | <u>14,211</u> | <u>605,619</u> |
| <u>\$ 323,623</u> | <u>\$ 155,744</u> | <u>\$ 69,829</u> | <u>\$ 2,241</u> | <u>\$ 53,754</u> | <u>\$ -</u> | <u>\$ 14,211</u> | <u>\$ 2,013,762</u> |

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Street | State Highway | Motor Vehicle License | DARE Grant | Enforcement and Education | 2005 Fire Levy |
|--|-------------------|------------------|-----------------------------|------------------|---------------------------------|-------------------|
| Revenues: | | | | | | |
| Property and Other Taxes | \$ - | \$ - | \$ 65,947 | \$ - | \$ - | \$ 593,083 |
| Payment in Lieu of Taxes | - | - | - | - | - | - |
| Intergovernmental | 611,002 | 33,923 | 35,167 | 12,077 | - | 96,490 |
| Charges for Services | 197,629 | - | - | - | - | - |
| Investment Earnings | 2,180 | 1,139 | 2,289 | - | - | - |
| Fines and Forfeitures | - | - | - | - | 1,093 | - |
| Special Assessments | 759 | - | - | - | - | - |
| Miscellaneous | 2,313 | - | - | 240 | - | - |
| Total Revenues | 813,883 | 35,062 | 103,403 | 12,317 | 1,093 | 689,573 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | - | - | - | 11,230 | 9,931 | 7,979 |
| Payment to Schools | - | - | - | - | - | - |
| Transportation | 1,010,443 | 18,709 | 96,615 | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Total Expenditures | 1,010,443 | 18,709 | 96,615 | 11,230 | 9,931 | 7,979 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (196,560) | 16,353 | 6,788 | 1,087 | (8,838) | 681,594 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers - In | 250,642 | 2,000 | 8,000 | - | - | - |
| Transfers - Out | - | - | - | - | - | (730,000) |
| Total Other Financing Sources (Uses) | 250,642 | 2,000 | 8,000 | - | - | (730,000) |
| Net Change in Fund Balances | 54,082 | 18,353 | 14,788 | 1,087 | (8,838) | (48,406) |
| Fund Balances at Beginning of Year | 93,694 | 53,951 | 123,119 | 17,869 | 14,832 | 51,494 |
| Fund Balances at End of Year | \$ 147,776 | \$ 72,304 | \$ 137,907 | \$ 18,956 | \$ 5,994 | \$ 3,088 |

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| 2004 RIDs | Street Lighting | Cemetery Trust | Longstreet Trust | Law Enforcement | Fire Escrow Deposit | Fire Historical Preservation | Total |
|------------------|--------------------|-------------------|---------------------|--------------------|------------------------|------------------------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 659,030 |
| 838,048 | - | - | - | - | - | - | 838,048 |
| - | - | - | - | - | - | - | 788,659 |
| - | - | - | - | - | - | - | 197,629 |
| - | - | 993 | 646 | - | - | - | 7,247 |
| - | - | - | - | 23,708 | - | - | 24,801 |
| - | 99,248 | - | - | - | - | - | 100,007 |
| - | - | - | - | - | - | 10 | 2,563 |
| <u>838,048</u> | <u>99,248</u> | <u>993</u> | <u>646</u> | <u>23,708</u> | <u>-</u> | <u>10</u> | <u>2,617,984</u> |
| - | - | - | - | 3,548 | 17,420 | - | 50,108 |
| 639,320 | - | - | - | - | - | - | 639,320 |
| - | 122,812 | - | - | - | - | - | 1,248,579 |
| 9,669 | - | - | - | - | - | - | 9,669 |
| 331,616 | - | - | - | - | - | - | 331,616 |
| <u>980,605</u> | <u>122,812</u> | <u>-</u> | <u>-</u> | <u>3,548</u> | <u>17,420</u> | <u>-</u> | <u>2,279,292</u> |
| (142,557) | (23,564) | 993 | 646 | 20,160 | (17,420) | 10 | 338,692 |
| - | 8,000 | - | - | - | - | - | 268,642 |
| (40,000) | - | - | - | - | - | - | (770,000) |
| <u>(40,000)</u> | <u>8,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(501,358)</u> |
| (182,557) | (15,564) | 993 | 646 | 20,160 | (17,420) | 10 | (162,666) |
| 279,221 | (520) | 68,836 | 1,595 | 32,573 | 17,420 | 14,201 | 768,285 |
| <u>\$ 96,664</u> | <u>\$ (16,084)</u> | <u>\$ 69,829</u> | <u>\$ 2,241</u> | <u>\$ 52,733</u> | <u>\$ -</u> | <u>\$ 14,211</u> | <u>\$ 605,619</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | STREET FUND | | | |
|--|-------------------|-------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 497,000 | \$ 511,931 | \$ 579,235 | \$ 67,304 |
| Interest | 5,000 | 5,000 | 2,180 | (2,820) |
| Special Assessment | - | - | 759 | 759 |
| Charges for Services | 184,005 | 184,005 | 197,629 | 13,624 |
| Other | - | - | 565 | 565 |
| Total Revenues | <u>686,005</u> | <u>700,936</u> | <u>780,368</u> | <u>79,432</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Street Maintenance and Repair | | | | |
| Personal Services | 846,147 | 735,479 | 716,552 | 18,927 |
| Other | 350,000 | 395,435 | 349,334 | 46,101 |
| Total Transportation | <u>1,196,147</u> | <u>1,130,914</u> | <u>1,065,886</u> | <u>65,028</u> |
| Capital Outlay | - | 2,518 | 2,518 | - |
| Total Expenditures | <u>1,196,147</u> | <u>1,133,432</u> | <u>1,068,404</u> | <u>65,028</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (510,142) | (432,496) | (288,036) | 144,460 |
| Other Financing Sources: | | | | |
| Transfers - In | 510,642 | 510,642 | 250,642 | (260,000) |
| Total Other Financing Sources | <u>510,642</u> | <u>510,642</u> | <u>250,642</u> | <u>(260,000)</u> |
| Net Change in Fund Balance | 500 | 78,146 | (37,394) | (115,540) |
| Fund Balance at Beginning of Year | 48,062 | 48,062 | 48,062 | - |
| Prior Year Encumbrances Appropriated | <u>73,526</u> | <u>73,526</u> | <u>73,526</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 122,088</u> | <u>\$ 199,734</u> | <u>\$ 84,194</u> | <u>\$ (115,540)</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | STATE HIGHWAY FUND | | | |
|--|--------------------|-----------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 40,500 | \$ 44,500 | \$ 46,965 | \$ 2,465 |
| Interest | 500 | 500 | 1,139 | 639 |
| Total Revenues | <u>41,000</u> | <u>45,000</u> | <u>48,104</u> | <u>3,104</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| State Highway Maintenance | | | | |
| Other | <u>40,000</u> | <u>74,040</u> | <u>49,496</u> | <u>24,544</u> |
| Total State Highway Maintenance | <u>40,000</u> | <u>74,040</u> | <u>49,496</u> | <u>24,544</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,000 | (29,040) | (1,392) | 27,648 |
| Other Financing Sources: | | | | |
| Operating Transfers - In | <u>-</u> | <u>-</u> | <u>2,000</u> | <u>2,000</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>2,000</u> | <u>2,000</u> |
| Net Change in Fund Balance | 1,000 | (29,040) | 608 | 29,648 |
| Fund Balance at Beginning of Year | 28,031 | 28,031 | 28,031 | - |
| Prior Year Encumbrances Appropriated | <u>4,605</u> | <u>4,605</u> | <u>4,605</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 33,636</u> | <u>\$ 3,596</u> | <u>\$ 33,244</u> | <u>\$ 29,648</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | MOTOR VEHICLE LICENSE FUND | | | |
|--|----------------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Other Taxes | \$ 64,000 | \$ 64,000 | \$ 65,947 | \$ 1,947 |
| Intergovernmental | 36,000 | 36,000 | 32,973 | (3,027) |
| Interest | - | - | 2,289 | 2,289 |
| Miscellaneous | - | - | 1,495 | 1,495 |
| Total Revenues | 100,000 | 100,000 | 102,704 | 2,704 |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| State Highway Maintenance | | | | |
| Other | 100,000 | 208,811 | 190,320 | 18,491 |
| Total State Highway Maintenance | 100,000 | 208,811 | 190,320 | 18,491 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (108,811) | (87,616) | 21,195 |
| Other Financing Sources: | | | | |
| Operating Transfers - In | - | - | 8,000 | 8,000 |
| Total Other Financing Sources (Uses) | - | - | 8,000 | 8,000 |
| Net Change in Fund Balance | - | (108,811) | (79,616) | 29,195 |
| Fund Balance at Beginning of Year | 111,522 | 111,522 | 111,522 | - |
| Prior Year Encumbrances Appropriated | 20,113 | 20,113 | 20,113 | - |
| Fund Balance at End of Year | \$ 131,635 | \$ 22,824 | \$ 52,019 | \$ 29,195 |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | DARE GRANT FUND | | | Variance Positive (Negative) |
|-----------------------------------|-----------------|-----------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 18,000 | \$ 12,077 | \$ (5,923) |
| Other | - | - | 283 | 283 |
| Total Revenues | - | 18,000 | 12,360 | (5,640) |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | - | 6,000 | 4,560 | 1,440 |
| Other | 13,570 | 21,140 | 7,665 | 13,475 |
| Total Expenditures | 13,570 | 27,140 | 12,225 | 14,915 |
| Net Change in Fund Balance | (13,570) | (9,140) | 135 | 9,275 |
| Fund Balance at Beginning of Year | 17,869 | 17,869 | 17,869 | - |
| Fund Balance at End of Year | <u>\$ 4,299</u> | <u>\$ 8,729</u> | <u>\$ 18,004</u> | <u>\$ 9,275</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | ENFORCEMENT AND EDUCATION FUND | | | Variance Positive (Negative) |
|-----------------------------------|--------------------------------|-----------------|-----------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Fines and Forfeitures | \$ - | \$ - | \$ 1,155 | \$ 1,155 |
| Total Revenues | - | - | 1,155 | 1,155 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | 10,000 | 10,000 | 9,931 | 69 |
| Total Expenditures | 10,000 | 10,000 | 9,931 | 69 |
| Net Change in Fund Balance | (10,000) | (10,000) | (8,776) | 1,224 |
| Fund Balance at Beginning of Year | 14,745 | 14,745 | 14,745 | - |
| Fund Balance at End of Year | <u>\$ 4,745</u> | <u>\$ 4,745</u> | <u>\$ 5,969</u> | <u>\$ 1,224</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | 2005 FIRE LEVY FUND | | | Variance Positive (Negative) |
|---|---------------------|-------------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 450,000 | \$ 571,623 | \$ 593,083 | \$ 21,460 |
| Intergovernmental | 117,646 | 117,646 | 96,490 | (21,156) |
| Total Revenues | <u>567,646</u> | <u>689,269</u> | <u>689,573</u> | <u>304</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | 7,500 | 8,000 | 7,978 | 22 |
| Total Expenditures | <u>7,500</u> | <u>8,000</u> | <u>7,978</u> | <u>22</u> |
| Excess of Revenues Over Expenditures | 560,146 | 681,269 | 681,595 | 326 |
| Other Financing (Uses:) | | | | |
| Transfers - Out | (560,000) | (560,000) | (730,000) | (170,000) |
| Total Other Financing (Uses) | <u>(560,000)</u> | <u>(560,000)</u> | <u>(730,000)</u> | <u>(170,000)</u> |
| Net Change in Fund Balance | 146 | 121,269 | (48,405) | (169,674) |
| Fund Balance at Beginning of Year | <u>51,493</u> | <u>51,493</u> | <u>51,493</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 51,639</u> | <u>\$ 172,762</u> | <u>\$ 3,088</u> | <u>\$ (169,674)</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | 2004 RIDs | | | Variance Positive (Negative) |
|--|--------------------------|-------------------------|-------------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Payment in Lieu of Taxes | \$ 655,000 | \$ 836,000 | \$ 838,048 | \$ 2,048 |
| Total Revenues | <u>655,000</u> | <u>836,000</u> | <u>838,048</u> | <u>2,048</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Payments to Schools | 740,600 | 650,600 | 639,320 | 11,280 |
| Other | 9,300 | 90,120 | 99,154 | (9,034) |
| Total Security of Persons and Property | <u>749,900</u> | <u>740,720</u> | <u>738,474</u> | <u>2,246</u> |
| Capital Outlay | <u>-</u> | <u>309,500</u> | <u>300,113</u> | <u>9,387</u> |
| Total Expenditures | <u>749,900</u> | <u>1,050,220</u> | <u>1,038,587</u> | <u>11,633</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (94,900) | (214,220) | (200,539) | 13,681 |
| Other Financing Uses: | | | | |
| Transfers - Out | <u>-</u> | <u>(40,000)</u> | <u>(40,000)</u> | <u>-</u> |
| Total Other Financing Sources | <u>-</u> | <u>(40,000)</u> | <u>(40,000)</u> | <u>-</u> |
| Net Change in Fund Balance | (94,900) | (254,220) | (240,539) | 13,681 |
| Fund Balance at Beginning of Year | 215,290 | 215,290 | 215,290 | - |
| Prior Year Encumbrances Appropriated | <u>79,364</u> | <u>79,364</u> | <u>79,364</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ 199,754</u></u> | <u><u>\$ 40,434</u></u> | <u><u>\$ 54,115</u></u> | <u><u>\$ 13,681</u></u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | STREET LIGHTING FUND | | | Variance Variance Positive (Negative) |
|--|----------------------|------------|-----------|--|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Special Assessments | \$ 100,000 | \$ 100,000 | \$ 99,248 | \$ (752) |
| Total Revenues | 100,000 | 100,000 | 99,248 | (752) |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | 108,000 | 118,000 | 122,879 | (4,879) |
| Total Expenditures | 108,000 | 118,000 | 122,879 | (4,879) |
| Deficiency of Revenues Under Expenditures | (8,000) | (18,000) | (23,631) | (5,631) |
| Other Financing Sources (Uses): | | | | |
| Transfers - In | 8,000 | 18,000 | 43,000 | 25,000 |
| Total Other Financing Sources: | 8,000 | 18,000 | 43,000 | 25,000 |
| Net Change in Fund Balance | - | - | 19,369 | 19,369 |
| Fund Balance at Beginning of Year | 158 | 158 | 158 | - |
| Fund Balance at End of Year | \$ 158 | \$ 158 | \$ 19,527 | \$ 19,369 |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | CEMETERY TRUST FUND | | | |
|-----------------------------------|---------------------|-----------|-----------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Interest | \$ - | \$ - | \$ 993 | \$ 993 |
| Total Revenues | - | - | 993 | 993 |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | 993 | 993 |
| Fund Balance at Beginning of Year | 68,836 | 68,836 | 68,836 | - |
| Fund Balance at End of Year | \$ 68,836 | \$ 68,836 | \$ 69,829 | \$ 993 |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | LONGSTREET TRUST FUND | | | Variance Positive (Negative) |
|-----------------------------------|-----------------------|----------|----------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Interest | \$ - | \$ - | \$ 646 | \$ 646 |
| Total Revenues | - | - | 646 | 646 |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | 646 | 646 |
| Fund Balance at Beginning of Year | 1,595 | 1,595 | 1,595 | - |
| Fund Balance at End of Year | \$ 1,595 | \$ 1,595 | \$ 2,241 | \$ 646 |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | LAW ENFORCEMENT FUND | | | Variance Positive (Negative) |
|--|----------------------|----------|-----------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Fines, licenses, and permits | \$ 6,700 | \$ - | \$ 23,708 | \$ 23,708 |
| Total Revenues | 6,700 | - | 23,708 | 23,708 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | 20,000 | 20,000 | 2,525 | 17,475 |
| Total Security of Persons and Property | 20,000 | 20,000 | 2,525 | 17,475 |
| Capital Outlay | 10,000 | 10,000 | - | 10,000 |
| Total Expenditures | 30,000 | 30,000 | 2,525 | 27,475 |
| Net Change in Fund Balance | (23,300) | (30,000) | 21,183 | 51,183 |
| Fund Balance at Beginning of Year | 32,571 | 32,571 | 32,571 | - |
| Fund Balance at End of Year | \$ 9,271 | \$ 2,571 | \$ 53,754 | \$ - |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | FIRE HISTORICAL PRESERVATION FUND | | | |
|-----------------------------------|-----------------------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Other | \$ - | \$ - | \$ 10 | \$ 10 |
| Total Revenues | - | - | 10 | 10 |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | 10 | 10 |
| Fund Balance at Beginning of Year | 14,201 | 14,201 | 14,201 | - |
| Fund Balance at End of Year | <u>\$ 14,201</u> | <u>\$ 14,201</u> | <u>\$ 14,211</u> | <u>\$ 10</u> |

