

# The City of Monroe, Ohio



*The newly rebranded “Park North at Monroe”, which is the City’s largest industrial park, is now owned and operated by IDI.*

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2012



# INTRODUCTORY SECTION



*The concrete walls for IDI's second and final building at Monroe Logistics Center went up in early 2012. The building was completed by the end of 2012 and fully occupied within five months.*



The City of Monroe, Ohio

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For The Year  
Ended December 31, 2012

Prepared by:  
Ms. Kacey Waggaman, Finance Director

*City of Monroe, Ohio*  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2012*

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Robert E. Routson  
Mayor

# City of Monroe

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

William J. Brock  
City Manager

June 18, 2013

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, 2012. 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 2012.

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

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

## **THE CITY OF MONROE**

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

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

Data from the 2010 Census indicates that the City continues to grow rapidly. The City's 2010 population is 12,442, indicating that the City grew by 74% from 2000-2010. The U.S. Census Bureau estimates that the City's 2012 population is 12,844.

Although once strictly a farming community, the City of Monroe now has a strong industrial base. Currently, the total percentage of land area in Monroe is significantly weighted towards light and heavy industrial acreage (51% industrial and commercial). The income tax generated \$6,368,870 (budgetary basis), a \$59,111 decrease from 2011. The City offers excellent access to the flourishing Interstate 75 corridor and holds 2,600 acres of prime green field industrial parcels ready for development.

### **CITY ORGANIZATION AND REPORTING ENTITY**

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

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

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

## **ECONOMIC CONDITION AND MAJOR INITIATIVES**

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

Economic development in the City of Monroe has continued to be strong in recent years, despite relatively poor economic conditions. Distribution and logistics-focused operations continue to be a substantial part of the City's growth, although smaller "quality of life" developments continue to be important. In 2012, IDI took control of the City's largest industrial park by purchasing the park at a foreclosure sheriff's sale. The park has been rebranded as "Park North at Monroe" and viable leads from the last quarter of 2012 and first two quarters of 2013 have been plentiful. Additionally in 2012-early 2013, IDI constructed a 553,000 SF speculative building that was fully occupied within months of completion.

Although large-scale development has certainly been an important part of Monroe's growth, several smaller industrial company expansions and construction of amenities (a daycare center, bank) throughout 2010 and 2011 have contributed to the City's growth and improving quality of life. While 2012 saw limited commercial new construction, residential new construction showed signs of continued improvement.

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

### **MAJOR INITIATIVES**

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

## Roadway Improvements

Improvements to State Route 63 are continuing with an Ohio Department of Transportation sponsored project replacing the Interstate 75 bridge and making substantial improvements to the north and south bound ramps onto State Route 63. Construction on the bridge deck and ramps is completed. The City was awarded \$750,000 in grant funding from OKI for beautification improvements to the interchange to complete the overall transformation of the City's front door. Design work began in 2009 and improvements were completed in 2012.

## **FINANCIAL INFORMATION**

### Accounting System and Budgetary Control

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

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

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

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

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

## **FINANCIAL CONDITION**

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

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

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

## **FINANCIAL POLICIES**

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

## **OTHER INFORMATION**

### *Independent Audit*

This report includes an unmodified audit report regarding the City's financial statements. The State of Ohio Auditor's office 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, 2011. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This is the eleventh consecutive year the City has received the award.

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

Acknowledgements

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

Respectfully submitted,

  
Kaye Wozzama  
City Finance Director

  
City Manager

***The City of Monroe, Ohio***

***List of Principal Officials***

***December 31, 2012***

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

**CITY COUNCIL MEMBERS**

Anna Hale  
Steve Black  
Suzi Rubin  
Lora Stillman  
Todd Hickman



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Monroe  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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



*Christopher P. Mouill*

President

*Jeffrey R. Emer*

Executive Director

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# FINANCIAL SECTION



*Everybody's Health Chiropractic opened their Monroe location in the Heritage Green Plaza in 2012. The Heritage Green Plaza is now fully occupied.*





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Butler County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis and required budgetary comparison schedules* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and is not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules, are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 18, 2013

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The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2012  
(Unaudited)

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This discussion and analysis of the City of Monroe's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. 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 2012 are as follows:

- ❑ The assets of the City exceeded its liabilities at the close of the year ended December 31, 2012, by \$61,266,632 (net position). Of this amount, \$1,802,610 is classified as unrestricted in the business-type activities.
- ❑ The City's governmental net position increased by \$998,673 which represents a 1.83% increase from 2011.
- ❑ At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$10,365,169. Of this amount \$7,492,401 is available for spending (unassigned fund balance) on behalf of its citizens.
- ❑ At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,797,187 or approximately 308.5% of total 2012 General Fund expenditures.
- ❑ The other major governmental funds: Fire 1989 Levy, Police Law Enforcement, 2004 TIFs and Bond Retirement funds had ending fund balances (deficits) of (\$138,962); (\$165,824); \$294,977 and \$109,320 respectively. The deficits in the Fire 1989 Levy and Police Law Enforcement Funds are due to outstanding payables at year end.

### **Using this Annual Financial Report**

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

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

### **Reporting City of Monroe as a Whole**

#### Statement of Net Position 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 2012?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when the cash is received or paid.

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2012  
(Unaudited)

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These two statements report the City's net position and the change in net position. This change in net position 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 Position and the Statement of Activities, the City is divided into two kinds of activities:

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

### **Reporting City of Monroe's Most Significant Funds**

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents.

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

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

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

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2012  
(Unaudited)

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

*Proprietary Funds:* The City maintains only one type of proprietary fund which is the enterprise type of fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer, Garbage, Stormwater Management and Cemetery operations.

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

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

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

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition. In the case of the City, assets exceeded liabilities by \$61,266,632 (\$55,620,340 in governmental activities and \$5,646,292 in business type activities) as of December 31, 2012. By far, the largest portion of the City's net position (77%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and streets), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to retire such liabilities.

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2012  
(Unaudited)

The following table provides a summary of the City's statement of net position for 2012 compared to 2011.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 34,552,850	\$ 32,363,070	\$ 5,522,217	\$ 6,186,661	\$ 40,075,067	\$ 38,549,731
Capital Assets	55,558,240	57,065,265	6,787,936	5,571,323	62,346,176	62,636,588
Total Assets	<u>\$ 90,111,090</u>	<u>\$ 89,428,335</u>	<u>\$ 12,310,153</u>	<u>\$ 11,757,984</u>	<u>\$ 102,421,243</u>	<u>\$ 101,186,319</u>
Current Liabilities	\$ 21,895,098	\$ 21,114,555	\$ 828,866	\$ 504,621	\$ 22,723,964	\$ 21,619,176
Long-term Liabilities	12,595,652	13,692,113	5,834,995	6,075,456	18,430,647	19,767,569
Total Liabilities	<u>34,490,750</u>	<u>34,806,668</u>	<u>6,663,861</u>	<u>6,580,077</u>	<u>41,154,611</u>	<u>41,386,745</u>
Nets Position:						
Net Investment in						
Capital Assets	43,102,006	43,525,991	3,843,682	2,705,389	46,945,688	46,231,380
Restricted	2,363,223	2,204,984	-	-	2,363,223	2,204,984
Unrestricted	10,155,111	8,890,692	1,802,610	2,472,518	11,957,721	11,363,210
Total Net Position	<u>\$ 55,620,340</u>	<u>\$ 54,621,667</u>	<u>\$ 5,646,292</u>	<u>\$ 5,177,907</u>	<u>\$ 61,266,632</u>	<u>\$ 59,799,574</u>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. In the current fiscal year, this represented \$2,363,223 or 4.25% of net position. The City's remaining unrestricted net position was \$10,155,111 which increased by 14.22% from 2011. Overall, 2012 ending net position for governmental activities and business-type activities were nearly the same as 2011 ending net position.

During 2012, the City reduced its gross liabilities by making routine principal payments on outstanding obligations including bonds, notes and capital leases, without the need to issue any new debt.

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2012  
(Unaudited)

A Summary of the statement of activities is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for Services	\$ 1,747,229	\$ 1,803,081	\$ 4,363,213	\$ 4,516,588	\$ 6,110,442	\$ 6,319,669
Operating Grants	72,147	27,160	-	-	72,147	27,160
Capital Grants	788,738	687,994	563,099	-	1,351,837	687,994
General Revenues:						
Income Tax	6,181,870	6,576,423	-	-	6,181,870	6,576,423
Property Tax	2,215,688	2,522,822	-	-	2,215,688	2,522,822
Other Taxes	1,185,004	1,049,360	-	-	1,185,004	1,049,360
Payments in Lieu of Taxes	2,961,845	2,910,801	-	-	2,961,845	2,910,801
Unrestricted Grants and Contributions	339,710	900,864	77,236	77,236	416,946	978,100
Investment earnings	52,263	260,634	1,236	-	53,499	260,634
Miscellaneous	1,159,488	-	-	-	1,159,488	-
Transfers	-	(134,844)	-	134,844	-	-
<b>Total Revenues</b>	<b>16,703,982</b>	<b>16,604,295</b>	<b>5,004,784</b>	<b>4,728,668</b>	<b>21,708,766</b>	<b>21,332,963</b>
Program Expenses						
Security of Persons and Property	7,081,355	7,437,553	-	-	7,081,355	7,437,553
Leisure Time Activities	230,553	265,705	-	-	230,553	265,705
Transportation	3,093,607	2,839,671	-	-	3,093,607	2,839,671
General Government	4,794,068	4,936,519	-	-	4,794,068	4,936,519
Interest and Fiscal Charges	505,726	548,108	-	-	505,726	548,108
Water	-	-	2,509,165	2,625,712	2,509,165	2,625,712
Sewer	-	-	1,167,855	1,083,566	1,167,855	1,083,566
Stormwater Management	-	-	241,197	212,662	241,197	212,662
Garbage	-	-	558,719	769,260	558,719	769,260
Cemetery	-	-	59,463	70,790	59,463	70,790
<b>Total Expenses</b>	<b>15,705,309</b>	<b>16,027,556</b>	<b>4,536,399</b>	<b>4,761,990</b>	<b>20,241,708</b>	<b>20,789,546</b>
Change in Net Position	998,673	576,739	468,385	(33,322)	1,467,058	543,417
Beginning Net Position	54,621,667	54,044,928	5,177,907	5,211,229	59,799,574	59,256,157
<b>Ending Net Position</b>	<b>\$ 55,620,340</b>	<b>\$ 54,621,667</b>	<b>\$ 5,646,292</b>	<b>\$ 5,177,907</b>	<b>\$ 61,266,632</b>	<b>\$ 59,799,574</b>

*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 2012, security of persons and property expenses were approximately \$7.1 million, representing 45% of governmental activity spending.

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For the Year Ended December 31, 2012  
(Unaudited)

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Program revenues of approximately \$1.1 million reduced the amount of general revenues needed to cover the balance of such security of persons and property program expenses. As such, for 2012, \$6.0 million of general revenues were used to cover the balance of security of persons and property program expenses.

In 2012, the City received capital grants to improve and upgrade roadway and water line infrastructure.

Income tax and property tax revenue for 2012 decreased \$.4 million and \$.3 million, respectively, compared to 2011. These decreases are in-line with the economic challenges facing other municipalities in southwest Ohio.

During 2012, a lawsuit concluded in which the City, as plaintiff, was awarded a settlement of approximately \$1.2 million. These settlement proceeds were received in 2012 and have been reported as miscellaneous general revenues in the Statement of Activities.

Overall, the City saw total program expenses decrease by approximately 3%. This decrease is primarily related to the City's continuing efforts to reduce expenses and improve the efficiency in which services are provided.

#### *Business-Type Activities*

The City's business-type activities include the Water, Sewer, Stormwater Management, Garbage and Cemetery functions. The business-type activities as a whole reported a net increase of \$468,385 for the year which is primarily due to one-time capital grants received by the Water Fund in 2012 that did not exist in 2011.

#### **Financial Analysis of the City's Funds**

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

**Governmental Funds:** The focus of these City funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements as well as its ability to meet the needs of its citizens. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of 2012, the City's governmental funds reported a combined ending fund balance of \$10.4 million. Approximately \$7.5 million of this balance is unassigned, which is available for spending for citizens. The remainder of the balance is classified as nonspendable, restricted, committed or assigned to indicate that a portion of the fund balance "has been spoken for already" and is not available except for the particular purpose for which the balance was classified.

The General Fund is the chief operating fund of the City. As of December 31, 2012, the unassigned General Fund balance was \$7.8 million with a total fund balance of \$8.7 million. As a measure of liquidity, it is often useful to compare these numbers to total General Fund expenditures.

During 2012, the City's General Fund increased by \$1.67 million. This is primarily due to the City's continuing efforts to reduce expenses and improve efficiency. Additionally, in 2012 the City won a lawsuit in which it was awarded a settlement of approximately \$1.2 million.

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

Fund	Ending Fund Balance/Net Position	Dollar Change from Prior Year	Percentage Change from Prior Year
Fire 1989 Levy	\$ (138,962)	\$ 15,566	10.07%
Police Law Enforcement	(165,824)	29,139	14.95%
2004 TIFs	294,977	(277,155)	-48.44%
Bond Retirement	109,320	90,941	494.81%
Water	4,224,760	342,997	8.84%
Sewer	416,030	(80,546)	-16.22%

The Fire 1989 Levy and Police Law Enforcement Funds saw their ending fund balance deficits remain near 2011 levels. The General Fund provides operating transfers to these funds as cash-basis expenditures exceed receipts. In 2012, the General Fund transferred \$1,744,000 to the Fire 1989 Levy Fund and \$2,275,000 to the Police Law Enforcement Fund.

