

CITY OF MONROE, OHIO



CINCINNATI PREMIUM OUTLETS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR
ENDED DECEMBER 31, 2009

INTRODUCTORY



BUILDING LOCATED IN THE NEW BUSINESS PARK

SECTION

CITY OF MONROE, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR
ENDED DECEMBER 31, 2009**

Prepared by:
Ms. Kacey Waggaman, Finance Director

*City of Monroe, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009*

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Robert E. Routson
Mayor

CITY OF MONROE

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William J. Brock
City Manager

June 30, 2010

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, 2009. 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 2009.

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.

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 \$5,769,923 (budgetary basis), a \$272,315 increase from 2008. 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 with full utilities and road access.

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 17 to the basic financial statements.

ECONOMIC CONDITION AND MAJOR INITIATIVES

The City of Monroe has become one of the fastest growing communities in southwest Ohio. Monroe's population is currently estimated at 11,870 people in 2007 (above the 7,133 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 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.

In 2007, the City worked out the details of two major development projects that will be located at the I-75 and SR 63 interchange. Both projects were under construction in 2008 and then opened for use during 2009.

Vandercar Holdings is developing a 429 acre portion of the 770 acre Corridor 75 Industrial Park as the Corridor 75 Premier Logistics Center. Construction began in late 2007/early 2008 on the first tenant, a Home Depot Rapid Deployment Center, as well as a 650,000 FT² speculative building. The Home Depot RDC is not a retail store, but rather a logistics facility that will serve up to 300 local and regional retail locations. The facility itself is 657,600 FT² on 56 acres and will initially employ roughly 300 people in the Greater Cincinnati/Dayton Area. The center began operations in August, 2009. The entire Vandercar Holdings development is planned to house over 6 million FT² of warehouse/distribution facilities and could potentially create 6,000 jobs.

In May 2008, Chelsea, a division of Simon Property Group, broke ground on a 100-store outlet center (Cincinnati Premium Outlets) that will feature name-brand and designer outlet stores. The 400,000 FT² open air development is located on 117 acres. The Cincinnati Premium Outlets grand opening was August 2009, and will create approximately 800 new jobs.

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 is completed. Construction on the ramps began in early 2009 and is expected to be completed in the fall of 2010. 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 will begin 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 are expected to be completed in the fall of 2010.

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 expects to decentralize purchasing and payroll entry to the departments by the end of 2010.

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. Clark, Schaefer, Hackett & Co. conducted this year's audit. The Independent Auditor's 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, 2008. 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 ninth 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. Sean Fraunfelter of Fraunfelter Accounting Services for his assistance, efforts, and guidance in the preparation of this CAFR.

Respectfully submitted,


City Finance Director


City Manager

City of Monroe, Ohio

List of Principal Officials

December 31, 2009

| <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 | Steven Tannreuther |
| Mayor's Court Clerk | Rebecca Rosenbalm |
| Police Chief | Gregory Homer |
| Fire Chief | Mark Neu |
| Tax Commissioner | Tracy Vanderman |
| Public Works Director | Brad Collins |
| Director of Development | Kevin Chesar |

CITY COUNCIL MEMBERS

Tracy Shell
Robert Kelley
Suzi Rubin
Lora Stillman
Anna Hale

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, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

FINANCIAL



BERN'S GARDEN

SECTION

INDEPENDENT AUDITORS' REPORT

To City Council
City of Monroe, Ohio:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Ohio (the City) as of and for the year ended December 31, 2009, 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Ohio as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 12 and pages 53 through 61, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Harknett & Co.

Cincinnati, Ohio
June 25, 2010

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

The discussion and analysis of the City of Monroe's financial performance provide an overall review of the City's financial activities for the year ended December 31, 2009. 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 2009 are as follows:

- The assets of the City exceeded its liabilities at the close of the year ended December 31, 2009, by \$77,461,607 (net assets). Of this amount, \$2,667,307 is classified as unrestricted in the business-type activities.
- The City's total net assets increased by \$4,146,316, which represents a 5.66% increase from 2008. The major funds contributed over \$1.1 million of this increase through those funds having total revenues exceeding total expenses with another \$1 million of expenses being capitalized which increased the invested in capital assets, net of related debt.
- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$2,619,563. Of this amount \$1,235,429 is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,658,337 or a little more than 193% of total general fund expenditures.
- The other major governmental funds: Fire 1989 Levy, Police Law Enforcement, 2004 TIFs, Capital Improvement and CPO TIF funds had ending fund balances (deficits) of (\$347,555); (\$179,914); \$308,498; (\$4,092,053); and \$45,219 respectively. The deficits in the fire 1989 levy and police law enforcement funds are due to outstanding payables at year end. The deficit in the capital improvement fund was created with the short term bond anticipation notes being issued for the current year.

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 and longer-term view of those assets. 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 non-major funds presented in total in one column.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

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 2009?" 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.

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.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

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

The City 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. 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 only maintains two agency funds which have no measurement focus and use the accrual basis of accounting.

Notes to the 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.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

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 \$77,461,607 (\$72,280,184 in governmental activities and \$5,181,423 in business type activities) as of December 31, 2009. By far, the largest portion of the City's net assets (59.12%) 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 used to liquidate these liabilities. Table 1 provides a summary of the City's statement of net assets for 2009 compared to 2008.

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|--------------|-----------------------------|-------------|--------------|--------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Current and Other Assets | \$34,244,012 | \$34,240,256 | \$2,928,495 | \$2,869,583 | \$37,172,507 | \$37,109,839 |
| Capital Assets | 57,762,994 | 52,652,755 | 5,833,870 | 6,087,999 | 63,596,864 | 58,740,754 |
| Total Assets | 92,007,006 | 86,893,011 | 8,762,365 | 8,957,582 | 100,769,371 | 95,850,593 |
| Long-term Liabilities | 8,669,687 | 9,397,931 | 547,759 | 609,577 | 9,217,446 | 10,007,508 |
| Other Liabilities | 11,057,135 | 9,138,710 | 3,033,183 | 3,389,084 | 14,090,318 | 12,527,792 |
| Total Liabilities | 19,726,822 | 18,536,641 | 3,580,942 | 3,998,661 | 23,307,764 | 22,535,302 |
| Nets Assets: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 43,279,636 | 39,910,704 | 2,514,116 | 2,499,198 | 45,793,752 | 42,409,902 |
| Restricted | 1,285,278 | 1,146,508 | 0 | 0 | 1,285,278 | 1,146,508 |
| Unrestricted | 27,715,270 | 27,299,158 | 2,667,307 | 2,459,723 | 30,382,577 | 29,758,881 |
| Total Net Assets | \$72,280,184 | \$68,356,370 | \$5,181,423 | \$4,958,921 | \$77,461,607 | \$73,315,291 |

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 \$1,285,278 or 1.66% of net assets. The City's remaining unrestricted net assets were \$30,382,577 which increased by 2.06% from 2008 due to the City's having revenues that exceeded expenses.

The City experienced a 8.3% increase in capital assets mainly from the additional infrastructure the City brought on through the construction of the Cincinnati Premium Outlets complex.

For the liabilities, the City decreased the long term liabilities burden on the City by 7.90% from the prior year mainly from decreasing general obligation, revenue and special assessment bonds balances. Although for the City short term payables (accounts, contracts, accrued wages, notes payable and due to other governments) increased just over \$1.6 Million from 2008 because of the City's additional short term note activity of \$2.3 Million.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

Statement of Activities

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$2,317,453 | \$2,104,585 | \$4,817,134 | \$4,121,217 | \$7,134,587 | \$6,225,802 |
| Operating Grants | 684,139 | 147,847 | 2,995 | 0 | 687,134 | 147,847 |
| Capital Grants | 3,675,130 | 22,247,423 | 0 | 0 | 3,675,130 | 22,247,423 |
| General Revenues: | | | | | | |
| Income Tax | 5,809,473 | 5,427,919 | 0 | 0 | 5,809,473 | 5,427,919 |
| Property Tax | 1,146,468 | 2,036,484 | 0 | 0 | 1,146,468 | 2,036,484 |
| Other Taxes | 2,447,544 | 1,527,473 | 0 | 0 | 2,447,544 | 1,527,473 |
| Unrestricted Grants and Contributions | 956,818 | 1,462,682 | 0 | 0 | 956,818 | 1,462,682 |
| Investment earnings | 209,864 | 365,994 | 0 | 4,977 | 209,684 | 370,971 |
| Other Revenues | 60,477 | 120,274 | 0 | 0 | 60,477 | 120,274 |
| Total Revenues | 17,307,366 | 35,440,681 | 4,820,129 | 4,126,194 | 22,127,495 | 39,566,875 |
| Program Expenses | | | | | | |
| Security of Persons and Property | 6,657,452 | 7,126,129 | 0 | 0 | 6,657,452 | 7,126,129 |
| Public Health and Welfare | 57,690 | 104,640 | 0 | 0 | 57,690 | 104,640 |
| Leisure Time Activities | 243,408 | 36,273 | 0 | 0 | 243,408 | 36,273 |
| Transportation | 2,120,330 | 2,650,250 | 0 | 0 | 2,120,330 | 2,650,250 |
| General Government | 3,594,174 | 3,327,306 | 0 | 0 | 3,594,174 | 3,327,306 |
| Interest and Fiscal Charges | 710,498 | 556,550 | 0 | 0 | 710,498 | 556,550 |
| Water | 0 | 0 | 2,693,114 | 2,726,916 | 2,693,114 | 2,726,916 |
| Sewer | 0 | 0 | 1,090,190 | 1,098,769 | 1,090,190 | 1,098,769 |
| Stormwater Management | 0 | 0 | 109,953 | 303,105 | 109,953 | 303,105 |
| Garbage | 0 | 0 | 646,917 | 618,169 | 646,917 | 618,169 |
| Cemetery | 0 | 0 | 57,453 | 20,603 | 57,453 | 20,603 |
| Total Expenses | 13,383,552 | 13,801,148 | 4,597,627 | 4,767,562 | 17,981,179 | 18,568,710 |
| Excess Before Transfers | 3,923,814 | 21,639,533 | 222,502 | (641,368) | 4,146,316 | 20,998,165 |
| Transfers | 0 | 22,500 | 0 | (22,500) | 0 | 0 |
| Change in Net Assets | 3,923,814 | 21,662,033 | 222,502 | (663,868) | 4,146,316 | 20,998,165 |
| Beginning Net Assets | 68,356,370 | 46,694,337 | 4,958,921 | 5,622,789 | 73,315,291 | 52,317,126 |
| Ending Net Assets | \$72,280,184 | \$68,356,370 | \$5,181,423 | \$4,958,921 | \$77,461,607 | \$73,315,291 |

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 2009, total expenses were approximately \$6.66 million, representing 49.73% of governmental activity spending yielding a reliance on general revenues to fund the program of approximately \$5.51 million after direct support to their programs.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

The City has worked very hard over the past several years to continue to increase cash balances in an effort to maintain a solid financial future and recover from the prior fiscal emergency. During this process, the City was forced to evaluate all functionality and use within departments in prior years. After increasing operating expenses by 23% between 2007 and 2008, the City was able to reduce the operating expense by just over 3%. The City's ability to control those expenses were a significant reason why the ending net assets were able to increase.

The capital grants decreased significantly for the City from 2008. The City did not receive any street donations compared to receiving two donated streets in 2008 (impact -\$3,844,859) and 2008 was the recognition of the VH Monroe special assessment of \$17,519,559.

Business-Type Activities

The City's business-type activities include the Water, Sewer, Stormwater Management, Garbage and Cemetery functions. All the business-type activities, except the Sewer system, were able to report revenues exceeding expenses for the year. The sewer function used \$2,485 of the net asset balance to cover operating expenses.

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, unreserved 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 2009, the City's governmental funds reported combined ending fund balances of \$2.62 Million. Approximately \$1.24 Million constitutes unreserved fund balance available for spending for citizens. The remainder of the balance is reserved to indicate that it has been spoken for already and not available to be spent for a variety of purposes, most notably to liquidate contracts and purchase orders from the prior year.

The General Fund is the chief operating fund of the City. As of December 31, 2009, the unreserved general fund balance was \$5.66 Million with a total fund balance of \$6.16 Million. As a measure of liquidity, it is often useful to compare these numbers to total general fund expenditures. Unreserved fund balance represents approximately 193% of the total expenditures.

During 2009, the City's general fund increased by \$0.49 Million with revenues exceeding expenditures by \$5.34 Million. This is primarily due to the revenue generated by the income tax base for the City. The City's other revenues in the general fund actually decreased over \$850,000 mainly through the 49% reduction in license and permit revenue.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

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

| Fund | Ending Fund Balance/ Net Assets | Percentage Change from Prior Year |
|------------------------|---------------------------------------|--------------------------------------|
| Fire 1989 Levy | (\$347,555) | (306.10%) |
| Police Law Enforcement | (179,914) | (132.73) |
| 2004 TIFs | 308,498 | 270.58 |
| Capital Improvement | (4,092,053) | (27.78) |
| CPO TIF | 45,219 | 100.00 |
| Water | 4,063,828 | 0.65 |
| Sewer | 373,234 | (0.66) |

The fire 1989 levy saw the ending fund deficit increase based on additional personnel costs and the short term note payable that significantly exceeded revenue produced by the levy and required the general fund operating transfers to offset the difference. Despite over \$2.1 million in transfers, the fund still produced a negative change in net assets of \$261,971.

The police law enforcement fund receives a property tax levy for the employment of the City police force. The fund spent over \$300,000 more than 2008 that resulted in the larger deficit. The fund did receive a \$1.86 million transfer from General Fund to help offset the additional expenditures once the fiscal emergency was lifted and the City's new personnel contracts and benefit requirements increased.

Both of these funds were included in the discussion for the passage of the increased tax rate in 2007. The City has made the transfer of General fund dollars as it stated would happen if the community passed the increased tax rate.

The 2004 TIFs was a new major fund for 2008. The City has large receivables for the special assessment and payments in lieu of taxes that cause the fund to be classified as a major fund. The City makes the payments to School District out of this fund with the balance being built up to pay for future capital projects as described in the creation resolution.

The capital improvement fund remains a major fund thanks in part to the issuance of short debt obligations related to the State Route 63 improvements near the Interstate 75 interchange, Todd Hunter Road and Gallaher Road. The City also expended \$1.50 million in capital outlay for construction related activities.

The CPO TIF fund is new for 2009 as the City received a significant amount of revenue through an intergovernmental agreement that funded the public infrastructure around the new mall.

The City's two major enterprise funds worked 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 an operating income in Water fund through the additional tap in fees from the Cincinnati Premium Outlet project. The Sewer fund had a slight operating loss as revenues decreased by \$79,000 from 2008 but the expenses were relatively constant.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

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 2009, the City amended its total and general fund budget several times, the most significant noted below. 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 activities such legislative and executive activities, as well as, some public safety, public health and welfare and transportation programs, the General fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

The City has no changes in original to final budget for projected revenues. The City had several changes from the original to final budgeted expenditures but the most significant was the transfers out since it wasn't included in the original budget. The City's actual reduced the non-transfers expenditure line items overall for the final budget as the City did a good job of controlling expenses throughout the year.

| Description | Original Budget | Final Budget | Variance |
|------------------------------|--------------------|------------------|----------------|
| Revenues: | | | |
| Property and Other Taxes | \$793,215 | \$793,215 | \$0 |
| Income Taxes | 6,434,497 | 6,434,497 | 0 |
| Intergovernmental Revenue | 622,972 | 622,972 | 0 |
| Fines, Licenses and Permits | 830,307 | 830,307 | 0 |
| Other Revenues | 509,670 | 509,670 | 0 |
| Total Revenues | <u>9,190,661</u> | <u>9,190,661</u> | <u>0</u> |
| Expenditures: | | | |
| Security of Persons/Property | 441,199 | 417,291 | 23,908 |
| General Government | 3,717,907 | 3,147,301 | 570,606 |
| Other Expenditures | 490,769 | 447,589 | 43,180 |
| Total Expenditures | <u>4,649,875</u> | <u>4,012,181</u> | <u>637,694</u> |

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

The following table summarizes the major revenue sources and expenditures from final budget to actual results for 2009:

| Description | Final Budget | Actual | Variance |
|------------------------------|------------------|------------------|--------------------|
| Revenues: | | | |
| Property and Other Taxes | \$793,215 | \$711,289 | (\$81,926) |
| Income Taxes | 6,434,497 | 5,769,923 | (664,574) |
| Intergovernmental Revenue | 622,972 | 558,630 | (64,342) |
| Fines, Licenses and Permits | 830,307 | 744,550 | (85,757) |
| Other Revenues | 509,670 | 460,661 | (49,009) |
| Total Revenues | 9,190,661 | 8,245,053 | (\$945,608) |
| Expenditures: | | | |
| Security of Persons/Property | 417,291 | 362,501 | 54,790 |
| General Government | 3,147,301 | 2,635,209 | 512,272 |
| Other Expenditures | 447,589 | 443,926 | 3,663 |
| Total Expenditures | 4,012,181 | 3,441,636 | 570,545 |

The City saw the actual results overall finish about \$940,000 less than the final certificate amount for estimated revenues. The slow economy produced some of the lower than expected results in those areas impacted by "spending" such as property and other taxes, income taxes and permit fees. The interest rates remaining low resulted in lower revenue for the City's investment accounts. The City was able to maintain the services it provides as the actual revenue results are significantly higher than the expenditures. The City's final budget for expenditures included items that would be expended if the anticipated revenues became available.

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, 2009, amounts to \$45.79 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 2009, over 90% of the increase in City governmental capital assets was from local subdivision street infrastructure totaling \$6.31 million whereas it was only 70% last year. 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 2009, the City had general obligation bonds outstanding of \$5.52 Million in governmental activities. The City did reissue \$3.50 Million and new issuances of \$2.5 Million in general obligation notes for governmental type activities and \$2.80 Million in revenue anticipation notes for the business-type activities. The City's general obligation debt was issued in 2004 as a combined issue consolidating individual obligations into one issue for the City to provide interest savings. For more information on the City's debt, please review Notes 14 and 15 in the notes to the financial statements.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)

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 estimated at around 11,870 people in 2008 (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 2009. 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. For 2009, the City's assessed valuation of \$306,588,340 remained below the 2007 levels of \$323,003,135. Monroe collected \$5.8 million in local income tax based on an earnings tax rate of 1.5% in 2009.

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 and Community Reinvestment Area program in place. 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.Monroeohio.org.