**THE CITY OF MONROE
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUND
 DECEMBER 31, 2011**

| | Corridor I - 75 | Total |
|--|--------------------|-------------------|
| Assets: | | |
| Equity in Pooled Cash and Investments | \$ - | \$ - |
| Receivables (net of allowance for doubtful accounts): | | |
| Payments in Lieu of Taxes | 167,000 | 167,000 |
| Total Assets | \$ 167,000 | \$ 167,000 |
| Liabilities: | | |
| Deferred Revenue | \$ 167,000 | \$ 167,000 |
| Total Liabilities | 167,000 | 167,000 |
| Fund Balances: | | |
| Restricted | - | - |
| Total Fund Balances | - | - |
| Total Liabilities and Fund Balances | \$ 167,000 | \$ 167,000 |

**THE CITY OF MONROE
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

| | Corridor I - 75 | Total |
|------------------------------------|--------------------|--------------------|
| | <u> </u> | <u> </u> |
| Revenues: | | |
| Payment in Lieu of Taxes | \$ 165,695 | \$ 165,695 |
| | <u> </u> | <u> </u> |
| Total Revenues | 165,695 | 165,695 |
| | <u> </u> | <u> </u> |
| Expenditures: | | |
| Principal Retirement | 165,000 | 165,000 |
| Interest and Fiscal Charges | 4,961 | 4,961 |
| | <u> </u> | <u> </u> |
| Total Expenditures | 169,961 | 169,961 |
| | <u> </u> | <u> </u> |
| Change in Net Assets | (4,266) | (4,266) |
| Fund Balances at Beginning of Year | 4,266 | 4,266 |
| | <u> </u> | <u> </u> |
| Fund Balances at End of Year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2011

| | BOND RETIREMENT FUND | | | Variance Positive (Negative) |
|------------------------------------|----------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Special Assessments | \$ 761,664 | \$ 761,664 | \$ 753,552 | \$ (8,112) |
| Intergovernmental | 366,961 | 363,090 | 15,390 | (347,700) |
| Other | - | - | 1,402 | 1,402 |
| Total Revenues | <u>1,128,625</u> | <u>1,124,754</u> | <u>770,344</u> | <u>(354,410)</u> |
| Expenditures: | | | | |
| Current | | | | |
| Intergovernmental | 621,664 | 621,664 | 621,664 | - |
| Debt Service: | | | | |
| Principal Retirement | 834,400 | 834,400 | 834,400 | - |
| Interest and Fiscal Charges | 515,396 | 515,396 | 515,393 | 3 |
| Total Expenditures | <u>1,971,460</u> | <u>1,971,460</u> | <u>1,971,457</u> | <u>3</u> |
| Deficiency of Revenues | | | | |
| Under Expenditures | (842,835) | (846,706) | (1,201,113) | (354,407) |
| Other Financing Sources: | | | | |
| Transfers - In | 851,910 | 846,910 | 1,196,910 | 350,000 |
| Total Other Financing Sources | <u>851,910</u> | <u>846,910</u> | <u>1,196,910</u> | <u>350,000</u> |
| Net Change in Fund Balance | 9,075 | 204 | (4,203) | (4,407) |
| Fund Balances at Beginning of Year | <u>21,299</u> | <u>21,299</u> | <u>21,299</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ 30,374</u> | <u>\$ 21,503</u> | <u>\$ 17,096</u> | <u>\$ (4,407)</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | CORRIDOR I-75 FUND | | | Variance Positive (Negative) |
|-----------------------------------|--------------------|------------|------------|------------------------------------|
| | Budget Original | Final | Actual | |
| Revenues: | | | | |
| Payment in Lieu of Taxes | \$ 175,000 | \$ 167,961 | \$ 165,695 | \$ (2,266) |
| Total Revenues | 175,000 | 167,961 | 165,695 | (2,266) |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 165,000 | 165,000 | 165,000 | - |
| Interest and Fiscal Charges | 10,000 | 4,961 | 4,961 | - |
| Total Expenditures | 175,000 | 169,961 | 169,961 | - |
| Net Change in Fund Balance | - | (2,000) | (4,266) | (2,266) |
| Fund Balance at Beginning of Year | 4,266 | 4,266 | 4,266 | - |
| Fund Balance at End of Year | \$ 4,266 | \$ 2,266 | \$ - | \$ (2,266) |

THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2011

| | Park Improvement | Court Technology Improvement | Capital Improvement | CPO TIF | Total |
|---|---------------------|------------------------------------|------------------------|------------------|-------------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$ 47,823 | \$ 39,563 | \$ 577,795 | \$ 24,880 | \$ 690,061 |
| Accounts Receivable (Net of Allowance for Doubtful Accounts) | - | 693 | - | - | 693 |
| Special Assessments | - | - | 12,000 | - | 12,000 |
| Total Assets | \$ 47,823 | \$ 40,256 | \$ 589,795 | \$ 24,880 | \$ 702,754 |
| Liabilities: | | | | | |
| Accounts Payable | - | 1,234 | 349 | - | 1,583 |
| Total Liabilities | - | 1,234 | 349 | - | 1,583 |
| Fund Balances: | | | | | |
| Restricted | - | 39,022 | 589,446 | 24,880 | 653,348 |
| Committed | 47,823 | - | - | - | 47,823 |
| Total Fund Balances | 47,823 | 39,022 | 589,446 | 24,880 | 701,171 |
| Total Liabilities and Fund Balances | \$ 47,823 | \$ 40,256 | \$ 589,795 | \$ 24,880 | \$ 702,754 |