The 2004 TIF's Fund saw its ending balance decrease as additional amounts were owed to a resident school district as a result of an updated intergovernmental agreement that was executed in 2012 with that district.

The Bond Retirement Fund saw its ending fund balances remain at near 2011 levels as 2012 revenues and other financing sources approximated 2012 expenditures and other financing uses.

The City's two major enterprise funds work hand and hand with each other. The water and sewer funds both generate the vast majority of their revenue from customers whether those are monthly users or new tenants tapping into the City's system. The City was able to generate a positive change in net position of \$342,997 in the Water Fund for 2012 as one-time capital grants were received in 2012. The Sewer Fund produced a negative change in net position of \$80,546 as charges for services revenue for 2012 decreased compared to 2011.

**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 2012, the City amended its total and General Fund budget several times. All recommendations for the budget came from the City Manager after consultation with individual directors and the Finance Department before submission to City Council. The City Council also approves small interdepartmental budget changes that modify line items within departments within the same fund. With the General Fund mainly supporting many of the activities of the City, the General Fund is monitored closely.

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2012  
(Unaudited)

The City had various revisions as detailed in the table below:

Description	Original Budget	Final Budget	Change
Revenues:			
Property and Other Taxes	\$ 429,954	\$ 429,954	\$ -
Income Taxes	6,427,981	6,427,981	-
Intergovernmental Revenue	325,219	325,219	-
Fees, Licenses and Permits	501,500	501,500	-
Other Revenues	285,149	285,149	-
<b>Total Revenues</b>	<b>7,969,803</b>	<b>7,969,803</b>	<b>-</b>
Expenditures:			
Security of Persons/Property	395,469	443,151	47,682
General Government	2,016,949	2,484,155	467,206
Other Expenditures	384,198	492,640	108,442
<b>Total Expenditures</b>	<b>\$ 2,796,616</b>	<b>\$ 3,419,946</b>	<b>\$ 623,330</b>

The City was able to keep the majority of its expenditure line items under the budgeted amounts. The majority of the budgeted savings was in the general government function. The following table summarizes the major variations in revenues and expenditures from final budget to the actual results for 2012:

Description	Final Budget	Actual	Variance
Revenues:			
Property and Other Taxes	\$ 429,954	\$ 763,810	\$ 333,856
Income Taxes	6,427,981	6,368,870	(59,111)
Intergovernmental Revenue	325,219	681,374	356,155
Fees, Licenses and Permits	501,500	406,811	(94,689)
Other Revenues	285,149	1,495,356	1,210,207
<b>Total Revenues</b>	<b>7,969,803</b>	<b>9,716,221</b>	<b>1,746,418</b>
Expenditures:			
Security of Persons/Property	443,151	391,953	51,198
General Government	2,484,155	2,136,401	347,754
Other Expenditures	492,640	435,270	57,370
<b>Total Expenditures</b>	<b>\$ 3,419,946</b>	<b>\$ 2,963,624</b>	<b>\$ 456,322</b>

The City saw the actual revenue results finish \$1.7 million more than the final certificate amount for estimated revenues. The most significant revenue fluctuation related to *other revenues* as the City was awarded a lawsuit settlement of approximately \$1.2 million that was not budgeted as anticipated receipts.

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

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2012  
(Unaudited)

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### **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, 2012, amounts to \$46.9 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 allocate funding for capital asset acquisition and construction during the current 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 2012, the City had general obligation bonds outstanding of \$10.45 million in governmental activities. For more information on the City's debt, please see Note 14 in the notes to the basic financial statements.

### **Economic Factors affecting the City**

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

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

### **Requests for Information**

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

**THE CITY OF MONROE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 10,581,558	\$ 4,214,044	\$ 14,795,602
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	2,254,300	-	2,254,300
Taxes-Municipal Income	1,316,000	-	1,316,000
Accounts	111,537	396,500	508,037
Special Assessments	16,837,880	-	16,837,880
Payment in Lieu of Taxes	2,400,000	-	2,400,000
Due from Other Governments	830,334	269,881	1,100,215
Restricted Cash and Cash Equivalents	-	520,675	520,675
Bond Issuance Costs	221,241	121,117	342,358
Nondepreciable Capital Assets	1,615,756	675,439	2,291,195
Depreciable Capital Assets	53,942,484	6,112,497	60,054,981
<b>Total Assets</b>	<b>\$ 90,111,090</b>	<b>\$ 12,310,153</b>	<b>\$ 102,421,243</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 154,860	\$ 595,211	\$ 750,071
Accrued Wages and Benefits	356,160	14,834	370,994
Due to Other Governments	16,953,507	171,282	17,124,789
Accrued Interest Payable	44,571	24,289	68,860
Deposits Payable	-	23,250	23,250
Unearned Revenue	4,386,000	-	4,386,000
Long-Term Liabilities due within 1 year	1,116,677	245,836	1,362,513
Long-Term Liabilities due over 1 year	11,478,975	5,589,159	17,068,134
<b>Total Liabilities</b>	<b>34,490,750</b>	<b>6,663,861</b>	<b>41,154,611</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	43,102,006	3,843,682	46,945,688
Restricted:			
Transportation	803,822	-	803,822
Security of Persons and Property	313,316	-	313,316
Capital Improvements	502,252	-	502,252
Purposes Permitted by TIF/RID Agreements	591,851	-	591,851
Other	151,982	-	151,982
Unrestricted	10,155,111	1,802,610	11,957,721
<b>Total Net Position</b>	<b>55,620,340</b>	<b>5,646,292</b>	<b>61,266,632</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 90,111,090</b>	<b>\$ 12,310,153</b>	<b>\$ 102,421,243</b>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
Security of Persons and Property	\$ (7,081,355)	\$ 1,017,588	\$ 63,226	\$ -	\$ (6,000,541)	\$ -	\$ (6,000,541)
Leisure Time Activities	(230,553)	51,967	8,921	-	(169,665)	-	(169,665)
Transportation	(3,093,607)	199,415	-	788,738	(2,105,454)	-	(2,105,454)
General Government	(4,794,068)	478,259	-	-	(4,315,809)	-	(4,315,809)
Interest and Fiscal Charges	(505,726)	-	-	-	(505,726)	-	(505,726)
Total Governmental Activities	<u>(15,705,309)</u>	<u>1,747,229</u>	<u>72,147</u>	<u>788,738</u>	<u>(13,097,195)</u>	<u>-</u>	<u>(13,097,195)</u>
<b>Business-Type Activities:</b>							
Water	(2,509,165)	2,248,759	-	526,167	-	265,761	265,761
Sewer	(1,167,855)	1,087,309	-	-	-	(80,546)	(80,546)
Stormwater Management	(241,197)	274,874	-	36,932	-	70,609	70,609
Garbage	(558,719)	705,901	-	-	-	147,182	147,182
Cemetery	(59,463)	46,370	-	-	-	(13,093)	(13,093)
Total Business-Type Activities	<u>(4,536,399)</u>	<u>4,363,213</u>	<u>-</u>	<u>563,099</u>	<u>-</u>	<u>389,913</u>	<u>389,913</u>
Total	<u>\$ (20,241,708)</u>	<u>\$ 6,110,442</u>	<u>\$ 72,147</u>	<u>\$ 1,351,837</u>	<u>\$ (13,097,195)</u>	<u>\$ 389,913</u>	<u>\$ (12,707,282)</u>

**General Revenues:**

Income Taxes	\$ 6,181,870	\$ -	\$ 6,181,870
Property Taxes Levied For:			
General Purposes	587,220	-	587,220
Security of Persons and Property	1,628,468	-	1,628,468
Payment in Lieu of Taxes	2,961,845	-	2,961,845
Other Taxes	1,185,004	-	1,185,004
Grants and Contributions Not			
Restricted to Specific Programs	339,710	77,236	416,946
Unrestricted Investment Earnings	52,263	1,236	53,499
Miscellaneous	1,159,488	-	1,159,488
Total General Revenues and Transfers	<u>14,095,868</u>	<u>78,472</u>	<u>14,174,340</u>
Changes in Net Position	998,673	468,385	1,467,058
Net Position, Beginning of Year	54,621,667	5,177,907	59,799,574
Net Position, End of Year	<u>\$ 55,620,340</u>	<u>\$ 5,646,292</u>	<u>\$ 61,266,632</u>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2012**

	General	Fire 1989 Levy	Police Law Enforcement	2004 TIFS	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>							
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 7,994,726	\$ 76,662	\$ 84,638	\$ 863,002	\$ 108,037	\$ 1,454,493	\$ 10,581,558
Receivables (Net of Allowance for Doubtful Accounts):							
Taxes-Real & Personal Property	630,900	527,700	527,700	-	-	568,000	2,254,300
Taxes-Municipal Income Accounts	1,316,000	-	-	-	-	-	1,316,000
Special Assessments	52,537	59,000	-	-	-	-	111,537
Payment in Lieu of Taxes	-	-	-	-	16,684,880	153,000	16,837,880
Due from Other Funds	-	-	-	824,000	-	1,576,000	2,400,000
Due from Other Governments	35,000	-	-	-	-	-	35,000
	245,206	19,500	16,900	-	1,283	547,445	830,334
<b>Total Assets</b>	<b>\$ 10,274,369</b>	<b>\$ 682,862</b>	<b>\$ 629,238</b>	<b>\$ 1,687,002</b>	<b>\$ 16,794,200</b>	<b>\$ 4,298,938</b>	<b>\$ 34,366,609</b>
<b>Liabilities:</b>							
Accounts Payable	\$ 60,521	\$ 21,667	\$ 30,415	\$ -	\$ -	\$ 42,257	\$ 154,860
Accrued Wages and Benefits	53,427	126,369	126,607	-	-	49,757	356,160
Due to Other Funds	-	-	-	-	-	35,000	35,000
Due to Other Governments	42,854	113,693	93,440	568,025	16,108,817	26,678	16,953,507
Deferred Revenue	1,420,253	560,095	544,600	824,000	576,063	2,576,902	6,501,913
<b>Total Liabilities</b>	<b>1,577,055</b>	<b>821,824</b>	<b>795,062</b>	<b>1,392,025</b>	<b>16,684,880</b>	<b>2,730,594</b>	<b>24,001,440</b>
<b>Fund Balances:</b>							
Nonspendable	35,000	-	-	-	-	-	35,000
Restricted	-	-	-	294,977	109,320	1,480,803	1,885,100
Committed	-	-	-	-	-	87,541	87,541
Assigned	865,127	-	-	-	-	-	865,127
Unassigned	7,797,187	(138,962)	(165,824)	-	-	-	7,492,401
<b>Total Fund Balances (Deficit)</b>	<b>8,697,314</b>	<b>(138,962)</b>	<b>(165,824)</b>	<b>294,977</b>	<b>109,320</b>	<b>1,568,344</b>	<b>10,365,169</b>
<b>Total Liabilities and fund balances</b>	<b>\$ 10,274,369</b>	<b>\$ 682,862</b>	<b>\$ 629,238</b>	<b>\$ 1,687,002</b>	<b>\$ 16,794,200</b>	<b>\$ 4,298,938</b>	<b>\$ 34,366,609</b>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2012**

Total governmental fund balances	\$ 10,365,169
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*Amounts reported for governmental activities in the statement of net position are different due to the following:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	55,558,240
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Income taxes receivable	658,378
Delinquent property taxes receivable	268,300
Special assessments receivable	684,063
Intergovernmental and other receivables	505,172

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

General obligation bonds	(10,445,000)
Revenue bonds	(1,350,000)
Special assessment bonds	(460,900)
Capital lease obligations	(95,277)
Compensated absences	(139,418)
Accrued interest on long-term debt	(44,571)
Premium on bonds	(105,057)
Unamortized issuance costs	221,241