THE CITY OF MONROE
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|-----------------------|
| Assets: | | | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$ 9,239,265 | \$ 2,551,761 | \$ 11,791,026 |
| Receivables (net of allowance for doubtful accounts): | | | |
| Taxes-Real & Personal Property | 1,695,085 | - | 1,695,085 |
| Taxes-Municipal Income | 1,813,047 | - | 1,813,047 |
| Accounts | 119,360 | 350,266 | 469,626 |
| Special Assessments | 18,673,097 | 26,468 | 18,699,565 |
| Interest | 33,803 | - | 33,803 |
| Payment in Lieu of Taxes | 1,827,877 | - | 1,827,877 |
| Due from Other Governments | 685,826 | - | 685,826 |
| Bond Issuance Costs | 156,652 | - | 156,652 |
| Nondepreciable Capital Assets | 2,768,123 | 714,150 | 3,482,273 |
| Depreciable Capital Assets | 54,994,871 | 5,119,720 | 60,114,591 |
| Total Assets | 92,007,006 | 8,762,365 | 100,769,371 |
| Liabilities: | | | |
| Accounts Payable | 232,387 | 30,570 | 262,957 |
| Contracts Payable | 593,900 | - | 593,900 |
| Accrued Wages and Benefits | 290,092 | 14,787 | 304,879 |
| Due to Other Governments | 400,024 | 167,137 | 567,161 |
| Accrued Interest Payable | 121,390 | 20,689 | 142,079 |
| Matured Interest Payable | 4,562 | - | 4,562 |
| Unearned Revenue | 3,414,780 | - | 3,414,780 |
| Bond Anticipation Notes Payable | 6,000,000 | - | 6,000,000 |
| Revenue Anticipation Notes Payable | - | 2,800,000 | 2,800,000 |
| Long-Term Liabilities due within 1 year | 857,402 | 64,472 | 921,874 |
| Long-Term Liabilities due over 1 year | 7,812,285 | 483,287 | 8,295,572 |
| Total Liabilities | 19,726,822 | 3,580,942 | 23,307,764 |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 43,279,636 | 2,514,116 | 45,793,752 |
| Restricted: | | | |
| Transportation | 67,562 | - | 67,562 |
| Protection of Citizens | 223,862 | - | 223,862 |
| Capital Improvements | 794,328 | - | 794,328 |
| Perpetual Care | 83,503 | - | 83,503 |
| Debt Service | 15,789 | - | 15,789 |
| Grants | 100,234 | - | 100,234 |
| Unrestricted | 27,715,270 | 2,667,307 | 30,382,577 |
| Total Net Assets | 72,280,184 | 5,181,423 | 77,461,607 |
| Total Liabilities and Net Assets | \$ 92,007,006 | \$ 8,762,365 | \$ 100,769,371 |

See accompanying notes to the basic financial statements

**THE CITY OF MONROE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

| Function/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--|------------------------|-------------------------|--|-----------------------------|--|-----------------------------|-------------|--------------------|
| | Expenses | Charges for Services | Capital | | Primary Government | | | |
| | | | Operating Grants and Contributions | Grants and Contributions | Governmental Activities | Business-Type Activities | Total | |
| Governmental Activities: | | | | | | | | |
| Security of Persons and Property | \$ (6,657,452) | \$ 1,156,739 | \$ - | \$ - | \$ (5,500,713) | \$ - | \$ - | (5,500,713) |
| Public Health and Welfare | (57,690) | - | 100,234 | - | 42,544 | - | - | 42,544 |
| Leisure Time Activities | (243,408) | 56,783 | - | - | (186,625) | - | - | (186,625) |
| Transportation | (2,120,330) | 231,488 | 583,905 | 3,675,130 | 2,370,193 | - | - | 2,370,193 |
| General Government | (3,594,174) | 685,142 | - | - | (2,909,032) | - | - | (2,909,032) |
| Interest and Fiscal Charges | (710,498) | 187,301 | - | - | (523,197) | - | - | (523,197) |
| Total Governmental Activities | (13,383,552) | 2,317,453 | 684,139 | 3,675,130 | (6,706,830) | - | - | (6,706,830) |
| Business-Type Activities: | | | | | | | | |
| Water | (2,693,114) | 2,719,318 | - | - | - | 26,204 | - | 26,204 |
| Sewer | (1,090,190) | 1,087,705 | - | - | - | (2,485) | - | (2,485) |
| Stormwater Management | (109,953) | 263,985 | - | - | - | 154,032 | - | 154,032 |
| Garbage | (646,917) | 679,783 | 2,995 | - | - | 35,861 | - | 35,861 |
| Cemetery | (57,453) | 66,343 | - | - | - | 8,890 | - | 8,890 |
| Total Business-Type Activities | (4,597,627) | 4,817,134 | 2,995 | - | - | 222,502 | - | 222,502 |
| Total | \$ (17,981,179) | \$ 7,134,587 | \$ 687,134 | \$ 3,675,130 | (6,706,830) | 222,502 | \$ - | (6,484,328) |
| General Revenues: | | | | | | | | |
| Income Taxes | | | | | 5,809,473 | - | - | 5,809,473 |
| Property Taxes | | | | | 1,146,468 | - | - | 1,146,468 |
| Estate Taxes | | | | | 153,432 | - | - | 153,432 |
| Franchise Fee Taxes | | | | | 137,095 | - | - | 137,095 |
| Hotel Taxes | | | | | 58,693 | - | - | 58,693 |
| Payment in Lieu of Taxes | | | | | 2,005,204 | - | - | 2,005,204 |
| Permissive Sale Taxes | | | | | 93,120 | - | - | 93,120 |
| Grants and Contributions not restricted to specific programs | | | | | 956,818 | - | - | 956,818 |
| Unrestricted investment earnings | | | | | 209,864 | - | - | 209,864 |
| Miscellaneous | | | | | 60,477 | - | - | 60,477 |
| Total General Revenues | | | | | 10,630,644 | - | - | 10,630,644 |
| Changes in Net Assets | | | | | 3,923,814 | 222,502 | - | 4,146,316 |
| Net Assets-Beginning | | | | | 68,356,370 | 4,958,921 | - | 73,315,291 |
| Net Assets-Ending | | | | | \$ 72,280,184 | \$ 5,181,423 | \$ - | \$ 77,461,607 |

See accompanying notes to the basic financial statements

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**THE CITY OF MONROE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

| | General | Fire 1989 Levy | Police Law Enforcement | 2004 TIFS | Capital Improvement |
|--|---------------------|-------------------|---------------------------|----------------------|------------------------|
| Assets: | | | | | |
| Equity in Pooled Cash, Cash Equivalents and Investments | \$ 5,642,186 | \$ 62,899 | \$ 105,142 | \$ 328,831 | \$ 1,658,689 |
| Receivables (net of allowance for doubtful accounts): | | | | | |
| Taxes-Real & Personal Property | 519,699 | 324,076 | 318,334 | - | - |
| Taxes-Municipal Income | 1,813,047 | - | - | - | - |
| Accounts | 37,904 | 77,130 | 3,431 | - | - |
| Interest | 33,803 | - | - | - | - |
| Special Assessments | - | - | - | 17,469,689 | - |
| Payment in Lieu of Taxes | - | - | - | 1,182,496 | - |
| Due from Other Governments | 270,721 | 15,075 | 27,233 | - | 8,846 |
| Total Assets | 8,317,360 | 479,180 | 454,140 | 18,981,016 | 1,667,535 |
| Liabilities: | | | | | |
| Accounts Payable | 119,150 | 20,290 | 53,327 | - | - |
| Contracts Payable | - | - | - | 20,333 | 569,162 |
| Accrued Wages and Benefits | 60,839 | 97,786 | 97,292 | - | - |
| Due to Other Governments | 73,294 | 155,085 | 135,718 | - | - |
| Accrued Interest Payable | - | 5,098 | - | - | 90,426 |
| Matured Interest Payable | - | - | - | - | - |
| Deferred Revenue | 1,903,832 | 338,476 | 332,734 | 18,652,185 | - |
| General Obligation Notes Payable | - | 210,000 | - | - | 5,100,000 |
| Matured Leave Payable | - | - | 14,983 | - | - |
| Total Liabilities | 2,157,115 | 826,735 | 634,054 | 18,672,518 | 5,759,588 |
| Fund Balances: | | | | | |
| Reserved for Encumbrances | 501,908 | 32,762 | 51,318 | 228,884 | 159,797 |
| Unreserved, reported in: | | | | | |
| General | 5,658,337 | - | - | - | - |
| Special Revenue (Deficit) | - | (380,317) | (231,232) | 79,614 | - |
| Debt Service | - | - | - | - | - |
| Capital Projects (Deficit) | - | - | - | - | (4,251,850) |
| Total Fund Balances (Deficit) | 6,160,245 | (347,555) | (179,914) | 308,498 | (4,092,053) |
| Total Liabilities and fund balances | \$ 8,317,360 | \$ 479,180 | \$ 454,140 | \$ 18,981,016 | \$ 1,667,535 |

See accompanying notes to the basic financial statements

**THE CITY OF MONROE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

| CPO TIF | Other Governmental Funds | Total Governmental Funds | | |
|------------------|--------------------------------|--------------------------------|---|----------------------|
| | | | Amounts reported for governmental activities in the statement of net assets are different because: | |
| \$ 45,219 | \$ 1,396,299 | \$ 9,239,265 | Governmental Fund Balances at December 31, 2009 | \$ 2,619,563 |
| - | 532,976 | 1,695,085 | Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 57,762,994 |
| - | - | 1,813,047 | | |
| - | 895 | 119,360 | | |
| - | - | 33,803 | Issuance Costs associated with governmental debt are not financial resources and, therefore, are not reported in the funds. | 156,652 |
| - | 1,203,408 | 18,673,097 | | |
| - | 645,381 | 1,827,877 | | |
| - | 363,951 | 685,826 | Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 20,419,993 |
| <u>45,219</u> | <u>4,142,910</u> | <u>34,087,360</u> | | |
| | | | Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds. | <u>(8,679,018)</u> |
| - | 39,620 | 232,387 | | |
| - | 4,405 | 593,900 | Net Assets of governmental activities | <u>\$ 72,280,184</u> |
| - | 34,175 | 290,092 | | |
| - | 35,927 | 400,024 | | |
| - | 1,552 | 97,076 | | |
| - | 4,562 | 4,562 | | |
| - | 2,607,546 | 23,834,773 | | |
| - | 690,000 | 6,000,000 | | |
| - | - | 14,983 | | |
| <u>-</u> | <u>3,417,787</u> | <u>31,467,797</u> | | |
| 19,646 | 389,819 | 1,384,134 | | |
| - | - | 5,658,337 | | |
| - | 210,832 | (321,103) | | |
| - | 15,789 | 15,789 | | |
| <u>25,573</u> | <u>108,683</u> | <u>(4,117,594)</u> | | |
| 45,219 | 725,123 | 2,619,563 | | |
| <u>\$ 45,219</u> | <u>\$ 4,142,910</u> | <u>\$ 34,087,360</u> | | |

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | General | Fire 1989 Levy | Police Law Enforcement | 2004 TIFS | Capital Improvement | CPO TIF |
|--|---------------------|---------------------|---------------------------|-------------------|------------------------|------------------|
| Revenues: | | | | | | |
| Income Taxes | \$ 5,784,713 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Property and Other Taxes | 710,995 | 406,586 | 406,586 | - | - | - |
| Payment in Lieu of Taxes | - | - | - | 1,190,979 | - | - |
| Intergovernmental | 552,243 | 219,803 | 208,199 | - | 272,418 | 3,561,498 |
| Charges for Services | 218,924 | 688,944 | 169,631 | - | - | - |
| Licenses and Permits | 528,701 | - | - | - | - | - |
| Investment Earnings | 192,935 | - | - | - | - | - |
| Fines and Forfeitures | 182,545 | 1,880 | 1,845 | - | - | - |
| Special Assessments | - | - | - | - | 25,288 | - |
| All Other Revenues | 101,588 | 3,804 | 5,416 | - | 25,076 | 3,040 |
| Total Revenues | 8,272,644 | 1,321,017 | 791,677 | 1,190,979 | 322,782 | 3,564,538 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | 354,212 | 3,411,319 | 2,613,240 | - | - | - |
| Public Health and Welfare | 83,191 | - | - | - | - | - |
| Leisure Time Activities | 222,719 | - | - | - | - | - |
| Transportation | 104,231 | - | - | 13,443 | - | - |
| General Government | 2,157,295 | - | - | - | - | - |
| Intergovernmental | - | - | - | 677,963 | - | - |
| Capital Outlay | - | 208,463 | 146,046 | 63,970 | 1,495,698 | 3,519,319 |
| Debt Service: | | | | | | |
| Principal Retirement | 2,859 | 75,603 | - | - | - | - |
| Interest and Fiscal Charges | 3,968 | 27,603 | - | 210,353 | 133,659 | - |
| Total Expenditures | 2,928,475 | 3,722,988 | 2,759,286 | 965,729 | 1,629,357 | 3,519,319 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 5,344,169 | (2,401,971) | (1,967,609) | 225,250 | (1,306,575) | 45,219 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers - In | - | 2,140,000 | 1,865,000 | - | 417,000 | - |
| Transfers - Out | (4,858,000) | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (4,858,000) | 2,140,000 | 1,865,000 | - | 417,000 | - |
| Net Change in Fund Balances | 486,169 | (261,971) | (102,609) | 225,250 | (889,575) | 45,219 |
| Fund Balances (Deficit) at Beginning of Year | 5,674,076 | (85,584) | (77,305) | 83,248 | (3,202,478) | - |
| Fund Balances (Deficit) at End of Year | \$ 6,160,245 | \$ (347,555) | \$ (179,914) | \$ 308,498 | \$ (4,092,053) | \$ 45,219 |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| Other Governmental Funds | Total Governmental Funds | | |
|--------------------------------|--------------------------------|--|---------------------|
| \$ - | \$ 5,784,713 | Amounts reported in governmental activities in the statement of activities are different because: | |
| 517,470 | 2,041,637 | Net Change in Fund Balances - total governmental funds | \$ (866,711) |
| 814,224 | 2,005,203 | | |
| 901,904 | 5,716,065 | Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period. | 5,110,239 |
| 174,065 | 1,251,564 | | |
| 56,333 | 585,034 | | |
| 15,929 | 208,864 | | |
| 35,260 | 221,530 | Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (1,036,636) |
| 275,925 | 301,213 | | |
| 87,337 | 226,261 | | |
| <u>2,878,447</u> | <u>18,342,084</u> | The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 748,365 |
| 128,140 | 6,506,911 | | |
| - | 83,191 | | |
| 13,333 | 236,052 | Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | (31,443) |
| 1,604,815 | 1,722,489 | | |
| 72,351 | 2,229,646 | | |
| 578,758 | 1,256,721 | Change in net assets of governmental activities | <u>\$ 3,923,814</u> |
| 283,344 | 5,716,840 | | |
| 678,313 | 756,775 | | |
| 324,587 | 700,170 | | |
| <u>3,683,641</u> | <u>19,208,795</u> | | |
| (805,194) | (866,711) | | |
| 1,046,000 | 5,468,000 | | |
| (610,000) | (5,468,000) | | |
| <u>436,000</u> | <u>-</u> | | |
| (369,194) | (866,711) | | |
| 1,094,317 | 3,486,274 | | |
| <u>\$ 725,123</u> | <u>\$ 2,619,563</u> | | |

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THE CITY OF MONROE
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
DECEMBER 31, 2009

| | BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS | | | |
|---|--|--------------------------|---------------------------------|----------------------------|
| | Water | Sewer | Nonmajor Enterprise Funds | Totals |
| Assets: | | | | |
| Current Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,765,165 | \$ 358,140 | \$ 428,456 | \$ 2,551,761 |
| Receivables (net of allowances for doubtful accounts) | | | | |
| Accounts | 171,509 | 91,253 | 87,504 | 350,266 |
| Special Assessments | 9,895 | 3,160 | 13,413 | 26,468 |
| Total Current Assets | <u>1,946,569</u> | <u>452,553</u> | <u>529,373</u> | <u>2,928,495</u> |
| Capital Assets: | | | | |
| Nondepreciable Assets | 714,150 | - | - | 714,150 |
| Depreciable Assets | 4,844,207 | - | 275,513 | 5,119,720 |
| Total Capital Assets (net of accumulated depreciation) | <u>5,558,357</u> | <u>-</u> | <u>275,513</u> | <u>5,833,870</u> |
| Total Assets | <u><u>7,504,926</u></u> | <u><u>452,553</u></u> | <u><u>804,886</u></u> | <u><u>8,762,365</u></u> |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 29,914 | 228 | 428 | 30,570 |
| Accrued Wages and Benefits | 14,787 | - | - | 14,787 |
| Due to Other Governments | 82,800 | 79,091 | 5,246 | 167,137 |
| Accrued Interest Payable | 20,689 | - | - | 20,689 |
| Compensated Absences Payable - Current | 6,826 | - | - | 6,826 |
| Capital Leases Payable - Current | - | - | 26,763 | 26,763 |
| Revenue Anticipation Notes Payable | 2,800,000 | - | - | 2,800,000 |
| Loan Payable - Current | 30,883 | - | - | 30,883 |
| Total Current Liabilities | <u>2,985,899</u> | <u>79,319</u> | <u>32,437</u> | <u>3,097,655</u> |
| Noncurrent Liabilities: | | | | |
| Compensated Absences Payable | 21,179 | - | - | 21,179 |
| Capital Leases Payable | - | - | 28,088 | 28,088 |
| Loans Payable | 434,020 | - | - | 434,020 |
| Total Noncurrent Liabilities | <u>455,199</u> | <u>-</u> | <u>28,088</u> | <u>483,287</u> |
| Total Liabilities | <u><u>3,441,098</u></u> | <u><u>79,319</u></u> | <u><u>60,525</u></u> | <u><u>3,580,942</u></u> |
| Net Assets | | | | |
| Invested in Capital Assets, Net of Related Debt | 2,293,454 | - | 220,662 | 2,514,116 |
| Unrestricted | 1,770,374 | 373,234 | 523,699 | 2,667,307 |
| Total Net Assets | <u>4,063,828</u> | <u>373,234</u> | <u>744,361</u> | <u>5,181,423</u> |
| Total Net Assets and Liabilities | <u><u>\$ 7,504,926</u></u> | <u><u>\$ 452,553</u></u> | <u><u>\$ 804,886</u></u> | <u><u>\$ 8,762,365</u></u> |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS | | | |
|----------------------------------|--|--------------|---------------------------------|--------------|
| | Water | Sewer | Nonmajor Enterprise Funds | Totals |
| Operating Revenues: | | | | |
| Charges for Services | \$ 2,688,890 | \$ 1,087,035 | \$ 1,006,409 | \$ 4,782,334 |
| Special Assessments | 2,739 | 670 | 2,547 | 5,956 |
| Grants | - | - | 2,995 | 2,995 |
| Other Operating Revenues | 27,689 | - | 1,155 | 28,844 |
| | 2,719,318 | 1,087,705 | 1,013,106 | 4,820,129 |
| Operating Expenses: | | | | |
| Personal Services | 678,657 | 43,277 | 132,552 | 854,486 |
| Materials and Supplies | 170,791 | 5,688 | 15,496 | 191,975 |
| Contractual Services | 1,270,551 | 1,041,225 | 644,228 | 2,956,004 |
| Depreciation | 463,316 | - | 18,070 | 481,386 |
| | 2,583,315 | 1,090,190 | 810,346 | 4,483,851 |
| Operating Income (Loss) | 136,003 | (2,485) | 202,760 | 336,278 |
| Non-Operating Expenses: | | | | |
| Interest and Fiscal Charges | (109,799) | - | (3,977) | (113,776) |
| | (109,799) | - | (3,977) | (113,776) |
| Change in Net Assets | 26,204 | (2,485) | 198,783 | 222,502 |
| Total net assets - Beginning | 4,037,624 | 375,719 | 545,578 | 4,958,921 |
| Total net assets - Ending | \$ 4,063,828 | \$ 373,234 | \$ 744,361 | \$ 5,181,423 |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS | | | |
|---|--|-------------------|---------------------------------|---------------------|
| | Water | Sewer | Nonmajor Enterprise Funds | Totals |
| Cash Flows from Operating Activities: | | | | |
| Cash Received from Customers | \$ 2,678,508 | \$ 1,109,277 | \$ 1,006,905 | \$ 4,794,690 |
| Cash Received from Operating Grants | - | - | 2,995 | 2,995 |
| Cash Paid for Employee Services and Benefits | (659,204) | (44,567) | (134,341) | (838,112) |
| Cash Paid to Suppliers for Goods and Services | (1,571,864) | (1,057,977) | (661,031) | (3,290,872) |
| Other Receipts | 27,689 | - | 1,155 | 28,844 |
| Net Cash Provided by Operating Activities | <u>475,129</u> | <u>6,733</u> | <u>215,683</u> | <u>697,545</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Cash repaid for Short Term Loan | - | - | (100,000) | (100,000) |
| Net Cash (Used for) NonCapital Financing Activities | <u>-</u> | <u>-</u> | <u>(100,000)</u> | <u>(100,000)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Face Value from the Sale of Bond Anticipation Notes | 2,800,000 | - | - | 2,800,000 |
| Acquisition and Construction of Capital Assets | (227,257) | - | - | (227,257) |
| Principal Paid on Bond Anticipation Notes | (3,000,000) | - | - | (3,000,000) |
| Principal Paid on Loans and Leases Payable | (43,546) | - | (25,501) | (69,047) |
| Interest Paid on All Debt | (132,174) | - | (3,977) | (136,151) |
| Net Cash (Used in) Capital and Related Financing Activities | <u>(602,977)</u> | <u>-</u> | <u>(29,478)</u> | <u>(632,455)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(127,848)</u> | <u>6,733</u> | <u>86,205</u> | <u>(34,910)</u> |
| Cash and Cash Equivalents at Beginning of Year | <u>1,893,013</u> | <u>351,407</u> | <u>342,251</u> | <u>2,586,671</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 1,765,165</u> | <u>\$ 358,140</u> | <u>\$ 428,456</u> | <u>\$ 2,551,761</u> |

THE CITY OF MONROE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | 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) | \$ 136,003 | \$ (2,485) | \$ 202,760 | \$ 336,278 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | |
| Depreciation Expense | 463,316 | - | 18,070 | 481,386 |
| Change in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accounts Receivable | (6,238) | 23,757 | 6,638 | 24,157 |
| (Increase) in Special Assessment Receivable | (7,062) | (2,196) | (9,876) | (19,134) |
| Decrease in Due From Other Governments | - | - | 1,155 | 1,155 |
| Increase (Decrease) in Accounts Payables | 8,675 | (529) | (553) | 7,593 |
| (Decrease) in Contracts Payables | (132,582) | - | (754) | (133,336) |
| Increase (Decrease) in Accrued Wages and Benefits | 1,098 | (1,594) | (3,452) | (3,948) |
| Increase in Compensated Absences Payable | 7,229 | - | - | 7,229 |
| Increase (Decrease) in Due to Other Governments | 4,690 | (10,220) | 1,695 | (3,835) |
| Total Adjustments | 339,126 | 9,218 | 12,923 | 361,267 |
| Net Cash Provided by Operating Activities | \$ 475,129 | \$ 6,733 | \$ 215,683 | \$ 697,545 |

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2009

| | Agency |
|---|-----------|
| Assets: | |
| Cash and Cash Equivalents in Segregated Accounts | \$ 30,375 |
| Total Assets | 30,375 |
| Liabilities: | |
| Due to Other Governments | 7,729 |
| Due to Others | 22,646 |
| Total Liabilities | \$ 30,375 |

See accompanying notes to the basic financial statements

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CITY OF MONROE

Notes to the Basic Financial Statements

Note 1 — 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 include police and fire protection, street maintenance and repair force, planning and zoning departments, a parks and recreation system, a water and sewer system, and a community development department. A staff provides essential support (i.e., payroll processing, accounts payable, revenue collection) to these service providers. The Council and the City Manager have direct responsibility for these activities.