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Park Improvement | Court Technology Improvement | Capital Improvement | CPO TIF | Total |
|--|---------------------|------------------------------------|------------------------|------------------|-------------------|
| Revenues: | | | | | |
| Licenses and Permits | \$ 38,801 | \$ - | \$ - | \$ - | \$ 38,801 |
| Fines and Forfeitures | - | 16,771 | - | - | 16,771 |
| Special Assessments | - | - | 21,964 | - | 21,964 |
| Total Revenues | 38,801 | 16,771 | 21,964 | - | 77,536 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Leisure Time Activities | 243 | - | - | - | 243 |
| General Government | - | 5,564 | - | - | 5,564 |
| Capital Outlay | 45,405 | - | 1,234,034 | 11,235 | 1,290,674 |
| Total Expenditures | 45,648 | 5,564 | 1,234,034 | 11,235 | 1,296,481 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (6,847) | 11,207 | (1,212,070) | (11,235) | (1,218,945) |
| Other Financing Sources: | | | | | |
| Transfers - Out | - | - | - | (134,844) | (134,844) |
| Total Other Financing Sources | - | - | - | (134,844) | (134,844) |
| Change in Fund Balance | (6,847) | 11,207 | (1,212,070) | (146,079) | (1,353,789) |
| Fund Balances at Beginning of Year | 54,670 | 27,815 | 1,801,516 | 170,959 | 2,054,960 |
| Fund Balances at End of Year | \$ 47,823 | \$ 39,022 | \$ 589,446 | \$ 24,880 | \$ 701,171 |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | PARK IMPROVEMENT FUND | | | |
|--------------------------------------|-----------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Fees, Licenses, and Permits | \$ 50,000 | \$ 75,000 | \$ 38,801 | \$ (36,199) |
| Total Revenues | <u>50,000</u> | <u>75,000</u> | <u>38,801</u> | <u>(36,199)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Leisure Time Activities | | | | |
| Other | - | 1,220 | 1,463 | (243) |
| Capital Outlay | <u>45,000</u> | <u>50,774</u> | <u>51,055</u> | <u>(281)</u> |
| Total Expenditures | <u>45,000</u> | <u>51,994</u> | <u>52,518</u> | <u>(524)</u> |
| Net Change in Fund Balance | 5,000 | 23,006 | (13,717) | (36,723) |
| Fund Balance at Beginning of Year | 50,581 | 50,581 | 47,676 | 2,905 |
| Prior Year Encumbrances Appropriated | <u>6,994</u> | <u>6,994</u> | <u>6,994</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 62,575</u> | <u>\$ 80,581</u> | <u>\$ 40,953</u> | <u>\$ 2,905</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | CAPITAL IMPROVEMENT FUND | | | |
|--------------------------------------|--------------------------|-------------------|-------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Special Assessments | \$ - | \$ - | \$ 9,964 | \$ 9,964 |
| Total Revenues | - | - | 9,964 | 9,964 |
| Expenditures: | | | | |
| Capital Outlay | 3,000 | 1,297,350 | 1,292,966 | 4,384 |
| Total Expenditures | 3,000 | 1,297,350 | 1,292,966 | 4,384 |
| Net Change in Fund Balance | (3,000) | (1,297,350) | (1,283,002) | 5,580 |
| Fund Balance at Beginning of Year | 786,903 | 786,903 | 786,903 | - |
| Prior Year Encumbrances Appropriated | 1,016,391 | 1,016,391 | 1,016,391 | - |
| Fund Balance at End of Year | <u>\$ 1,800,294</u> | <u>\$ 505,944</u> | <u>\$ 520,292</u> | <u>\$ 5,580</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | COURT TECHNOLOGY IMPROVEMENT FUND | | | |
|--------------------------------------|-----------------------------------|-----------|-----------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Fines and Forfeitures | \$ 25,000 | \$ 25,000 | \$ 16,078 | \$ (8,922) |
| Total Revenues | 25,000 | 25,000 | 16,078 | (8,922) |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Other | 7,700 | 7,940 | 5,594 | 2,346 |
| Total Expenditures | 7,700 | 7,940 | 5,594 | 2,346 |
| Net Change in Fund Balance | 17,300 | 17,060 | 10,484 | (6,576) |
| Fund Balance at Beginning of Year | 27,192 | 27,192 | 27,192 | - |
| Prior Year Encumbrances Appropriated | 623 | 623 | 623 | - |
| Fund Balance at End of Year | \$ 45,115 | \$ 44,875 | \$ 38,299 | \$ - |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

| | CPO TIF Capital Projects | | | Variance Positive (Negative) |
|--|--------------------------|------------------|------------------|------------------------------------|
| | Budget Original | Final | Actual | |
| Total Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | |
| Capital Outlay | 160,000 | 11,572 | 1,572 | 10,000 |
| Total Expenditures | 160,000 | 11,572 | 1,572 | 10,000 |
| Deficiency of Revenues Under Expenditures | (160,000) | (11,572) | (1,572) | 10,000 |
| Other Financing Sources: | | | | |
| Premium on Sale of Bonds | - | 11,828 | - | (11,828) |
| Transfers - Out | (147,896) | (147,896) | (134,844) | 13,052 |
| Total Other Financing Sources | (147,896) | (136,068) | (134,844) | 1,224 |
| Net Change in Fund Balance | (307,896) | (147,640) | (136,416) | 11,224 |
| Fund Balance at Beginning of Year | 159,724 | 159,724 | 159,724 | - |
| Prior Year Encumbrances Appropriated | 1,572 | 1,572 | 1,572 | - |
| Fund Balance at End of Year | <u>\$ (146,600)</u> | <u>\$ 13,656</u> | <u>\$ 24,880</u> | <u>\$ 11,224</u> |

THE CITY OF MONROE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2011

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|---|---|------------|-----------|------------|
| | Stormwater Management | Garbage | Cemetery | Totals |
| Assets: | | | | |
| Current Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 319,572 | \$ 283,277 | \$ 64,155 | \$ 667,004 |
| Accounts Receivable (Net of Allowance for Doubtful Accounts) | 7,800 | 23,300 | - | 31,100 |
| Total Current Assets | 327,372 | 306,577 | 64,155 | 698,104 |
| Capital Assets: | | | | |
| Depreciable Assets | 220,843 | - | - | 220,843 |
| Total Assets | \$ 548,215 | \$ 306,577 | \$ 64,155 | \$ 918,947 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 1,410 | \$ 112,306 | \$ 203 | \$ 113,919 |
| Due to Other Governments | 3,206 | 1,115 | 1,139 | 5,460 |
| Total Current Liabilities | 4,616 | 113,421 | 1,342 | 119,379 |
| Total Liabilities | 4,616 | 113,421 | 1,342 | 119,379 |
| Net Assets | | | | |
| Invested in Capital Assets, Net of Related Debt | 220,843 | - | - | 220,843 |
| Unrestricted | 322,756 | 193,156 | 62,813 | 578,725 |
| Total Net Assets | 543,599 | 193,156 | 62,813 | 799,568 |
| Total Net Assets and Liabilities | \$ 548,215 | \$ 306,577 | \$ 64,155 | \$ 918,947 |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|--------------------------------------|---|------------|-----------|------------|
| | Stormwater Management | Garbage | Cemetery | Totals |
| Operating Revenues: | | | | |
| Charges for Services | \$ 244,383 | \$ 668,327 | \$ 59,027 | \$ 971,737 |
| Total Operating Revenues | 244,383 | 668,327 | 59,027 | 971,737 |
| Operating Expenses: | | | | |
| Personal Services | 106,503 | 37,581 | 33,869 | 177,953 |
| Materials and Supplies | 60,543 | - | 6,487 | 67,030 |
| Contractual Services | 20,526 | 731,679 | 30,434 | 782,639 |
| Depreciation | 23,700 | - | - | 23,700 |
| Total Operating Expenses | 211,272 | 769,260 | 70,790 | 1,051,322 |
| Operating Income | 33,111 | (100,933) | (11,763) | (79,585) |
| Non-Operating Expenses: | | | | |
| Interest and Fiscal Charges | 1,390 | - | - | 1,390 |
| Total Non-Operating Expenses | 1,390 | - | - | 1,390 |
| Change in Net Assets | 31,721 | (100,933) | (11,763) | (80,975) |
| Total Net Assets - Beginning of Year | 511,878 | 294,089 | 74,576 | 880,543 |
| Total Net Assets - End of Year | \$ 543,599 | \$ 193,156 | \$ 62,813 | \$ 799,568 |

THE CITY OF MONROE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|--|---|-------------------|--------------------|-------------------|
| | Stormwater Management | Garbage | Cemetery | Totals |
| Cash Flows from Operating Activities: | | | | |
| Cash Received from Customers | \$ 260,938 | \$ 707,247 | \$ 59,027 | \$ 1,027,212 |
| Cash Paid for Employee Services and Benefits | (105,046) | (37,522) | (33,666) | (176,234) |
| Cash Paid to Suppliers for Goods and Services | (80,102) | (672,971) | (37,092) | (790,165) |
| Other Receipts | 9,190 | 2,294 | - | 11,484 |
| Net Cash Provided by Operating Activities | <u>84,980</u> | <u>(952)</u> | <u>(11,731)</u> | <u>72,297</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Principal Paid on Capital Leases | (28,088) | - | - | (28,088) |
| Interest Paid on All Debt | (1,390) | - | - | (1,390) |
| Net Cash Used for Capital and Related Financing Activities | <u>(29,478)</u> | <u>-</u> | <u>-</u> | <u>(29,478)</u> |
| Net Increase in Cash and Cash Equivalents | 55,502 | (952) | (11,731) | 42,819 |
| Cash and Cash Equivalents at Beginning of Year | <u>264,070</u> | <u>284,229</u> | <u>75,886</u> | <u>624,185</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 319,572</u> | <u>\$ 283,277</u> | <u>\$ 64,155</u> | <u>\$ 667,004</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Operating Income (Loss) | \$ 33,111 | \$ (100,933) | \$ (11,763) | \$ (79,585) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation Expense | 23,700 | - | - | 23,700 |
| Change in Assets and Liabilities: | | | | |
| Decrease in Accounts Receivable | 16,555 | 38,920 | - | 55,475 |
| Decrease in Special Assessment Receivables | 9,190 | 2,294 | - | 11,484 |
| Increase in Accounts Payables | 967 | 58,708 | 203 | 59,878 |
| Increase (Decrease) in Due to Other Governments | 1,457 | 59 | (171) | 1,345 |
| Total Adjustments | <u>51,869</u> | <u>99,981</u> | <u>32</u> | <u>151,882</u> |
| Net Cash Provided by Operating Activities | <u>\$ 84,980</u> | <u>\$ (952)</u> | <u>\$ (11,731)</u> | <u>\$ 72,297</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Water Fund
For the Year Ended December 31, 2011

| | Budget | | Actual | Variance Positive (Negative) |
|--------------------------------------|-------------------|-------------------|---------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 2,077,250 | \$ 2,200,000 | \$ 2,323,034 | \$ 123,034 |
| Special Assessment | - | - | 4,599 | 4,599 |
| Intergovernmental | 77,236 | 77,236 | 77,236 | - |
| Other Operating Revenues | - | - | 19,837 | 19,837 |
| Total Revenues | 2,154,486 | 2,277,236 | 2,424,706 | 147,470 |
| Expenses: | | | | |
| Personal Services | 620,234 | 620,836 | 606,369 | 14,467 |
| Materials and Supplies | 1,071,000 | 1,117,965 | 1,149,306 | (31,341) |
| Contractual Services | 3,434,540 | 3,490,857 | 352,976 | 3,137,881 |
| Debt Service: | | | | |
| Principal Retirement | 232,453 | 229,877 | 232,453 | (2,576) |
| Interest and Fiscal Charges | 302,939 | 304,778 | 302,939 | 1,839 |
| Total Expenses | 5,661,166 | 5,764,313 | 2,644,043 | 3,120,270 |
| Income (Loss) before Transfers | (3,506,680) | (3,487,077) | (219,337) | 3,267,740 |
| Transfers - In | - | - | 134,844 | 134,844 |
| Total Transfers | - | - | 134,844 | 134,844 |
| Change in Fund Equity | (3,506,680) | (3,487,077) | (84,493) | 3,402,584 |
| Fund Equity at Beginning of Year | 4,121,157 | 4,121,157 | 4,121,157 | - |
| Prior Year Encumbrances Appropriated | 175,804 | 175,804 | 175,804 | - |
| Fund Equity at End of Year | \$ 790,281 | \$ 809,884 | \$ 4,212,468 | \$ 3,402,584 |