Net position of governmental activities	\$ <u><u>55,620,340</u></u>
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**THE CITY OF MONROE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Fire 1989 Levy	Police Law Enforcement	2004 TIFS	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Income Taxes	\$ 6,287,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,287,100
Property and Other Taxes	765,327	514,856	512,485	-	-	669,575	2,462,243
Payment in Lieu of Taxes	-	-	-	1,894,910	-	1,066,935	2,961,845
Intergovernmental	568,644	60,891	41,610	-	15,392	773,307	1,459,844
Charges for Services	53,853	652,372	126,361	-	-	199,415	1,032,001
Licenses and Permits	406,179	-	-	-	-	47,582	453,761
Investment Earnings	44,764	-	-	-	-	7,499	52,263
Fines and Forfeitures	161,796	-	1,919	-	-	42,698	206,413
Special Assessments	22,123	-	-	-	733,353	175,137	930,613
Miscellaneous	1,174,708	5,500	2,274	-	-	41,999	1,224,481
<b>Total Revenues</b>	<b>9,484,494</b>	<b>1,233,619</b>	<b>684,649</b>	<b>1,894,910</b>	<b>748,745</b>	<b>3,024,147</b>	<b>17,070,564</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Security of Persons and Property	350,664	2,864,871	2,930,510	-	-	654,435	6,800,480
Leisure Time Activities	190,326	-	-	-	-	-	190,326
Payment to Schools	-	-	-	997,702	-	590,743	1,588,445
Transportation	170,724	-	-	-	-	1,142,620	1,313,344
General Government	1,811,151	-	-	-	-	10,337	1,821,488
Miscellaneous	-	-	-	15,737	-	18,720	34,457
Intergovernmental	-	-	-	619,704	639,865	-	1,259,569
Capital Outlay	-	-	-	43,922	-	653,948	697,870
<b>Debt Service:</b>							
Principal Retirement	2,768	87,896	-	-	805,900	180,000	1,076,564
Interest and Fiscal Charges	1,778	9,286	-	-	486,652	3,790	501,506
<b>Total Expenditures</b>	<b>2,527,411</b>	<b>2,962,053</b>	<b>2,930,510</b>	<b>1,677,065</b>	<b>1,932,417</b>	<b>3,254,593</b>	<b>15,284,049</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>6,957,083</b>	<b>(1,728,434)</b>	<b>(2,245,861)</b>	<b>217,845</b>	<b>(1,183,672)</b>	<b>(230,446)</b>	<b>1,786,515</b>
<b>Other Financing Sources (Uses):</b>							
Transfers - In	-	1,744,000	2,275,000	-	1,274,613	592,000	5,885,613
Transfers - Out	(5,290,613)	-	-	(495,000)	-	(100,000)	(5,885,613)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,290,613)</b>	<b>1,744,000</b>	<b>2,275,000</b>	<b>(495,000)</b>	<b>1,274,613</b>	<b>492,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,666,470</b>	<b>15,566</b>	<b>29,139</b>	<b>(277,155)</b>	<b>90,941</b>	<b>261,554</b>	<b>1,786,515</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>7,030,844</b>	<b>(154,528)</b>	<b>(194,963)</b>	<b>572,132</b>	<b>18,379</b>	<b>1,306,790</b>	<b>8,578,654</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 8,697,314</b>	<b>\$ (138,962)</b>	<b>\$ (165,824)</b>	<b>\$ 294,977</b>	<b>\$ 109,320</b>	<b>\$ 1,568,344</b>	<b>\$ 10,365,169</b>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Net change in fund balances - total governmental funds \$ 1,786,515

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses:

Capital asset acquisitions	358,784
Depreciation expense	(1,865,809)

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

Income taxes receivable	(105,230)
Delinquent property taxes receivable	(87,000)
Special assessments receivable	(117,387)
Intergovernmental and other receivables	(56,965)

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

Amortization of bond issuance costs	(15,772)
Amortization of bond premiums	6,476

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds:

Bond principal retirement	985,900
Principal retirement on capital lease obligations	90,664

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

5,076

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

Compensated absences	13,421
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Change in net position of governmental activities	\$ 998,673
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**THE CITY OF MONROE**  
**STATEMENT OF NET POSITION**  
**ENTERPRISE FUNDS**  
**DECEMBER 31, 2012**

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

	Water	Sewer	Nonmajor Enterprise Funds	Totals
<b>Assets:</b>				
<b>Current Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,337,209	\$ 191,085	\$ 685,750	\$ 4,214,044
Accounts Receivable (Net of Allowance for Doubtful Accounts)	240,500	124,500	31,500	396,500
Due From Other Governments	232,949	-	36,932	269,881
<b>Total Current Assets</b>	<b>3,810,658</b>	<b>315,585</b>	<b>754,182</b>	<b>4,880,425</b>
<b>Noncurrent Assets:</b>				
<b>Restricted Assets:</b>				
Cash and Cash Equivalents	520,675	-	-	520,675
Bond Issuance Costs	121,117	-	-	121,117
<b>Capital Assets:</b>				
Nondepreciable Assets	675,439	-	-	675,439
Depreciable Assets	5,432,430	250,849	429,218	6,112,497
<b>Total Capital Assets (Net of Accumulated Deprecation)</b>	<b>6,107,869</b>	<b>250,849</b>	<b>429,218</b>	<b>6,787,936</b>
<b>Total Noncurrent Assets</b>	<b>6,749,661</b>	<b>250,849</b>	<b>429,218</b>	<b>7,429,728</b>
<b>Total Assets</b>	<b>\$ 10,560,319</b>	<b>\$ 566,434</b>	<b>\$ 1,183,400</b>	<b>\$ 12,310,153</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 422,221	\$ 289	\$ 172,701	\$ 595,211
Accrued Wages and Benefits	14,834	-	-	14,834
Due to Other Governments	15,970	150,115	5,197	171,282
Accrued Interest Payable	24,289	-	-	24,289
Deposits Payable	23,250	-	-	23,250
Revenue Bonds Payable - Current	210,000	-	-	210,000
Loan Payable - Current	35,836	-	-	35,836
<b>Total Current Liabilities</b>	<b>746,400</b>	<b>150,404</b>	<b>177,898</b>	<b>1,074,702</b>
<b>Noncurrent Liabilities:</b>				
Compensated Absences Payable	14,024	-	-	14,024
Premium on Debt	33,506	-	-	33,506
Revenue Bonds Payable	5,210,000	-	-	5,210,000
Loans Payable	331,629	-	-	331,629
<b>Total Noncurrent Liabilities</b>	<b>5,589,159</b>	<b>-</b>	<b>-</b>	<b>5,589,159</b>
<b>Total Liabilities</b>	<b>6,335,559</b>	<b>150,404</b>	<b>177,898</b>	<b>6,663,861</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	3,163,615	250,849	429,218	3,843,682
Unrestricted	1,061,145	165,181	576,284	1,802,610
<b>Total Net Position</b>	<b>4,224,760</b>	<b>416,030</b>	<b>1,005,502</b>	<b>5,646,292</b>
<b>Total Net Position and Liabilities</b>	<b>\$ 10,560,319</b>	<b>\$ 566,434</b>	<b>\$ 1,183,400</b>	<b>\$ 12,310,153</b>

**THE CITY OF MONROE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			Totals
	Water	Sewer	Nonmajor Enterprise Funds	
Operating Revenues:				
Charges for Services	\$ 2,242,614	\$ 1,087,309	\$ 1,027,145	\$ 4,357,068
Special Assessments	6,145	-	-	6,145
<b>Total Operating Revenues</b>	<b>2,248,759</b>	<b>1,087,309</b>	<b>1,027,145</b>	<b>4,363,213</b>
Operating Expenses:				
Personal Services	534,791	58,686	215,414	808,891
Materials and Supplies	1,085,977	-	23,716	1,109,693
Contractual Services	178,180	1,108,120	592,983	1,879,283
Depreciation	408,544	1,049	27,266	436,859
<b>Total Operating Expenses</b>	<b>2,207,492</b>	<b>1,167,855</b>	<b>859,379</b>	<b>4,234,726</b>
Operating Income (Loss)	41,267	(80,546)	167,766	128,487
Non-Operating Income (Expense):				
Capital Grants	526,167	-	36,932	563,099
Investment Earnings	-	-	1,236	1,236
Interest and Fiscal Charges	(301,673)	-	-	(301,673)
Other Intergovernmental Revenues	77,236	-	-	77,236
<b>Total Non-Operating Income (Expense)</b>	<b>301,730</b>	<b>-</b>	<b>38,168</b>	<b>339,898</b>
Change in Net Position	342,997	(80,546)	205,934	468,385
Total Net Position - Beginning of Year	3,881,763	496,576	799,568	5,177,907
Total Net Position - End of Year	<u>\$ 4,224,760</u>	<u>\$ 416,030</u>	<u>\$ 1,005,502</u>	<u>\$ 5,646,292</u>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 2,273,822	\$ 1,106,039	\$ 982,723	\$ 4,362,584
Cash Paid for Employee Services and Benefits	(536,307)	(58,587)	(220,099)	(814,993)
Cash Paid to Suppliers for Goods and Services	(1,227,298)	(1,226,136)	(667,845)	(3,121,279)
Other Receipts	6,145	-	-	6,145
Net Cash Provided by Operating Activities	<u>516,362</u>	<u>(178,684)</u>	<u>94,779</u>	<u>432,457</u>
Cash Flows from Capital and Related Financing Activities:				
Capital Contributions	370,454	-	36,932	407,386
Acquisition of Capital Assets	(832,984)	(251,898)	(114,201)	(1,199,083)
Principal Paid on Bonds	(205,000)	-	-	(205,000)
Principal Paid on Loans	(34,102)	-	-	(34,102)
Interest and Fiscal Charges	(297,290)	-	-	(297,290)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(998,922)</u>	<u>(251,898)</u>	<u>(77,269)</u>	<u>(1,328,089)</u>
Cash Flows from Investing Activities				
Interest	-	-	1,236	1,236
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>1,236</u>	<u>1,236</u>
Net Increase in Cash and Cash Equivalents	(482,560)	(430,582)	18,746	(894,396)
Cash and Cash Equivalents at Beginning of Year	<u>4,340,444</u>	<u>621,667</u>	<u>667,004</u>	<u>5,629,115</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,857,884</u>	<u>\$ 191,085</u>	<u>\$ 685,750</u>	<u>\$ 4,734,719</u>

**THE CITY OF MONROE**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	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)	\$ 41,267	\$ (80,546)	\$ 167,766	\$ 128,487
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	408,544	1,049	27,266	436,859
Change in Assets and Liabilities:				
Accounts Receivable	21,800	11,800	(400)	33,200
Accounts Payables	42,898	(4,780)	(62,658)	(24,540)
Deposits Payable	3,300	-	-	3,300
Accrued Wages and Benefits	2,264	-	-	2,264
Compensated Absences Payable	502	-	-	502
Due to Other Governments	(4,213)	(106,207)	(37,195)	(147,615)
Total Adjustments	475,095	(98,138)	(72,987)	303,970
Net Cash Provided by Operating Activities	\$ 516,362	\$ (178,684)	\$ 94,779	\$ 432,457
Non-Cash Capital Financing Activities				
Capital Assets Acquired on Account	\$ 332,949	\$ -	\$ 121,440	\$ 454,389

See accompanying notes to the basic financial statements

**THE CITY OF MONROE**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2012**

	Agency
<b>Assets:</b>	
Cash and Cash Equivalents in Segregated Accounts	\$ 17,026
Total Assets	\$ 17,026
 <b>Liabilities:</b>	
Due to Other Governments	\$ 16,415
Due to Others	611
Total Liabilities	\$ 17,026

See accompanying notes to the basic financial statements

**Note I - Reporting Entity and Basis of Presentation**

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

**The Reporting Entity**

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City had no reported component units at December 31, 2012.

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

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

**Basis of Presentation – Fund Accounting**

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

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

## **Note 2 - Summary of Significant Accounting Policies**

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

### **Measurement Focus Basis of Accounting and Financial Statement Presentation**

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

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

### **Fund Accounting**

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

### **Governmental Funds**

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

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

### **Enterprise Funds**

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

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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The City reports the following major governmental funds:

General Fund

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

Fire 1989 Levy Fund

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

Police Law Enforcement

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

2004 TIFs

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

Bond Retirement Fund

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

The City reports the following major enterprise funds:

Water Fund

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

Sewer Fund

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

Fiduciary Funds

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.

### **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 position. Individual fund integrity is maintained through the City's records. The City maintains the remaining bond proceeds in trust accounts that can only be used for purposes described in the bond documents. These monies are reported as "Restricted Cash and Cash Equivalents" on the statement of net position. 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 position 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 position, 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 2012, investments were limited to U.S. Governmental agency notes, STAR Ohio, money market mutual funds, certificates of deposit and commercial paper.

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, 2012.

### **Capital Assets and Depreciation**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost (or estimated historical cost if purchased or constructed). Donated capital assets are recorded at estimated fair market value on the date of donation. Intangible assets, such as easements, are reported at estimated cost and not depreciated.

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

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

### **Interfund Transactions**

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

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

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

### **Pensions**

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

### **Compensated Absences**

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

Matured leave payable in the fund financial statements represents the entire current portion. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations, retirements or contractual obligation. The City has no matured leave payable at December 31, 2012. The entire liability is reported on the government-wide statement of net position. For enterprise funds, the entire liability is reflected in the fund statement of net position.

### **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 position.

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 position.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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

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

**Classification of Fund Balance**

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

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

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

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

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

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

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

### **Net Position**

Net position represents the difference between assets and liabilities in the statement of net position. Net investment in capital assets is 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 position is reported as restricted when there are limitations imposed on its 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 position is the remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or restricted net position.

### **Unearned/Deferred Revenues**

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

Property taxes and payments in lieu of taxes, for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenues.