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 component units at December 31, 2009.

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 17 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*.

CITY OF MONROE

Notes to the Basic Financial Statements

Separate financial statements are provided for governmental funds, enterprise funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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. Certain of the City's accounting policies are described as follows.

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.

Property taxes, income taxes, hotel taxes, licenses, state shared revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the City receives cash.

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. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose of 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.

CITY OF MONROE
Notes to the Basic Financial Statements

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 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

To account for property taxes, charges for services, and other revenues received to maintain the operational and capital needs of the City police department.

2004 TIFs

The 2004 TIFs fund accounts for incremental revenues received on the City's commercial properties that are subject to the 2004 resolution to capture those revenues for capital needs.

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.

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.

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.

CITY OF MONROE
Notes to the Basic Financial Statements

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'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'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 2009, 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, 2009.

Following Ohio statutes, the City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2009 amounted to \$192,935, which includes \$98,730, assigned from other City funds. Interest was also credited to the Street, State Highway, Motor Vehicle License, Longstreet Trust and Cemetery Trust Special Revenue funds in the amounts of \$10,291; \$1,395; \$2,908; \$35 and \$1,300, respectively.

CITY OF MONROE
Notes to the Basic Financial Statements

Capital Assets and Depreciation

The accounting and reporting treatment applied to capital assets is determined by the ultimate use:

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. Land improvements recorded by the City relate to improvements at City parks, including nature trails and park fields, which are not depreciated. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 (amount not rounded) 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.

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

| <u>Description</u> | <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 and business-type activities columns, and also from the “total” column on the statement of activities.

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. 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.

CITY OF MONROE
Notes to the Basic Financial Statements

For governmental funds, the general fund's portion of unpaid compensated absences is the amount of holidays worked that the employee earned additional leave time but was not used as of December 31, 2009. This additional leave time will be paid in 2010 under the union agreement. 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 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.

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, street and 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. |

Reservations of Fund Balances

The City reserves fund balances for amounts that are legally segregated for a specific purpose or which are not available for current appropriation or expenditure because of their non-monetary nature or lack of liquidity. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balances have been reserved for encumbrances.

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.

Restrictions

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

CITY OF MONROE

Notes to the Basic Financial Statements

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, for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance fiscal year 2010 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.

CITY OF MONROE
Notes to the Basic Financial Statements

Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$8,679,018) difference are as follows:

| | |
|--|-----------------------------|
| General Obligation Bonds Payable | (\$5,515,000) |
| General Obligation Bonds Payable – Premium | (28,771) |
| Special Assessment Bonds Payable | (724,200) |
| Revenue Bonds Payable | (1,850,000) |
| Accrued Interest Payable | (24,314) |
| Capital Leases Payable | (365,387) |
| Noncurrent Compensated Absences | (171,346) |
| Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | <u><u>(\$8,679,018)</u></u> |

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of \$57,762,994 difference are as follows:

| | |
|--|----------------------------|
| Capital Assets | \$78,319,125 |
| Accumulated Depreciation | (20,556,131) |
| Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | <u><u>\$57,762,994</u></u> |

Another element of that reconciliation states that “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 expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$5,110,239 are as follows:

| | |
|---|---------------------------|
| Current Capital Additions | \$6,998,496 |
| Current Capital Deletions | (173,863) |
| Depreciation Expense | (1,714,394) |
| Net Adjustment - capital assets to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | <u><u>\$5,110,239</u></u> |

CITY OF MONROE
Notes to the Basic Financial Statements

An element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$748,365 are as follows:

| | |
|--|-----------|
| Principal paid on Long Term Debt | \$667,600 |
| Change in Capital Leases Payable | 89,175 |
| Current Year Amortization of Issuance Costs | (10,443) |
| Current Year Amortization of Long Term Debt Premium | 1,918 |
| Change in Interest Payable | 115 |
| Net Adjustment - current financial resources focus to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i> | \$748,365 |

Note 3 - Compliance and Accountability

Statutory Compliance

The following funds had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 2009:

| <u>Fund Type/Fund</u> | <u>Excess</u> |
|--------------------------------------|---------------|
| Nonmajor Funds: | |
| State Highway Special Revenue Fund | \$6,707 |
| 2004 TIFs Special Revenue Fund | 47,038 |
| Street Lighting Special Revenue Fund | 3,422 |
| Garbage Enterprise Fund | 1,497 |

Fund Deficits

The following funds had fund balance deficits at December 31, 2009:

| <u>Fund Type/Fund</u> | <u>Fund Deficit</u> |
|------------------------|---------------------|
| Major Funds: | |
| 1989 Fire Levy Fund | \$347,555 |
| Police Law Enforcement | 179,914 |
| Capital Improvement | 4,092,053 |
| NonMajor Fund: | |
| Street Fund | 179,365 |

The deficits were created by 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.

CITY OF MONROE
Notes to the Basic Financial Statements

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.

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.

CITY OF MONROE
Notes to the Basic Financial Statements

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."

Deposits

At year-end, the carrying amount of the City's deposits was \$10,856,952 and the bank balance was \$11,053,699. \$6,358,466 of the City's deposits was insured by federal depository insurance. As of December 31, 2009, \$4,695,233 of the City's bank balance of \$11,053,699 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, 2009, 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 | \$0 | \$250,702 | S& P – AAA |
| Federal National Mortgage Association Notes | 0 | 552,143 | S& P – AAA |
| STAR Ohio | 7,644 | 0 | S& P – AAAm |
| Money Market Mutual Funds | 153,960 | 0 | S& P – AAAm |
| Total | \$161,604 | \$802,845 | |

CITY OF MONROE

Notes to the Basic Financial Statements

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's has a 57.2% interest in Federal National Mortgage Association Notes, 26.0% interest in Federal Home Loan Bank Notes and 15.9% interest in Money Market Mutual fund. These are the only investments of the City greater than five percent.

Note 5 - Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2009 were levied after October 1, 2008, on assessed values as of January 1, 2008, 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.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25% of its true value. As part of a phase out of the personal property tax, the assessment percentage for personal property was reduced to 12.5% in 2007, 6.25% for 2008 and finally to zero in 2009. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; the remainder is payable by September 20.

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.

CITY OF MONROE
Notes to the Basic Financial Statements

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

| <u>Category</u> | <u>Assessed Value</u> |
|---|-----------------------------|
| Real Property Valuation | \$289,062,570 |
| Public Utility Tangible Personal Property | <u>17,525,770</u> |
| Total | <u><u>\$306,588,340</u></u> |

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .932% (9.32 mills) of assessed value.

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. In 2009, the proceeds were allocated to the general fund. Income tax revenue for 2009 was \$5,784,713.

Note 7 - Receivables

Receivables at December 31, 2009, 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.

CITY OF MONROE
Notes to the Basic Financial Statements

A summary of due from other governments follows:

| | Amount |
|---------------------------------------|-----------|
| MAJOR FUNDS | |
| General Fund | |
| Local Government Assistance | \$116,931 |
| Estate tax | 118,788 |
| Homestead and Rollback | 33,675 |
| Local Government Court Costs | 799 |
| Department of Public Safety | 245 |
| Bureau of Workers Compensation Refund | 283 |
| Total General Fund | 270,721 |
| Fire 1989 Levy | |
| Homestead and Rollback | 14,400 |
| Bureau of Workers Compensation Refund | 675 |
| Total Fire 1989 Levy Fund | 15,075 |
| Police Law Enforcement | |
| Homestead and Rollback | 14,400 |
| School Resource Office | 10,773 |
| City of Hamilton Task Force | 1,578 |
| Bureau of Workers Compensation Refund | 482 |
| Total Police Law Enforcement Fund | 27,233 |
| Capital Improvement Fund | |
| Butler County Recycling Grant | 8,846 |
| NONMAJOR FUNDS | |
| Special Revenue Funds | |
| Street | |
| Gas Tax | 202,114 |
| Auto Registration Tax | 55,848 |
| Ohio DARE Grant | 13,570 |
| Bureau of Workers Compensation Refund | 130 |
| Total Street Fund | 271,662 |
| State Highway | |
| Gas Tax | 15,494 |
| Auto Registration Tax | 4,520 |
| Bureau of Workers Compensation Refund | 21 |
| Total State Highway | 20,035 |
| Enforcement and Education | |
| Local Government Court Costs | 50 |
| 2005 Fire Levy | |
| Homestead and Rollback | 25,415 |
| Motor Vehicle License | |
| Permissive Tax | 46,789 |
| Total All Funds | \$685,826 |

CITY OF MONROE
Notes to the Basic Financial Statements

Note 8 - Capital Assets

A summary of the changes in capital assets during the year ended December 31, 2009, follows:

| | Balance 12/31/2008 | Increases | Decreases | Balance 12/31/2009 |
|--|-----------------------|--------------------|--------------------|-----------------------|
| Governmental Activities: | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$1,327,758 | \$0 | \$0 | \$1,327,758 |
| Land Improvements | 577,849 | 0 | 0 | 577,849 |
| Construction in Progress | 0 | 862,516 | 0 | 862,516 |
| Total Capital Assets, not being depreciated | <u>1,905,607</u> | <u>862,516</u> | <u>0</u> | <u>2,768,123</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings and Building Improvements | 6,713,375 | 0 | 0 | 6,713,375 |
| Machinery, Equipment and Vehicles | 4,398,923 | 683,503 | 0 | 5,082,426 |
| Infrastructure – Streets | 58,525,625 | 5,452,477 | (222,901) | 63,755,201 |
| Total Capital Assets, being depreciated | <u>69,637,923</u> | <u>6,135,980</u> | <u>(222,901)</u> | <u>75,551,002</u> |
| Accumulated Depreciation | | | | |
| Buildings and Building Improvements | (2,006,855) | (83,416) | 0 | (2,090,271) |
| Machinery, Equipment and Vehicles | (1,612,644) | (468,953) | 0 | (2,081,597) |
| Infrastructure – Streets | (15,271,276) | (1,162,025) | 49,038 | (16,384,263) |
| Less Accumulated Depreciation | <u>(18,890,775)</u> | <u>(1,714,394)</u> | <u>49,038</u> | <u>(20,556,131)</u> |
| Total Capital Assets, being depreciated, net | <u>50,747,148</u> | <u>4,421,586</u> | <u>(173,863)</u> | <u>54,994,871</u> |
| Governmental Activities Capital Assets, Net | <u>\$52,652,755</u> | <u>\$5,284,102</u> | <u>(\$173,863)</u> | <u>\$57,762,994</u> |
| Business-Type Activities | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | \$563,741 | \$0 | \$0 | \$563,741 |
| Land Improvements | 150,409 | 0 | 0 | 150,409 |
| Construction in Progress | 676,022 | 0 | (676,022) | 0 |
| Total Capital Assets, not being depreciated | <u>1,390,172</u> | <u>0</u> | <u>(676,022)</u> | <u>714,150</u> |
| Capital Assets, being depreciated | | | | |
| Buildings and Building Improvements | 664,048 | 676,022 | 0 | 1,340,070 |
| Machinery and Equipment | 2,138,652 | 24,604 | 0 | 2,163,256 |
| Infrastructure – Water Lines/Storm Sewers | 4,932,820 | 202,653 | 0 | 5,135,473 |
| Total Capital Assets, being depreciated | <u>7,735,520</u> | <u>903,279</u> | <u>0</u> | <u>8,638,799</u> |
| Accumulated Depreciation | | | | |
| Buildings and Building Improvements | (155,065) | (8,180) | 0 | (163,245) |
| Machinery and Equipment | (1,046,317) | (93,427) | 0 | (1,139,744) |
| Infrastructure – Water Lines | (1,836,311) | (379,779) | 0 | (2,216,090) |
| Less Accumulated Depreciation | <u>(3,037,693)</u> | <u>(481,386)</u> | <u>0</u> | <u>(3,519,079)</u> |
| Total capital Assets, being depreciated, net | <u>4,697,827</u> | <u>421,893</u> | <u>(676,022)</u> | <u>5,119,720</u> |
| Business-Type Activities Capital Assets, Net | <u>\$6,087,999</u> | <u>\$421,893</u> | <u>(\$676,022)</u> | <u>\$5,833,870</u> |

CITY OF MONROE
Notes to the Basic Financial Statements

Depreciation expense was charged to governmental functions as follows:

| | |
|---|--------------------|
| Governmental Activities: | |
| Security of Persons and Property | \$331,752 |
| Transportation, including depreciation of general infrastructure assets | 1,267,126 |
| Leisure Time Activities | 9,199 |
| General Government | 106,317 |
| Total Depreciation Expense - governmental activities | <u>\$1,714,394</u> |
| | |
| Business Type Activities: | |
| Water | \$463,316 |
| Stormwater Management | 18,070 |
| Total Depreciation Expense – business-type activities | <u>\$481,386</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) 466-8025 or 1-800-222- PERS (7377).

In 2003, OPERS expanded the retirement options for covered employees. 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, 2009, 2008, and 2007, were \$178,989, \$144,103, and \$131,589, respectively. The full amount has been contributed for 2008 and 2007. 95 percent has been contributed for 2009 with the remainder being reported as a liability within the respective funds.

CITY OF MONROE

Notes to the Basic Financial Statements

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, 2009, 2008, and 2007, were \$460,971, \$474,623, and \$405,392, respectively. The full amount has been contributed for 2008 and 2007. 99 percent has been contributed for 2009 with the remainder being reported as a liability within the respective funds.

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 it 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 2009, 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. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31 2009 and 5.50% from April 1 to December 31, 2009. 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.

CITY OF MONROE

Notes to the Basic Financial Statements

The City's actual contributions that were used to fund post employment benefits for 2009, 2008 and 2007 were \$112,578; \$120,833; and \$110,553, respectively. 95 percent has been contributed for 2009 with the remainder being reported as a liability within the respective funds.

The Health Care Preservation Plan (HCCP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 each year from 2006 to 2008, which allowed funds to be allocated to the health care plan.

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 are 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, 2009, 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 December 31, 2009, 2008, and 2007 were \$198,819, \$213,119, and \$177,561, respectively. 99 percent has been contributed for 2009 with the remainder being reported as a liability within the respective funds.

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.

CITY OF MONROE
Notes to the Basic Financial Statements

Note 13 - Capital Leases

The City entered into capitalized leases for a street sweeper and fire apparatus during fiscal year 2006 and copiers in prior years and 2008. 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 consisting of copiers, a durapatcher, the street sweeper and fire apparatus have been capitalized on the statement of net assets in the amount of \$771,975. 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 2009 totaled \$2,859 in the general fund, \$10,713 in the street fund, \$75,603 in the Fire 1989 levy fund, and \$25,501 in the Stormwater Management fund.

The assets acquired through capital leases are as follows:

| | Governmental Activities | Business Type Activities |
|-----------------------------------|----------------------------|-----------------------------|
| Asset: | | |
| Machinery, Equipment and Vehicles | \$637,846 | \$134,129 |
| Less: Accumulated Depreciation | (219,364) | (40,239) |
| Total | \$418,482 | \$93,890 |

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, 2009.

| Fiscal Year Ending December 31 | Capital Leases Payable | |
|---|----------------------------|-----------------------------|
| | Governmental Activities | Business Type Activities |
| 2010 | \$115,629 | \$29,478 |
| 2011 | 101,728 | 29,478 |
| 2012 | 101,728 | 0 |
| 2013 | 100,591 | 0 |
| Total | 419,676 | 58,956 |
| Less: Amount Representing Interest | (54,289) | (4,105) |
| Present Value of Net Minimum Lease Payments | \$365,387 | \$54,851 |

CITY OF MONROE
Notes to the Basic Financial Statements

Note 14 –Long-Term Obligations

A summary of the changes in long-term obligations during the year ended December 31, 2009 follows:

| | Balance 12/31/2008 | Increase | Decrease | Balance 12/31/2009 | Due within one year |
|---|-----------------------|------------------|------------------|-----------------------|------------------------|
| Governmental Activities | | | | | |
| Special Assessment Bonds | | | | | |
| 6.70% 1991 Waterline Extension I | \$130,000 | \$0 | \$40,000 | \$90,000 | \$45,000 |
| 6.61% 1998 Waterline Extension II | 81,800 | 0 | 8,600 | 73,200 | 9,000 |
| 5.25% — 5.75% 1993 American Way | 50,000 | 0 | 9,000 | 41,000 | 9,000 |
| 4.45% — 5.70% 2002 Limited Edition | 555,000 | 0 | 35,000 | 520,000 | 35,000 |
| TOTAL — Special Assessment Bonds | 816,800 | 0 | 92,600 | 724,200 | 98,000 |
| Revenue Obligation Bonds | | | | | |
| 1999 Adjustable Rate Tax Incremental | 2,000,000 | 0 | 150,000 | 1,850,000 | 155,000 |
| General Obligation Bonds (Unvoted) | | | | | |
| 2.00% - 5.25% 2004 VP Bonds | 5,940,000 | 0 | 425,000 | 5,515,000 | 440,000 |
| Less Deferred amounts – premium | 30,689 | 0 | 1,918 | 28,771 | 0 |
| TOTAL – General Obligation Bonds | 5,970,689 | 0 | 426,918 | 5,543,771 | 440,000 |
| Capital Leases Payable | 454,562 | 0 | 89,175 | 365,387 | 83,925 |
| Compensated Absences | 155,880 | 79,636 | 49,187 | 186,329 | 80,477 |
| TOTAL — Governmental Activities | 9,397,931 | 79,636 | 807,880 | 8,669,687 | 857,402 |
| Business-Type Activities | | | | | |
| 5.02% 2001 Loan Payable | 508,449 | 0 | 43,546 | 464,903 | 30,883 |
| Capital Leases Payable | 80,352 | 0 | 25,501 | 54,851 | 26,763 |
| Compensated Absences | 20,776 | 26,183 | 18,954 | 28,005 | 6,826 |
| TOTAL – Business-Type Activities | 609,577 | 26,183 | 88,001 | 547,759 | 64,472 |
| TOTAL ALL ACTIVITIES | \$10,007,508 | \$105,819 | \$895,881 | \$9,217,446 | \$921,874 |

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 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.

CITY OF MONROE
Notes to the Basic Financial Statements

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.

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, street, fire 1989 levy and stormwater management 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 but also includes the Street, Fire Levy, Water, Sewer and Stormwater funds.