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Sewer Fund
For the Year Ended December 31, 2011

| | Budget | | Actual | Variance Positive (Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 1,039,000 | \$ 1,200,000 | \$ 1,147,590 | \$ (52,410) |
| Miscellaneous | - | - | 3,819 | 3,819 |
| Total Revenues | <u>1,039,000</u> | <u>1,200,000</u> | <u>1,151,409</u> | <u>(48,591)</u> |
| Expenses: | | | | |
| Personal Services | 45,028 | 45,059 | 44,890 | 169 |
| Contractual Services | 1,200,100 | 1,200,800 | 899,311 | 301,489 |
| Total Expenses | <u>1,245,128</u> | <u>1,245,859</u> | <u>944,201</u> | <u>301,658</u> |
| Change in Fund Equity | (206,128) | (45,859) | 207,208 | 253,067 |
| Fund Equity at Beginning of Year | 397,329 | 397,329 | 397,329 | - |
| Prior Year Encumbrances Appropriated | 7,830 | 7,830 | 7,830 | - |
| Fund Equity at End of Year | <u>\$ 199,031</u> | <u>\$ 359,300</u> | <u>\$ 612,367</u> | <u>\$ 253,067</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Stormwater Management Fund
For the Year Ended December 31, 2011

| | Budget | | Actual | Variance Positive (Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 275,000 | \$ 276,000 | \$ 272,678 | \$ (3,322) |
| Miscellaneous | - | - | 7,955 | 7,955 |
| Total Revenues | <u>275,000</u> | <u>276,000</u> | <u>280,633</u> | <u>4,633</u> |
| Expenses: | | | | |
| Personal Services | 99,483 | 99,544 | 115,551 | (16,007) |
| Materials and Supplies | 59,500 | 60,864 | 70,446 | (9,582) |
| Contractual Services | 90,500 | 132,143 | 88,651 | 43,492 |
| Total Expenses | <u>249,483</u> | <u>292,551</u> | <u>274,648</u> | <u>17,903</u> |
| Change in Fund Equity | 25,517 | (16,551) | 5,985 | 22,536 |
| Fund Equity at Beginning of Year | 206,720 | 206,720 | 206,720 | - |
| Prior Year Encumbrances Appropriated | 57,350 | 57,350 | 57,350 | - |
| Fund Equity at End of Year | <u>\$ 289,587</u> | <u>\$ 247,519</u> | <u>\$ 270,055</u> | <u>\$ 22,536</u> |

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Garbage Fund
For the Year Ended December 31, 2011

| | Budget | | Actual | Variance Positive (Negative) |
|--------------------------------------|------------|------------|------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 520,000 | \$ 700,000 | \$ 708,999 | \$ 8,999 |
| Miscellaneous | - | - | 2,095 | 2,095 |
| Total Revenues | 520,000 | 700,000 | 711,094 | 11,094 |
| Expenses: | | | | |
| Personal Services | 39,412 | 39,440 | 39,075 | 365 |
| Contractual Services | 600,000 | 675,000 | 672,971 | 2,029 |
| Total Expenses | 639,412 | 714,440 | 712,046 | 2,394 |
| Change in Fund Equity | (119,412) | (14,440) | (952) | 13,488 |
| Fund Equity at Beginning of Year | 284,202 | 284,202 | 284,202 | - |
| Prior Year Encumbrances Appropriated | 27 | 27 | 27 | - |
| Fund Equity at End of Year | \$ 164,817 | \$ 269,789 | \$ 283,277 | \$ 13,488 |

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Cemetery Fund
For the Year Ended December 31, 2011

| | Budget | | Actual | Variance Positive (Negative) |
|--------------------------------------|-----------|-----------|-----------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 50,000 | \$ 80,000 | \$ 59,027 | \$ (20,973) |
| Miscellaneous | - | - | 8,461 | 8,461 |
| Total Revenues | 50,000 | 80,000 | 67,488 | (12,512) |
| Expenses: | | | | |
| Personal Services | 5,760 | 50,760 | 42,501 | 8,259 |
| Materials and Supplies | 12,600 | 17,001 | 8,481 | 8,520 |
| Contractual Services | 72,585 | 76,664 | 33,665 | 42,999 |
| Total Expenses | 90,945 | 144,425 | 84,647 | 59,778 |
| Change in Fund Equity | (40,945) | (64,425) | (17,159) | 47,266 |
| Fund Equity at Beginning of Year | 66,690 | 66,690 | 66,690 | - |
| Prior Year Encumbrances Appropriated | 9,196 | 9,196 | 9,196 | - |
| Fund Equity at End of Year | \$ 34,941 | \$ 11,461 | \$ 58,727 | \$ 47,266 |

THE CITY OF MONROE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Balance December 31, 2010 | Additions | Deletions | Balance December 31, 2011 |
|---|------------------------------|-------------------|-------------------|------------------------------|
| Mayor's Court | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents in Segregated Accounts | \$ 22,021 | \$ 199,164 | \$ 205,366 | \$ 15,819 |
| Total Assets | \$ 22,021 | \$ 199,164 | \$ 205,366 | \$ 15,819 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 7,729 | \$ 199,164 | \$ 191,094 | \$ 15,799 |
| Due to Others | 14,292 | - | 14,272 | 20 |
| Total Liabilities | \$ 22,021 | \$ 199,164 | \$ 205,366 | \$ 15,819 |
| Flexible Spending | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents in Segregated Accounts | \$ 4,756 | \$ - | \$ 4,756 | \$ - |
| Total Assets | \$ 4,756 | \$ - | \$ 4,756 | \$ - |
| Liabilities: | | | | |
| Due to Others | \$ 4,756 | \$ - | \$ 4,756 | \$ - |
| Total Liabilities | \$ 4,756 | \$ - | \$ 4,756 | \$ - |
| Total Agency Funds | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents in Segregated Accounts | \$ 26,777 | \$ 199,164 | \$ 210,122 | \$ 15,819 |
| Total Assets | \$ 26,777 | \$ 199,164 | \$ 210,122 | \$ 15,819 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 7,729 | \$ 199,164 | \$ 191,094 | \$ 15,799 |
| Due to Others | 19,048 | - | 19,028 | 20 |
| Total Liabilities | \$ 26,777 | \$ 199,164 | \$ 210,122 | \$ 15,819 |

STATISTICAL SECTION



Several businesses within the city that have previously received grant funding to help improve their properties



The City of Monroe, Ohio
Statistical Section Descriptions
December 31, 2011

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

| <u>Contents</u> | <u>Pages</u> |
|---|---------------------|
| Financial Trends | |
| These schedules contain trend information to help the reader assess how the City's financial performance and situation have changed over time. | 98-103 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and income tax. | 104-108 |
| Debt Capacity | |
| 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. | 109-111 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within in which the City's financial activities takes place. | 112-113 |
| Operating Information | |
| These schedules contain operational 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. | 114-116 |

CITY OF MONROE, OHIO
 Net Assets by Component
 Last Eight Years
(accrual basis of accounting)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$43,525,991 | \$43,867,043 | \$43,279,636 | \$39,910,704 | \$35,459,009 | \$34,500,283 | \$36,129,538 | \$31,947,148 |
| Restricted | 2,204,984 | 1,871,712 | 1,285,278 | 1,146,508 | 2,123,343 | 3,042,662 | 2,691,443 | 1,826,135 |
| Unrestricted (Deficit) | 8,890,692 | 8,306,173 | 10,245,581 | 9,779,599 | 9,111,985 | 6,824,463 | (1,013,088) | (3,292,253) |
| Total Governmental Activities Net Assets | 54,621,667 | 54,044,928 | 54,810,495 | 50,836,811 | 46,694,337 | 44,367,408 | 37,807,893 | 30,481,030 |
| Business-Type Activities | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 2,705,389 | 2,873,285 | 2,670,120 | 2,499,198 | 1,479,725 | 314,256 | (587,825) | (812,502) |
| Unrestricted | 2,472,518 | 2,337,944 | 2,667,307 | 2,459,723 | 4,143,064 | 5,009,927 | 5,122,206 | 3,734,030 |
| Total Business-Type Activities Net Assets | 5,177,907 | 5,211,229 | 5,337,427 | 4,958,921 | 5,622,789 | 5,324,183 | 4,534,381 | 2,921,528 |
| Primary government | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 46,231,380 | 46,740,328 | 45,949,756 | 42,409,902 | 36,938,734 | 34,814,539 | 35,100,684 | 31,134,646 |
| Restricted | 2,204,984 | 1,871,712 | 1,285,278 | 1,146,508 | 2,123,343 | 3,042,662 | 2,691,443 | 1,826,135 |
| Unrestricted | 11,363,210 | 10,644,117 | 12,912,888 | 12,239,322 | 13,255,049 | 11,834,390 | 1,469,125 | 441,777 |
| Total Primary Government Net Assets | \$59,799,574 | \$59,256,157 | \$60,147,922 | \$55,795,732 | \$52,317,126 | \$49,691,591 | \$39,261,252 | \$33,402,558 |

Source: City financial records

* The City converted to GASB 34 for the 2004 fiscal year. Information prior to 2004 is not reported since it was not calculated

CITY OF MONROE, OHIO
Changes in Net Assets
Last Eight Years
(accrual basis of accounting)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| Program Revenues | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Charges for Services: | | | | | | | | |
| Security of Persons and Property | \$ 1,039,918 | \$ 1,133,396 | \$ 1,156,739 | \$ 1,060,474 | \$ 931,465 | \$ 868,901 | \$ 639,503 | \$ 750,807 |
| Leisure Time Activities | 41,609 | 90,189 | 56,783 | 71,332 | 63,956 | 151,261 | 180,810 | 220,320 |
| Transportation | 197,629 | 282,924 | 231,488 | 182,140 | 100,000 | - | - | - |
| General Government | 523,925 | 422,062 | 685,142 | 628,566 | 402,862 | 744,910 | 726,831 | 444,834 |
| Interest and Fiscal Charges | - | 131,208 | 187,301 | 162,073 | - | - | - | - |
| Operating Grants and Contributions | 27,160 | 419,319 | 684,139 | 483,329 | 752,164 | 869,476 | 564,110 | 609,432 |
| Capital Grants and Contributions* | 687,994 | 665,571 | 3,725,000 | 4,392,382 | 805,223 | 2,802,248 | 7,069,000 | 5,268,350 |
| Total Governmental Activities Program Revenues | 2,518,235 | 3,144,669 | 6,726,592 | 6,980,296 | 3,055,670 | 5,436,796 | 9,180,254 | 7,293,743 |
| Business-Type Activities: | | | | | | | | |
| Charges for Services: | | | | | | | | |
| Water | 2,371,513 | 2,168,447 | 2,719,318 | 2,044,718 | 2,214,942 | 2,379,490 | 2,478,159 | 2,125,254 |
| Sewer | 1,173,338 | 1,112,527 | 1,087,705 | 1,166,762 | 1,218,250 | 1,153,178 | 1,162,147 | 1,087,713 |
| Stormwater Management | 244,383 | 253,350 | 263,985 | 240,753 | 255,560 | 236,089 | 151,470 | 171,658 |
| Garbage | 668,327 | 622,427 | 679,783 | 618,244 | 665,607 | 626,929 | 415,125 | 378,350 |
| Cemetery | 59,027 | 50,025 | 66,343 | 50,740 | 58,269 | 28,572 | 44,682 | 42,609 |
| Operating Grants and Contributions | - | 19,100 | 2,995 | - | 16 | 3,331 | 115,056 | 241,365 |
| Capital Grants and Contributions | - | - | - | - | - | - | - | 749,045 |
| Total Business-Type Activities Program Revenues | 4,516,588 | 4,225,876 | 4,820,129 | 4,121,217 | 4,412,644 | 4,427,589 | 4,366,639 | 4,795,994 |
| Total Primary Government Program Revenues | 7,034,823 | 7,370,545 | 11,546,721 | 11,101,513 | 7,468,314 | 9,864,385 | 13,546,893 | 12,089,737 |
| Expenses | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Security of Persons and Property | 7,437,553 | 7,317,214 | 6,657,452 | 7,126,129 | 5,969,482 | 4,398,101 | 4,540,694 | 4,486,282 |
| Public Health Services | - | 237,599 | 57,690 | 104,640 | 157,668 | 165,722 | 108,616 | 53,679 |
| Leisure Time Activities | 265,705 | 289,661 | 243,408 | 36,273 | 6,766 | 607 | 7,560 | 10,968 |
| Transportation | 2,839,671 | 3,221,985 | 2,120,330 | 2,650,250 | 2,208,735 | 1,854,390 | 1,759,235 | 1,522,048 |
| General Government | 4,936,519 | 4,258,487 | 3,594,174 | 3,327,306 | 1,904,304 | 1,616,468 | 1,806,973 | 1,358,457 |
| Interest and Fiscal Charges | 548,108 | 521,416 | 710,498 | 556,550 | 1,003,232 | 479,432 | 375,973 | 384,403 |
| Total Governmental Activities Expenses | \$ 16,027,556 | \$ 15,846,362 | \$ 13,383,552 | \$ 13,801,148 | \$ 11,250,187 | \$ 8,514,720 | \$ 8,599,051 | \$ 7,815,837 |