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

### **Exchange/Non-Exchange Transactions**

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

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

### **Estimates**

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

**Note 3 - Compliance and Accountability**

**Fund Deficits**

The following funds had fund balance deficits at December 31, 2012:

	<u>Fund Deficit</u>
Major Funds:	
Governmental Funds:	
Fire 1989 Levy	\$ 138,962
Police Law Enforcement	165,824
Total Major Governmental Funds	<u>\$ 304,786</u>

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

**Note 4 - Deposits and Investments**

**Policies and Procedures**

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

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

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

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

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

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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

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

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

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

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

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

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

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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**Deposits**

At year-end, the carrying amount of the City's deposits was \$14,106,632 and the bank balance was \$14,331,839. \$769,988 of the City's deposits were insured by federal depository insurance. As of December 31, 2012, \$13,561,851 of the City's bank balance of \$14,331,839 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, 2012 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	\$ 180,086	\$ 917,132	S&P - AA+
Star Ohio	7,662	-	S&P - AA+
Commercial Paper	104,962	-	S&P - A-I+
Money Market Mutual Funds	16,829	-	S&P - AA+
Total	\$ 309,539	\$ 917,132	

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

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

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

*Concentration of Credit Risk* - The City places no limit on the amount it may invest in any one issuer. The City has 89% of its investments in Federal Home Loan Bank Notes and 9% of its investments in Commercial Paper.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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**Note 5 - Property Taxes**

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2012 were levied after October 1, 2011, on assessed values as of January 1, 2011, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 2009. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

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

Category	Assessed Value
Real Property Valuation	\$ 256,873,460
Public Utility Tangible Personal Property	46,622,670
Total	<u>\$ 303,496,130</u>

**Note 6 - Income Tax**

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

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

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

**Note 7 - Receivables**

Receivables at December 31, 2012 consisted of property and other taxes, income taxes, utility accounts (shown net of an allowance for uncollectible accounts), special assessments, interest on investments, and intergovernmental receivables and shared revenues arising from entitlements.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

**Note 8 - Capital Assets**

A summary of the changes in capital assets during the year ended December 31, 2012, follows:

	12/31/2011	Increases	Decreases	12/31/2012
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land and Easements	\$ 1,436,276	\$ -	\$ -	\$ 1,436,276
Construction in Progress	543,272	53,175	(416,967)	179,480
<b>Total Capital Assets, Not Being Depreciated</b>	<b>1,979,548</b>	<b>53,175</b>	<b>(416,967)</b>	<b>1,615,756</b>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	8,584,052	25,049	-	8,609,101
Machinery, Equipment and Vehicles	6,670,704	129,397	-	6,800,101
Infrastructure – Streets	65,073,824	568,130	-	65,641,954
<b>Total Capital Assets, Being Depreciated</b>	<b>80,328,580</b>	<b>722,576</b>	<b>-</b>	<b>81,051,156</b>
Accumulated Depreciation				
Buildings and Building Improvements	(2,508,589)	(220,623)	-	(2,729,212)
Machinery, Equipment and Vehicles	(3,617,088)	(447,804)	-	(4,064,892)
Infrastructure – Streets	(19,117,186)	(1,197,382)	-	(20,314,568)
<b>Less Accumulated Depreciation</b>	<b>(25,242,863)</b>	<b>(1,865,809)</b>	<b>-</b>	<b>(27,108,672)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>55,085,717</b>	<b>(1,143,233)</b>	<b>-</b>	<b>53,942,484</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 57,065,265</b>	<b>\$ (1,090,058)</b>	<b>\$ (416,967)</b>	<b>\$ 55,558,240</b>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 563,741	\$ -	\$ -	\$ 563,741
Construction in Progress	-	111,698	-	111,698
<b>Total Capital Assets, Not Being Depreciated</b>	<b>563,741</b>	<b>111,698</b>	<b>-</b>	<b>675,439</b>
Capital Assets, Being Depreciated				
Buildings and Building Improvements	1,461,242	3,744	-	1,464,986
Machinery and Equipment	960,288	584,337	-	1,544,625
Infrastructure – Water Lines/Storm Sewers	6,797,446	953,693	-	7,751,139
<b>Total Capital Assets, Being Depreciated</b>	<b>9,218,976</b>	<b>1,541,774</b>	<b>-</b>	<b>10,760,750</b>
Accumulated Depreciation				
Buildings and Building Improvements	(808,073)	(32,604)	-	(840,677)
Machinery and Equipment	(540,101)	(73,293)	-	(613,394)
Infrastructure – Water Lines	(2,863,220)	(330,962)	-	(3,194,182)
<b>Less Accumulated Depreciation</b>	<b>(4,211,394)</b>	<b>(436,859)</b>	<b>-</b>	<b>(4,648,253)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>5,007,582</b>	<b>1,104,915</b>	<b>-</b>	<b>6,112,497</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 5,571,323</b>	<b>\$ 1,216,613</b>	<b>\$ -</b>	<b>\$ 6,787,936</b>

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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**Governmental Activities:**

Security of Persons and Property	\$ 369,351
Transportation, Including Depreciation of General Infrastructure Assets	1,338,806
Leisure Time Activities	46,627
General Government	111,025
Total Depreciation Expense - Governmental Activities	<u>\$ 1,865,809</u>

**Business-Type Activities:**

Water	\$ 408,544
Sewer	\$ 1,049
Stormwater Management	27,266
Total Depreciation Expense – Business-Type Activities	<u>\$ 436,859</u>

**Note 9 - Defined Benefit Pension Plans**

**Public Employees Retirement System**

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

OPERS administers three separate pension plans as described below:

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. Contributions are authorized by State statute. The employer pension contribution rate for the City is 14% of covered payroll. The contribution rates are determined actuarially. The City’s required contributions to OPERS for the years ended December 31, 2012, 2011, and 2010, were \$296,058, \$315,610 and \$206,888, respectively. All required contributions have been made for 2012, 2011 and 2010.

### **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, 2012, 2011, and 2010, were \$800,800, \$810,834, and \$622,342, respectively. The full amount has been contributed for 2012, 2011 and 2010.

### **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 2012, state and local employers contributed at a rate 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution rate to a rate not to exceed 14.00% of the covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS's Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2012, the employer contribution allocated to the health care plan for members in the traditional plan was 4%. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05%. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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The City's actual contributions that were used to fund post-employment benefits for 2012, 2011 and 2010 were \$84,588, \$90,174 and \$138,763, respectively. The full amount has been contributed for 2012, 2011 and 2010.

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

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

**Ohio Police and Fire Pension Fund**

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

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

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

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

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

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

The City's contributions for the years ended December 31, 2012, 2011 and 2010 were \$246,264, \$249,089, and \$286,029, respectively. The full amount has been contributed for 2012, 2011 and 2010.

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

**Note 11 - Other Employee Benefits**

**Compensated Absences**

Accumulated Unpaid Sick Leave

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

Accumulated Unpaid Vacation

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

**Health Care Benefits**

The City provides life insurance and accidental death and dismemberment insurance to most employees through various life insurance companies. The City has elected to provide employee medical/surgical benefits through Anthem. Non-union employees pay 16 percent of the premium. The City Manager and Law Director pay twenty percent of the health and dental insurance premiums. For union employees, the health and dental premium contribution varies depending on the terms of the applicable union contract. The City also provides a portion of the deductible: \$1,000 for employees on the single plan and \$2,000 for employees on the family plan. The City provides vision insurance to all employees through VSP and dental insurance is provided through Dental Care Plus.

**Note 12 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees and natural disasters. During 2012, the City contracted with Wells Fargo Insurance Services USA, Inc. for vehicle, property, equipment and machinery, police and professional and general liability insurance.

Equipment and machinery losses are subject to a \$1,000 deductible. Vehicle deductibles are \$1,000 for comprehensive and collision coverage. General liability deductible is \$0. The City carries a \$2,500 deductible for both police and professional liability insurance.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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A summary of coverage amounts follows:

Public Official Liability	\$	1,000,000
Deductible		2,500
Automobile Liability		1,000,000
Deductible		1,000
Comprehensive General Liability, Each Occurrence		1,000,000
Comprehensive General Liability, Aggregate		3,000,000
Commercial Umbrella		10,000,000
Deductible		None
Employee Dishonesty		50,000
Theft		10,000

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

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

**Note 13 - Capital Leases**

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

Capital assets acquired under capital leases have been capitalized in the statement of net position in the amount of \$770,890. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was also recorded. Principal payments in fiscal year 2012 totaled \$2,768 in the General Fund and \$87,896 in the Fire 1989 Levy Fund.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
	<u>          </u>	<u>          </u>
Machinery, Equipment and Vehicles	\$ 636,761	\$ 134,129
Less: Accumulated Depreciation	(413,046)	(93,890)
Total	<u>\$ 223,715</u>	<u>\$ 40,239</u>

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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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, 2012.

Fiscal Year Ending December 31	Governmental Activities
2013	\$ 100,592
Total	100,592
Less: Amounts Representing Interest	(5,315)
Present Value of Net Minimum Lease Payments	\$ 95,277

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

**Note 14 –Long-Term Obligations**

A summary of the changes in long-term obligations during the year ended December 31, 2012 follows:

	12/31/2011	Increase	Decrease	12/31/2012	Due Within One Year
<b>Governmental Activities</b>					
<b>Special Assessment Bonds</b>					
6.61% 1998 Waterline Extension II	\$ 54,800	\$ -	\$ (9,900)	\$ 44,900	\$ 10,400
5.25% - 5.75% 1993 American Way	22,000	-	(11,000)	11,000	11,000
4.45% - 5.70% 2002 Limited Edition	445,000	-	(40,000)	405,000	40,000
Total - Special Assessment Bonds	521,800	-	(60,900)	460,900	61,400
<b>Revenue Obligation Bonds</b>					
1999 Adjustable Rate Tax Incremental	1,530,000	-	(180,000)	1,350,000	190,000
<b>General Obligation Bonds (Unvoted)</b>					
2.00% - 5.25% 2004 VP Bonds	4,610,000	-	(480,000)	4,130,000	495,000
Premium	24,935	-	(1,918)	23,017	-
6.15% 2010 Building America Bonds	715,000	-	-	715,000	-
2 - 4.25% 2010 VP Bonds	5,865,000	-	(265,000)	5,600,000	275,000
Premium	86,598	-	(4,558)	82,040	-
Total - General Obligation Bonds	11,301,533	-	(751,476)	10,550,057	770,000
Capital Leases Payable	185,941	-	(90,664)	95,277	95,277
Compensated Absences	152,839	-	(13,421)	139,418	
Total - Governmental Activities	13,692,113	-	(1,096,461)	12,595,652	1,116,677
<b>Business-Type Activities</b>					
5.9-6.35% 2010 Series A Bonds	3,590,000	-	-	3,590,000	-
2-3.75% 2010 Series B Bonds	2,035,000	-	(205,000)	1,830,000	210,000
Premium	35,367	-	(1,861)	33,506	-
5.02% 2001 Loan Payable	401,567	-	(34,102)	367,465	35,836
Compensated Absences	13,522	502	-	14,024	-
Total - Business-Type Activities	6,075,456	502	(240,963)	5,834,995	245,836
Total - All Activities	\$ 19,767,569	\$ 502	\$ (1,337,424)	\$ 18,430,647	\$ 1,362,513

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.

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 City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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

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

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

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

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

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

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

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

As of December 31, 2012, the City's legal debt margin was approximately \$31.9 million for total debt and \$6.2 million for unvoted debt.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2012 are:

**Governmental Activities**

Year	2004 General Obligation Bonds			2010 General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 495,000	\$ 193,403	\$ 688,403	\$ 275,000	\$ 239,422	\$ 514,422
2014	510,000	173,602	683,602	275,000	233,923	508,923
2015	465,000	152,693	617,693	285,000	228,422	513,422
2016	485,000	133,162	618,162	285,000	221,298	506,298
2017	510,000	111,338	621,338	300,000	214,172	514,172
2018-2022	1,410,000	214,062	1,624,062	1,595,000	927,100	2,522,100
2023-2027	255,000	19,250	274,250	1,880,000	601,474	2,481,474
2028-2031	-	-	-	1,420,000	149,642	1,569,642
Totals	<u>\$ 4,130,000</u>	<u>\$ 997,510</u>	<u>\$ 5,127,510</u>	<u>\$ 6,315,000</u>	<u>\$ 2,815,453</u>	<u>\$ 9,130,453</u>

**Governmental Activities**

Year	Special Assessment Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 61,400	\$ 25,275	\$ 86,675	\$ 190,000	\$ 47,925	\$ 237,925
2014	55,900	22,017	77,917	205,000	41,180	246,180
2015	56,500	19,060	75,560	215,000	33,903	248,903
2016	62,100	16,026	78,126	230,000	26,270	256,270
2017	50,000	12,665	62,665	245,000	18,105	263,105
2018-2022	175,000	20,120	195,120	265,000	9,408	274,408
2023-2027	-	-	-	-	-	-
2028-2031	-	-	-	-	-	-
Totals	<u>\$ 460,900</u>	<u>\$ 115,163</u>	<u>\$ 576,063</u>	<u>\$ 1,350,000</u>	<u>\$ 176,791</u>	<u>\$ 1,526,791</u>

**Business-Type Activities**

Year	Loans Payable			2010 Revenue Improvement Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 35,836	\$ 18,106	\$ 53,942	\$ 210,000	\$ 273,350	\$ 483,350
2014	37,657	16,285	53,942	215,000	269,150	484,150
2015	39,572	14,371	53,943	220,000	264,850	484,850
2016	41,583	12,359	53,942	225,000	259,350	484,350
2017	43,697	10,245	53,942	230,000	253,162	483,162
2018-2022	169,120	17,613	186,733	1,340,000	1,138,588	2,478,588
2023-2027	-	-	-	1,750,000	723,270	2,473,270
2028-2031	-	-	-	1,230,000	158,114	1,388,114
Totals	<u>\$ 367,465</u>	<u>\$ 88,979</u>	<u>\$ 456,444</u>	<u>\$ 5,420,000</u>	<u>\$ 3,339,834</u>	<u>\$ 8,759,834</u>

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

**Note 15 - Interfund Transactions**

Interfund transfers during 2012 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ -	\$ 5,290,613
Fire 1989 Levy	1,744,000	-
Police Law Enforcement	2,275,000	
Bond Retirement	1,274,613	
2004 TIFs	-	495,000
Total Major Governmental Funds	<u>5,293,613</u>	<u>5,785,613</u>
Nonmajor Funds:		
Governmental Funds:		
Street	92,000	-
Capital Improvement	500,000	-
2004 RIDs	-	100,000
Total Nonmajor Governmental Funds	<u>592,000</u>	<u>100,000</u>
Total All Funds	<u>\$ 5,885,613</u>	<u>\$ 5,885,613</u>

The Transfers out of the 2004 TIFs and 2004 RIDs Funds were for debt service. The transfers out of the General Fund were to supplement the operations of other funds.