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, 2009, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$19,685,766 for total debt and \$4,408,020 for unvoted debt. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2009 are:

| GOVERNMENTAL ACTIVITIES | | | |
|--------------------------------|--------------------|--------------------|--------------------|
| General Obligation Bonds | | | |
| Years | Principal | Interest | Total |
| 2010 | \$440,000 | \$243,808 | \$683,808 |
| 2011 | 465,000 | 228,847 | 693,847 |
| 2012 | 480,000 | 211,642 | 691,642 |
| 2013 | 495,000 | 193,403 | 688,403 |
| 2014 | 510,000 | 173,602 | 683,602 |
| 2015-2019 | 2,535,000 | 538,755 | 3,073,755 |
| 2020-2024 | 590,000 | 91,750 | 681,750 |
| Totals | <u>\$5,515,000</u> | <u>\$1,681,807</u> | <u>\$7,196,807</u> |

CITY OF MONROE
Notes to the Basic Financial Statements

GOVERNMENTAL ACTIVITIES

Special Assessment Bonds

| Years | Principal | Interest | Total |
|-----------|-----------|-----------|-----------|
| 2010 | \$98,000 | \$40,583 | \$138,583 |
| 2011 | 104,400 | 34,722 | 139,122 |
| 2012 | 60,900 | 28,487 | 89,387 |
| 2013 | 61,400 | 25,275 | 86,675 |
| 2014 | 55,900 | 22,017 | 77,917 |
| 2015-2019 | 283,600 | 64,451 | 348,051 |
| 2020 | 60,000 | 3,420 | 63,420 |
| Totals | \$724,200 | \$218,955 | \$943,155 |

GOVERNMENTAL ACTIVITIES

Revenue Bonds

| Years | Principal | Interest | Total |
|-----------|-------------|-----------|-------------|
| 2010 | \$155,000 | \$65,675 | \$220,675 |
| 2011 | 165,000 | 60,173 | 225,173 |
| 2012 | 180,000 | 54,315 | 234,315 |
| 2013 | 190,000 | 47,925 | 237,925 |
| 2014 | 205,000 | 41,180 | 246,180 |
| 2015-2018 | 955,000 | 87,685 | 1,042,685 |
| Totals | \$1,850,000 | \$356,953 | \$2,206,953 |

BUSINESS-TYPE ACTIVITIES

Loans Payable

| Years | Principal | Interest | Total |
|-----------|-----------|-----------|-----------|
| 2010 | \$30,883 | \$23,058 | \$53,941 |
| 2011 | 32,452 | 21,489 | 53,941 |
| 2012 | 34,102 | 19,839 | 53,941 |
| 2013 | 35,836 | 18,105 | 53,941 |
| 2014 | 37,657 | 16,285 | 53,942 |
| 2015-2019 | 219,020 | 54,066 | 273,086 |
| 2020-2021 | 74,953 | 5,139 | 80,092 |
| Totals | \$464,903 | \$157,981 | \$622,884 |

CITY OF MONROE
Notes to the Basic Financial Statements

Note 15 - Short-Term Obligations

A summary of the short-term note transactions for the year ended December 31, 2009, follows:

| Fund Type | Balance 12/31/2008 | Increase | Decrease | Balance 12/31/2009 | Rate |
|--------------------------------------|-------------------------------|--------------------|--------------------|-------------------------------|-------------|
| Governmental Type Activities: | | | | | |
| Capital Improvement | \$3,500,000 | \$5,100,000 | \$3,500,000 | \$5,100,000 | 2.00/2.75% |
| Street | 0 | 690,000 | 0 | 690,000 | 2.00% |
| Fire 1989 Levy | 0 | 210,000 | 0 | 210,000 | 2.00% |
| Business Type Activities: | | | | | |
| Water | 3,000,000 | 2,800,000 | 3,000,000 | 2,800,000 | 2.00% |
| Total | \$6,500,000 | \$8,800,000 | \$6,500,000 | \$8,800,000 | |

The Capital Improvement fund accounts for two notes. The first is related to the State Route 63 improvement note which was issued to finance the City's portion of the State Route 63 widening and related interchange improvement project. The second is for additional improvement to State Route 63 for change orders, improvements to Todd Hunter Road and improvements to Gallaher Road. The note in the Street fund was used to acquire public works equipment. The notes in the Fire 1989 Levy fund was used for the purchase of a new EMS squad.

The water system improvement note is generally issued in anticipation of long-term bond financing and will be refinanced until such a bond is issued. They are backed by the full faith and credit of the City and mature within one year.

Note 16 - Interfund Transactions

Interfund asset and liability balances at December 31, 2009, were as follows:

| Fund | Transfers In | Transfers Out |
|----------------------------------|---------------------|----------------------|
| MAJOR FUNDS | | |
| General Fund | \$0 | \$4,858,000 |
| Fire 1989 Levy | 2,140,000 | 0 |
| Police Law Enforcement | 1,865,000 | 0 |
| Capital Improvement | 417,000 | 0 |
| Total Major Funds | 4,422,000 | 4,858,000 |
| NONMAJOR FUNDS | | |
| <u>Governmental Funds</u> | | |
| Street | 445,000 | 0 |
| State Highway | 50,000 | 0 |
| 2005 Fire Levy | 0 | 610,000 |
| Debt Service | 551,000 | 0 |
| Total Nonmajor Funds | 1,046,000 | 610,000 |
| Total All Funds | \$5,468,000 | \$5,468,000 |

CITY OF MONROE
Notes to the Basic Financial Statements

The transfers are related to these various repayments and also cash allocation procedures employed by the City's financial management.

Note 17 - 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 City does not have any financial interest in or responsibility for the Center. The City made no financial contribution during 2009. 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 2009. 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 18 - Contingent Liabilities

Litigation

The City is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

For the period January 1, 2009 to December 31, 2009, the City received 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.

CITY OF MONROE
Notes to the Basic Financial Statements

Note 19 – Contractual Commitments

The City had several major outstanding contracts for services. The following amounts remain on these contracts as of December 31, 2009:

| Project and Contractor | Amount |
|--|-----------|
| Mason and Butler-Warren Road Extensions – Kleingers and Assoc. | \$146,428 |
| I-75 at State Route 63 Streetscape Design – CDS and Assoc. | 128,247 |

Note 20 – Subsequent Events

The City reissued \$3,500,000 in general obligation notes payable at a 2.00 percent interest on March 11, 2010. The notes are for the purpose of financing the cost of constructing improvements to the State Route 63 and Toddhunter Road. The note will be repaid from general fund revenues that have been transferred into the capital improvement fund on March 11, 2011.

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, 2009

| | GENERAL FUND | | | Variance Positive (Negative) |
|------------------------------------|------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 793,215 | \$ 793,215 | \$ 711,289 | \$ (81,926) |
| Income Taxes | 6,434,497 | 6,434,497 | 5,769,923 | (664,574) |
| Charges for Services | 204,306 | 204,306 | 183,205 | (21,101) |
| Fines, Licenses, and Permits | 830,307 | 830,307 | 744,550 | (85,757) |
| Intergovernmental | 622,972 | 622,972 | 558,630 | (64,342) |
| Interest | 196,124 | 196,124 | 175,868 | (20,256) |
| Other | 109,240 | 109,240 | 101,588 | (7,652) |
| Total Revenues | 9,190,661 | 9,190,661 | 8,245,053 | (945,608) |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Council | | | | |
| Personal Services | 86,000 | 86,000 | 71,947 | 14,053 |
| Other | 300,250 | 300,250 | 277,051 | 23,199 |
| Total Clerk and Council | 386,250 | 386,250 | 348,998 | 37,252 |
| Mayor's Court | | | | |
| Personal Services | 56,000 | 56,000 | 45,478 | 10,522 |
| Other | 31,374 | 28,941 | 18,745 | 10,196 |
| Total Mayor's Court | 87,374 | 84,941 | 64,223 | 20,718 |
| Administrative Offices | | | | |
| Other | 153,875 | 144,140 | 200,518 | (56,378) |
| Total Administrative Office | 153,875 | 144,140 | 200,518 | (56,378) |
| Development | | | | |
| Personal Services | 210,200 | 210,200 | 156,070 | 54,130 |
| Other | 1,768,076 | 1,337,916 | 505,458 | 832,458 |
| Total Development | 1,978,276 | 1,548,116 | 661,528 | 886,588 |
| Treasurer | | | | |
| Personal Services | 124,100 | 124,100 | 124,913 | (813) |
| Other | 245,623 | 203,755 | 199,614 | 4,141 |
| Total Treasurer | 369,723 | 327,855 | 324,527 | 3,328 |
| Income Tax Department | | | | |
| Personal Services | 178,000 | 178,000 | 182,919 | (4,919) |
| Other | 67,047 | 64,981 | 61,373 | 3,608 |
| Total Income Tax Department | 245,047 | 242,981 | 244,292 | (1,311) |
| City Manager's Office | | | | |
| Personal Services | 169,800 | 169,800 | 197,017 | (27,217) |
| Other | 327,562 | 243,218 | 593,926 | (350,708) |
| Total City Manager's Office | 497,362 | 413,018 | 790,943 | (377,925) |
| Total General Government | 3,717,907 | 3,147,301 | 2,635,029 | 512,272 (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, 2009

| | GENERAL FUND | | | |
|--------------------------------------|---------------------|---------------------|---------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Security of Persons and Property | | | | |
| Police Law Enforcement | | | | |
| Personal Services | \$ 316,000 | \$ 316,000 | \$ 290,588 | \$ 25,412 |
| Other | 125,199 | 101,291 | 71,913 | 29,378 |
| Total Police Law Enforcement | <u>441,199</u> | <u>417,291</u> | <u>362,501</u> | <u>54,790</u> |
| Public Health and Welfare | | | | |
| Grounds and Facilities | | | | |
| Personal Services | - | - | 2,996 | (2,996) |
| Other | 139,762 | 110,748 | 75,718 | 35,030 |
| Total Cemetery | <u>139,762</u> | <u>110,748</u> | <u>78,714</u> | <u>32,034</u> |
| Transportation | | | | |
| Planning | | | | |
| Personal Services | 84,300 | 84,300 | 97,690 | (13,390) |
| Other | 55,357 | 44,741 | 44,395 | 346 |
| Total Transportation | <u>139,657</u> | <u>129,041</u> | <u>142,085</u> | <u>(13,044)</u> |
| Leisure Time Activities | | | | |
| Parks | | | | |
| Personal Services | 144,000 | 144,000 | 142,263 | 1,737 |
| Other | 66,600 | 63,050 | 81,044 | (17,994) |
| Total Leisure Time Activities | <u>210,600</u> | <u>207,050</u> | <u>223,307</u> | <u>(16,257)</u> |
| Intergovernmental | <u>750</u> | <u>750</u> | - | 750 |
| Total Expenditures | <u>4,649,875</u> | <u>4,012,181</u> | <u>3,441,636</u> | <u>570,545</u> |
| Excess of Revenues Over Expenditures | <u>4,540,786</u> | <u>5,178,480</u> | <u>4,803,417</u> | <u>(375,063)</u> |
| Other Financing Sources (Uses): | | | | |
| Income Tax Refunds | - | - | (151,449) | (151,449) |
| Advances - In | 100,000 | 100,000 | 100,000 | - |
| Transfers - Out | - | (6,172,229) | (4,858,000) | 1,314,229 |
| Total Other Financing Sources (Uses) | <u>100,000</u> | <u>(6,072,229)</u> | <u>(4,909,449)</u> | <u>1,162,780</u> |
| Net Change in Fund Balance | 4,640,786 | (893,749) | (106,032) | 787,717 |
| Fund Balance at Beginning of Year | 4,570,799 | 4,570,799 | 4,570,799 | - |
| Prior Year Encumbrances Appropriated | 592,980 | 592,980 | 592,980 | - |
| Fund Balance at End of Year | <u>\$ 9,804,565</u> | <u>\$ 4,270,030</u> | <u>\$ 5,057,747</u> | <u>\$ 787,717</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, 2009

| | FIRE 1989 LEVY FUND | | | Variance Positive (Negative) |
|---|---------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 400,000 | \$ 387,693 | \$ 406,586 | \$ 18,893 |
| Charges for Services | 800,000 | 621,006 | 672,088 | 51,082 |
| Fines and Forfeitures | 20,000 | - | 1,880 | 1,880 |
| Intergovernmental | 250,000 | 128,202 | 220,660 | 92,458 |
| Other | 145,645 | - | 2,415 | 2,415 |
| Total Revenues | 1,615,645 | 1,136,901 | 1,303,629 | 166,728 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 2,761,824 | 2,983,824 | 2,583,676 | 400,148 |
| Other | 680,246 | 688,075 | 920,294 | (232,219) |
| Total Security of Persons and Property | 3,442,070 | 3,671,899 | 3,503,970 | 167,929 |
| Capital Outlay | 266,274 | 266,274 | 215,381 | 50,893 |
| Debt Service | | | | |
| Interest and Fiscal Charges | - | - | 926 | (926) |
| Total Expenditures | 3,708,344 | 3,938,173 | 3,720,277 | 217,896 |
| Deficiency of Revenues Under Expenditures | (2,092,699) | (2,801,272) | (2,416,648) | 384,624 |
| Other Financing Sources: | | | | |
| Other Financing Sources | - | - | 1,016 | 1,016 |
| Face Value from Sale of Notes | 210,000 | 210,000 | 210,000 | - |
| Transfers In | 2,554,600 | 2,554,600 | 2,140,000 | (414,600) |
| Total Other Financing Sources | 2,764,600 | 2,764,600 | 2,351,016 | (413,584) |
| Net Change in Fund Balance | 671,901 | (36,672) | (65,632) | (28,960) |
| Fund Balance at Beginning of Year | 29,822 | 29,822 | 29,822 | - |
| Prior Year Encumbrances Appropriated | 53,744 | 53,744 | 53,744 | - |
| Fund Balance at End of Year | \$ 755,467 | \$ 46,894 | \$ 17,934 | \$ (28,960) |

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, 2009

| | POLICE LAW ENFORCEMENT FUND | | | |
|---|-----------------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 387,693 | \$ 387,693 | \$ 406,586 | \$ 18,893 |
| Charges for Services | 431,579 | 164,002 | 181,253 | 17,251 |
| Fines and Forfeitures | - | - | 1,845 | 1,845 |
| Intergovernmental | 123,202 | 123,202 | 195,848 | 72,646 |
| Other | - | - | 1,985 | 1,985 |
| Total Revenues | 942,474 | 674,897 | 787,517 | 112,620 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 2,000,000 | 2,505,251 | 2,138,525 | 366,726 |
| Other | 449,318 | 528,542 | 435,666 | 92,876 |
| Total Security of Persons and Property | 2,449,318 | 3,033,793 | 2,574,191 | 459,602 |
| Capital Outlay | 150,335 | 170,860 | 153,317 | 17,543 |
| Total Expenditures | 2,599,653 | 3,204,653 | 2,727,508 | 477,145 |
| Deficiency of Revenues Under Expenditures | (1,657,179) | (2,529,756) | (1,939,991) | 589,765 |
| Other Financing Sources: | | | | |
| Transfers - In | 2,488,200 | 2,488,200 | 1,865,000 | (623,200) |
| Net Change in Fund Balance | 831,021 | (41,556) | (74,991) | (33,435) |
| Fund Balance at Beginning of Year | 20,397 | 20,397 | 20,397 | - |
| Prior Year Encumbrances Appropriated | 64,864 | 64,864 | 64,864 | - |
| Fund Balance at End of Year | \$ 916,282 | \$ 43,705 | \$ 10,270 | \$ (33,435) |

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, 2009

| | 2004 TIFs | | | Variance Positive (Negative) |
|-----------------------------------|-------------------|-------------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Payment in Lieu of Taxes | \$ 150,800 | \$ 1,275,800 | \$ 1,190,979 | \$ (84,821) |
| Total Revenues | 150,800 | 1,275,800 | 1,190,979 | (84,821) |
| Expenditures: | | | | |
| Current: | | | | |
| Tranportation | | | | |
| Other | - | - | 13,443 | (13,443) |
| Capital Outlay | | 240,000 | 275,279 | (35,279) |
| Intergovernmental | - | 890,000 | 677,963 | 212,037 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | - | - | 210,353 | (210,353) |
| Total Expenditures | - | 1,130,000 | 1,177,038 | (47,038) |
| Net Change in Fund Balance | 150,800 | 145,800 | 13,941 | (131,859) |
| Fund Balance at Beginning of Year | 83,248 | 83,248 | 83,248 | - |
| Fund Balance at End of Year | <u>\$ 234,048</u> | <u>\$ 229,048</u> | <u>\$ 97,189</u> | <u>\$ (131,859)</u> |

See accompanying notes to the required supplementary information

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CITY OF MONROE

Notes to the Required Supplementary Information

Note 1 - 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 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 2009, 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.

CITY OF MONROE

Notes to the Required Supplementary Information

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 and are reported as reservations of fund balances for governmental funds on 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 Schedule 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 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. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
4. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

CITY OF MONROE

Notes to the Required Supplementary Information

The adjustments necessary to convert the results of operations for the year ended December 31, 2009, on the GAAP basis to the budget basis for the General Fund and Major Special Revenue funds are as follows:

| | <u>General</u> | <u>Fire 1989 Levy</u> | <u>Police Law Enforcement</u> | <u>2004 TIFs</u> |
|----------------------|--------------------|---------------------------|-----------------------------------|------------------|
| GAAP Basis | \$486,169 | (\$261,971) | (\$102,609) | \$225,250 |
| Adjustments: | | | | |
| Revenue Accruals | (179,040) | (16,372) | (4,160) | 0 |
| Debt Proceeds | 0 | 210,000 | 0 | 0 |
| Expenditure Accruals | 25,885 | 47,676 | 128,104 | (211,309) |
| Advances | 100,000 | 0 | 0 | 0 |
| Encumbrances | (539,046) | (44,965) | (96,326) | 0 |
| Budget basis | <u>(\$106,032)</u> | <u>(\$65,632)</u> | <u>(\$74,991)</u> | <u>\$13,941</u> |

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**CITY OF MONROE, OHIO
NONMAJOR FUND DESCRIPTIONS
DECEMBER 31, 2009**

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.

FEMA Grant

To account for grant money related to the storm damage that impacted the City during the fiscal year in which the City received federal aid related to cleanup of that damage.

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.

**CITY OF MONROE, OHIO
NONMAJOR FUND DESCRIPTIONS
DECEMBER 31, 2009**

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.

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.

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.

Court Technology Improvement

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

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.

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, 2009

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|----------------------------------|---------------------------------------|---|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 1,279,985 | \$ 6,634 | \$ 109,680 | \$ 1,396,299 |
| Receivables (net of allowance for doubtful accounts): | | | | |
| Taxes-Real & Personal Property | 430,324 | - | 102,652 | 532,976 |
| Accounts | 895 | - | - | 895 |
| Special Assessments | 86,391 | 1,117,017 | - | 1,203,408 |
| Payments in Lieu of Taxes | 645,381 | - | - | 645,381 |
| Due from Other Governments | 363,951 | - | - | 363,951 |
| Total Assets | \$ 2,806,927 | \$ 1,123,651 | \$ 212,332 | \$ 4,142,910 |
| Liabilities: | | | | |
| Accounts Payable | 39,620 | - | - | 39,620 |
| Contracts Payable | 4,405 | - | - | 4,405 |
| Accrued Wages and Benefits | 34,175 | - | - | 34,175 |
| Due to Other Governments | 35,927 | - | - | 35,927 |
| Accrued Interest Payable | 1,552 | - | - | 1,552 |
| Matured Interest Payable | - | 4,562 | - | 4,562 |
| Deferred Revenue | 1,401,594 | 1,103,300 | 102,652 | 2,607,546 |
| General Obligation Notes Payable | 690,000 | - | - | 690,000 |
| Total Liabilities | 2,207,273 | 1,107,862 | 102,652 | 3,417,787 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 388,822 | - | 997 | 389,819 |
| Unreserved, reported in: | | | | |
| Special Revenue | 210,832 | - | - | 210,832 |
| Debt Service | - | 15,789 | - | 15,789 |
| Capital Projects | - | - | 108,683 | 108,683 |
| Total Fund Balances | 599,654 | 15,789 | 109,680 | 725,123 |
| Total Liabilities and fund balances | \$ 2,806,927 | \$ 1,123,651 | \$ 212,332 | \$ 4,142,910 |

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|-----------------------------------|---------------------------------------|---|
| Revenues: | | | | |
| Property and Other Taxes | \$ 517,470 | \$ - | \$ - | \$ 517,470 |
| Payment in Lieu of Taxes | 692,933 | - | 121,291 | 814,224 |
| Intergovernmental | 901,904 | - | - | 901,904 |
| Charges for Services | 174,065 | - | - | 174,065 |
| Licenses and Permits | - | - | 56,333 | 56,333 |
| Investment Earnings | 15,929 | - | - | 15,929 |
| Fines and Forfeitures | 10,795 | - | 24,465 | 35,260 |
| Special Assessments | 88,624 | 187,301 | - | 275,925 |
| All Other Revenues | 86,887 | - | 450 | 87,337 |
| Total Revenues | 2,488,607 | 187,301 | 202,539 | 2,878,447 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 128,140 | - | - | 128,140 |
| Leisure Time Activities | - | - | 13,333 | 13,333 |
| Transportation | 1,604,815 | - | - | 1,604,815 |
| General Government | 68,894 | - | 3,457 | 72,351 |
| Intergovernmental | 528,888 | 49,870 | - | 578,758 |
| Capital Outlay | 41,631 | - | 241,713 | 283,344 |
| Debt Service: | | | | |
| Principal Retirement | 10,713 | 517,600 | 150,000 | 678,313 |
| Interest and Fiscal Charges | 5,942 | 304,753 | 13,892 | 324,587 |
| Total Expenditures | 2,389,023 | 872,223 | 422,395 | 3,683,641 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 99,584 | (684,922) | (219,856) | (805,194) |
| Other Financing Sources (Uses): | | | | |
| Transfers - In | 495,000 | 551,000 | - | 1,046,000 |
| Transfers - Out | (610,000) | - | - | (610,000) |
| Total Other Financing Sources (Uses) | (115,000) | 551,000 | - | 436,000 |
| Net Change in Fund Balances | (15,416) | (133,922) | (219,856) | (369,194) |
| Fund Balances at Beginning of Year | 615,070 | 149,711 | 329,536 | 1,094,317 |
| Fund Balances at End of Year | \$ 599,654 | \$ 15,789 | \$ 109,680 | \$ 725,123 |