CITY OF MONROE, OHIO
Changes in Net Assets
Last Eight Years
(accrual basis of accounting)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| Business-Type Activities: | | | | | | | | |
| Water | \$ 2,625,712 | \$ 2,492,173 | \$ 2,693,114 | \$ 2,726,916 | \$ 2,231,916 | \$ 2,020,068 | \$ 1,674,742 | \$ 1,372,394 |
| Sewer | 1,083,566 | 1,082,084 | 1,090,190 | 1,098,769 | 1,168,884 | 1,112,972 | 1,073,010 | 1,190,572 |
| Stormwater Management | 212,662 | 129,556 | 109,953 | 303,105 | 142,651 | 139,484 | 46,082 | 89,250 |
| Garbage | 769,260 | 621,710 | 646,917 | 618,169 | 530,864 | 565,819 | 398,179 | 341,895 |
| Cemetery | 70,790 | 48,435 | 57,453 | 20,603 | 17,223 | 12,931 | 31,255 | 110,633 |
| Total Business-Type Activities Expenses | 4,761,990 | 4,373,958 | 4,597,627 | 4,767,562 | 4,091,538 | 3,851,274 | 3,223,268 | 3,104,744 |
| Total Primary Government Expenses | 20,789,546 | 20,220,320 | 17,981,179 | 18,568,710 | 15,341,725 | 12,365,994 | 11,822,319 | 10,920,581 |
| Net (Expense)/Revenue | (13,509,321) | (12,701,693) | (6,656,960) | (6,820,852) | (8,194,517) | (3,077,924) | 581,203 | (522,094) |
| Governmental Activities | (245,402) | (148,082) | 222,502 | (646,345) | 321,106 | 576,315 | 1,143,371 | 1,691,250 |
| Total Primary Government Net Expense | (13,754,723) | (12,849,775) | (6,434,458) | (7,467,197) | (7,873,411) | (2,501,609) | 1,724,574 | 1,169,156 |
| General Revenues and Other Changes in Net Assets | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Taxes: | | | | | | | | |
| Income Taxes | 6,576,423 | 5,575,320 | 5,809,473 | 5,427,919 | 5,602,563 | 3,892,969 | 3,345,238 | 2,791,808 |
| Property Taxes | 2,522,822 | 1,863,360 | 1,146,468 | 2,036,484 | 2,185,091 | 2,544,831 | 2,361,985 | 2,661,305 |
| Payment in Lieu of Taxes | 2,910,801 | 2,415,620 | 2,005,204 | 844,205 | 416,537 | 70,878 | 65,573 | 66,472 |
| Other Taxes | 1,049,360 | 960,077 | 442,340 | 683,268 | 690,187 | 542,064 | 507,560 | 297,539 |
| Grants and Entitlements not Restricted to Specific Programs | 900,864 | 947,508 | 956,818 | 1,462,682 | 829,847 | 820,158 | 536,684 | 592,552 |
| Investment Earnings | 260,634 | 137,047 | 209,864 | 365,994 | 674,503 | 396,848 | 180,184 | 38,624 |
| Miscellaneous | - | 37,194 | 60,477 | 120,274 | 100,218 | 128,832 | 216,968 | 51,899 |
| Transfers | (134,844) | - | - | 22,500 | 22,500 | 22,500 | (468,532) | 363,844 |
| Total Governmental Activities | \$ 14,086,060 | \$ 11,936,126 | \$ 10,630,644 | \$ 10,963,326 | \$ 10,521,446 | \$ 8,419,080 | \$ 6,745,660 | \$ 6,864,043 |

CITY OF MONROE, OHIO
 Changes in Net Assets
 Last Eight Years
(accrual basis of accounting)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Business-Type Activities: | | | | | | | | |
| Investment Earnings | \$ - | \$ 21,884 | \$ - | \$ 4,977 | \$ - | \$ 987 | \$ 950 | \$ - |
| Grants and Entitlements not Restricted to Specific Programs | 77,236 | - | - | - | (22,500) | - | - | - |
| Transfers | 134,844 | - | - | (22,500) | (22,500) | (22,500) | 468,532 | (363,844) |
| Total Business-Type Activities | 212,080 | 21,884 | - | (17,523) | (22,500) | (21,513) | 469,482 | (363,844) |
| Total Primary Government | 14,298,140 | 11,958,010 | 10,630,644 | 10,945,803 | 10,498,946 | 8,397,567 | 7,215,142 | 6,500,199 |
| Change in Net Assets | | | | | | | | |
| Governmental Activities | 576,739 | (765,567) | 3,973,684 | 4,142,474 | 2,326,929 | 5,341,156 | 7,326,863 | 6,341,949 |
| Business-Type Activities | (33,322) | (126,198) | 222,502 | (663,868) | 298,606 | 554,802 | 1,612,853 | 1,327,406 |
| Total Primary Government Change in Net Assets | \$ 543,417 | \$ (891,765) | \$ 4,196,186 | \$ 3,478,606 | \$ 2,625,535 | \$ 5,895,958 | \$ 8,939,716 | \$ 7,669,355 |

* In 2004, the City received \$5,112,900 in donated infrastructure.
 In 2005, the City received \$7,069,000 in donated infrastructure.
 In 2006, the City received \$2,945,025 in donated infrastructure.
 In 2007, the City received \$481,500 in donated infrastructure.
 In 2008, the City received \$3,833,859 in donated infrastructure.
 Source: City financial records

* The City converted to GASB 34 for the 2004 fiscal year. Information prior to 2004 is not reported since it was not calculated

CITY OF MONROE, OHIO
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ - | \$ 482,044 | \$ 501,908 | \$ 545,390 | \$ 264,594 | \$ 51,762 | \$ 4,800 | \$ 6,583 | \$ - | \$ - |
| Unreserved | - | 5,600,911 | 5,658,337 | 5,128,686 | 4,021,327 | 1,930,344 | 1,146,500 | 1,405,223 | 1,341,495 | 1,607,403 |
| Nonspendable | 35,000 | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | 348,919 | - | - | - | - | - | - | - | - | - |
| Unassigned | 6,646,925 | - | - | - | - | - | - | - | - | - |
| Total General Fund | 7,030,844 | 6,082,955 | 6,160,245 | 5,674,076 | 4,285,921 | 1,982,106 | 1,151,300 | 1,411,806 | 1,341,495 | 1,607,403 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | - | 1,479,927 | 882,226 | 297,624 | 716,157 | 762,925 | 1,961 | 21,713 | - | - |
| Undesignated, Reported in: | | | | | | | | | | |
| Special Revenue funds | - | 495,407 | (321,103) | 275,254 | 1,095,589 | 1,336,376 | 1,582,971 | 29,242 | (1,560,947) | (3,415,678) |
| Debt Service funds | - | 34,720 | 15,789 | 232,959 | 146,072 | 7,563 | (1,375,241) | (831,250) | (1,089,058) | (661,327) |
| Capital Projects funds | - | 1,031,157 | (4,117,594) | (2,993,639) | (2,632,732) | (823,597) | 629,222 | 529,165 | 253,789 | 72,980 |
| Nonspendable | - | - | - | - | - | - | - | - | - | - |
| Restricted | 1,865,562 | - | - | - | - | - | - | - | - | - |
| Committed | 47,823 | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | (365,575) | - | - | - | - | - | - | - | - | - |
| Total All Other Governmental Funds | 1,547,810 | 3,041,211 | (3,540,682) | (2,187,802) | (674,914) | 1,283,267 | 838,913 | (251,130) | (2,396,216) | (4,004,025) |
| Total Governmental Funds | \$8,578,654 | \$9,124,166 | \$2,619,563 | \$3,486,274 | \$3,611,007 | \$3,265,373 | \$1,990,213 | \$1,160,676 | (\$1,054,721) | (\$2,396,622) |

* The City converted to GASB 34 for the 2004 fiscal year. Information prior to 2004 is reported under the old method.
 ** The City implemented the reporting requirements of GASB Statement No. 54 in 2011.