Interfund loans at December 31, 2012 consisted of a \$35,000 balance owed to the General Fund from the Street Lighting Fund. The interfund loan was made to assist the Street Lighting Fund with short-term cash flow needs.

**Note 16 - Jointly Governed Organizations**

The Center for Local Government, a jointly governed organization, was established to improve public service delivery by the cities, townships and villages in the Greater Cincinnati metropolitan area, especially among its member jurisdictions, through improved information exchange, cost reductions, shared resources, interjurisdictional collaboration, and new approaches to capital equipment and skills acquisition. The Board of Trustees consists of eight members made up of elected representatives from the participating governments. The City does not have any financial interest in or responsibility for the Center. The City made no financial contribution during 2012. 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.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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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 2012. To obtain financial information, write to Director of Finance and Administration of the Ohio-Kentucky-Indiana Regional Council of Governments at 920 Pete Rose Way Suite 420, Cincinnati, Ohio, 45202.

**Note 17 - Contingent Liabilities**

**Litigation**

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

**Federal and State Grants**

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

**Note 18 – Contractual Commitments**

The City's major outstanding contracts for services, as of December 31, 2012, were as follows:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Strawser Construction, Inc.	Pavement Rehabilitation	\$ 50,663
Rack & Ballauer Excavating Co., Inc.	Excavating of State Route 63 and East Avenue	47,838

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

**Note 19 – Fund Balance**

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

	General	Fire 1989 Levy	Police Law Enforcement	2004 TIFs	Bond Retirement	Non-major Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>							
Interfund Loans	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
<b>Total Nonspendable</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,000</b>
<b>Restricted for:</b>							
Public safety	-	-	-	-	-	217,816	217,816
Public Works	-	-	-	-	-	399,420	399,420
Capital Improvements	-	-	-	-	-	502,252	502,252
Debt Service	-	-	-	-	109,320	-	109,320
Purposes Permitted by TIF/RID Agreements	-	-	-	294,977	-	296,874	591,851
Public Health	-	-	-	-	-	62,211	62,211
Other Purposes	-	-	-	-	-	2,230	2,230
<b>Total Restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294,977</b>	<b>109,320</b>	<b>1,480,803</b>	<b>1,885,100</b>
<b>Committed for:</b>							
Parks and Recreation	-	-	-	-	-	87,541	87,541
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,541</b>	<b>87,541</b>
<b>Assigned:</b>							
Other Purposes	865,127	-	-	-	-	-	865,127
<b>Total Assigned</b>	<b>865,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>865,127</b>
<b>Unassigned (Deficit)</b>	<b>7,797,187</b>	<b>(138,962)</b>	<b>(165,824)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,492,401</b>
<b>Total Fund Balances</b>	<b>\$ 8,697,314</b>	<b>\$ (138,962)</b>	<b>\$ (165,824)</b>	<b>\$ 294,977</b>	<b>\$ 109,320</b>	<b>\$ 1,568,344</b>	<b>\$ 10,365,169</b>

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2012**

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**Note 20 – Intergovernmental Agreements, Special Assessment Receivable and Intergovernmental Payable**

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

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

At December 31, 2012, the City estimated that the future service payments were sufficient to cover the debt service payments and administrative charges of the Cincinnati Premium Outlets Project, but not sufficient to cover the debt service payments and the administrative charges of the VH Monroe Project.

Since the future service payments of the VH Monroe Project are estimated to be less than the amount of debt service and administrative charges required by the intergovernmental agreement with the Warren County Port Authority, the City has reported a special assessment receivable from property owners in the VH Monroe Project TIF District and an intergovernmental payable to the Warren County Port Authority for estimated future value of the deficiency of service payments under debt service payments and administrative expenses as of December 31, 2012, that is estimated based on the assumptions in the table below.

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

<b>Cash Inflows:</b>	
Estimated Service Payments, 2013 to 2034	\$ 5,215,487
Estimated Interest Income on Debt Reserve Balance, 2013 to 2034	1,659,730
Total, Future Value of Cash Inflows	<u>6,875,217</u>
 <b>Cash Outflows:</b>	
Public Improvement Bonds, Principal due from 2013 to 2034	10,000,000
Public Improvement Bonds, Interest due from 2013 to 2034	11,418,350
Estimated Administrative Expenses, due from 2013 to 2034	1,565,684
Total, Future Value of Cash Outflows	<u>22,984,034</u>
 Special Assessment Receivable/Intergovernmental Payable	 <u><u>\$ (16,108,817)</u></u>

**Note 21 – Implementation of New Accounting Standards**

For the year ended December 31, 2012, the City has implemented Government Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which was issued by the GASB in December 2010. The objective of this statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that is included in Pre-November 30, 1989 FASBs and AICPA pronouncements. This statement supersedes GASB statement number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Funds and Other Governmental Entities that use Proprietary Fund Accounting*. It is effective for financial statement periods beginning after December 31, 2011 and is included in this report.

For the year ended December 31, 2012, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is effective for financial statements for periods beginning after December 15, 2011 and is included in this report. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

**Note 22 – Miscellaneous Revenues**

During 2012, a lawsuit concluded in which the City, as plaintiff, was awarded a settlement of \$1,150,000. These settlement proceeds were received in 2012 and have been reported as miscellaneous revenues in the General Fund (in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds) and as miscellaneous general revenues in the Statement of Activities.

**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, 2012**

	GENERAL FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 429,954	\$ 429,954	\$ 763,810	\$ 333,856
Special Assessments	-	-	22,123	22,123
Income Taxes	6,427,981	6,427,981	6,368,870	(59,111)
Charges for Services	50,999	50,999	53,853	2,854
Fees, Licenses, and Permits	501,500	501,500	406,811	(94,689)
Fines and Forfeitures	124,150	124,150	155,688	31,538
Intergovernmental	325,219	325,219	681,374	356,155
Interest	110,000	110,000	44,764	(65,236)
Other	-	-	1,218,928	1,218,928
<b>Total Revenues</b>	<b>7,969,803</b>	<b>7,969,803</b>	<b>9,716,221</b>	<b>1,746,418</b>
Expenditures:				
Current:				
General Government				
Council				
Personal Services	80,415	85,069	82,726	2,343
Other	200,450	279,105	265,848	13,257
<b>Total Council</b>	<b>280,865</b>	<b>364,174</b>	<b>348,574</b>	<b>15,600</b>
Mayor's Court				
Personal Services	58,985	61,723	56,113	5,610
Other	29,800	30,627	17,739	12,888
<b>Total Mayor's Court</b>	<b>88,785</b>	<b>92,350</b>	<b>73,852</b>	<b>18,498</b>
Human Resources				
Other	-	-	-	-
<b>Total Human Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Development				
Personal Services	271,429	289,738	266,533	23,205
Other	510,800	761,292	583,328	177,964
<b>Total Development</b>	<b>782,229</b>	<b>1,051,030</b>	<b>849,861</b>	<b>201,169</b>
Finance				
Personal Services	269,822	288,460	263,436	25,024
Other	320,875	376,996	339,084	37,912
<b>Total Finance</b>	<b>590,697</b>	<b>665,456</b>	<b>602,520</b>	<b>62,936</b>
City Manager's Office				
Personal Services	190,523	210,325	161,925	48,400
Other	83,850	100,820	99,669	1,151
<b>Total City Manager's Office</b>	<b>274,373</b>	<b>311,145</b>	<b>261,594</b>	<b>49,551</b>
<b>Total General Government</b>	<b>2,016,949</b>	<b>2,484,155</b>	<b>2,136,401</b>	<b>347,754</b>

(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, 2012**

	GENERAL FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Security of Persons and Property				
Police Law Enforcement				
Personal Services	325,469	343,684	323,686	19,998
Other	70,000	99,467	68,267	31,200
Total Police Law Enforcement	395,469	443,151	391,953	51,198
Public Health and Welfare				
Cemetery				
Personal Services	-	-	-	-
Total Public Health and Welfare	-	-	-	-
Public Works				
Service Buildings and Grounds				
Other	266,000	288,635	235,515	53,120
Total Service Buildings and Grounds	266,000	288,635	235,515	53,120
Leisure Time Activities				
Parks				
Personal Services	68,198	140,198	136,920	3,278
Other	50,000	63,807	62,835	972
Total Leisure Time Activities	118,198	204,005	199,755	4,250
Total Expenditures	2,796,616	3,419,946	2,963,624	456,322
Excess of Revenues Over Expenditures	5,173,187	4,549,857	6,752,597	2,202,740
Other Financing Sources (Uses):				
Transfers - Out	(5,751,261)	(5,751,261)	(5,290,613)	460,648
Total Other Financing Sources (Uses)	(5,751,261)	(5,751,261)	(5,290,613)	460,648
Net Change in Fund Balance	(578,074)	(1,201,404)	1,461,984	2,663,388
Fund Balance at Beginning of Year	5,762,879	5,762,879	5,762,879	-
Prior Year Encumbrances Appropriated	390,196	390,196	390,196	-
Fund Balance at End of Year	\$ 5,575,001	\$ 4,951,671	\$ 7,615,059	\$ 2,663,388

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, 2012**

	FIRE 1989 LEVY FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 350,000	\$ 350,000	\$ 514,856	\$ 164,856
Charges for Services	658,000	658,000	653,402	(4,598)
Intergovernmental	85,000	85,000	60,891	(24,109)
Other	-	-	32,871	32,871
<b>Total Revenues</b>	<b>1,093,000</b>	<b>1,093,000</b>	<b>1,262,020</b>	<b>169,020</b>
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	2,216,190	2,480,775	2,541,846	(61,071)
Other	508,953	573,911	530,822	43,089
<b>Total Security of Persons and Property</b>	<b>2,725,143</b>	<b>3,054,686</b>	<b>3,072,668</b>	<b>(17,982)</b>
Deficiency of Revenues				
Under Expenditures	(1,632,143)	(1,961,686)	(1,810,648)	151,038
Other Financing Sources:				
Transfers In	1,899,443	1,899,443	1,744,000	(155,443)
<b>Total Other Financing Sources</b>	<b>1,899,443</b>	<b>1,899,443</b>	<b>1,744,000</b>	<b>(155,443)</b>
<b>Net Change in Fund Balance</b>	<b>267,300</b>	<b>(62,243)</b>	<b>(66,648)</b>	<b>(4,405)</b>
Fund Balance at Beginning of Year	3,510	3,510	3,510	-
Prior Year Encumbrances Appropriated	66,576	66,576	66,576	-
<b>Fund Balance at End of Year</b>	<b>\$ 337,386</b>	<b>\$ 7,843</b>	<b>\$ 3,438</b>	<b>\$ (4,405)</b>

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, 2012**

	POLICE LAW ENFORCEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 355,000	\$ 355,000	\$ 512,485	\$ 157,485
Charges for Services	165,500	165,500	126,361	(39,139)
Fines and Forfeitures	500	500	1,919	1,419
Intergovernmental	135,600	135,600	42,999	(92,601)
Other	6,000	6,000	13,715	7,715
<b>Total Revenues</b>	<b>662,600</b>	<b>662,600</b>	<b>697,479</b>	<b>34,879</b>
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	2,407,909	2,581,535	2,603,684	(22,149)
Other	337,300	383,074	366,897	16,177
<b>Total Security of Persons and Property</b>	<b>2,745,209</b>	<b>2,964,609</b>	<b>2,970,581</b>	<b>(5,972)</b>
Capital Outlay	62,000	62,000	50,795	11,205
<b>Total Expenditures</b>	<b>2,807,209</b>	<b>3,026,609</b>	<b>3,021,376</b>	<b>5,233</b>
Deficiency of Revenues Under Expenditures	(2,144,609)	(2,364,009)	(2,323,897)	40,112
Other Financing Sources:				
Transfers - In	2,322,649	2,322,649	2,275,000	(47,649)
<b>Total Other Financing Sources</b>	<b>2,322,649</b>	<b>2,322,649</b>	<b>2,275,000</b>	<b>(47,649)</b>
Net Change in Fund Balance	178,040	(41,360)	(48,897)	(7,537)
Fund Balance at Beginning of Year	23,385	23,385	23,385	-
Prior Year Encumbrances Appropriated	44,241	44,241	44,241	-
<b>Fund Balance at End of Year</b>	<b>\$ 245,666</b>	<b>\$ 26,266</b>	<b>\$ 18,729</b>	<b>\$ (7,537)</b>

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, 2012**

	2004 TIFs			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 1,894,000	\$ 1,894,000	\$ 1,894,910	\$ 910
Total Revenues	<u>1,894,000</u>	<u>1,894,000</u>	<u>1,894,910</u>	<u>910</u>
Expenditures:				
Miscellaneous	23,050	24,790	-	24,790
Capital Outlay	-	336,814	103,162	233,652
Intergovernmental	920,000	1,415,000	1,130,186	284,814
Total Expenditures	<u>943,050</u>	<u>1,776,604</u>	<u>1,233,348</u>	<u>543,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	950,950	117,396	661,562	544,166
Other Financing Uses:				
Transfers - Out	(495,000)	(495,000)	(495,000)	-
Total Other Financing Uses	<u>(495,000)</u>	<u>(495,000)</u>	<u>(495,000)</u>	<u>-</u>
Change in Fund Balance	455,950	(377,604)	166,562	544,166
Fund Balance at Beginning of Year	588,625	588,625	588,625	-
Prior Year Encumbrances Appropriated	<u>72,800</u>	<u>72,800</u>	<u>72,800</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,117,375</u>	<u>\$ 283,821</u>	<u>\$ 827,987</u>	<u>\$ 544,166</u>

See accompanying notes to the required supplementary information

**The City of Monroe**  
**Notes to the Required Supplementary Information – December 31, 2012**

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**Note I - Budgetary Process**

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

*Tax Budget*

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

*Estimated Resources*

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer and the Budget Commission agree that the estimate needs to be increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2012, while the original budget column reflects amounts in the original official certificate of estimated resources.