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THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

| | Street | State Highway | Motor Vehicle License | FEMA Grant | Dare Grant | Enforcement and Education |
|--|-------------------|------------------|-----------------------------|-------------------|---------------|---------------------------------|
| Assets: | | | | | | |
| Equity in Pooled Cash and Investments | \$ 501,050 | \$ 54,717 | \$ 112,554 | \$ 100,234 | \$ 910 | \$ 13,868 |
| Receivables (net of allowance for doubtful accounts): | | | | | | |
| Taxes-Real & Personal Property | - | - | - | - | - | - |
| Accounts | 895 | - | - | - | - | - |
| Special Assessments | - | - | - | - | - | - |
| Payment in Lieu of Taxes | - | - | - | - | - | - |
| Due from Other Governments | 271,662 | 20,035 | 46,789 | - | - | 50 |
| Total Assets | \$ 773,607 | \$ 74,752 | \$ 159,343 | \$ 100,234 | \$ 910 | \$ 13,918 |
| Liabilities: | | | | | | |
| Accounts Payable | 21,359 | - | 9,256 | - | - | - |
| Contracts Payable | - | - | 1,647 | - | - | - |
| Accrued Wages and Benefits | 34,175 | - | - | - | - | - |
| Due to Other Governments | 35,927 | - | - | - | - | - |
| Accrued Interest Payable | 1,552 | - | - | - | - | - |
| Deferred Revenue | 169,959 | 12,879 | 31,245 | - | - | - |
| General Obligation Notes Payable | 690,000 | - | - | - | - | - |
| Total Liabilities | 952,972 | 12,879 | 42,148 | - | - | - |
| Fund Balances: | | | | | | |
| Reserved for Encumbrances | 249,396 | 16,294 | 7,360 | - | - | - |
| Unreserved, reported in: | | | | | | |
| Special Revenue | (428,761) | 45,579 | 109,835 | 100,234 | 910 | 13,918 |
| Total Fund Balances | (179,365) | 61,873 | 117,195 | 100,234 | 910 | 13,918 |
| Total Liabilities and fund balances | \$ 773,607 | \$ 74,752 | \$ 159,343 | \$ 100,234 | \$ 910 | \$ 13,918 |

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009**

| 2005 Fire Levy | 2004 RIDs | Street Lighting | Cemetery Trust | Longstreet Trust | Law Enforcement | Fire Historical Preservation | Total |
|-------------------|-------------------|--------------------|-------------------|---------------------|--------------------|------------------------------------|---------------------|
| \$ 32,199 | \$ 333,689 | \$ 20,235 | \$ 68,100 | \$ 1,212 | \$ 27,026 | \$ 14,191 | \$ 1,279,985 |
| 430,324 | - | - | - | - | - | - | 430,324 |
| - | - | - | - | - | - | - | 895 |
| - | - | 86,391 | - | - | - | - | 86,391 |
| - | 645,381 | - | - | - | - | - | 645,381 |
| 25,415 | - | - | - | - | - | - | 363,951 |
| <u>\$ 487,938</u> | <u>\$ 979,070</u> | <u>\$ 106,626</u> | <u>\$ 68,100</u> | <u>\$ 1,212</u> | <u>\$ 27,026</u> | <u>\$ 14,191</u> | <u>\$ 2,806,927</u> |
| - | - | 9,005 | - | - | - | - | 39,620 |
| - | 2,758 | - | - | - | - | - | 4,405 |
| - | - | - | - | - | - | - | 34,175 |
| - | - | - | - | - | - | - | 35,927 |
| - | - | - | - | - | - | - | 1,552 |
| 455,739 | 645,381 | 86,391 | - | - | - | - | 1,401,594 |
| - | - | - | - | - | - | - | 690,000 |
| <u>455,739</u> | <u>648,139</u> | <u>95,396</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,207,273</u> |
| - | 115,772 | - | - | - | - | - | 388,822 |
| <u>32,199</u> | <u>215,159</u> | <u>11,230</u> | <u>68,100</u> | <u>1,212</u> | <u>27,026</u> | <u>14,191</u> | <u>210,832</u> |
| <u>32,199</u> | <u>330,931</u> | <u>11,230</u> | <u>68,100</u> | <u>1,212</u> | <u>27,026</u> | <u>14,191</u> | <u>599,654</u> |
| <u>\$ 487,938</u> | <u>\$ 979,070</u> | <u>\$ 106,626</u> | <u>\$ 68,100</u> | <u>\$ 1,212</u> | <u>\$ 27,026</u> | <u>\$ 14,191</u> | <u>\$ 2,806,927</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, 2009

| | Street | State Highway | Motor Vehicle License | FEMA Grant | DARE Grant |
|--|---------------------|------------------|-----------------------------|-------------------|----------------|
| Revenues: | | | | | |
| Property and Other Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Payment in Lieu of Taxes | - | - | - | - | - |
| Intergovernmental | 541,677 | 36,539 | 92,740 | 100,234 | - |
| Charges for Services | 174,065 | - | - | - | - |
| Investment Earnings | 10,291 | 1,395 | 2,908 | - | - |
| Fines and Forfeitures | - | - | - | - | - |
| Special Assessments | 2,423 | - | - | - | - |
| All Other Revenues | 4,373 | - | - | - | 12,470 |
| Total Revenues | 732,829 | 37,934 | 95,648 | 100,234 | 12,470 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Security of Persons and Property | - | - | - | - | 14,302 |
| Transportation | 1,527,766 | 43,540 | 25,415 | - | - |
| General Government | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Capital Outlay | - | - | 18,224 | - | - |
| Debt Service: | | | | | |
| Principal Retirement | 10,713 | - | - | - | - |
| Interest and Fiscal Charges | 5,942 | - | - | - | - |
| Total Expenditures | 1,544,421 | 43,540 | 43,639 | - | 14,302 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (811,592) | (5,606) | 52,009 | 100,234 | (1,832) |
| Other Financing Sources (Uses): | | | | | |
| Transfers - In | 445,000 | 50,000 | - | - | - |
| Transfers - Out | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 445,000 | 50,000 | - | - | - |
| Net Change in Fund Balances | (366,592) | 44,394 | 52,009 | 100,234 | (1,832) |
| Fund Balances at Beginning of Year | 187,227 | 17,479 | 65,186 | - | 2,742 |
| Fund Balances at End of Year | \$ (179,365) | \$ 61,873 | \$ 117,195 | \$ 100,234 | \$ 910 |

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| Enforcement and Education | 2005 Fire Levy | 2004 RIDs | Street Lighting | Cemetery Trust | Longstreet Trust |
|---------------------------------|-------------------|-------------------|--------------------|-------------------|---------------------|
| \$ - | \$ 517,470 | \$ - | \$ - | \$ - | \$ - |
| - | - | 692,933 | - | - | - |
| - | 130,714 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 1,300 | 35 |
| 1,538 | - | - | - | - | - |
| - | - | - | 86,201 | - | - |
| - | - | - | - | - | - |
| <u>1,538</u> | <u>648,184</u> | <u>692,933</u> | <u>86,201</u> | <u>1,300</u> | <u>35</u> |
| 1,000 | 6,786 | - | 102,427 | - | - |
| - | - | 8,094 | - | - | - |
| - | - | - | - | - | - |
| - | - | 528,888 | - | - | - |
| - | - | 23,407 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>1,000</u> | <u>6,786</u> | <u>560,389</u> | <u>102,427</u> | <u>-</u> | <u>-</u> |
| 538 | 641,398 | 132,544 | (16,226) | 1,300 | 35 |
| - | - | - | - | - | - |
| - | (610,000) | - | - | - | - |
| - | (610,000) | - | - | - | - |
| 538 | 31,398 | 132,544 | (16,226) | 1,300 | 35 |
| 13,380 | 801 | 198,387 | 27,456 | 66,800 | 1,177 |
| <u>\$ 13,918</u> | <u>\$ 32,199</u> | <u>\$ 330,931</u> | <u>\$ 11,230</u> | <u>\$ 68,100</u> | <u>\$ 1,212</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, 2009

(Continued)

| | Law Enforcement | Fire Escrow Deposit | Fire Historical Preservation | Total |
|--|--------------------|------------------------|------------------------------------|-------------------|
| <u>Revenues:</u> | | | | |
| Property and Other Taxes | \$ - | \$ - | \$ - | \$ 517,470 |
| Payment in Lieu of Taxes | - | - | - | 692,933 |
| Intergovernmental | - | - | - | 901,904 |
| Charges for Services | - | - | - | 174,065 |
| Investment Earnings | - | - | - | 15,929 |
| Fines and Forfeitures | 9,257 | - | - | 10,795 |
| Special Assessments | - | - | - | 88,624 |
| All Other Revenues | - | 68,894 | 1,150 | 86,887 |
| Total Revenues | 9,257 | 68,894 | 1,150 | 2,488,607 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Security of Persons and Property | 3,625 | - | - | 128,140 |
| Transportation | - | - | - | 1,604,815 |
| General Government | - | 68,894 | - | 68,894 |
| Intergovernmental | - | - | - | 528,888 |
| Capital Outlay | - | - | - | 41,631 |
| Debt Service: | | | | |
| Principal Retirement | - | - | - | 10,713 |
| Interest and Fiscal Charges | - | - | - | 5,942 |
| Total Expenditures | 3,625 | 68,894 | - | 2,389,023 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 5,632 | - | 1,150 | 99,584 |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers - In | - | - | - | 495,000 |
| Transfers - Out | - | - | - | (610,000) |
| Total Other Financing Sources (Uses) | - | - | - | (115,000) |
| Net Change in Fund Balances | 5,632 | - | 1,150 | (15,416) |
| Fund Balances at Beginning of Year | 21,394 | - | 13,041 | 615,070 |
| Fund Balances at End of Year | <u>\$ 27,026</u> | <u>\$ -</u> | <u>\$ 14,191</u> | <u>\$ 599,654</u> |

(continued)

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, 2009

| | STREET FUND | | | Variance Positive (Negative) |
|--|-------------------|------------------|-------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 520,000 | \$ 520,000 | \$ 527,142 | \$ 7,142 |
| Interest | 2,190 | 2,190 | 10,291 | 8,101 |
| Charges for Services | 176,810 | 176,810 | 180,855 | 4,045 |
| Other | 1,000 | 1,000 | 75 | (925) |
| Total Revenues | <u>700,000</u> | <u>700,000</u> | <u>718,363</u> | <u>18,363</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Street Maintenance and Repair | | | | |
| Personal Services | 350,000 | 684,500 | 689,796 | (5,296) |
| Other | 419,246 | 1,387,746 | 1,110,057 | 277,689 |
| Total Transportation | <u>769,246</u> | <u>2,072,246</u> | <u>1,799,853</u> | <u>272,393</u> |
| Debt Service: | | | | |
| Interest and Fiscal Charges | - | 5,000 | 3,103 | 1,897 |
| Total Expenditures | <u>769,246</u> | <u>2,077,246</u> | <u>1,802,956</u> | <u>274,290</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (69,246) | (1,377,246) | (1,084,593) | 292,653 |
| Other Financing Sources: | | | | |
| Other Financing Sources | - | - | 3,403 | 3,403 |
| Face Value from Sale of Notes | - | 705,000 | 690,000 | (15,000) |
| Transfers - In | - | 500,000 | 445,000 | (55,000) |
| Total Other Financing Sources | <u>-</u> | <u>1,205,000</u> | <u>1,138,403</u> | <u>(66,597)</u> |
| Net Change in Fund Balance | (69,246) | (172,246) | 53,810 | 226,056 |
| Fund Balance at Beginning of Year | 110,898 | 110,898 | 110,898 | - |
| Prior Year Encumbrances Appropriated | 69,246 | 69,246 | 69,246 | - |
| Fund Balance at End of Year | <u>\$ 110,898</u> | <u>\$ 7,898</u> | <u>\$ 233,954</u> | <u>\$ 226,056</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, 2009

| | STATE HIGHWAY FUND | | | Variance Positive (Negative) |
|--|--------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 39,000 | \$ 39,000 | \$ 42,759 | \$ 3,759 |
| Interest | 1,000 | 1,000 | 1,395 | 395 |
| Total Revenues | <u>40,000</u> | <u>40,000</u> | <u>44,154</u> | <u>4,154</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| State Highway Maintenance | | | | |
| Other | <u>58,408</u> | <u>68,409</u> | <u>75,116</u> | <u>(6,707)</u> |
| Total Expenditures | <u>58,408</u> | <u>68,409</u> | <u>75,116</u> | <u>(6,707)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (18,408) | (28,409) | (30,962) | (2,553) |
| Other Financing Sources: | | | | |
| Operating Transfers - In | <u>-</u> | <u>50,000</u> | <u>50,000</u> | <u>-</u> |
| Net Change in Fund Balance | (18,408) | 21,591 | 19,038 | (2,553) |
| Fund Balance at Beginning of Year | 10,977 | 10,977 | 10,977 | - |
| Prior Year Encumbrances Appropriated | <u>8,408</u> | <u>8,408</u> | <u>8,408</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 977</u> | <u>\$ 40,976</u> | <u>\$ 38,423</u> | <u>\$ (2,553)</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, 2009

| | MOTOR VEHICLE LICENSE FUND | | | |
|--------------------------------------|----------------------------|-----------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 90,000 | \$ 110,000 | \$ 91,772 | \$ (18,228) |
| Interest | 10,000 | 10,000 | 2,908 | (7,092) |
| Total Revenues | <u>100,000</u> | <u>120,000</u> | <u>94,680</u> | <u>(25,320)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Other | 110,721 | 123,770 | 29,423 | 94,347 |
| Total Transportation | <u>110,721</u> | <u>123,770</u> | <u>29,423</u> | <u>94,347</u> |
| Capital Outlay | 22,172 | 44,123 | 21,951 | - |
| Total Expenditures | <u>132,893</u> | <u>167,893</u> | <u>51,374</u> | <u>94,347</u> |
| Net Change in Fund Balance | (32,893) | (47,893) | 43,306 | 91,199 |
| Fund Balance at Beginning of Year | 19,340 | 19,340 | 19,340 | - |
| Prior Year Encumbrances Appropriated | 32,893 | 32,893 | 32,893 | - |
| Fund Balance at End of Year | <u>\$ 19,340</u> | <u>\$ 4,340</u> | <u>\$ 95,539</u> | <u>\$ 91,199</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, 2009

| | FEMA FUND | | | Variance Positive (Negative) |
|---------------------------------------|---------------------|---------------|-------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 100,234 | \$ 100,234 | \$ - |
| Total Revenues | \$ - | \$ 100,234 | \$ 100,234 | \$ - |
| Expenditures: | | | | |
| Capital Outlay | 100,000 | 100,000 | - | - |
| Total Expenditures | 100,000 | 100,000 | - | - |
| Net Change in Fund Balance | (100,000) | 234 | 100,234 | 100,000 |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance (Deficit) at End of Year | <u>\$ (100,000)</u> | <u>\$ 234</u> | <u>\$ 100,234</u> | <u>\$ 100,000</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, 2009

| | DARE GRANT FUND | | | Variance Positive (Negative) |
|-----------------------------------|-----------------|-----------|-----------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Other | \$ 11,000 | \$ 11,958 | \$ 12,470 | \$ 512 |
| Total Revenues | 11,000 | 11,958 | 12,470 | 512 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | - | 14,700 | 14,302 | 398 |
| Total Expenditures | - | 14,700 | 14,302 | 398 |
| Net Change in Fund Balance | 11,000 | (2,742) | (1,832) | 910 |
| Fund Balance at Beginning of Year | 2,742 | 2,742 | 2,742 | - |
| Fund Balance at End of Year | \$ 13,742 | \$ - | \$ 910 | \$ 910 |

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, 2009

| | ENFORCEMENT AND EDUCATION FUND | | | |
|-----------------------------------|--------------------------------|-----------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Fines, Licenses, and Permits | \$ 500 | \$ 500 | \$ 1,688 | \$ 1,188 |
| Total Revenues | 500 | 500 | 1,688 | 1,188 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | 12,000 | 12,000 | 1,000 | 11,000 |
| Total Expenditures | 12,000 | 12,000 | 1,000 | 11,000 |
| Net Change in Fund Balance | (11,500) | (11,500) | 688 | 12,188 |
| Fund Balance at Beginning of Year | 13,180 | 13,180 | 13,180 | - |
| Fund Balance at End of Year | <u>\$ 1,680</u> | <u>\$ 1,680</u> | <u>\$ 13,868</u> | <u>\$ 12,188</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, 2009

| | 2005 FIRE LEVY FUND | | | Variance Positive (Negative) |
|---|---------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Taxes | \$ 501,676 | \$ 501,676 | \$ 517,470 | \$ 15,794 |
| Intergovernmental | 179,670 | 179,670 | 130,714 | (48,956) |
| Total Revenues | 681,346 | 681,346 | 648,184 | (33,162) |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | 2,000 | 7,000 | 6,786 | 214 |
| Total Expenditures | 2,000 | 7,000 | 6,786 | 214 |
| Excess of Revenues Over Expenditures | 679,346 | 674,346 | 641,398 | (32,948) |
| Other Financing (Uses): | | | | |
| Transfers - Out | (610,000) | (610,000) | (610,000) | - |
| Total Other Financing (Uses) | (610,000) | (610,000) | (610,000) | - |
| Net Change in Fund Balance | 69,346 | 64,346 | 31,398 | (32,948) |
| Fund Balance at Beginning of Year | 800 | 800 | 800 | - |
| Fund Balance at End of Year | \$ 70,146 | \$ 65,146 | \$ 32,198 | \$ (32,948) |

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, 2009

| | 2004 RIDs | | | Variance Positive (Negative) |
|---------------------------------------|---------------------|-------------------|-------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Payment in Lieu of Taxes | \$ 150,000 | \$ 896,000 | \$ 692,933 | \$ (203,067) |
| Total Revenues | 150,000 | 896,000 | 692,933 | (203,067) |
| Expenditures: | | | | |
| Capital Outlay | 171,000 | 265,000 | 156,754 | 108,246 |
| Intergovernmental | 300,000 | 531,000 | 528,888 | 2,112 |
| Total Expenditures | 471,000 | 796,000 | 685,642 | 110,358 |
| Net Change in Fund Balance | (321,000) | 100,000 | 7,291 | (92,709) |
| Fund Balance at Beginning of Year | 198,387 | 198,387 | 198,387 | - |
| Fund Balance (Deficit) at End of Year | <u>\$ (122,613)</u> | <u>\$ 298,387</u> | <u>\$ 205,678</u> | <u>\$ (92,709)</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, 2009

| | STREET LIGHTING FUND | | | |
|-----------------------------------|----------------------|------------|-----------|--|
| | Budget | | Actual | Variance Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Special Assessments | \$ 100,000 | \$ 100,000 | \$ 86,201 | \$ (13,799) |
| Total Revenues | 100,000 | 100,000 | 86,201 | (13,799) |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | 100,000 | 90,000 | 93,422 | (3,422) |
| Total Expenditures | 100,000 | 90,000 | 93,422 | (3,422) |
| Net Change in Fund Balance | - | 10,000 | (7,221) | (17,221) |
| Fund Balance at Beginning of Year | 27,456 | 27,456 | 27,456 | - |
| Fund Balance at End of Year | \$ 27,456 | \$ 37,456 | \$ 20,235 | \$ (17,221) |

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, 2009

| | CEMETERY TRUST FUND | | | Variance Positive (Negative) |
|-----------------------------------|---------------------|-----------|-----------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Interest | \$ - | \$ - | \$ 1,300 | \$ 1,300 |
| Total Revenues | - | - | 1,300 | 1,300 |
| Expenditures: | | | | |
| Current: | | | | |
| Public Health Welfare | | | | |
| Other | 100 | 100 | - | 100 |
| Total Expenditures | 100 | 100 | - | 100 |
| Net Change in Fund Balance | (100) | (100) | 1,300 | 1,400 |
| Fund Balance at Beginning of Year | 66,801 | 66,801 | 66,801 | - |
| Fund Balance at End of Year | \$ 66,701 | \$ 66,701 | \$ 68,101 | \$ 1,400 |

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, 2009

| | LONGSTREET TRUST FUND | | | |
|-----------------------------------|-----------------------|----------|----------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Interest | \$ - | \$ - | \$ 35 | \$ 35 |
| Total Revenues | - | - | 35 | 35 |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | 35 | 35 |
| Fund Balance at Beginning of Year | 1,177 | 1,177 | 1,177 | - |
| Fund Balance at End of Year | \$ 1,177 | \$ 1,177 | \$ 1,212 | \$ 35 |

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, 2009

| | LAW ENFORCEMENT FUND | | | Variance Positive (Negative) |
|-----------------------------------|----------------------|----------|-----------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Fines, licenses, and permits | \$ - | \$ - | \$ 9,783 | \$ 9,783 |
| Intergovernmental | 500 | - | - | - |
| Total Revenues | 500 | - | 9,783 | 9,783 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Other | 20,000 | 20,000 | 3,625 | 16,375 |
| Total Expenditures | 20,000 | 20,000 | 3,625 | 16,375 |
| Net Change in Fund Balance | (19,500) | (20,000) | 6,158 | 26,158 |
| Fund Balance at Beginning of Year | 20,866 | 20,866 | 20,866 | - |
| Fund Balance at End of Year | \$ 1,366 | \$ 866 | \$ 27,024 | \$ 26,158 |