Source: City financial records

CITY OF MONROE, OHIO
 Changes in Fund Balances, Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | | | | | | |
| Income Taxes | \$6,600,141 | \$5,951,344 | \$5,784,713 | \$5,352,927 | \$5,238,256 | \$3,909,004 | \$3,345,238 | \$2,791,808 | \$2,891,413 | \$2,341,842 |
| Property and Other Taxes | 2,400,487 | 1,885,387 | 2,041,637 | 1,971,017 | 2,131,720 | 2,197,086 | 2,425,332 | 2,793,454 | 1,098,020 | 1,301,347 |
| Payment in Lieu of Taxes | 2,910,801 | 2,415,620 | 2,005,203 | 844,205 | 416,537 | 70,878 | - | - | - | - |
| Intergovernmental | 1,757,320 | 2,797,302 | 5,716,065 | 2,813,759 | 1,885,762 | 1,702,514 | 1,139,297 | 1,281,053 | 1,690,446 | 1,639,891 |
| Charges for Services | 1,059,176 | 1,165,741 | 1,251,564 | 1,084,965 | 1,184,918 | 1,081,891 | 706,307 | 683,024 | 429,184 | 345,398 |
| Licenses and Permits | 581,733 | 446,880 | 585,034 | 1,062,746 | 347,224 | 718,573 | 798,943 | 616,013 | 852,123 | 819,011 |
| Investment Earnings | 260,634 | 137,047 | 208,864 | 365,994 | 674,503 | 396,848 | 180,184 | 38,657 | 8,732 | 13,160 |
| Fines and Forfeitures | 200,206 | 258,349 | 221,530 | 220,440 | 139,590 | 112,789 | 71,580 | 62,073 | 0 | 0 |
| Special Assessments | 863,556 | 327,428 | 301,213 | 302,789 | 72,463 | 210,722 | 197,673 | 203,396 | 244,479 | 195,976 |
| Miscellaneous | 33,581 | 199,582 | 226,261 | 166,658 | 439,270 | 125,345 | 241,688 | 75,900 | 127,709 | 537,484 |
| Total Revenues | 16,667,635 | 15,584,680 | 18,342,084 | 14,185,500 | 12,530,243 | 10,525,650 | 9,106,242 | 8,545,378 | 7,342,106 | 7,194,109 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Security of Persons and Property | 7,120,069 | 6,881,493 | 6,506,911 | 5,896,151 | 5,708,624 | 4,366,684 | 4,415,942 | 4,279,918 | 3,690,212 | 3,988,629 |
| Public Health and Welfare | - | 237,599 | 83,191 | 104,640 | 148,323 | 165,722 | 108,616 | 53,679 | 196,073 | 52,541 |
| Transportation | 1,462,501 | 1,525,763 | 1,722,489 | 1,196,834 | 1,047,776 | 608,078 | 597,737 | 595,673 | 696,325 | 629,758 |
| General Government | 2,250,755 | 1,964,892 | 2,229,646 | 2,342,991 | 1,511,020 | 1,503,590 | 1,614,230 | 1,315,218 | 1,308,932 | 1,902,881 |
| Leisure Time Activities | 224,689 | 261,285 | 236,052 | 27,074 | 2,005 | 607 | - | - | 2,936 | 91,163 |
| Payments to Schools | 1,358,998 | - | - | - | - | - | - | - | - | - |
| Basic Utility Services | - | - | - | - | - | - | - | - | - | 15,302 |
| Miscellaneous | 31,603 | - | - | - | - | - | - | - | - | - |
| Intergovernmental | 1,182,660 | 1,835,317 | 1,256,721 | 539,714 | 228,317 | 22,721 | 17,876 | 10,811 | - | - |
| Capital Outlay | 1,830,107 | 1,928,489 | 5,716,840 | 3,069,094 | 1,977,412 | 1,945,597 | 273,949 | 108,156 | 676,750 | 983,672 |
| Debt service: | | | | | | | | | | |
| Principal Retirement | 1,084,867 | 786,979 | 756,775 | 613,681 | 593,242 | 518,412 | 485,148 | 83,700 | 5,004,913 (a) | 370,490 |
| Interest and Fiscal Charges | 532,054 | 598,974 | 700,170 | 546,635 | 990,390 | 483,450 | 371,295 | 457,722 | 997,457 | 819,483 |
| Total Expenditures | 17,078,303 | 16,020,791 | 19,208,795 | 14,336,814 | 12,207,109 | 9,614,861 | 7,884,793 | 6,904,877 | 12,573,598 | 8,853,919 |
| Excess of Revenues Over (Under) Expenditures | (410,668) | (436,111) | (866,711) | (151,314) | 323,134 | 910,789 | 1,221,449 | 1,640,501 | (5,231,492) | (1,659,810) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Sale of Capital Assets | - | - | - | 2,143 | - | 17,584 | - | 211,052 | - | 12,384 |
| Proceeds from Lease Purchase | - | - | - | 1,938 | - | 559,287 | 76,620 | - | - | - |
| Agreement/Inception of Capital Lease | - | 6,845,000 | - | - | - | - | - | - | 7,565,000 | - |
| Face Value from the Sale of Bonds | - | 95,714 | - | - | - | - | - | - | - | - |
| Premium from the Sale of Bonds | 6,168,852 | 6,595,376 | 5,468,000 | 5,409,771 | 4,659,641 | 4,719,513 | 2,772,370 | 1,640,614 | 2,532,932 | 4,268,105 |
| Transfers In | (6,303,696) | (6,595,376) | (5,468,000) | (5,387,271) | (4,637,141) | (4,697,013) | (3,240,902) | (1,276,770) | (2,546,932) | (3,598,788) |
| Transfers Out | (134,844) | 6,940,714 | - | 26,581 | 22,500 | 599,371 | (391,912) | 574,896 | 7,551,000 | 681,701 |
| Total Other Financing Sources (Uses) | (\$545,512) | \$6,504,603 | (\$866,711) | (\$124,733) | \$345,634 | \$1,510,160 | \$829,537 | \$2,215,397 | \$2,319,508 | (\$978,109) |
| Net Change in Fund Balances | 10.7% | 10.0% | 11.9% | 12.9% | 15.2% | 12.9% | 11.3% | 8.0% | 50.5% | 15.1% |

* The City converted to GASB 34 for the 2004 fiscal year. Information prior to 2004 is reported under the old method.

(a) In 2003, the City refunded general obligation bonds and retired general obligations notes related to the City Building and Firehouse, respectively.

CITY OF MONROE, OHIO
Assessed Value and Actual Value of Taxable Property
Last Ten Years

| YEAR | REAL PROPERTY | | PERSONAL PROPERTY | | PUBLIC UTILITY PERSONAL | | TOTAL | | TOTAL DIRECT RATE APPLIED | PERCENTAGE OF ASSESSED VALUE TO ESTIMATED ACTUAL VALUE |
|------|----------------|------------------------|-------------------|------------------------|-------------------------|------------------------|----------------|------------------------|---------------------------|--|
| | ASSESSED VALUE | ESTIMATED ACTUAL VALUE | ASSESSED VALUE | ESTIMATED ACTUAL VALUE | ASSESSED VALUE | ESTIMATED ACTUAL VALUE | ASSESSED VALUE | ESTIMATED ACTUAL VALUE | | |
| 2002 | 197,975,700 | 565,644,857 | 42,906,468 | 171,625,872 | 17,056,970 | 19,382,920 | 257,939,138 | 756,653,649 | \$ 11.17 | 34.09% |
| 2003 | 208,560,150 | 595,886,143 | 39,576,788 | 158,307,152 | 16,634,540 | 18,902,886 | 264,771,478 | 773,096,181 | \$ 11.17 | 34.25% |
| 2004 | 203,857,670 | 582,450,485 | 39,277,088 | 157,108,352 | 16,612,830 | 18,878,215 | 259,747,588 | 758,437,052 | \$ 11.17 | 34.25% |
| 2005 | 205,833,010 | 588,094,314 | 34,843,584 | 139,374,336 | 16,172,430 | 18,377,761 | 256,849,024 | 745,846,411 | \$ 11.17 | 34.44% |
| 2006 | 232,771,170 | 665,060,486 | 37,698,431 | 150,793,724 | 16,295,740 | 18,517,886 | 286,765,341 | 834,372,096 | \$ 11.17 | 34.37% |
| 2007 | 267,694,640 | 764,841,829 | 38,248,035 | 152,992,140 | 17,060,460 | 19,386,886 | 323,003,135 | 937,220,855 | \$ 9.32 | 34.46% |
| 2008 | 275,519,850 | 787,199,571 | 23,163,041 | 37,060,866 | 17,441,240 | 19,819,591 | 316,124,131 | 844,080,028 | \$ 9.32 | 37.45% |
| 2009 | 302,282,910 | 863,665,457 | 16,039,580 | 160,395,800 | 16,946,160 | 19,257,000 | 335,268,650 | 1,043,318,257 | \$ 9.32 | 32.13% |
| 2010 | 289,085,520 | 825,958,629 | 194,860 | 3,897,200 | 17,502,820 | 19,889,568 | 306,783,200 | 849,745,397 | \$ 9.32 | 36.10% |
| 2011 | 282,027,380 | 805,792,514 | - | - | 79,977,540 | 90,883,568 | 362,004,920 | 896,676,082 | \$ 9.32 | 40.37% |

SOURCE: Butler County Auditor's Office

Note: Includes Butler and Warren County Information

CITY OF MONROE, OHIO
 Direct and Overlapping Property Tax Rates
 Last Ten Years

| COLLECTION YEAR | CITY OF MONROE | BUTLER COUNTY | SCHOOL DISTRICT | OTHER (1) |
|--------------------|----------------|---------------|-----------------|-----------|
| | OPERATING | OPERATING | OPERATING | OPERATING |
| 2002 | 11.17 | 8.75 | 41.88 | 1.93 |
| 2003 | 11.17 | 8.75 | 40.68 | 1.93 |
| 2004 | 11.17 | 8.74 | 40.68 | 1.93 |
| 2005 | 11.17 | 8.74 | 40.68 | 1.93 |
| 2006 | 11.17 | 9.44 | 40.32 | 2.53 |
| 2007 | 9.32 | 10.95 | 44.87 | 2.53 |
| 2008 | 9.32 | 10.45 | 44.28 | 2.53 |
| 2009 | 9.32 | 9.745 | 41.038 | 2.53 |
| 2010 | 9.32 | 9.745 | 41.038 | 2.53 |
| 2011 | 9.32 | 9.72 | 39.579 | 3.78 |

SOURCE: City of Monroe's Operating Budget

SOURCE: Butler County Auditor's Office

(1) Other includes Butler County Technology and Career Development School (JVS) and Township

CITY OF MONROE, OHIO
Top Ten Principal Taxpayers
Real and Personal Property
Current Year and Ten Years Ago

| Name of Taxpayer | 2011 | | |
|-------------------------------|----------------------|------|-------------------------------|
| | Assessed Valuation | Rank | % of Total Assessed Valuation |
| Rockies Express Pipeline LLC | \$ 17,782,240 | 1 | 4.91% |
| Duke Energy Ohio Inc. (1) | 11,360,190 | 2 | 3.14% |
| Ohio Presbyterian Retirement | 5,166,890 | 3 | 1.43% |
| Worthington Steel | 5,051,200 | 4 | 1.40% |
| EPHS Investments LLC | 3,419,500 | 5 | 0.94% |
| K.P. Properties of Ohio LLC | 3,057,450 | 6 | 0.84% |
| Summit Properties Partnership | 2,744,910 | 7 | 0.76% |
| Garver Road Investments LLC | 1,820,000 | 8 | 0.50% |
| Crystal Partners LLC | 1,726,530 | 9 | 0.48% |
| ECP Monroe LLC | 1,531,000 | 10 | 0.42% |
| Total | \$ 53,659,910 | | 14.82% |

Total Assessed Valuation \$ 362,004,920

| Name of Taxpayer | 2001 | | |
|----------------------------------|----------------------|------|-------------------------------|
| | Assessed Valuation | Rank | % of Total Assessed Valuation |
| Duke Energy Ohio Inc. (1) | \$ 22,748,690 | 1 | 10.96% |
| Worthington Steel | 15,732,300 | 2 | 7.58% |
| Dayton Technologies | 8,205,270 | 3 | 3.95% |
| EPHS Investments LLC | 3,419,420 | 3 | 1.65% |
| Ohio Presbyterian Retirement | 2,535,350 | 4 | 1.22% |
| Duke Realty Ohio | 2,512,740 | 6 | 1.21% |
| Xerox Corporation | 2,304,900 | 7 | 1.11% |
| Mount Pleasant Retirement Homes | 2,097,160 | 8 | 1.01% |
| Sulzer Escher Wyess Incorporated | 2,049,760 | 9 | 0.99% |
| Dayton Power and Light | 1,719,690 | 10 | 0.83% |
| Total | \$ 63,325,280 | | 30.51% |