*Appropriations*

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

## **The City of Monroe**

### **Notes to the Required Supplementary Information – December 31, 2012**

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

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

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

#### *Encumbrances*

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

#### *Lapsing of Appropriations*

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

## **Note 2 - Budget to GAAP Reconciliation**

### **Budgetary Basis of Accounting**

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

**The City of Monroe**  
**Notes to the Required Supplementary Information – December 31, 2012**

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

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

The adjustments necessary to convert the results of operations for the year ended December 31, 2012, on the GAAP basis to the budget basis for the General Fund and Major Special Revenue Funds are as follows:

	General	Fire 1989 Levy	Police Law Enforcement	2004 TIFs
GAAP Basis	\$ 1,666,470	\$ 15,566	\$ 29,139	\$ (277,155)
Adjustments:				
Revenue Accruals	278,715	1,030	1,389	-
Expenditure Accruals	(103,534)	(10,020)	(13,516)	478,732
Encumbrances	(379,667)	(73,224)	(65,909)	(35,015)
Budget Basis	<u>\$ 1,461,984</u>	<u>\$ (66,648)</u>	<u>\$ (48,897)</u>	<u>\$ 166,562</u>

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

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**GOVERNMENTAL FUNDS**

**Special Revenue Funds**

**Street**

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

**State Highway**

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

**Motor Vehicle License**

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

**DARE Grant**

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

**Enforcement and Education**

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

**2005 Fire Levy**

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

**2004 RIDs**

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

**Street Lighting**

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

**Cemetery Trust Fund**

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

**Longstreet Trust Fund**

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

**Law Enforcement**

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

**Fire Escrow Deposit**

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

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

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**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.

**FEMA Fund**

To account for monies that are received from the Federal Emergency Management Agency.

**Debt Service Funds**

**Corridor I-75**

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

**Capital Project Funds**

**Park Improvement**

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

**Capital Improvement**

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

**Court Technology Improvement**

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

**CPO TIF**

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

**Enterprise Funds**

**Storm Water Management**

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

**Garbage**

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

**Cemetery**

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

**THE CITY OF MONROE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 837,722	\$ -	\$ 616,771	\$ 1,454,493
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes-Real & Personal Property	568,000	-	-	568,000
Accounts	-	-	-	-
Special Assessments	108,000	-	45,000	153,000
Payments in Lieu of Taxes	1,384,000	192,000	-	1,576,000
Due from Other Governments	547,445	-	-	547,445
<b>Total Assets</b>	<b>\$ 3,445,167</b>	<b>\$ 192,000</b>	<b>\$ 661,771</b>	<b>\$ 4,298,938</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 42,047	\$ -	\$ 210	\$ 42,257
Accrued Wages and Benefits	49,757	-	-	49,757
Due to Other Funds	35,000	-	-	35,000
Due to Other Governments	26,678	-	-	26,678
Deferred Revenue	2,384,902	192,000	-	2,576,902
<b>Total Liabilities</b>	<b>2,538,384</b>	<b>192,000</b>	<b>210</b>	<b>2,730,594</b>
<b>Fund Balances:</b>				
Restricted	906,783	-	574,020	1,480,803
Committed	-	-	87,541	87,541
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>906,783</b>	<b>-</b>	<b>661,561</b>	<b>1,568,344</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,445,167</b>	<b>\$ 192,000</b>	<b>\$ 661,771</b>	<b>\$ 4,298,938</b>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$ 669,575	\$ -	\$ -	\$ 669,575
Payment in Lieu of Taxes	883,145	183,790	-	1,066,935
Intergovernmental	773,307	-	-	773,307
Charges for Services	199,415	-	-	199,415
Licenses and Permits	-	-	47,582	47,582
Investment Earnings	7,499	-	-	7,499
Fines and Forfeitures	24,495	-	18,203	42,698
Special Assessments	131,584	-	43,553	175,137
Miscellaneous	33,253	-	8,746	41,999
<b>Total Revenues</b>	<b>2,722,273</b>	<b>183,790</b>	<b>118,084</b>	<b>3,024,147</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property	654,435	-	-	654,435
Leisure Time Activities	-	-	-	0
Payment to Schools	590,743	-	-	590,743
Transportation	1,142,620	-	-	1,142,620
General Government	-	-	10,337	10,337
Miscellaneous	18,720	-	-	18,720
Capital Outlay	6,591	-	647,357	653,948
<b>Debt Service:</b>				
Principal Retirement	-	180,000	-	180,000
Interest and Fiscal Charges	-	3,790	-	3,790
<b>Total Expenditures</b>	<b>2,413,109</b>	<b>183,790</b>	<b>657,694</b>	<b>3,254,593</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>309,164</b>	<b>-</b>	<b>(539,610)</b>	<b>(230,446)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	92,000	-	500,000	592,000
Transfers - Out	(100,000)	-	-	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(8,000)</b>	<b>-</b>	<b>500,000</b>	<b>492,000</b>
<b>Net Change in Fund Balances</b>	<b>301,164</b>	<b>-</b>	<b>(39,610)</b>	<b>261,554</b>
Fund Balances at Beginning of Year	605,619	-	701,171	1,306,790
<b>Fund Balances at End of Year</b>	<b>\$ 906,783</b>	<b>\$ -</b>	<b>\$ 661,561</b>	<b>\$ 1,568,344</b>

**THE CITY OF MONROE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2012**

	Street	State Highway	Motor Vehicle License	Dare Grant	Enforcement and Education	2005 Fire Levy
<b>Assets:</b>						
Equity in Pooled Cash and Investments	\$ 90,896	\$ 88,990	\$ 171,978	\$ 22,334	\$ 5,548	\$ 32,227
Receivables (Net of Allowance for Doubtful Accounts):						
Taxes-Real & Personal Property	-	-	-	-	-	568,000
Accounts	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-	-	-
Due from Other Governments	353,137	28,633	54,439	-	-	28,500
<b>Total Assets</b>	<b>\$ 444,033</b>	<b>\$ 117,623</b>	<b>\$ 226,417</b>	<b>\$ 22,334</b>	<b>\$ 5,548</b>	<b>\$ 628,727</b>
<b>Liabilities:</b>						
Accounts Payable	\$ 27,143	\$ 952	\$ 4,659	\$ 435	\$ -	\$ -
Accrued Wages and Benefits	49,757	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	26,678	-	-	-	-	-
Deferred Revenue	235,245	19,074	42,083	-	-	596,500
<b>Total Liabilities</b>	<b>338,823</b>	<b>20,026</b>	<b>46,742</b>	<b>435</b>	<b>-</b>	<b>596,500</b>
<b>Fund Balances:</b>						
Restricted	105,210	97,597	179,675	21,899	5,548	32,227
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>105,210</b>	<b>97,597</b>	<b>179,675</b>	<b>21,899</b>	<b>5,548</b>	<b>32,227</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 444,033</b>	<b>\$ 117,623</b>	<b>\$ 226,417</b>	<b>\$ 22,334</b>	<b>\$ 5,548</b>	<b>\$ 628,727</b>

**THE CITY OF MONROE  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012**

2004 RIDs	Street Lighting	Cemetery Trust	Longstreet Trust	Law Enforcement	Fire Escrow Deposit	Fire Historical Preservation	FEMA	Total
\$ 189,258	\$ 59,559	\$ 62,211	\$ 2,230	\$ 70,823	\$ 21,371	\$ 14,211	\$ 6,086	\$ 837,722
-	-	-	-	-	-	-	-	568,000
-	-	-	-	-	-	-	-	-
-	108,000	-	-	-	-	-	-	108,000
1,384,000	-	-	-	-	-	-	-	1,384,000
82,736	-	-	-	-	-	-	-	547,445
<u>\$ 1,655,994</u>	<u>\$ 167,559</u>	<u>\$ 62,211</u>	<u>\$ 2,230</u>	<u>\$ 70,823</u>	<u>\$ 21,371</u>	<u>\$ 14,211</u>	<u>\$ 6,086</u>	<u>\$ 3,445,167</u>
\$ -	\$ 7,621	\$ -	\$ -	\$ 1,237	\$ -	\$ -	\$ -	\$ 42,047
-	-	-	-	-	-	-	-	49,757
-	35,000	-	-	-	-	-	-	35,000
-	-	-	-	-	-	-	-	26,678
1,384,000	108,000	-	-	-	-	-	-	2,384,902
<u>1,384,000</u>	<u>150,621</u>	<u>-</u>	<u>-</u>	<u>1,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,538,384</u>
271,994	16,938	62,211	2,230	69,586	21,371	14,211	6,086	906,783
-	-	-	-	-	-	-	-	-
<u>271,994</u>	<u>16,938</u>	<u>62,211</u>	<u>2,230</u>	<u>69,586</u>	<u>21,371</u>	<u>14,211</u>	<u>6,086</u>	<u>906,783</u>
<u>\$ 1,655,994</u>	<u>\$ 167,559</u>	<u>\$ 62,211</u>	<u>\$ 2,230</u>	<u>\$ 70,823</u>	<u>\$ 21,371</u>	<u>\$ 14,211</u>	<u>\$ 6,086</u>	<u>\$ 3,445,167</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, 2012**

	Street	State Highway	Motor Vehicle License	DARE Grant	Enforcement and Education	2005 Fire Levy
<b>Revenues:</b>						
Property and Other Taxes	\$ -	\$ -	\$ 68,448	\$ -	\$ -	\$ 601,127
Payment in Lieu of Taxes	-	-	-	-	-	-
Intergovernmental	618,408	50,142	28,051	11,996	-	58,624
Charges for Services	199,415	-	-	-	-	-
Investment Earnings	1,865	1,796	3,428	-	-	-
Fines and Forfeitures	-	-	-	-	533	-
Special Assessments	2,365	-	-	-	-	-
Miscellaneous	5,000	-	-	-	-	-
<b>Total Revenues</b>	<b>827,053</b>	<b>51,938</b>	<b>99,927</b>	<b>11,996</b>	<b>533</b>	<b>659,751</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	-	-	-	9,053	979	630,612
Payment to Schools	-	-	-	-	-	-
Transportation	961,619	26,645	58,159	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>961,619</b>	<b>26,645</b>	<b>58,159</b>	<b>9,053</b>	<b>979</b>	<b>630,612</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(134,566)</b>	<b>25,293</b>	<b>41,768</b>	<b>2,943</b>	<b>(446)</b>	<b>29,139</b>
<b>Other Financing Sources (Uses):</b>						
Transfers - In	92,000	-	-	-	-	-
Transfers - Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>92,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(42,566)</b>	<b>25,293</b>	<b>41,768</b>	<b>2,943</b>	<b>(446)</b>	<b>29,139</b>
<b>Fund Balances at Beginning of Year</b>	<b>147,776</b>	<b>72,304</b>	<b>137,907</b>	<b>18,956</b>	<b>5,994</b>	<b>3,088</b>
<b>Fund Balances at End of Year</b>	<b>\$ 105,210</b>	<b>\$ 97,597</b>	<b>\$ 179,675</b>	<b>\$ 21,899</b>	<b>\$ 5,548</b>	<b>\$ 32,227</b>

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

2004 RIDs	Street Lighting	Cemetery Trust	Longstreet Trust	Law Enforcement	Fire Escrow Deposit	Fire Historical Preservation	FEMA	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 669,575
883,145	-	-	-	-	-	-	-	883,145
-	-	-	-	-	-	-	6,086	773,307
-	-	-	-	-	-	-	-	199,415
-	-	362	48	-	-	-	-	7,499
-	-	-	-	23,962	-	-	-	24,495
-	129,219	-	-	-	-	-	-	131,584
-	-	200	-	-	28,053	-	-	33,253
<u>883,145</u>	<u>129,219</u>	<u>562</u>	<u>48</u>	<u>23,962</u>	<u>28,053</u>	<u>-</u>	<u>6,086</u>	<u>2,722,273</u>
-	-	-	-	7,109	6,682	-	-	654,435
590,743	-	-	-	-	-	-	-	590,743
-	96,197	-	-	-	-	-	-	1,142,620
10,481	-	8,180	59	-	-	-	-	18,720
6,591	-	-	-	-	-	-	-	6,591
<u>607,815</u>	<u>96,197</u>	<u>8,180</u>	<u>59</u>	<u>7,109</u>	<u>6,682</u>	<u>-</u>	<u>-</u>	<u>2,413,109</u>
275,330	33,022	(7,618)	(11)	16,853	21,371	-	6,086	309,164
-	-	-	-	-	-	-	-	92,000
(100,000)	-	-	-	-	-	-	-	(100,000)
(100,000)	-	-	-	-	-	-	-	(8,000)
175,330	33,022	(7,618)	(11)	16,853	21,371	-	6,086	301,164
96,664	(16,084)	69,829	2,241	52,733	-	14,211	-	605,619
<u>\$ 271,994</u>	<u>\$ 16,938</u>	<u>\$ 62,211</u>	<u>\$ 2,230</u>	<u>\$ 69,586</u>	<u>\$ 21,371</u>	<u>\$ 14,211</u>	<u>\$ 6,086</u>	<u>\$ 906,783</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, 2012**