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, 2009

| | FIRE ESCROW DEPOSIT FUND | | | |
|-----------------------------------|--------------------------|-----------|-----------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Other | \$ - | \$ 68,894 | \$ 68,894 | \$ - |
| Total Revenues | - | 68,894 | 68,894 | - |
| Expenditures: | | | | |
| General Government | | | | |
| Other | - | 68,894 | 68,894 | - |
| Total Expenditures | - | 68,894 | 68,894 | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | \$ - | \$ - | \$ - | \$ - |

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, 2009

| | FIRE HISTORICAL PRESERVATION FUND | | | |
|-----------------------------------|-----------------------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Other | \$ - | \$ - | \$ 1,150 | \$ 1,150 |
| Total Revenues | - | - | 1,150 | 1,150 |
| Total Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | 1,150 | 1,150 |
| Fund Balance at Beginning of Year | 13,041 | 13,041 | 13,041 | - |
| Fund Balance at End of Year | <u>\$ 13,041</u> | <u>\$ 13,041</u> | <u>\$ 14,191</u> | <u>\$ 1,150</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, 2009

| | DEBT SERVICE FUND | | | Variance Positive (Negative) |
|--|-------------------|------------------|-----------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Special Assessments | \$ 165,000 | \$ 214,870 | \$ 187,301 | \$ (27,569) |
| Total Revenues | <u>165,000</u> | <u>214,870</u> | <u>187,301</u> | <u>(27,569)</u> |
| Expenditures: | | | | |
| Intergovernmental | 50,000 | 50,000 | 49,870 | 130 |
| Debt Service: | | | | |
| Principal Retirement | 500,000 | 500,000 | 517,600 | (17,600) |
| Interest and Fiscal Charges | 260,399 | 322,399 | 304,753 | 17,646 |
| Total Expenditures | <u>810,399</u> | <u>872,399</u> | <u>872,223</u> | <u>176</u> |
| Deficiency of Revenues Under Expenditures | (645,399) | (657,529) | (684,922) | (27,393) |
| Other Financing Sources: | | | | |
| Transfers - In | 544,000 | 544,000 | 551,000 | 7,000 |
| Total Other Financing Sources | <u>544,000</u> | <u>544,000</u> | <u>551,000</u> | <u>7,000</u> |
| Net Change in Fund Balance | (101,399) | (113,529) | (133,922) | (20,393) |
| Fund Balances at Beginning of Year | <u>140,522</u> | <u>140,522</u> | <u>140,522</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ 39,123</u> | <u>\$ 26,993</u> | <u>\$ 6,600</u> | <u>\$ (20,393)</u> |

THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2009

| | Park Improvement | Court Technology Improvement | Corridor I - 75 | Total |
|--|---------------------|------------------------------------|--------------------|-------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 50,581 | \$ 40,208 | \$ 18,891 | \$ 109,680 |
| Receivables (net of allowance for doubtful accounts): | | | | |
| Taxes-Real & Personal Property | - | - | 102,652 | 102,652 |
| Total Assets | \$ 50,581 | \$ 40,208 | \$ 121,543 | \$ 212,332 |
| Liabilities: | | | | |
| Deferred Revenue | - | - | 102,652 | 102,652 |
| Total Liabilities | - | - | 102,652 | 102,652 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | - | 997 | - | 997 |
| Unreserved, reported in: | | | | |
| Capital Projects | 50,581 | 39,211 | 18,891 | 108,683 |
| Total Fund Balances | 50,581 | 40,208 | 18,891 | 109,680 |
| Total Liabilities and Fund Balances | \$ 50,581 | \$ 40,208 | \$ 121,543 | \$ 212,332 |

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Park Improvement | Court Technology Improvement | Corridor I - 75 | Total Governmental Funds |
|------------------------------------|---------------------|------------------------------------|--------------------|--------------------------------|
| <u>Revenues:</u> | | | | |
| Payment in Lieu of Taxes | \$ - | \$ - | \$ 121,291 | \$121,291 |
| Licenses and Permits | 56,333 | - | - | 56,333 |
| Fines and Forfeitures | - | 24,465 | - | 24,465 |
| All Other Revenues | 450 | - | - | 450 |
| Total Revenues | <u>56,783</u> | <u>24,465</u> | <u>121,291</u> | <u>202,539</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Leisure Time Activities | 13,333 | - | - | 13,333 |
| General Government | - | 3,457 | - | 3,457 |
| Capital Outlay | 241,713 | - | - | 241,713 |
| Debt Service: | | | | |
| Principal Retirement | - | - | 150,000 | 150,000 |
| Interest and Fiscal Charges | - | - | 13,892 | 13,892 |
| Total Expenditures | <u>255,046</u> | <u>3,457</u> | <u>163,892</u> | <u>422,395</u> |
| Change in Net Assets | (198,263) | 21,008 | (42,601) | (219,856) |
| Fund Balances at Beginning of Year | 248,844 | 19,200 | 61,492 | 329,536 |
| Fund Balances at End of Year | <u>\$ 50,581</u> | <u>\$ 40,208</u> | <u>\$ 18,891</u> | <u>\$ 109,680</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, 2009

| | PARK IMPROVEMENT FUND | | | Variance Positive (Negative) |
|--------------------------------------|-----------------------|------------------|------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Fines, Licenses, and Permits | \$ 40,000 | \$ 40,000 | \$ 56,333 | \$ 16,333 |
| Other | - | - | 450 | 450 |
| Total Revenues | 40,000 | 40,000 | 56,783 | 16,783 |
| Expenditures: | | | | |
| Current: | | | | |
| Leisure Time Activities | 14,254 | 14,254 | 13,333 | 921 |
| Other | 234,722 | 246,722 | 243,076 | 3,646 |
| Capital Outlay | | | | |
| Total Expenditures | 248,976 | 260,976 | 256,409 | 4,567 |
| Net Change in Fund Balance | (208,976) | (220,976) | (199,626) | 21,350 |
| Fund Balance at Beginning of Year | 226,231 | 226,231 | 226,231 | - |
| Prior Year Encumbrances Appropriated | 23,976 | 23,976 | 23,976 | - |
| Fund Balance at End of Year | \$ 41,231 | \$ 29,231 | \$ 50,581 | \$ 21,350 |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Funds
For the Year Ended December 31, 2009

| | CAPITAL IMPROVEMENT FUND | | | Variance Positive (Negative) |
|--|--------------------------|------------------|-------------------|------------------------------------|
| | Budget | | Actual | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 5,000 | \$ 5,000 | \$ 279,990 | \$ 274,990 |
| Special Assessments | - | - | 25,288 | 25,288 |
| Other | - | - | 175 | 175 |
| Total Revenues | 5,000 | 5,000 | 305,453 | 300,453 |
| Expenditures: | | | | |
| Capital Outlay | 690,855 | 3,150,355 | 2,262,686 | 887,669 |
| Debt Service: | | | | |
| Principal Retirement | 3,500,000 | 3,500,000 | 3,500,000 | - |
| Interest and Fiscal Charges | 155,000 | 135,950 | 135,813 | 137 |
| Total Expenditures | 4,345,855 | 6,786,305 | 5,898,499 | 887,806 |
| Deficiency of Revenues Under Expenditures | (4,340,855) | (6,781,305) | (5,593,046) | 1,188,259 |
| Other Financing Sources: | | | | |
| Other Financing Sources | - | 111,571 | 24,901 | (86,670) |
| Face Value from Sale of Notes | 4,195,000 | 5,110,000 | 5,100,000 | (10,000) |
| Transfers - In | - | 583,429 | 417,000 | (166,429) |
| Total Other Financing Sources | 4,195,000 | 5,805,000 | 5,541,901 | (263,099) |
| Net Change in Fund Balance | (145,855) | (976,305) | (51,145) | 925,160 |
| Fund Balance at Beginning of Year | 290,020 | 290,020 | 290,020 | - |
| Prior Year Encumbrances Appropriated | 690,855 | 690,855 | 690,855 | - |
| Fund Balance at End of Year | \$ 835,020 | \$ 4,570 | \$ 929,730 | \$ 925,160 |

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, 2009

| | COURT TECHNOLOGY IMPROVEMENT FUND | | | |
|-----------------------------------|-----------------------------------|-----------|-----------|------------------------------------|
| | Budget | | Actual | Variance Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Fines, Licenses and Permits | \$ 18,000 | \$ 18,000 | \$ 24,465 | \$ 6,465 |
| Total Revenues | 18,000 | 18,000 | 24,465 | 6,465 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Mayor's Court | | | | |
| Other | 18,200 | 18,200 | 4,454 | 13,746 |
| Total Expenditures | 18,200 | 18,200 | 4,454 | 13,746 |
| Net Change in Fund Balance | (200) | (200) | 20,011 | 20,211 |
| Fund Balance at Beginning of Year | 19,000 | 19,000 | 19,000 | - |
| Fund Balance at End of Year | \$ 18,800 | \$ 19,000 | \$ 39,211 | \$ 20,211 |

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, 2009

| | CORRIDOR I-75 FUND | | | Variance Positive (Negative) |
|-----------------------------------|--------------------|------------|------------|------------------------------------|
| | Budget Original | Final | Actual | |
| Revenues: | | | | |
| Payment in Lieu of Taxes | \$ 90,000 | \$ 110,000 | \$ 121,291 | \$ 11,291 |
| Total Revenues | 90,000 | 110,000 | 121,291 | 11,291 |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | - | 150,000 | 150,000 | - |
| Interest and Fiscal Charges | 90,000 | 15,500 | 13,892 | 1,608 |
| Total Expenditures | 90,000 | 165,500 | 163,892 | 1,608 |
| Net Change in Fund Balance | - | (55,500) | (42,601) | 12,899 |
| Fund Balance at Beginning of Year | 61,492 | 61,492 | 61,492 | - |
| Fund Balance at End of Year | \$ 61,492 | \$ 5,992 | \$ 18,891 | \$ 12,899 |

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Funds
For the Year Ended December 31, 2009

| | CPO TIF Capital Projects | | | Variance Positive (Negative) |
|------------------------------------|--------------------------|---------------------|------------------|------------------------------------|
| | Budget Original | Final | Actual | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 7,500,000 | \$ 3,561,498 | \$ (3,938,502) |
| Other | - | - | 3,040 | 3,040 |
| Total Revenues | - | 7,500,000 | 3,564,538 | (3,935,462) |
| Expenditures: | | | | |
| Capital Outlay | - | 3,785,700 | 3,538,965 | 246,735 |
| Total Expenditures | - | 3,785,700 | 3,538,965 | 246,735 |
| Net Change in Fund Balance | - | 3,714,300 | 25,573 | (3,688,727) |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | \$ - | \$ 3,714,300 | \$ 25,573 | \$ (3,688,727) |

THE CITY OF MONROE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2009

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|--|---|-------------------|------------------|-------------------|
| | Stormwater Management | Garbage | Cemetery | Totals |
| Assets: | | | | |
| Current Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 135,149 | \$ 218,349 | \$ 74,958 | \$ 428,456 |
| Receivables (net of allowances for doubtful accounts) | | | | |
| Accounts | 24,522 | 62,982 | - | 87,504 |
| Special Assessment | 5,184 | 8,229 | - | 13,413 |
| Total Current Assets | <u>164,855</u> | <u>289,560</u> | <u>74,958</u> | <u>529,373</u> |
| Capital Assets: | | | | |
| Depreciable Assets | 275,513 | - | - | 275,513 |
| Total Assets | <u>\$ 440,368</u> | <u>\$ 289,560</u> | <u>\$ 74,958</u> | <u>\$ 804,886</u> |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ - | \$ - | \$ 428 | \$ 428 |
| Due to Other Governments | 2,206 | 1,496 | 1,544 | 5,246 |
| Capital Lease Payable - Current | 26,763 | - | - | 26,763 |
| Total Current Liabilities | <u>28,969</u> | <u>1,496</u> | <u>1,972</u> | <u>32,437</u> |
| Noncurrent Liabilities: | | | | |
| Capital Lease Payable | 28,088 | - | - | 28,088 |
| Total Noncurrent Liabilities | <u>28,088</u> | <u>-</u> | <u>-</u> | <u>28,088</u> |
| Total Liabilities | <u>57,057</u> | <u>1,496</u> | <u>1,972</u> | <u>60,525</u> |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 220,662 | - | - | 220,662 |
| Unrestricted | 162,649 | 288,064 | 72,986 | 523,699 |
| Total Net Assets | <u>383,311</u> | <u>288,064</u> | <u>72,986</u> | <u>744,361</u> |
| Total Net Assets and Liabilities | <u>\$ 440,368</u> | <u>\$ 289,560</u> | <u>\$ 74,958</u> | <u>\$ 804,886</u> |

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|------------------------------------|---|------------|-----------|--------------|
| | Stormwater Management | Garbage | Cemetery | Totals |
| <u>Operating Revenues:</u> | | | | |
| Charges for Services | \$ 263,326 | \$ 677,895 | \$ 65,188 | \$ 1,006,409 |
| Special Assessments | 659 | 1,888 | - | 2,547 |
| Grants | - | 2,995 | - | 2,995 |
| Other Operating Revenues | - | - | 1,155 | 1,155 |
| | 263,985 | 682,778 | 66,343 | 1,013,106 |
| <u>Operating Expenses:</u> | | | | |
| Personal Services | 56,211 | 38,513 | 37,828 | 132,552 |
| Materials and Supplies | 10,923 | - | 4,573 | 15,496 |
| Contractual Services | 20,772 | 608,404 | 15,052 | 644,228 |
| Depreciation | 18,070 | - | - | 18,070 |
| | 105,976 | 646,917 | 57,453 | 810,346 |
| Operating Income | 158,009 | 35,861 | 8,890 | 202,760 |
| <u>Non-Operating Expenses:</u> | | | | |
| Interest and Fiscal Charges | (3,977) | - | - | (3,977) |
| | (3,977) | - | - | (3,977) |
| Change in Net Assets | 154,032 | 35,861 | 8,890 | 198,783 |
| Total Net Assets - Beginning | 229,279 | 252,203 | 64,096 | 545,578 |
| Total Net Assets - Ending | \$ 383,311 | \$ 288,064 | \$ 72,986 | \$ 744,361 |

THE CITY OF MONROE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|---|---|-------------------|------------------|-------------------|
| | Stormwater Management | Garbage | Cemetery | Totals |
| Cash Flows from Operating Activities: | | | | |
| Cash Received from Customers | \$ 261,887 | \$ 678,195 | \$ 66,823 | \$ 1,006,905 |
| Cash Received from Operating Grants | - | 2,995 | - | 2,995 |
| Cash Paid for Employee Services and Benefits | (58,392) | (39,665) | (36,284) | (134,341) |
| Cash Paid to Suppliers for Goods and Services | (33,286) | (608,404) | (19,341) | (661,031) |
| Other Receipts | - | - | 1,155 | 1,155 |
| Net Cash Provided by Operating Activities | <u>170,209</u> | <u>33,121</u> | <u>12,353</u> | <u>215,683</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Cash repaid for Short Term Loan | (100,000) | - | - | (100,000) |
| Net Cash Provided by (Used for) Noncapital Financing Activities | <u>(100,000)</u> | <u>-</u> | <u>-</u> | <u>(100,000)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Principal Paid on Leases | (25,501) | - | - | (25,501) |
| Interest Paid on All Debt | (3,977) | - | - | (3,977) |
| 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 | 40,731 | 33,121 | 12,353 | 86,205 |
| Cash and Cash Equivalents at Beginning of Year | <u>94,418</u> | <u>185,228</u> | <u>62,605</u> | <u>342,251</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 135,149</u> | <u>\$ 218,349</u> | <u>\$ 74,958</u> | <u>\$ 428,456</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Operating Income | \$ 158,009 | \$ 35,861 | \$ 8,890 | \$ 202,760 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation Expense | 18,070 | - | - | 18,070 |
| Change in Assets and Liabilities: | | | | |
| Decrease in Accounts Receivable | 1,648 | 4,510 | 480 | 6,638 |
| (Increase) in Special Assessment Receivables | (3,768) | (6,108) | - | (9,876) |
| Decrease in Due from Other Governments | - | - | 1,155 | 1,155 |
| Increase (Decrease) in Accounts Payables | (837) | - | 284 | (553) |
| (Decrease) in Contracts Payables | (754) | - | - | (754) |
| (Decrease) in Accrued Wages and Benefits | (2,038) | (1,414) | - | (3,452) |
| Increase (Decrease) in Due to Other Governments | (121) | 272 | 1,544 | 1,695 |
| Total Adjustments | <u>12,200</u> | <u>(2,740)</u> | <u>3,463</u> | <u>12,923</u> |
| Net Cash Provided by Operating Activities | <u>\$ 170,209</u> | <u>\$ 33,121</u> | <u>\$ 12,353</u> | <u>\$ 215,683</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, 2009

| | Budget | | Actual | Variance Positive (Negative) |
|--------------------------------------|---------------------|-------------------|---------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 1,594,000 | \$ 1,594,000 | \$ 2,682,609 | \$ 1,088,609 |
| Special Assessment | - | - | 2,739 | 2,739 |
| Premium from Sale of Notes | 200,000 | 200,000 | 13,748 | (186,252) |
| Face Value from Sale of Notes | 2,800,000 | 2,800,000 | 2,800,000 | - |
| Other Operating Revenues | 6,000 | 6,000 | 13,941 | 7,941 |
| Total Revenues | 4,600,000 | 4,600,000 | 5,513,037 | 913,037 |
| Expenses: | | | | |
| Personal Services | 853,700 | 753,700 | 659,921 | 93,779 |
| Contractual Services | 1,400,000 | 1,406,864 | 1,291,307 | 115,557 |
| Materials and Supplies | 66,325 | 173,800 | 215,094 | (41,294) |
| Deposits Refunded | 22,000 | 22,000 | 6,840 | 15,160 |
| Capital Outlay | 514,951 | 523,640 | 423,854 | 99,786 |
| Debt Service: | | | | |
| Principal Retirement | - | 3,053,971 | 3,043,546 | 10,425 |
| Interest and Fiscal Charges | 283,184 | 306,184 | 132,174 | 174,010 |
| Total Expenses | 3,140,160 | 6,240,159 | 5,772,736 | 467,423 |
| Change in Fund Equity | 1,459,840 | (1,640,159) | (259,699) | 1,380,460 |
| Fund Equity at Beginning of Year | 1,282,266 | 1,282,266 | 1,282,266 | - |
| Prior Year Encumbrances Appropriated | 610,747 | 610,747 | 610,747 | - |
| Fund Equity at End of Year | \$ 3,352,853 | \$ 252,854 | \$ 1,633,314 | \$ 1,380,460 |

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, 2009

| | Budget | | Actual | Variance Positive (Negative) |
|--------------------------------------|-------------------|-------------------|-------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 1,200,000 | \$ 1,200,000 | \$ 1,108,818 | \$ (91,182) |
| Special Assessment | - | - | 670 | 670 |
| Total Revenues | 1,200,000 | 1,200,000 | 1,109,488 | (90,512) |
| Expenses: | | | | |
| Personal Services | 49,800 | 49,800 | 44,598 | 5,202 |
| Contractual Services | 985,000 | 1,185,000 | 1,052,501 | 132,499 |
| Materials and Supplies | 15,511 | 15,511 | 10,164 | 5,347 |
| Deposits Refunded | 2,000 | 2,000 | 211 | 1,789 |
| Total Expenses | 1,052,311 | 1,252,311 | 1,107,474 | 144,837 |
| Change in Fund Equity | 147,689 | (52,311) | 2,014 | 54,325 |
| Fund Equity at Beginning of Year | 350,898 | 350,898 | 350,898 | - |
| Prior Year Encumbrances Appropriated | 511 | 511 | 511 | - |
| Fund Equity at End of Year | \$ 499,098 | \$ 299,098 | \$ 353,423 | \$ 54,325 |

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, 2009

| | Budget | | Actual | Variance Positive (Negative) |
|--|-------------------|-------------------|-------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 650,000 | \$ 650,000 | \$ 261,228 | \$ (388,772) |
| Special Assessment | - | - | 659 | 659 |
| Total Revenues | 650,000 | 650,000 | 261,887 | (388,113) |
| Expenses: | | | | |
| Personal Services | 92,000 | 92,000 | 58,453 | 33,547 |
| Contractual Services | 100,000 | 112,791 | 81,514 | 31,277 |
| Materials and Supplies | 40,180 | 59,171 | 14,117 | 45,054 |
| Capital Outlay | 54,478 | 98,697 | - | 98,697 |
| Total Expenses | 286,658 | 362,659 | 154,084 | 208,575 |
| Deficiency of Revenues Under Expenses before Advances | 363,342 | 287,341 | 107,803 | (179,538) |
| Advances - Out | (101,000) | (100,000) | (100,000) | - |
| Change in Fund Equity | 262,342 | 187,341 | 7,803 | (179,538) |
| Fund Equity at Beginning of Year | 45,961 | 45,961 | 45,961 | - |
| Prior Year Encumbrances Appropriated | 48,458 | 48,458 | 48,458 | - |
| Fund Equity at End of Year | \$ 356,761 | \$ 281,760 | \$ 102,222 | \$ (179,538) |