Total Assessed Valuation \$ 207,545,278

Source: Butler County Auditor's Office
(1) Cincinnati Gas and Electric in 2001

CITY OF MONROE, OHIO
Property Tax Levies and Collections
Last Ten Years

| COLLECTION YEAR | TOTAL TAX LEVY | CURRENT TAX COLLECTIONS | DELINQUENT TAX COLLECTIONS | TOTAL TAX COLLECTIONS | PERCENTAGE OF | | ACCUMULATED OUTSTANDING DELINQUENT TAXES | PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY |
|-----------------|----------------|-------------------------|----------------------------|-----------------------|-----------------------|-------------|--|--|
| | | | | | TOTAL TAX COLLECTIONS | TO TAX LEVY | | |
| 2002 | 2,052,600 | 1,973,120 | 32,054 | 1,985,374 | 97.29% | 175,657 | 8.61% | |
| 2003 | 2,172,608 | 1,830,899 | 68,594 | 1,950,276 | 89.77% | 475,777 | 21.90% | |
| 2004 | 2,043,265 | 1,944,437 | 69,575 | 2,014,012 | 98.57% | 505,030 | 24.72% | |
| 2005 | 2,183,502 | 2,075,690 | 143,904 | 2,014,012 | 92.24% | 468,939 | 21.48% | |
| 2006 | 2,424,899 | 2,236,846 | 138,056 | 2,374,902 | 97.94% | 518,936 | 21.40% | |
| 2007 | 2,162,034 | 1,844,390 | 39,791 | 1,884,181 | 87.15% | 796,789 | 36.85% | |
| 2008 | 2,264,322 | 2,024,667 | 139,646 | 2,164,313 | 95.58% | 896,798 | 39.61% | |
| 2009 | 2,769,439 | 2,291,505 | 61,167 | 2,352,672 | 84.95% | 582,617 | 21.04% | |
| 2010 | 2,198,324 | 1,829,927 | 18,960 | 1,848,887 | 84.10% | 463,420 | 21.08% | |
| 2011 | 2,181,406 | 2,001,723 | 76,618 | 2,078,341 | 95.28% | 268,300 | 12.30% | |

SOURCE: Butler County Auditor's Office

Note: Includes only Butler County Information

CITY OF MONROE, OHIO
Income Tax Statistics - Last Four Available Calendar Years

| | 2010 | | 2009 | | 2008 | | 2007 | |
|---|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | <u>Individuals</u> | <u>Net Profit</u> | <u>Individuals</u> | <u>Net Profit</u> | <u>Individuals</u> | <u>Net Profit</u> | <u>Individuals</u> | <u>Net Profit</u> |
| Total number of final returns filed | 5,425 | 2,514 | 5,885 | 1,313 | 5,484 | 1,594 | 5,031 | 1,232 |
| Total number of returns not filed | 840 | 129 | 253 | 124 | 359 | 151 | 284 | 112 |
| Total tax dollars paid prior to filing | \$ 1,189,177 | \$ 484,630 | \$ 1,180,560 | \$ 720,123 | \$ 1,228,814 | \$ 861,157 | \$ 1,379,277 | \$ 1,343,569 |
| Total tax dollars paid with filing | \$ 179,408 | \$ 59,946 | \$ 101,680 | \$ 29,575 | \$ 49,338 | \$ 963 | \$ 297,296 | \$ 83,148 |
| Total tax dollars paid after filing | \$ 132,037 | \$ 7,920 | \$ 127,762 | \$ 18,303 | \$ 163,139 | \$ 85,972 | \$ 140,123 | \$ 46,725 |
| Total penalty and interest paid | \$ 28,675 | \$ 3,748 | \$ 29,375 | \$ 2,381 | \$ 24,259 | \$ 3,137 | \$ 23,254 | \$ 5,417 |
| | <u>Withholding</u> | | <u>Withholding</u> | | <u>Withholding</u> | | <u>Withholding</u> | |
| Total number of reconciliations filed | 969 | | 1,090 | | 951 | | 889 | |
| Total number of reconciliations not filed | 47 | | 15 | | 32 | | 28 | |
| Total tax dollars paid with reconciliations | \$ 4,278,592 | | \$ 4,010,045 | | \$ 3,927,695 | | \$ 3,714,769 | |

Source: City financial records

* The City converted tax software during 2007. Information prior to the conversion is not reported since it cannot be retrieved. 2007 is the latest information available. The City's records for calendar year 2011 are not finalized.

CITY OF MONROE, OHIO
Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Years

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|---------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Bonded Debt Outstanding: | | | | | | | | | | |
| General Obligation Notes/Bonds | \$11,190,000 | \$11,920,000 | \$11,515,000 | \$9,440,000 | \$9,855,000 | \$6,765,000 | \$7,170,000 | \$7,565,000 | \$7,565,000 | \$6,275,000 |
| Special Assessment Bonds | 521,800 | 626,200 | 724,200 | 816,800 | 928,900 | 1,029,600 | 1,130,000 | 1,302,700 | 1,302,700 | 1,380,100 |
| Enterprise Loans/Notes/Bonds Payable | 6,026,567 | 6,259,020 | 3,264,903 | 3,496,356 | 3,702,259 | 3,928,543 | 4,891,323 | 5,282,195 | 5,282,195 | 5,520,131 |
| Capital Leases Payable | 185,941 | 299,496 | 420,238 | 534,914 | 643,855 | 755,876 | 75,472 | 0 | 0 | 0 |
| Revenue Obligation Bonds | 1,530,000 | 1,695,000 | 1,850,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Total | 19,454,308 | 20,799,716 | 17,774,341 | 16,288,070 | 17,130,014 | 14,479,019 | 15,266,795 | 16,149,895 | 16,149,895 | 15,175,231 |
| Percentage of Estimated Actual Property Value | 2.17% | 2.45% | 1.70% | 1.93% | 1.83% | 1.74% | 2.05% | 2.13% | 2.09% | 2.01% |
| Assessed Property Value | 362,004,920 | 306,783,200 | 335,268,650 | 316,124,131 | 323,003,135 | 286,765,341 | 256,849,024 | 259,747,588 | 264,771,478 | 257,939,138 |
| Actual Property Value | 896,676,082 | 849,745,397 | 1,043,318,257 | 844,080,028 | 937,220,855 | 834,372,096 | 745,846,411 | 758,437,052 | 773,096,181 | 756,653,649 |
| Total Debt Per Capita | 1,564 | 1,672 | 2,492 | 2,283 | 2,402 | 2,030 | 2,140 | 2,264 | 2,264 | 2,127 |
| Total Debt as a Percentage of Personal Income | Not Available | 7.29% | 7.77% | 6.22% | 8.77% | 6.59% | 7.54% | 8.81% | 9.82% | 10.17% |
| Population | 12,442 | 12,442 | 7,133 | 7,133 | 7,133 | 7,133 | 7,133 | 7,133 | 7,133 | 7,133 |
| Less: | | | | | | | | | | |
| Special Assessment Bonds | (521,800) | (626,200) | (724,200) | (816,800) | (928,900) | (1,029,600) | (1,130,000) | (1,302,700) | (1,302,700) | (1,380,100) |
| Enterprise Loans/Notes/Bonds Payable | (6,026,567) | (6,259,020) | (3,264,903) | (3,496,356) | (3,702,259) | (3,928,543) | (4,891,323) | (5,282,195) | (5,282,195) | (5,520,131) |
| Capital Leases Payable | (185,941) | (299,496) | (420,238) | (534,914) | (643,855) | (755,876) | (75,472) | 0 | 0 | 0 |
| Revenue Obligation Bonds | (1,530,000) | (1,695,000) | (1,850,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) |
| Total Net Debt Applicable to Debt Limit | 11,190,000 | 11,920,000 | 11,515,000 | 9,440,000 | 9,855,000 | 6,765,000 | 7,170,000 | 7,565,000 | 7,565,000 | 6,275,000 |
| Overall Legal Debt Limit | 38,010,517 | 32,212,236 | 35,203,208 | 33,193,034 | 33,915,329 | 30,110,361 | 26,969,148 | 27,273,497 | 27,801,005 | 27,083,609 |
| 10 1/2% of Assessed Valuation | \$26,820,517 | \$20,292,236 | \$23,688,208 | \$23,753,034 | \$24,060,329 | \$23,345,361 | \$19,799,148 | \$19,708,497 | \$20,236,005 | \$20,808,609 |
| Legal Debt Margin Within 10 1/2% Limitations | 70.56% | 63.00% | 67.29% | 71.56% | 70.94% | 77.53% | 73.41% | 72.26% | 72.79% | 76.83% |
| Legal Debt Margin as a Percentage of the Debt Limit | \$19,910,271 | \$16,873,076 | \$18,439,776 | \$17,386,827 | \$17,765,172 | \$15,772,094 | \$14,126,696 | \$14,286,117 | \$14,562,431 | \$14,186,653 |
| Unvoted Debt Limitation | 19,454,308 | 20,799,716 | 17,774,341 | 16,288,070 | 17,130,014 | 14,479,019 | 15,266,795 | 16,149,895 | 16,149,895 | 15,175,231 |
| 5 1/2% of Assessed Valuation | | | | | | | | | | |
| Total Debt Approved by Council | | | | | | | | | | |
| Less: | | | | | | | | | | |
| Special Assessment Bonds | (521,800) | (626,200) | (724,200) | (816,800) | (928,900) | (1,029,600) | (1,130,000) | (1,302,700) | (1,302,700) | (1,380,100) |
| Enterprise Loans/Notes/Bonds Payable | (6,026,567) | (6,259,020) | (3,264,903) | (3,496,356) | (3,702,259) | (3,928,543) | (4,891,323) | (5,282,195) | (5,282,195) | (5,520,131) |
| Revenue Obligation Bonds | (1,530,000) | (1,695,000) | (1,850,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) |
| Net Debt Within 5 1/2% Limitations | 11,375,941 | 12,219,496 | 11,935,238 | 9,974,914 | 10,498,855 | 7,520,876 | 7,245,472 | 7,565,000 | 7,565,000 | 6,275,000 |
| Unvoted Legal Debt Margin Within 5 1/2% Limitations | \$8,534,330 | \$4,653,580 | \$6,504,538 | \$7,411,913 | \$7,266,317 | \$8,251,218 | \$6,881,224 | \$6,721,117 | \$6,997,431 | \$7,911,653 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 42.86% | 27.58% | 35.27% | 42.63% | 40.90% | 52.32% | 48.71% | 47.05% | 48.05% | 55.77% |

Source: City Financial Records

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

CITY OF MONROE, OHIO
 Computation of Direct and Overlapping Debt
 December 31, 2011

| JURISDICTION | NET DEBT OUTSTANDING (1) | PERCENTAGE APPLICABLE TO CITY OF MONROE (2) | AMOUNT APPLICABLE TO CITY OF MONROE |
|----------------|-----------------------------|--|--|
| City of Monroe | \$ 19,614,730 | 100.00% | \$ 19,614,730 |
| Butler County | <u>66,870,000</u> | 3.42% | <u>2,286,954</u> |
| | <u>\$ 86,484,730</u> | | <u>\$ 21,901,684</u> |

The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

(1) Includes only general obligation bonded debt payable from property taxes less Debt Service balance.

(2) The City is 16.1 square miles of Butler County's 470.20 square miles reported in the 2000 census.

SOURCE: Butler County Auditor's Office
 United States Census Bureau

CITY OF MONROE, OHIO

Ratio of Net General Obligation Debt
to Assessed Valuation and Net Bonded Debt per Capita
Last Ten Years

| YEAR | POPULATION | ASSESSED VALUE | PERSONAL INCOME (1) | GROSS BONDED DEBT (2) | DEBT SERVICE BALANCE | DEBT PAYABLE FROM ENTERPRISE REVENUES | NET BONDED DEBT | RATIO OF NET BONDED DEBT TO ASSESSED VALUATION | NET BONDED DEBT PER CAPITA |
|------|------------|----------------|---------------------|-----------------------|----------------------|---------------------------------------|-----------------|--|----------------------------|
| 2002 | 7,133 | 257,939,138 | 149,221,383 | 4,575,000 | N/A | 1,595,131 | 6,170,131 | 2.39% | 865 |
| 2003 | 7,133 | 264,771,478 | 164,412,661 | 7,565,000 | N/A | 622,195 | 8,187,195 | 3.09% | 1,148 |
| 2004 | 7,133 | 259,747,588 | 183,353,605 | 7,565,000 | N/A | 599,259 | 8,164,259 | 3.14% | 1,145 |
| 2005 | 7,133 | 256,849,024 | 202,404,969 | 7,170,000 | N/A | 575,157 | 7,745,157 | 3.02% | 1,086 |
| 2006 | 7,133 | 286,765,341 | 219,634,615 | 6,765,000 | 7,563 | 548,543 | 7,313,543 | 2.55% | 1,025 |
| 2007 | 7,133 | 323,003,135 | 195,371,841 | 6,355,000 | 146,072 | 522,259 | 6,877,259 | 2.13% | 964 |
| 2008 | 7,133 | 316,124,131 | 261,846,333 | 5,940,000 | 232,959 | 508,449 | 6,448,449 | 2.04% | 904 |
| 2009 | 7,133 | 335,268,650 | 228,749,977 | 5,515,000 | 15,789 | 464,903 | 5,979,903 | 1.78% | 838 |
| 2010 | 12,442 | 306,783,200 | 285,239,467 | 5,075,000 | 30,454 | 434,020 | 5,509,020 | 1.80% | 443 |
| 2011 | 12,442 | 362,004,920 | Not available | 4,610,000 | 18,379 | 401,567 | 5,011,567 | 1.38% | 403 |

SOURCE: Population figures are taken from the 2000/2010 Census.