	STREET FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 547,000	\$ 547,000	\$ 607,200	\$ 60,200
Interest	3,000	3,000	1,865	(1,135)
Special Assessment	-	-	2,365	2,365
Charges for Services	184,358	184,358	200,065	15,707
Other	(300,000)	(300,000)	6,098	306,098
<b>Total Revenues</b>	<b>434,358</b>	<b>434,358</b>	<b>817,593</b>	<b>383,235</b>
Expenditures:				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	720,397	721,746	720,236	1,510
Other	300,000	346,764	306,044	40,720
<b>Total Transportation</b>	<b>1,020,397</b>	<b>1,068,510</b>	<b>1,026,280</b>	<b>42,230</b>
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>1,020,397</b>	<b>1,068,510</b>	<b>1,026,280</b>	<b>42,230</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(586,039)	(634,152)	(208,687)	425,465
Other Financing Sources:				
Transfers - In	515,642	515,642	92,000	(423,642)
<b>Total Other Financing Sources</b>	<b>515,642</b>	<b>515,642</b>	<b>92,000</b>	<b>(423,642)</b>
<b>Net Change in Fund Balance</b>	<b>(70,397)</b>	<b>(118,510)</b>	<b>(116,687)</b>	<b>1,823</b>
Fund Balance at Beginning of Year	84,194	84,194	84,194	-
Prior Year Encumbrances Appropriated	49,259	49,259	49,259	-
<b>Fund Balance at End of Year</b>	<b>\$ 63,056</b>	<b>\$ 14,943</b>	<b>\$ 16,766</b>	<b>\$ 1,823</b>

**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, 2012**

	STATE HIGHWAY FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 44,500	\$ 44,500	\$ 49,232	\$ 4,732
Interest	500	500	1,796	1,296
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>51,028</u>	<u>6,028</u>
Expenditures:				
Current:				
Transportation				
State Highway Maintenance				
Other	<u>45,000</u>	<u>46,007</u>	<u>35,625</u>	<u>10,382</u>
Total State Highway Maintenance	<u>45,000</u>	<u>46,007</u>	<u>35,625</u>	<u>10,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,007)	15,403	16,410
Other Financing Sources:				
Operating Transfers - In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(1,007)	15,403	16,410
Fund Balance at Beginning of Year	33,244	33,244	33,244	-
Prior Year Encumbrances Appropriated	<u>30,552</u>	<u>30,552</u>	<u>30,552</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 63,796</u>	<u>\$ 62,789</u>	<u>\$ 79,199</u>	<u>\$ 16,410</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, 2012**

	MOTOR VEHICLE LICENSE FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Other Taxes	\$ 68,448	\$ 68,448	\$ 68,448	\$ -
Intergovernmental	23,552	23,552	34,224	10,672
Interest	3,000	3,000	3,428	428
Miscellaneous	-	-	1,495	1,495
<b>Total Revenues</b>	<b>95,000</b>	<b>95,000</b>	<b>107,595</b>	<b>12,595</b>
Expenditures:				
Current:				
Transportation				
State Highway Maintenance				
Other	100,000	138,037	88,840	49,197
Total State Highway Maintenance	100,000	138,037	88,840	49,197
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(43,037)	18,755	61,792
Other Financing Sources:				
Operating Transfers - In	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(5,000)</b>	<b>(43,037)</b>	<b>18,755</b>	<b>61,792</b>
Fund Balance at Beginning of Year	52,019	52,019	52,019	-
Prior Year Encumbrances Appropriated	67,746	67,746	67,746	-
<b>Fund Balance at End of Year</b>	<b>\$ 114,765</b>	<b>\$ 76,728</b>	<b>\$ 138,520</b>	<b>\$ 61,792</b>

**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, 2012**

	DARE GRANT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 11,996	\$ (4)
Other	-	-	873	873
<b>Total Revenues</b>	<b>12,000</b>	<b>12,000</b>	<b>12,869</b>	<b>869</b>
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	-	8,152	5,100	3,052
Other	13,500	21,064	6,035	15,029
<b>Total Expenditures</b>	<b>13,500</b>	<b>29,216</b>	<b>11,135</b>	<b>18,081</b>
<b>Net Change in Fund Balance</b>	<b>(1,500)</b>	<b>(17,216)</b>	<b>1,734</b>	<b>18,950</b>
Fund Balance at Beginning of Year	18,004	18,004	18,004	-
Prior Year Encumbrances Appropriated	1,814	1,814	1,814	-
<b>Fund Balance at End of Year</b>	<b>\$ 16,504</b>	<b>\$ 788</b>	<b>\$ 21,552</b>	<b>\$ 18,950</b>

**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, 2012**

	ENFORCEMENT AND EDUCATION FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ 558	\$ 558
Total Revenues	-	-	558	558
Expenditures:				
Current:				
Security of Persons and Property				
Other	10,000	5,000	979	4,021
Total Expenditures	10,000	5,000	979	4,021
Net Change in Fund Balance	(10,000)	(5,000)	(421)	4,579
Fund Balance at Beginning of Year	5,969	5,969	5,969	-
Fund Balance at End of Year	<u>\$ (4,031)</u>	<u>\$ 969</u>	<u>\$ 5,548</u>	<u>\$ 4,579</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, 2012**

	2005 FIRE LEVY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 580,000	\$ 580,000	\$ 601,127	\$ 21,127
Intergovernmental	25,000	50,000	58,624	8,624
Total Revenues	<u>605,000</u>	<u>630,000</u>	<u>659,751</u>	<u>29,751</u>
Expenditures:				
Current:				
Security of Persons and Property				
Other	<u>628,000</u>	<u>630,000</u>	<u>630,612</u>	<u>(612)</u>
Total Expenditures	<u>628,000</u>	<u>630,000</u>	<u>630,612</u>	<u>(612)</u>
Net Change in Fund Balance	(23,000)	-	29,139	29,139
Fund Balance at Beginning of Year	<u>3,088</u>	<u>3,088</u>	<u>3,088</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ (19,912)</u></u>	<u><u>\$ 3,088</u></u>	<u><u>\$ 32,227</u></u>	<u><u>\$ 29,139</u></u>

**City of Monroe, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget and Actual (Budgetary Basis)**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2012**

	2004 RIDs			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 883,000	\$ 883,000	\$ 883,145	\$ 145
Total Revenues	<u>883,000</u>	<u>883,000</u>	<u>883,145</u>	<u>145</u>
Expenditures:				
Current:				
Payments to Schools	833,000	793,000	673,479	119,521
Other	10,650	34,850	30,459	4,391
Total Security of Persons and Property	<u>843,650</u>	<u>827,850</u>	<u>703,938</u>	<u>123,912</u>
Capital Outlay	<u>-</u>	<u>5,000</u>	<u>1,315</u>	<u>3,685</u>
Total Expenditures	<u>843,650</u>	<u>832,850</u>	<u>705,253</u>	<u>127,597</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,350	50,150	177,892	127,742
Other Financing Uses:				
Transfers - Out	<u>(100,000)</u>	<u>(110,000)</u>	<u>(100,000)</u>	<u>10,000</u>
Total Other Financing Sources	<u>(100,000)</u>	<u>(110,000)</u>	<u>(100,000)</u>	<u>10,000</u>
Net Change in Fund Balance	(60,650)	(59,850)	77,892	137,742
Fund Balance at Beginning of Year	54,115	54,115	54,115	-
Prior Year Encumbrances Appropriated	<u>50,508</u>	<u>50,508</u>	<u>50,508</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 43,973</u>	<u>\$ 44,773</u>	<u>\$ 182,515</u>	<u>\$ 137,742</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, 2012**

	STREET LIGHTING FUND			Variance Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Special Assessments	\$ 100,000	\$ 100,000	\$ 129,219	\$ 29,219
Total Revenues	100,000	100,000	129,219	29,219
Expenditures:				
Current:				
Security of Persons and Property				
Other	111,000	111,217	89,487	21,730
Total Expenditures	111,000	111,217	89,487	21,730
Deficiency of Revenues Under Expenditures	(11,000)	(11,217)	39,732	50,949
Other Financing Sources (Uses):				
Transfers - In	20,000	20,000	-	(20,000)
Total Other Financing Sources:	20,000	20,000	-	(20,000)
Net Change in Fund Balance	9,000	8,783	39,732	30,949
Fund Balance at Beginning of Year	19,527	19,527	19,527	-
Prior Year Encumbrances Appropriated	217	217	217	-
Fund Balance at End of Year	\$ 28,527	\$ 28,310	\$ 59,476	\$ 30,949

**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, 2012**

	CEMETERY TRUST FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 362	\$ 362
Miscellaneous	-	-	200	200
Total Revenues	-	-	562	562
Expenditures:				
Public Health and Welfare				
Cemetery				
Other	-	30,000	8,180	21,820
Total Expenditures	-	30,000	8,180	21,820
Net Change in Fund Balance	-	(30,000)	(7,618)	22,382
Fund Balance at Beginning of Year	69,829	69,829	69,829	-
Fund Balance at End of Year	\$ 69,829	\$ 39,829	\$ 62,211	\$ 22,382

**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, 2012**

	LONGSTREET TRUST FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 48	\$ 48
Total Revenues	-	-	48	48
Expenditures:				
Public Health and Welfare				
Cemetery				
Other	-	250	59	191
Net Change in Fund Balance	-	(250)	(11)	239
Fund Balance at Beginning of Year	2,241	2,241	2,241	-
Fund Balance at End of Year	\$ 2,241	\$ 1,991	\$ 2,230	\$ 239

**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, 2012**

	LAW ENFORCEMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Fines, licenses, and permits	\$ -	\$ -	\$ 23,962	\$ 23,962
Total Revenues	-	-	23,962	23,962
Expenditures:				
Current:				
Security of Persons and Property				
Other	30,000	30,000	10,310	19,690
Total Security of Persons and Property	30,000	30,000	10,310	19,690
Capital Outlay	0	0	-	-
Total Expenditures	30,000	30,000	10,310	19,690
Net Change in Fund Balance	(30,000)	(30,000)	13,652	43,652
Fund Balance at Beginning of Year	53,754	53,754	53,754	-
Fund Balance at End of Year	\$ 23,754	\$ 23,754	\$ 67,406	\$ -

**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, 2012**

	FIRE ESCROW DEPOSIT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Miscellaneous	\$ 28,053	\$ 28,053	\$ 28,053	\$ -
Total Revenues	28,053	28,053	28,053	-
Expenditures:				
Current:				
Security of Persons and Property				
Other	-	28,053	6,682	21,371
Total Security of Persons and Property	-	28,053	6,682	21,371
Capital Outlay	-	-	-	-
Total Expenditures	-	28,053	6,682	21,371
Net Change in Fund Balance	28,053	-	21,371	21,371
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ 28,053	\$ -	\$ 21,371	\$ -

**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, 2012**

	FEMA FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 33,717	\$ 33,717	\$ 6,086	\$ (27,631)
Total Revenues	33,717	33,717	6,086	(27,631)
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	33,717	33,717	6,086	(27,631)
Other Financing (Uses:)				
Transfers - Out	-	(27,631)	-	27,631
Total Other Financing (Uses)	-	(27,631)	-	27,631
Net Change in Fund Balance	33,717	6,086	6,086	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ 33,717</u>	<u>\$ 6,086</u>	<u>\$ 6,086</u>	<u>\$ -</u>

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**THE CITY OF MONROE  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUND  
 DECEMBER 31, 2012**

	<u>Corridor I - 75</u>	<u>Total</u>
<b>Assets:</b>		
Equity in Pooled Cash and Investments	\$ -	\$ -
Receivables (net of allowance for doubtful accounts):		
Payments in Lieu of Taxes	<u>192,000</u>	<u>192,000</u>
<b>Total Assets</b>	<b><u>\$ 192,000</u></b>	<b><u>\$ 192,000</u></b>
<b>Liabilities:</b>		
Deferred Revenue	<u>\$ 192,000</u>	<u>\$ 192,000</u>
<b>Total Liabilities</b>	<u>192,000</u>	<u>192,000</u>
<b>Fund Balances:</b>		
Restricted	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 192,000</u></b>	<b><u>\$ 192,000</u></b>

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Corridor I - 75	Total
	<u>          </u>	<u>          </u>
Revenues:		
Payment in Lieu of Taxes	\$ 183,790	\$ 183,790
	<u>          </u>	<u>          </u>
Total Revenues	183,790	183,790
	<u>          </u>	<u>          </u>
Expenditures:		
Principal Retirement	180,000	180,000
Interest and Fiscal Charges	3,790	3,790
	<u>          </u>	<u>          </u>
Total Expenditures	183,790	183,790
	<u>          </u>	<u>          </u>
Net Change in Fund Balance	-	-
Fund Balances at Beginning of Year	<u>          </u>	<u>          </u>
	-	-
Fund Balances at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**City of Monroe, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget and Actual (Budgetary Basis)**  
**Major Governmental Fund**  
**For the Year Ended December 31, 2012**