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, 2009

| | Budget | | Actual | Variance Positive (Negative) |
|----------------------------------|-------------------|-------------------|-------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 650,000 | \$ 650,000 | \$ 676,307 | \$ 26,307 |
| Special Assessments | - | - | 1,888 | 1,888 |
| Grants | - | - | 2,995 | 2,995 |
| Total Revenues | <u>650,000</u> | <u>650,000</u> | <u>681,190</u> | <u>31,190</u> |
| Expenses: | | | | |
| Personal Services | 45,600 | 45,600 | 39,693 | 5,907 |
| Contractual Services | 600,000 | 600,000 | 608,404 | (8,404) |
| Materials and Supplies | 1,000 | 1,000 | - | 1,000 |
| Total Expenses | <u>646,600</u> | <u>646,600</u> | <u>648,097</u> | <u>(1,497)</u> |
| Change in Fund Equity | 3,400 | 3,400 | 33,093 | 29,693 |
| Fund Equity at Beginning of Year | <u>185,229</u> | <u>185,229</u> | <u>185,229</u> | <u>-</u> |
| Fund Equity at End of Year | <u>\$ 188,629</u> | <u>\$ 188,629</u> | <u>\$ 218,322</u> | <u>\$ 29,693</u> |

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, 2009

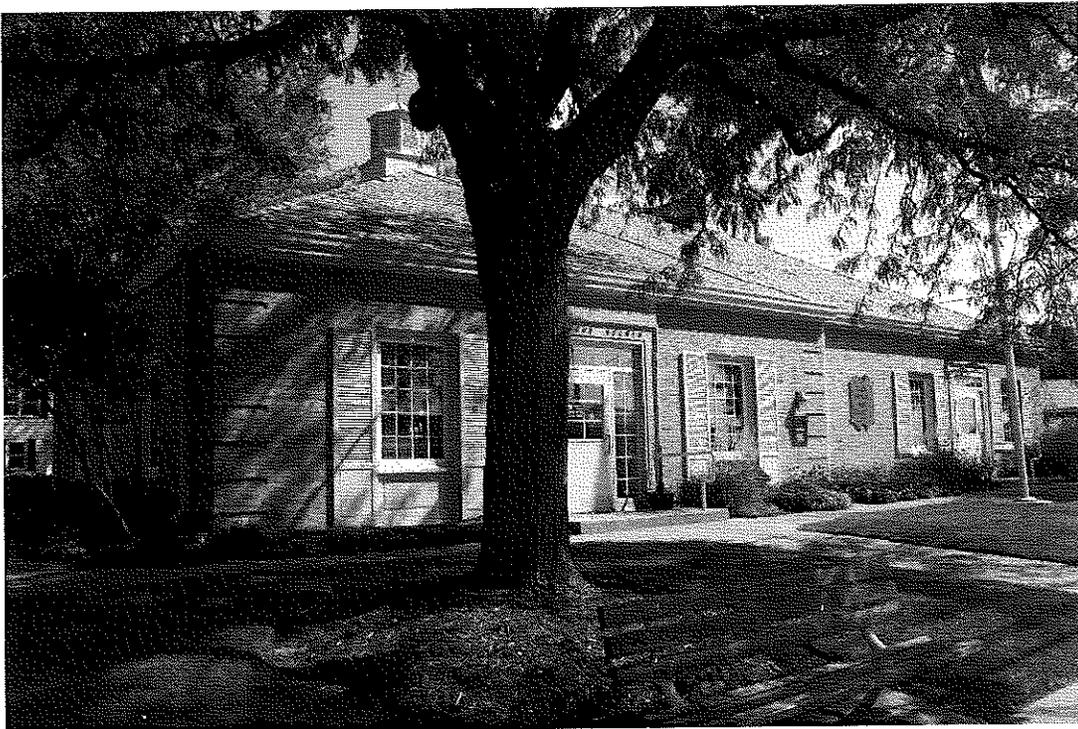
| | Budget | | Actual | Variance Positive (Negative) |
|-----------------------------------|------------------|-----------------|------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 40,000 | \$ 40,000 | \$ 66,823 | \$ 26,823 |
| Other Non-Operating Revenues | - | - | 1,155 | 1,155 |
| Total Revenues | 40,000 | 40,000 | 67,978 | 27,978 |
| Expenses: | | | | |
| Personal Services | 25,000 | 45,000 | 36,284 | 8,716 |
| Contractual Services | 10,000 | 38,496 | 20,999 | 17,497 |
| Materials and Supplies | 1,611 | 8,115 | 7,946 | 169 |
| Deposits Refunded | 1,000 | 1,000 | - | 1,000 |
| Total Expenses | 37,611 | 92,611 | 65,229 | 27,382 |
| Change in Fund Equity | 2,389 | (52,611) | 2,749 | 55,360 |
| Fund Equity at Beginning of Year | 60,995 | 60,995 | 60,995 | - |
| Fund Equity at End of Year | \$ 63,384 | \$ 9,995 | \$ 65,355 | \$ 55,360 |

THE CITY OF MONROE
COMBINING STATEMENT OF CHANGE IN FIDUCIARY
ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Balance December 31, 2008 | Additions | Deletions | Balance December 31, 2009 |
|---|------------------------------|-----------------|-----------------|------------------------------|
| Mayor's Court | | | | |
| <u>Assets:</u> | | | | |
| Cash and Cash Equivalents in Segregated Accounts | \$29,742 | \$25,619 | \$29,742 | \$25,619 |
| Total Assets | <u>29,742</u> | <u>25,619</u> | <u>29,742</u> | <u>25,619</u> |
| <u>Liabilities:</u> | | | | |
| Due to Other Governments | 17,858 | 7,729 | 17,858 | 7,729 |
| Due to Others | 11,884 | 17,890 | 11,884 | 17,890 |
| Total Liabilities | <u>29,742</u> | <u>25,619</u> | <u>29,742</u> | <u>25,619</u> |
| Flexible Spending | | | | |
| <u>Assets:</u> | | | | |
| Cash and Cash Equivalents in Segregated Accounts | 5,357 | 4,756 | 5,357 | 4,756 |
| Total Assets | <u>5,357</u> | <u>4,756</u> | <u>5,357</u> | <u>4,756</u> |
| <u>Liabilities:</u> | | | | |
| Due to Others | 5,357 | 4,756 | 5,357 | 4,756 |
| Total Liabilities | <u>5,357</u> | <u>4,756</u> | <u>5,357</u> | <u>4,756</u> |
| Total Agency Funds | | | | |
| <u>Assets:</u> | | | | |
| Cash and Cash Equivalents in Segregated Accounts | 35,099 | 30,375 | 35,099 | 30,375 |
| Total Assets | <u>35,099</u> | <u>30,375</u> | <u>35,099</u> | <u>30,375</u> |
| <u>Liabilities:</u> | | | | |
| Due to Other Governments | 17,858 | 7,729 | 17,858 | 7,729 |
| Due to Others | 17,241 | 22,646 | 17,241 | 22,646 |
| Total Liabilities | <u>\$35,099</u> | <u>\$30,375</u> | <u>\$35,099</u> | <u>\$30,375</u> |

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STATISTICAL



FIRST FINANCIAL BANK LOCATED ON MAIN STREET NEAR THE CITY BUILDING

SECTION

**CITY OF MONROE, OHIO
STATISTICAL SECTION DESCRIPTIONS
DECEMBER 31, 2009**

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 understand how the City's financial performance and situation have changed over time. | 106-111 |
| 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. | 112-116 |
| 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. | 117-119 |
| 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. | 120-121 |
| 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. | 122-124 |

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

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$43,279,636 | \$39,910,704 | \$35,459,009 | \$34,500,283 | \$36,129,538 | \$31,947,148 |
| Restricted | 1,285,278 | 1,146,508 | 2,123,343 | 3,042,662 | 2,691,443 | 1,826,135 |
| Unrestricted (Deficit) | 27,715,270 | 27,299,158 | 9,111,985 | 6,824,463 | (1,013,088) | (3,292,253) |
| Total Governmental Activities Net Assets | 72,280,184 | 68,356,370 | 46,694,337 | 44,367,408 | 37,807,893 | 30,481,030 |
| Business-Type Activities | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 2,514,116 | 2,499,198 | 1,479,725 | 314,256 | (587,825) | (812,502) |
| Unrestricted | 2,667,307 | 2,459,723 | 4,143,064 | 5,009,927 | 5,122,206 | 3,734,030 |
| Total Business-Type Activities Net Assets | 5,181,423 | 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 | 45,793,752 | 42,409,902 | 36,938,734 | 34,814,539 | 35,100,684 | 31,134,646 |
| Restricted | 1,285,278 | 1,146,508 | 2,123,343 | 3,042,662 | 2,691,443 | 1,826,135 |
| Unrestricted | 30,382,577 | 29,758,881 | 13,255,049 | 11,834,390 | 1,469,125 | 441,777 |
| Total Primary Government Net Assets | \$77,461,607 | \$73,315,291 | \$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 Six Years
(accrual basis of accounting)

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| Program Revenues | | | | | | |
| Governmental Activities: | | | | | | |
| Charges for Services: | | | | | | |
| Security of Persons and Property | \$ 1,156,739 | \$ 1,060,474 | \$ 931,465 | \$ 868,901 | \$ 639,503 | \$ 750,807 |
| Leisure Time Activities | 56,783 | 71,332 | 63,956 | 151,261 | 180,810 | 220,320 |
| Transportation | 231,488 | 182,140 | 100,000 | - | - | - |
| General Government | 685,142 | 628,566 | 402,862 | 744,910 | 726,831 | 444,834 |
| Interest and Fiscal Charges | 187,301 | 162,073 | - | - | - | - |
| Operating Grants and Contributions | 684,139 | 18,002,888 | 752,164 | 869,476 | 564,110 | 609,432 |
| Capital Grants and Contributions* | 3,675,130 | 4,392,382 | 805,223 | 2,802,248 | 7,069,000 | 5,268,350 |
| Total Governmental Activities Program Revenues | 6,676,722 | 24,499,855 | 3,055,670 | 5,436,796 | 9,180,254 | 7,293,743 |
| Business-Type Activities: | | | | | | |
| Charges for Services: | | | | | | |
| Water | 2,719,318 | 2,044,718 | 2,214,942 | 2,379,490 | 2,478,159 | 2,125,254 |
| Sewer | 1,087,705 | 1,166,762 | 1,218,250 | 1,153,178 | 1,162,147 | 1,087,713 |
| Stormwater Management | 263,985 | 240,753 | 255,560 | 236,089 | 151,470 | 171,658 |
| Garbage | 679,783 | 618,244 | 665,607 | 626,929 | 415,125 | 378,350 |
| Cemetery | 66,343 | 50,740 | 58,269 | 28,572 | 44,682 | 42,609 |
| Operating Grants and Contributions | 2,995 | - | 16 | 3,331 | 115,056 | 241,365 |
| Capital Grants and Contributions | - | - | - | - | - | 749,045 |
| Total Business-Type Activities Program Revenues | 4,820,129 | 4,121,217 | 4,412,644 | 4,427,589 | 4,366,639 | 4,795,994 |
| Total Primary Government Program Revenues | 11,496,851 | 28,621,072 | 7,468,314 | 9,864,385 | 13,546,893 | 12,089,737 |
| Expenses | | | | | | |
| Governmental Activities: | | | | | | |
| Security of Persons and Property | 6,657,452 | 7,126,129 | 5,969,482 | 4,398,101 | 4,540,694 | 4,486,282 |
| Public Health Services | 57,690 | 104,640 | 157,668 | 165,722 | 108,616 | 53,679 |
| Leisure Time Activities | 243,408 | 36,273 | 6,766 | 607 | 7,560 | 10,968 |
| Transportation | 2,120,330 | 2,650,250 | 2,208,735 | 1,854,390 | 1,759,235 | 1,522,048 |
| General Government | 3,594,174 | 3,327,306 | 1,904,304 | 1,616,468 | 1,806,973 | 1,358,457 |
| Interest and Fiscal Charges | 710,498 | 556,550 | 1,003,232 | 479,432 | 375,973 | 384,403 |
| Total Governmental Activities Expenses | \$ 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 Six Years
(accrual basis of accounting)

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| Business-Type Activities: | | | | | | |
| Water | \$ 2,693,114 | \$ 2,726,916 | \$ 2,231,916 | \$ 2,020,068 | \$ 1,674,742 | \$ 1,372,394 |
| Sewer | 1,090,190 | 1,098,769 | 1,168,884 | 1,112,972 | 1,073,010 | 1,190,572 |
| Stormwater Management | 109,953 | 303,105 | 142,651 | 139,484 | 46,082 | 89,250 |
| Garbage | 646,917 | 618,169 | 530,864 | 565,819 | 398,179 | 341,895 |
| Cemetery | 57,453 | 20,603 | 17,223 | 12,931 | 31,255 | 110,633 |
| Total Business-Type Activities Expenses | 4,597,627 | 4,767,562 | 4,091,538 | 3,851,274 | 3,223,268 | 3,104,744 |
| Total Primary Government Expenses | 17,981,179 | 18,568,710 | 15,341,725 | 12,365,994 | 11,822,319 | 10,920,581 |
| Net (Expense)/Revenue | (6,706,830) | 10,698,707 | (8,194,517) | (3,077,924) | 581,203 | (522,094) |
| Governmental Activities | 222,502 | (646,345) | 321,106 | 576,315 | 1,143,371 | 1,691,250 |
| Total Primary Government Net Expense | (6,484,328) | 10,052,362 | (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 | 5,809,473 | 5,427,919 | 5,602,563 | 3,892,969 | 3,345,238 | 2,791,808 |
| Property Taxes | 1,146,468 | 2,036,484 | 2,185,091 | 2,544,831 | 2,361,985 | 2,661,305 |
| Estate Taxes | 153,432 | 390,016 | 393,517 | 254,576 | 230,709 | 34,616 |
| Franchise Fee Taxes | 137,095 | 166,203 | 128,534 | 119,311 | 90,056 | 120,177 |
| Hotel Taxes | 58,693 | 34,542 | 68,755 | 82,372 | 95,149 | 58,931 |
| Payment in Lieu of Taxes | 2,005,204 | 844,205 | 416,537 | 70,878 | 65,573 | 66,472 |
| Preemptive Sales Taxes | 93,120 | 92,507 | 99,381 | 85,805 | 91,646 | 83,815 |
| Grants and Entitlements not Restricted to Specific Programs | 956,818 | 1,462,682 | 829,847 | 820,158 | 536,684 | 592,552 |
| Investment Earnings | 209,864 | 365,994 | 674,503 | 396,848 | 180,184 | 38,624 |
| Miscellaneous | 60,477 | 120,274 | 100,218 | 128,832 | 216,968 | 51,899 |
| Transfers | - | 22,500 | 22,500 | 22,500 | (468,532) | 363,844 |
| Total Governmental Activities | \$ 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 Six Years
(accrual basis of accounting)

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|--------------|---------------|--------------|--------------|--------------|--------------|
| Business-Type Activities: | | | | | | |
| Investment Earnings | \$ - | \$ 4,977 | \$ - | \$ 987 | \$ 950 | \$ - |
| Transfers | - | (22,500) | (22,500) | (22,500) | 468,532 | (363,844) |
| Total Business-Type Activities | 0 | (17,523) | (22,500) | (21,513) | 469,482 | (363,844) |
| Total Primary Government | 10,630,644 | 10,945,803 | 10,498,946 | 8,397,567 | 7,215,142 | 6,500,199 |
| Change in Net Assets | | | | | | |
| Governmental Activities | 3,923,814 | 21,662,033 | 2,326,929 | 5,341,156 | 7,326,863 | 6,341,949 |
| Business-Type Activities | 222,502 | (663,868) | 298,606 | 554,802 | 1,612,853 | 1,327,406 |
| Total Primary Government Change in Net Assets | \$ 4,146,316 | \$ 20,998,165 | \$ 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)

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|--------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$501,908 | \$545,390 | \$264,594 | \$51,762 | \$4,800 | \$6,583 | \$0 | \$0 | \$58,365 | \$118,050 |
| Unreserved | 5,658,337 | 5,128,686 | 4,021,327 | 1,930,344 | 1,146,500 | 1,405,223 | 1,341,495 | 1,607,403 | 1,597,105 | 1,123,629 |
| <i>Total General Fund</i> | <u>6,160,245</u> | <u>5,674,076</u> | <u>4,285,921</u> | <u>1,982,106</u> | <u>1,151,300</u> | <u>1,411,806</u> | <u>1,341,495</u> | <u>1,607,403</u> | <u>1,655,470</u> | <u>1,241,679</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 882,226 | 297,624 | 716,157 | 762,925 | 1,961 | 21,713 | 0 | 0 | 202,204 | 1,296,427 |
| Undesignated, Reported in: | | | | | | | | | | |
| Special Revenue funds | (321,103) | 275,254 | 1,095,589 | 1,336,376 | 1,582,971 | 29,242 | (1,560,947) | (3,415,678) | (3,258,658) | (1,779,784) |
| Debt Service funds | 15,789 | 232,959 | 146,072 | 7,563 | (1,375,241) | (831,250) | (1,089,058) | (661,327) | (28,454) | 627,481 |
| Capital Projects funds | (4,117,594) | (2,993,639) | (2,632,732) | (823,597) | 629,222 | 529,165 | 253,789 | 72,980 | 10,925 | 46,606 |
| <i>Total All Other Governmental Funds</i> | <u>(3,540,682)</u> | <u>(2,187,802)</u> | <u>(674,914)</u> | <u>1,283,267</u> | <u>838,913</u> | <u>(251,130)</u> | <u>(2,396,216)</u> | <u>(4,004,025)</u> | <u>(3,073,983)</u> | <u>190,730</u> |
| <i>Total Governmental Funds</i> | <u>\$2,619,563</u> | <u>\$3,486,274</u> | <u>\$3,611,007</u> | <u>\$3,265,373</u> | <u>\$1,990,213</u> | <u>\$1,160,676</u> | <u>(\$1,054,721)</u> | <u>(\$2,396,622)</u> | <u>(\$1,418,513)</u> | <u>\$1,432,409</u> |