(1) From the City's tax department for taxable income. Information for the City is not available before 2002. Information for 2008 is estimated using the total withholdings and applying a 1.5% tax rate to that figure. Information for 2011 is not available as the City's reconciliation process for 2011 was not complete at the time of report issuance.

(2) Includes only General Obligation Bonds payable from Property Taxes

N/A means not applicable as the City had no bonded debt or a negative debt service balance.

CITY OF MONROE, OHIO

Principal Employers
Prior Year and Nine Years Ago

2010

| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total City Employment</u> |
|------------------------------|------------------|--|
| CBS Personell Service, LLC | 2,768 | 12.64 % |
| Kohl's Department Stores | 2,505 | 11.44 |
| Elite Labor Weekly, LTD | 1,093 | 4.99 |
| CM Temporary Services | 888 | 4.05 |
| DYTR Staffing and Management | 688 | 3.14 |
| Ohio Presbyterian Retirement | 471 | 2.15 |
| Monroe Local School | 416 | 1.90 |
| Home Depot | 364 | 1.66 |
| Crown Services | 357 | 1.63 |
| Deceuninck North America | 328 | 1.50 |
| Total | <u>9,878</u> | <u>45.09 %</u> |
| Total City Employees | <u>21,906</u> | |

2002

| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total City Employment</u> |
|-------------------------------|------------------|--|
| Precision Packaging | 468 | 3.94% |
| Ohio Presbyterian Retirement | 388 | 3.27% |
| Kohl's Department Stores | 357 | 3.00% |
| Deceuninck North America LLC* | 353 | 2.97% |
| Monroe Local Schools | 315 | 2.65% |
| Xerox Corporation | 255 | 2.15% |
| Worthington Industries | 217 | 1.83% |
| West Chester Holdings | 146 | 1.23% |
| Clark Cincinnati | 139 | 1.17% |
| Baker Concrete Construction | 95 | 0.80% |
| Total | <u>2,733</u> | 23.00% |
| Total City Employees | <u>11,883</u> | |

Source: Department of Income Tax

Note: The information for 2011 was not available at the time of report issuance. Additionally, historical information is only available back to 2002.

* Was Dayton Technologies Inc. in 2002

CITY OF MONROE, OHIO

Demographic Statistics

Last Ten Years

| YEAR | POPULATION (1) | SCHOOL ENROLLMENT (2) | UNEMPLOYMENT RATE BUTLER COUNTY (3) | COUNTY BANK DEPOSITS | PER CAPITA PERSONAL INCOME |
|------|----------------|--------------------------|---|----------------------------|----------------------------------|
| 2002 | 7,133 | 1,381 | 3.7 | 1,257,078,000 | \$ 20,919.86 |
| 2003 | 7,133 | 1,245 | 4.0 | 1,355,739,000 | 23,049.58 |
| 2004 | 7,133 | 1,506 | 4.9 | 1,466,791,000 | 25,704.98 |
| 2005 | 7,133 | 1,685 | 5.0 | 3,053,270,000 | 28,375.85 |
| 2006 | 7,133 | 1,855 | 4.8 | 2,920,714,000 | 30,791.34 |
| 2007 | 7,133 | 2,022 | 4.9 | 3,017,034,000 | 27,389.86 |
| 2008 | 7,133 | 2,332 | 6.2 | 2,978,691,000 | 36,709.15 |
| 2009 | 7,133 | 2,307 | 9.9 | 5,548,981,000 | 32,069.25 |
| 2010 | 12,442 | 2,314 | 9.2 | 5,393,455,000 | 22,925.53 |
| 2011 | 12,442 | 2,473 | 8.6 | Not Available | Not Available |

(1) SOURCE: U.S. Census, Census of population - 2000/2010 Federal Census

(2) SOURCE: Monroe Board of Education

(3) SOURCE: Ohio Bureau Employment Services - research and statistics

Note: Certain information for 2011 was not available at time of report issuance.

CITY OF MONROE, OHIO
Capital Asset Statistics by Function
Last Eight Years

| | 2011 | 2010 (1) | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|------------------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| CAPITAL ASSETS DEPRECIATION | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| Security of Persons and Property | \$ 381,803 | \$ 682,438 | \$ 331,752 | \$ 263,393 | \$ 130,550 | \$ 139,050 | \$ 134,523 | \$ 204,604 |
| Leisure Time Activities | 41,016 | 28,376 | 9,199 | 9,199 | 7,560 | - | 7,560 | 10,968 |
| Transportation | 1,352,020 | 1,695,270 | 105,101 | 87,731 | 90,951 | 57,439 | 64,629 | 926,375 |
| General Government | 114,818 | 457,631 | 106,317 | 107,272 | 108,952 | 105,866 | 125,361 | 138,616 |
| Total Governmental Activities | <u>1,889,657</u> | <u>2,863,715</u> | <u>552,369</u> | <u>467,595</u> | <u>338,013</u> | <u>302,355</u> | <u>332,073</u> | <u>1,280,563</u> |
| Business-Type Activities: | | | | | | | | |
| Water | 410,692 | 365,948 | 463,316 | 429,801 | 226,799 | 241,086 | 229,797 | 232,066 |
| Stormwater Management | 23,700 | 50,435 | 18,070 | 13,413 | 13,413 | - | - | - |
| Total Business-Type Activities | <u>434,392</u> | <u>416,383</u> | <u>481,386</u> | <u>443,214</u> | <u>240,212</u> | <u>241,086</u> | <u>229,797</u> | <u>232,066</u> |
| Total | <u>\$ 2,324,049</u> | <u>\$ 3,280,098</u> | <u>\$ 1,033,755</u> | <u>\$ 910,809</u> | <u>\$ 578,225</u> | <u>\$ 543,441</u> | <u>\$ 561,870</u> | <u>\$ 1,512,629</u> |

Source: City of Monroe, Finance Department

* The City converted to GASB 34 for the 2004 fiscal year.
Information prior to 2004 is not reported since it was not calculated

CITY OF MONROE, OHIO
 Operating Indicators by Function/Program
 Last Five Fiscal Years

| Function/program | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|--------------|--------------|--------------|---------------|---------------|
| General Government | | | | | |
| Construction Permits Issued | 295 | 377 | 582 | 345 | 356 |
| Estimated Value of Construction | \$24,155,582 | \$21,554,765 | \$31,432,126 | \$126,439,882 | \$48,200,000 |
| Zoning Certificates Approved | 37 | 35 | 112 | 30 | 16 |
| Property Maintenance Complaints | 180 | 136 | 162 | 120 | 10 |
| Utility Bills mailed | 57,018 | 59,748 | 59,018 | 57,954 | 54,388 |
| Purchase Orders Issued | 344 | 636 | 846 | Not Available | Not Available |
| Police | | | | | |
| Total Incidents | 20,143 | 24,310 | 19,000 | 18,010 | 14,825 |
| Number of Citations issued | 3,264 | 5,356 | 4,941 | 4,005 | 2,204 |
| Misdemeanor & Felony Arrests | 1,632 | 2,236 | 1,794 | 1,477 | 1,536 |
| DUI Arrests | 101 | 145 | 179 | 150 | 73 |
| Alcohol Compliance Checks | 2 | 2 | 2 | 1 | 2 |
| Detective Investigated Cases | 367 | 294 | 249 | 113 | 207 |
| Calls for Service | 10,332 | 10,715 | 10,150 | 9,307 | 14,825 |
| Fire | | | | | |
| Emergency responses | 574 | 595 | 594 | 635 | 550 |
| Fire hydrant inspections | 800 | 999 | 823 | 754 | 668 |
| Training Hours | 6,002 | 5,473 | 4,063 | 5,248 | 3,252 |
| Number of times dispatched | 2,376 | 2,492 | 2,470 | 2,448 | 2,219 |
| Community Training Programs (number of attendees) | 1,300 | 1,109 | 938 | 528 | 138 |
| Public Service | | | | | |
| Snow removal (man hours) | 676 | 2,475 | 1,430 | 1,275 | 1,366 |
| Leaf pick-up (man hours) | 643 | 800 | 850 | 800 | 960 |
| Curbs replaced (linear feet) | 0 | 0 | 0 | 2,000 | 2,000 |
| Drive aprons replaced (square yards) | 0 | 0 | 0 | 600 | 600 |
| Truckloads of leaves picked-up | 81 | 102 | 164 | 180 | 200 |
| Tons of snow melting salt used | 1,087 | 2,133 | 1,300 | 1,800 | 1,856 |
| Number of snow events | 9 | 15 | 13 | 14 | 11 |
| Cemetery burials | 37 | 34 | \$34 | 42 | 48 |
| Water meter installations | 230 | 161 | 160 | 154 | 160 |

CITY OF MONROE, OHIO
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Years

| <u>Function/program</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | | | | | | |
| Council | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Mayor | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Finance | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.5 | 1.5 | 2.0 |
| Law | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Purchasing/Adm. Services | 9.2 | 9.2 | 9.2 | 8.2 | 7.5 | 6.5 | 5.0 | 5.0 | 4.5 | 5.0 |
| Planning | 4.0 | 4.0 | 4.0 | 4.0 | 2.0 | 2.0 | 2.0 | 0.5 | 1.5 | 2.0 |
| Police | 36.0 | 37.0 | 36.0 | 30.5 | 30.0 | 29.0 | 29.0 | 29.5 | 31.0 | 29.0 |
| Fire | 34.0 | 36.0 | 36.0 | 33.0 | 32.0 | 30.0 | 32.5 | 31.5 | 32.5 | 31.5 |
| Engineering | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 |
| Utilities: | | | | | | | | | | |
| Administration | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Service | 4.5 | 4.0 | 5.0 | 5.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 5.0 |
| Service: | | | | | | | | | | |
| Administration | 4.5 | 3.5 | 3.5 | 3.0 | 3.0 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Street Maintenance | 10.0 | 10.0 | 9.0 | 9.0 | 9.0 | 9.0 | 8.0 | 7.0 | 7.0 | 8.0 |
| Cemetery | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 |
| Clerk of Courts | 0.8 | 0.8 | 0.8 | 0.8 | 0.5 | 0.5 | 0.5 | 0.5 | 1.0 | 1.0 |
| Totals: | <u>115.0</u> | <u>116.5</u> | <u>115.5</u> | <u>105.5</u> | <u>100.0</u> | <u>95.0</u> | <u>93.0</u> | <u>89.5</u> | <u>93.0</u> | <u>95.5</u> |

Source: City of Monroe, Finance Department

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee



Dave Yost • Auditor of State

CITY OF MONROE

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
APRIL 16, 2013