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

Source: City financial records

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

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|--|-------------------|-------------------|-------------------|--------------------|------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Income Taxes | \$5,784,713 | \$5,352,927 | \$5,238,256 | \$3,909,004 | \$3,345,238 | \$2,791,808 | \$2,891,413 | \$2,341,842 | \$2,456,779 | \$2,085,001 |
| Property and Other Taxes | 2,041,637 | 1,971,017 | 2,131,720 | 2,197,086 | 2,423,332 | 2,793,454 | 1,098,020 | 1,301,347 | 2,114,226 | 1,634,291 |
| Payment in Lieu of Taxes | 2,005,203 | 844,205 | 416,537 | 70,878 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 5,716,065 | 2,813,759 | 1,885,762 | 1,702,514 | 1,139,297 | 1,281,053 | 1,690,446 | 1,639,891 | 1,298,110 | 856,883 |
| Charges for Services | 1,251,564 | 1,084,965 | 1,184,918 | 1,081,891 | 706,307 | 683,024 | 429,184 | 345,398 | 154,848 | 122,531 |
| Licenses and Permits | 585,034 | 1,062,746 | 347,224 | 718,573 | 798,943 | 616,013 | 852,123 | 819,011 | 397,482 | 444,092 |
| Investment Earnings | 208,864 | 365,994 | 674,503 | 396,848 | 180,184 | 38,657 | 8,732 | 13,160 | 100,886 | 308,143 |
| Fines and Forfeitures | 221,330 | 220,440 | 139,590 | 112,789 | 71,580 | 62,073 | 0 | 0 | 0 | 0 |
| Special Assessments | 301,213 | 302,789 | 72,463 | 210,722 | 197,673 | 203,396 | 244,479 | 195,976 | 135,505 | 130,974 |
| Miscellaneous | 226,261 | 166,658 | 439,270 | 125,345 | 241,688 | 75,900 | 127,709 | 537,484 | 170,372 | 187,987 |
| Total Revenues | 18,342,084 | 14,185,500 | 12,530,243 | 10,525,650 | 9,106,242 | 8,545,378 | 7,342,106 | 7,194,109 | 6,828,208 | 5,769,902 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Security of Persons and Property | 6,506,911 | 5,896,151 | 5,708,624 | 4,366,684 | 4,415,942 | 4,279,918 | 3,690,212 | 3,988,629 | 4,172,209 | 4,261,368 |
| Public Health and Welfare | 83,191 | 104,640 | 148,323 | 165,722 | 108,616 | 53,679 | 196,073 | 52,541 | 211,458 | 138,936 |
| Transportation | 1,722,489 | 1,196,834 | 1,047,776 | 608,078 | 597,737 | 595,673 | 696,325 | 629,758 | 808,002 | 719,173 |
| General Government | 2,229,646 | 2,342,991 | 1,511,020 | 1,503,590 | 1,614,230 | 1,315,218 | 1,308,932 | 1,902,881 | 1,987,587 | 605,308 |
| Leisure Time Activities | 236,052 | 27,074 | 2,005 | 607 | 0 | 2,936 | 0 | 91,163 | 78,362 | 28,850 |
| Basic Utility Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,302 | 17,402 | 7,112 |
| Intergovernmental | 1,256,721 | 539,714 | 228,317 | 22,721 | 17,876 | 10,811 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5,716,840 | 3,069,094 | 1,977,412 | 1,945,597 | 273,949 | 108,156 | 676,750 | 983,672 | 1,549,043 | 2,241,541 |
| Debt service: | | | | | | | | | | |
| Principal Retirement | 756,775 | 613,681 | 593,242 | 518,412 | 485,148 | 83,700 | 5,004,913 | 370,490 | 403,498 | 341,814 |
| Interest and Fiscal Charges | 700,170 | 546,635 | 990,390 | 483,450 | 371,295 | 457,722 | 997,457 | 819,483 | 482,585 | 474,871 |
| Total Expenditures | 19,208,795 | 14,336,814 | 12,207,109 | 9,614,861 | 7,884,793 | 6,904,877 | 12,573,598 | 8,853,919 | 9,710,146 | 8,818,973 |
| Excess of Revenues Over (Under) Expenditures | (866,711) | (151,314) | 323,134 | 910,789 | 1,221,449 | 1,640,501 | (5,231,492) | (1,659,810) | (2,881,938) | (3,049,071) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Sale of Capital Assets | 0 | 2,143 | 0 | 17,584 | 0 | 211,052 | 0 | 12,384 | 825 | 9,152 |
| Proceeds from Lease Purchase | 0 | 1,938 | 0 | 559,287 | 76,620 | 0 | 0 | 0 | 0 | 642,316 |
| Agreement/Inception of Capital Lease | 0 | 0 | 0 | 0 | 0 | 0 | 7,565,000 | 0 | 0 | 775,000 |
| Face Value from the Sale of Bonds | 5,468,000 | 5,409,771 | 4,659,641 | 4,719,513 | 2,772,370 | 1,640,614 | 2,532,932 | 4,268,105 | 1,071,235 | 4,744,697 |
| Transfers In | (5,468,000) | (5,387,271) | (4,637,141) | (4,697,013) | (3,240,902) | (1,276,770) | (2,546,932) | (3,598,788) | (1,153,199) | (4,307,033) |
| Transfers Out | 0 | 26,581 | 22,500 | 599,371 | (391,912) | 574,896 | 7,551,000 | 681,701 | (81,119) | 1,864,132 |
| Total Other Financing Sources (Uses) | (866,711) | (124,733) | \$345,634 | \$1,510,160 | \$829,537 | \$2,215,397 | \$2,319,508 | (\$978,109) | (\$2,963,057) | (\$1,184,939) |
| Net Change in Fund Balances | 11.9% | 12.9% | 15.2% | 12.9% | 11.3% | 8.0% | 50.5% | 15.1% | 10.9% | 12.4% |
| Debt Service as a Percentage of Noncapital Expenditures | | | | | | | | | | |

* 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 | | |
| 2000 | \$ 139,839,110 | \$ 399,540,314 | \$ 41,865,628 | \$ 167,462,512 | \$ 25,840,540 | \$ 29,364,250 | \$ 207,545,278 | \$ 596,367,076 | \$ 11.17 | 34.80% |
| 2001 | 164,645,170 | 464,700,486 | 46,894,834 | 187,579,336 | 16,428,630 | 18,668,898 | 227,968,634 | 670,948,720 | \$ 11.17 | 33.98% |
| 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 | 280,904,550 | 802,584,429 | 0 | 0 | 16,245,600 | 18,460,909 | 297,150,150 | 821,045,338 | \$ 9.32 | 36.19% |
| 2009 | 289,062,570 | 825,893,057 | 0 | 0 | 17,525,770 | 19,915,648 | 306,588,340 | 845,808,705 | \$ 9.32 | 36.25% |

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 |
| 2000 | \$11.17 | \$8.75 | \$43.36 | \$1.93 |
| 2001 | 11.17 | 8.75 | 43.36 | 1.93 |
| 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 |

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 Nine Years Ago

| Name of Taxpayer | 2009 | | | 2000 | | |
|---------------------------------|-----------------------|------|-------------------------------|-----------------------|------|-------------------------------|
| | Assessed Valuation | Rank | % of Total Assessed Valuation | Assessed Valuation | Rank | % of Total Assessed Valuation |
| Duke Energy Ohio Inc. | \$ 16,024,230 | 1 | 5.23% | | | |
| Ohio Presbyterian Retirement | 8,363,100 | 2 | | 2,097,160 | 5 | 1.01% |
| Worthington Steel | 5,051,200 | 3 | 1.65% | 3,041,960 | 2 | 1.47% |
| EPHS Investments LLC | 4,319,170 | 4 | 1.41% | 3,419,420 | 1 | 1.65% |
| K.P. Properties of Ohio LLC | 3,057,450 | 5 | 1.00% | | | |
| Duke Realty Ohio | 2,970,330 | 6 | 0.97% | 2,512,740 | 4 | 1.21% |
| Baker Monroe Properties LLC | 2,249,620 | 7 | 0.73% | | | |
| Monroe Crossings | 1,863,340 | 8 | 0.61% | \$ 2,535,350 | 3 | 1.22% |
| Dayton Technologies | 1,800,470 | 9 | 0.59% | 1,894,190 | 7 | 0.91% |
| Crystal Partners LLC | 1,726,530 | 10 | | 1,110,250 | 10 | 0.53% |
| Sulzer EscherWyess, Inc. | | | | 2,049,760 | 6 | 0.99% |
| Drees, Inc. | | | | 1,179,810 | 8 | 0.57% |
| Teazak, Inc. | | | | 1,146,150 | 9 | 0.55% |
| Total | \$ 47,425,440 | | 12.18% | \$ 20,986,790 | | 9.56% |
| Total Assessed Valuation | \$ 306,588,340 | | | \$ 207,545,278 | | |

Source: Butler County Auditor's Office

Note: The City did not prepare a Comprehensive Annual Financial Report prior to 2000. This is the latest information available.

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 TOTAL TAX COLLECTIONS TO TAX LEVY | ACCUMULATED OUTSTANDING DELINQUENT TAXES | PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY |
|-----------------|----------------|-------------------------|----------------------------|-----------------------|---|--|--|
| 2000 | \$ 1,109,108 | \$ 1,069,616 | \$ 21,983 | \$ 1,091,599 | 98.42% | \$ 112,135 | 10.11% |
| 2001 | 2,052,000 | 1,970,467 | 32,054 | 2,002,521 | 97.59% | 120,440 | 5.87% |
| 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% |

SOURCE: Butler County Auditor's Office

CITY OF MONROE, OHIO

Income Tax Statistics - Last Two Available Calendar Years

| | 2008 | | 2007 | |
|---|--------------------|-------------------|--------------------|-------------------|
| | <u>Individuals</u> | <u>Net Profit</u> | <u>Individuals</u> | <u>Net Profit</u> |
| Total number of final returns filed | 5,484 | 1,594 | 5,031 | 1,232 |
| Total number of returns not filed | 359 | 151 | 284 | 112 |
| Total tax dollars paid prior to filing | \$ 1,228,814 | \$ 861,157 | \$ 1,379,277 | \$ 1,343,569 |
| Total tax dollars paid with filing | \$ 49,338 | \$ 963 | \$ 297,296 | \$ 83,148 |
| Total tax dollars paid after filing | \$ 163,139 | \$ 85,972 | \$ 140,123 | \$ 46,725 |
| Total penalty and interest paid | \$ 24,259 | \$ 3,137 | \$ 23,254 | \$ 5,417 |
| | <u>Withholding</u> | | <u>Withholding</u> | |
| Total number of reconciliations filed | 951 | | 889 | |
| Total number of reconciliations not filed | 32 | | 28 | |
| Total tax dollars paid with reconciliations | \$ 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 can not be retrieved. 2007 is the latest information available. The City's records for calendary year 2009 are not finalized.

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

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Bonded Debt Outstanding: | | | | | | | | | | |
| General Obligation Notes/Bonds | \$11,515,000 | \$9,440,000 | \$9,855,000 | \$6,765,000 | \$7,170,000 | \$7,565,000 | \$7,565,000 | \$6,275,000 | \$6,645,000 | \$6,810,000 |
| Special Assessment Bonds | 724,200 | 816,800 | 928,900 | 1,029,600 | 1,130,000 | 1,302,700 | 1,302,700 | 1,380,100 | 1,457,200 | 1,529,000 |
| Enterprise Loans/Notes Payable | 3,264,903 | 3,496,356 | 3,702,259 | 3,928,543 | 4,891,323 | 5,282,195 | 5,282,195 | 5,520,131 | 5,490,908 | 1,780,000 |
| Capital Leases Payable | 420,238 | 534,914 | 643,855 | 755,876 | 75,472 | 0 | 0 | 0 | 0 | 0 |
| Revenue Obligation Bonds | 1,850,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 0 |
| Total | 17,774,341 | 16,288,070 | 17,130,014 | 14,479,019 | 15,266,795 | 16,149,895 | 16,149,895 | 15,175,231 | 15,593,108 | 10,119,000 |
| Percentage of Estimated Actual Property Value | 5.98% | 5.48% | 5.30% | 5.05% | 5.94% | 6.22% | 6.10% | 5.88% | 6.84% | 4.88% |
| Total Debt Per Capita | 2,492 | 2,283 | 2,402 | 2,030 | 2,140 | 2,264 | 2,264 | 2,127 | 2,186 | 1,419 |
| Total Debt as a Percentage of Personal Income | Not Available | Not Available | 8.77% | 6.59% | 7.54% | 8.81% | 9.82% | 10.17% | NA | NA |
| Less: | | | | | | | | | | |
| Special Assessment Bonds | (724,200) | (816,800) | (928,900) | (1,029,600) | (1,130,000) | (1,302,700) | (1,302,700) | (1,380,100) | (1,457,200) | (1,529,000) |
| Enterprise Loans/Notes Payable | (3,264,903) | (3,496,356) | (3,702,259) | (3,928,543) | (4,891,323) | (5,282,195) | (5,282,195) | (5,520,131) | (5,490,908) | (1,780,000) |
| Capital Leases Payable | (420,238) | (534,914) | (643,855) | (755,876) | (75,472) | 0 | 0 | 0 | 0 | 0 |
| Revenue Obligation Bonds | (1,850,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | 0 |
| Total Net Debt Applicable to Debt Limit | 11,515,000 | 9,440,000 | 9,855,000 | 6,765,000 | 7,170,000 | 7,565,000 | 7,565,000 | 6,275,000 | 6,645,000 | 6,810,000 |
| Overall Legal Debt Limit | 31,200,766 | 31,200,766 | 33,915,329 | 30,110,361 | 26,969,148 | 27,273,497 | 27,801,005 | 27,083,609 | 23,936,707 | 21,792,254 |
| 10 1/2% of Assessed Valuation | \$19,685,766 | \$21,760,766 | \$24,060,329 | \$23,345,361 | \$19,799,148 | \$19,708,497 | \$20,236,005 | \$20,808,609 | \$17,291,707 | \$14,982,254 |
| Legal Debt Margin Within 10 1/2% Limitations | 63.09% | 69.74% | 70.94% | 77.53% | 73.41% | 72.26% | 72.79% | 76.83% | 72.24% | 68.75% |
| Legal Debt Margin as a Percentage of the Debt Limit | | | | | | | | | | |
| Unvoted Debt Limitation | \$16,343,258 | \$16,343,258 | \$17,765,172 | \$15,772,094 | \$14,126,696 | \$14,286,117 | \$14,562,431 | \$14,186,653 | \$12,538,275 | \$11,414,990 |
| 5 1/2% of Assessed Valuation | 17,774,341 | 16,288,070 | 17,130,014 | 14,479,019 | 15,266,795 | 16,149,895 | 16,149,895 | 15,175,231 | 15,593,108 | 10,119,000 |
| Total Debt Approved by Council | | | | | | | | | | |
| Less: | | | | | | | | | | |
| Special Assessment Bonds | (724,200) | (816,800) | (928,900) | (1,029,600) | (1,130,000) | (1,302,700) | (1,302,700) | (1,380,100) | (1,457,200) | (1,529,000) |
| Enterprise Loans/Notes Payable | (3,264,903) | (3,496,356) | (3,702,259) | (3,928,543) | (4,891,323) | (5,282,195) | (5,282,195) | (5,520,131) | (5,490,908) | (1,780,000) |
| Revenue Obligation Bonds | (1,850,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | 0 |
| Net Debt Within 5 1/2% Limitations | 11,935,238 | 9,974,914 | 10,498,855 | 7,520,876 | 7,245,472 | 7,565,000 | 7,565,000 | 6,275,000 | 6,645,000 | 6,810,000 |
| Unvoted Legal Debt Margin Within 5 1/2% Limitations | \$4,408,020 | \$6,368,344 | \$7,266,317 | \$8,251,218 | \$6,881,224 | \$6,721,117 | \$6,997,431 | \$7,911,653 | \$5,893,275 | \$4,604,990 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 26.97% | 38.97% | 40.90% | 52.32% | 48.71% | 47.05% | 48.05% | 55.77% | 47.00% | 40.34% |

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, 2009

| JURISDICTION | NET DEBT OUTSTANDING (1) | PERCENTAGE APPLICABLE TO CITY OF MONROE (2) | AMOUNT APPLICABLE TO CITY OF MONROE |
|----------------|-----------------------------|--|--|
| City of Monroe | \$ 5,499,211 | 100.00% | \$ 5,499,211 |
| Butler County | 55,615,000 | 3.42% | 1,902,033 |

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 |
|------|------------|----------------|---------------------|-----------------------|----------------------|---------------------------------------|-----------------|--|----------------------------|
| 2000 | 7,133 | \$ 207,545,278 | Not Available | \$ 4,910,000 | N/A | \$ 1,780,000 | \$ 6,690,000 | 3.22% | \$ 938 |
| 2001 | 7,133 | 227,968,634 | Not Available | 4,745,000 | N/A | 1,690,908 | 6,435,908 | 2.82% | 902 |
| 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 | 297,150,150 | 261,846,333 | 5,940,000 | 232,959 | 508,449 | 6,448,449 | 2.17% | 904 |
| 2009 | 7,133 | 306,588,340 | Not available | 5,515,000 | 15,789 | 464,903 | 5,979,903 | 1.95% | 838 |

SOURCE: Population figures are taken from the 1990 and 2000 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 2009 is not available as the City switched tax reporting system during the year.

(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
Current Year and Seven Years Ago

| 2009 | | |
|-------------------------------|---------------|---|
| Employer | Employees | Percentage of Total City Employment |
| CBS Personell Service, LLC | 2,846 | 11.42 % |
| Kohl's Department Stores | 2,089 | 8.38 |
| Ohio Presbyterian Retirement | 497 | 1.99 |
| Elite Labor Weekly, LTD | 455 | 1.83 |
| Monroe Local Schools | 398 | 1.60 |
| Baker Concrete Construction | 351 | 1.41 |
| Deceuninck North America LLC* | 307 | 1.23 |
| Minute Men, INC | 242 | 0.97 |
| Home Depot | 214 | 0.86 |
| Kroger Limited Partnership | 198 | 0.79 |
| Total | 7,597 | 30.49 % |
| Total City Employees | 24,914 | |

| 2002 | | |
|-------------------------------|---------------|---|
| Employer | Employees | Percentage of Total City Employment |
| 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 | 2,733 | 23.00% |
| Total City Employees | 11,883 | |

Source: Department of Income Tax

Note: The 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 |
|------|----------------|--------------------------|---|----------------------------|----------------------------------|
| 2000 | 7,133 | 9,260 | 2.3 | \$ 1,152,810,000 | Not Available |
| 2001 | 7,133 | 1,466 | 2.6 | 1,136,994,000 | Not Available |
| 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 | Not available |

(1) SOURCE: U.S. Census, Census of population - 1990 and 2000 Federal Census

(2) SOURCE: Middletown and Monroe Boards of Education (Only Monroe in 2001-2007)

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

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

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| CAPITAL ASSETS DEPRECIATION | | | | | | |
| Governmental Activities: | | | | | | |
| Security of Persons and Property | \$ 331,752 | \$ 263,393 | \$ 130,550 | \$ 139,050 | \$ 134,523 | \$ 204,604 |
| Leisure Time Activities | 9,199 | 9,199 | 7,560 | - | 7,560 | 10,968 |
| Transportation | 105,101 | 87,731 | 90,951 | 57,439 | 64,629 | 926,375 |
| General Government | 106,317 | 107,272 | 108,952 | 105,866 | 125,361 | 138,616 |
| Total Governmental Activities | <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 | 463,316 | 429,801 | 226,799 | 241,086 | 229,797 | 232,066 |
| Stormwater Management | 18,070 | 13,413 | 13,413 | - | - | - |
| Total Business-Type Activities | <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>\$ 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 Three Fiscal Years

| Function/program | 2009 | 2008 | 2007 |
|---|--------------|---------------|--------------|
| General Government | | | |
| Construction Permits Issued | 582 | 345 | 356 |
| Estimated Value of Construction | \$31,432,126 | \$126,439,882 | \$48,200,000 |
| Zoning Certificates Approved | 112 | 30 | 16 |
| Property Maintenance Complaints | 162 | 120 | 10 |
| Utility Bills mailed | 59,018 | 57,954 | 54,388 |
| Purchase Orders Issued | 846 | not avail | not avail |
| Police | | | |
| Total Incidents | | 18,010 | 14,825 |
| Number of Citations issued | 4,941 | 4,005 | 2,204 |
| Misdemeanor & Felony Arrests | 1,794 | 1,477 | 1,536 |
| DUI Arrests | 179 | 150 | 73 |
| Alcohol Compliance Checks | 2 | 1 | 2 |
| Detective Investigated Cases | 249 | 113 | 207 |
| Calls for Service | 10,150 | 9,307 | 14,825 |
| Fire | | | |
| Emergency responses | 594 | 635 | 550 |
| Fire hydrant inspections | 823 | 754 | 668 |
| Training Hours | 4,063 | 5,248 | 3,252 |
| Number of times dispatched | 2,470 | 2,448 | 2,219 |
| Community Training Programs (number of attendees) | 938 | 528 | 138 |
| Public Service | | | |
| Snow removal (man hours) | 1,430 | 1,275 | 1,366 |
| Leaf pick-up (man hours) | 850 | 800 | 960 |
| Curbs replaced (linear feet) | 0 | 2,000 | 2,000 |
| Drive aprons replaced (square yards) | 0 | 600 | 600 |
| Truckloads of leaves picked-up | 164 | 180 | 200 |
| Tons of snow melting salt used | 1,300 | 1,800 | 1,856 |
| Number of snow events | 13 | 14 | 11 |
| Cemetery burials | \$34 | 42 | 48 |
| Water meter installations | 160 | 154 | 160 |

Sources: City Department Year End Reports

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

| Function/program | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</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 | 1.5 | 1.5 | 2.0 | 2.0 | 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 | 8.2 | 7.5 | 6.5 | 5.0 | 5.0 | 4.5 | 5.0 | 8.0 | 6.0 |
| Planning | 4.0 | 4.0 | 2.0 | 2.0 | 2.0 | 0.5 | 1.5 | 2.0 | 2.0 | 2.5 |
| Police | 36.0 | 30.5 | 30.0 | 29.0 | 29.0 | 29.5 | 31.0 | 29.0 | 30.0 | 29.5 |
| Fire | 36.0 | 33.0 | 32.0 | 30.0 | 32.5 | 31.5 | 32.5 | 31.5 | 32.5 | 32.5 |
| Engineering | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 1.0 | 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 | 5.0 | 5.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 5.0 | 5.0 | 4.0 |
| Service: | | | | | | | | | | |
| Administration | 3.5 | 3.0 | 3.0 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Street Maintenance | 9.0 | 9.0 | 9.0 | 9.0 | 8.0 | 7.0 | 7.0 | 8.0 | 11.0 | 8.5 |
| Cemetery | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 1.0 | 1.0 |
| Clerk of Courts | 0.8 | 0.8 | 0.5 | 0.5 | 0.5 | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 |
| Totals: | <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> | <u>102.5</u> | <u>97.0</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