	BOND RETIREMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Special Assessments	\$ 727,265	\$ 727,265	\$ 733,353	\$ 6,088
Intergovernmental	83,945	83,945	15,392	(68,553)
Other	-	-	0	-
Total Revenues	<u>811,210</u>	<u>811,210</u>	<u>748,745</u>	<u>(62,465)</u>
Expenditures:				
Current				
Intergovernmental	639,865	639,865	639,865	-
Debt Service:				
Principal Retirement	805,900	805,900	805,900	-
Interest and Fiscal Charges	487,500	487,500	486,652	848
Total Expenditures	<u>1,933,265</u>	<u>1,933,265</u>	<u>1,932,417</u>	<u>848</u>
Deficiency of Revenues				
Under Expenditures	(1,122,055)	(1,122,055)	(1,183,672)	(61,617)
Other Financing Sources:				
Transfers - In	1,121,000	1,121,000	1,274,613	153,613
Total Other Financing Sources	<u>1,121,000</u>	<u>1,121,000</u>	<u>1,274,613</u>	<u>153,613</u>
Net Change in Fund Balance	(1,055)	(1,055)	90,941	91,996
Fund Balances at Beginning of Year	<u>17,096</u>	<u>17,096</u>	<u>17,096</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ 16,041</u></u>	<u><u>\$ 16,041</u></u>	<u><u>\$ 108,037</u></u>	<u><u>\$ 91,996</u></u>

**City of Monroe, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget and Actual (Budgetary Basis)**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2012**

	CORRIDOR I-75 FUND			Variance Positive (Negative)
	Budget Original	Final	Actual	
Revenues:				
Payment in Lieu of Taxes	\$ 183,791	\$ 183,791	\$ 183,790	\$ (1)
Total Revenues	183,791	183,791	183,790	(1)
Expenditures:				
Debt Service:				
Principal Retirement	180,000	179,271	180,000	(729)
Interest and Fiscal Charges	5,000	4,520	3,790	730
Total Expenditures	185,000	183,791	183,790	1
Net Change in Fund Balance	(1,209)	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ (1,209)	\$ -	\$ -	\$ -

**THE CITY OF MONROE  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2012**

	Park Improvement	Court Technology Improvement	Capital Improvement	CPO TIF	Total
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$ 87,541	\$ 47,098	\$ 457,252	\$ 24,880	\$ 616,771
Accounts Receivable (Net of Allowance for Doubtful Accounts)	-	-	-	-	-
Special Assessments	-	-	45,000	-	45,000
<b>Total Assets</b>	<b>\$ 87,541</b>	<b>\$ 47,098</b>	<b>\$ 502,252</b>	<b>\$ 24,880</b>	<b>\$ 661,771</b>
<b>Liabilities:</b>					
Accounts Payable	-	210	-	-	210
<b>Total Liabilities</b>	<b>-</b>	<b>210</b>	<b>-</b>	<b>-</b>	<b>210</b>
<b>Fund Balances:</b>					
Restricted	-	46,888	502,252	24,880	574,020
Committed	87,541	-	-	-	87,541
<b>Total Fund Balances</b>	<b>87,541</b>	<b>46,888</b>	<b>502,252</b>	<b>24,880</b>	<b>661,561</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 87,541</b>	<b>\$ 47,098</b>	<b>\$ 502,252</b>	<b>\$ 24,880</b>	<b>\$ 661,771</b>

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Park Improvement	Court Technology Improvement	Capital Improvement	CPO TIF	Total
Revenues:					
Licenses and Permits	\$ 47,582	\$ -	\$ -	\$ -	\$ 47,582
Fines and Forfeitures	-	18,203	-	-	18,203
Special Assessments	-	-	43,553	-	43,553
Miscellaneous	-	-	8,746	-	8,746
<b>Total Revenues</b>	<b>47,582</b>	<b>18,203</b>	<b>52,299</b>	<b>-</b>	<b>118,084</b>
Expenditures:					
Current:					
Leisure Time Activities	-	-	-	-	-
General Government	-	10,337	-	-	10,337
Capital Outlay	7,864	-	639,493	-	647,357
<b>Total Expenditures</b>	<b>7,864</b>	<b>10,337</b>	<b>639,493</b>	<b>-</b>	<b>657,694</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,718	7,866	(587,194)	-	(539,610)
Other Financing Sources:					
Transfers - In	-	-	500,000	-	500,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>
Change in Fund Balance	39,718	7,866	(87,194)	-	(39,610)
Fund Balances at Beginning of Year	47,823	39,022	589,446	24,880	701,171
<b>Fund Balances at End of Year</b>	<b>\$ 87,541</b>	<b>\$ 46,888</b>	<b>\$ 502,252</b>	<b>\$ 24,880</b>	<b>\$ 661,561</b>

**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, 2012**

	PARK IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses, and Permits	\$ 45,000	\$ 45,000	\$ 47,582	\$ 2,582
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>47,582</u>	<u>2,582</u>
Expenditures:				
Current:				
Leisure Time Activities				
Other	-	1,220	1,220	-
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>7,864</u>	<u>42,136</u>
Total Expenditures	<u>50,000</u>	<u>51,220</u>	<u>9,084</u>	<u>42,136</u>
Net Change in Fund Balance	(5,000)	(6,220)	38,498	44,718
Fund Balance at Beginning of Year	50,581	50,581	40,953	9,628
Prior Year Encumbrances Appropriated	<u>6,870</u>	<u>6,870</u>	<u>6,870</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 52,451</u>	<u>\$ 51,231</u>	<u>\$ 86,321</u>	<u>\$ 9,628</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, 2012**

	COURT TECHNOLOGY IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 25,000	\$ 17,000	\$ 18,896	\$ 1,896
Total Revenues	25,000	17,000	18,896	1,896
Expenditures:				
Current:				
General Government				
Other	13,200	14,314	11,621	2,693
Total Expenditures	13,200	14,314	11,621	2,693
Net Change in Fund Balance	11,800	2,686	7,275	4,589
Fund Balance at Beginning of Year	38,299	38,299	38,299	-
Prior Year Encumbrances Appropriated	1,264	1,264	1,264	-
Fund Balance at End of Year	\$ 51,363	\$ 42,249	\$ 46,838	\$ 4,589

**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, 2012**

	CAPITAL IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ -	\$ -	\$ 10,553	\$ 10,553
Miscellaneous	-	-	8,746	8,746
Total Revenues	-	-	19,299	19,299
Expenditures:				
Capital Outlay	500,000	759,236	769,493	(10,257)
Total Expenditures	500,000	759,236	769,493	(10,257)
Deficiency of Revenues Under Expenditures	(500,000)	(759,236)	(750,194)	9,042
Other Financing Sources:				
Transfers - In	400,000	400,000	500,000	100,000
Total Other Financing Sources	400,000	400,000	500,000	100,000
Net Change in Fund Balance	(100,000)	(359,236)	(250,194)	109,042
Fund Balance at Beginning of Year	520,292	520,292	520,292	-
Prior Year Encumbrances Appropriated	57,503	57,503	57,503	-
Fund Balance at End of Year	<u>\$ 477,795</u>	<u>\$ 218,559</u>	<u>\$ 327,601</u>	<u>\$ 109,042</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, 2012**

	CPO TIF Capital Projects			Variance Positive (Negative)
	Budget Original	Final	Actual	
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Deficiency of Revenues Under Expenditures	-	-	-	-
Other Financing Sources:				
Premium on Sale of Bonds	-	-	-	-
Transfers - Out	-	(24,880)	-	24,880
Total Other Financing Sources	-	(24,880)	-	24,880
Net Change in Fund Balance	-	(24,880)	-	24,880
Fund Balance at Beginning of Year	24,880	24,880	24,880	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	<u>\$ 24,880</u>	<u>\$ -</u>	<u>\$ 24,880</u>	<u>\$ 24,880</u>

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**DECEMBER 31, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
<b>Assets:</b>				
<b>Current Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 269,574	\$ 364,362	\$ 51,814	\$ 685,750
Accounts Receivable (Net of Allowance for Doubtful Accounts)	7,100	24,400	-	31,500
Due From Other Governments	36,932	0	-	36,932
<b>Total Current Assets</b>	<b>313,606</b>	<b>388,762</b>	<b>51,814</b>	<b>754,182</b>
<b>Capital Assets:</b>				
Depreciable Assets	429,218	-	-	429,218
<b>Total Assets</b>	<b>\$ 742,824</b>	<b>\$ 388,762</b>	<b>\$ 51,814</b>	<b>\$ 1,183,400</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 125,049	\$ 47,427	\$ 225	\$ 172,701
Due to Other Governments	3,567	997	633	5,197
<b>Total Current Liabilities</b>	<b>128,616</b>	<b>48,424</b>	<b>858</b>	<b>177,898</b>
<b>Total Liabilities</b>	<b>128,616</b>	<b>48,424</b>	<b>858</b>	<b>177,898</b>
<b>Net Position</b>				
Net Investment in Capital Assets	429,218	-	-	429,218
Unrestricted	184,990	340,338	50,956	576,284
<b>Total Net Position</b>	<b>614,208</b>	<b>340,338</b>	<b>50,956</b>	<b>1,005,502</b>
<b>Total Net Position and Liabilities</b>	<b>\$ 742,824</b>	<b>\$ 388,762</b>	<b>\$ 51,814</b>	<b>\$ 1,183,400</b>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
Operating Revenues:				
Charges for Services	\$ 274,874	\$ 705,901	\$ 46,370	\$ 1,027,145
Total Operating Revenues	<u>274,874</u>	<u>705,901</u>	<u>46,370</u>	<u>1,027,145</u>
Operating Expenses:				
Personal Services	150,880	40,851	23,683	215,414
Materials and Supplies	19,389	-	4,327	23,716
Contractual Services	43,662	517,868	31,453	592,983
Depreciation	27,266	-	-	27,266
Total Operating Expenses	<u>241,197</u>	<u>558,719</u>	<u>59,463</u>	<u>859,379</u>
Operating Income	33,677	147,182	(13,093)	167,766
Non-Operating Income (Expense):				
Capital Grants and Contributions	36,932	-	-	36,932
Investment Earnings	-	-	1,236	1,236
Total Non-Operating Income (Expense)	<u>36,932</u>	<u>-</u>	<u>1,236</u>	<u>38,168</u>
Change in Net Position	70,609	147,182	(11,857)	205,934
Total Net Position - Beginning of Year	<u>543,599</u>	<u>193,156</u>	<u>62,813</u>	<u>799,568</u>
Total Net Position - End of Year	<u>\$ 614,208</u>	<u>\$ 340,338</u>	<u>\$ 50,956</u>	<u>\$ 1,005,502</u>

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 235,585	\$ 696,344	\$ 50,794	\$ 982,723
Cash Paid for Employee Services and Benefits	(150,518)	(40,968)	(28,613)	(220,099)
Cash Paid to Suppliers for Goods and Services	(57,796)	(574,291)	(35,758)	(667,845)
Net Cash Provided (Used) by Operating Activities	27,271	81,085	(13,577)	94,779
Cash Flows from Capital and Related Financing Activities:				
Capital Contributions	36,932	-	-	36,932
Acquisition of Capital Assets	(114,201)	-	-	(114,201)
Net Cash Provided (Used) by Capital and Related Financing Activities	(77,269)	-	-	(77,269)
Cash Flows from Investing Activities				
Interest	-	-	1,236	1,236
Net Cash Provided by Investing Activities	-	-	1,236	1,236
Net Increase (Decrease) in Cash and Cash Equivalents	(49,998)	81,085	(12,341)	18,746
Cash and Cash Equivalents at Beginning of Year	319,572	283,277	64,155	667,004
Cash and Cash Equivalents at End of Year	\$ 269,574	\$ 364,362	\$ 51,814	\$ 685,750
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 33,677	\$ 147,182	\$ (13,093)	\$ 167,766
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	27,266	-	-	27,266
Change in Assets and Liabilities:				
Accounts Receivable	700	(1,100)	-	(400)
Accounts Payables	2,199	(64,879)	22	(62,658)
Due to Other Governments	(36,571)	(118)	(506)	(37,195)
Total Adjustments	(6,406)	(66,097)	(484)	(72,987)
Net Cash Provided by Operating Activities	\$ 27,271	\$ 81,085	\$ (13,577)	\$ 94,779
Non-Cash Capital Financing Activities				
Capital Assets Acquired on Account	\$ 121,440	-	-	\$ 121,440

**THE CITY OF MONROE**  
**STATEMENT OF CHANGES IN FIDUCIARY**  
**ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Balance December 31, 2011	Additions	Deletions	Balance December 31, 2012
<b>Assets:</b>				
Cash and Cash Equivalents in Segregated Accounts	\$ 15,819	\$ 259,725	\$ 258,518	\$ 17,026
<b>Total Assets</b>	<b>\$ 15,819</b>	<b>\$ 259,725</b>	<b>\$ 258,518</b>	<b>\$ 17,026</b>
<b>Liabilities:</b>				
Due to Other Governments	\$ 15,799	\$ 259,134	\$ 258,518	\$ 16,415
Due to Others	20	591	-	611
<b>Total Liabilities</b>	<b>\$ 15,819</b>	<b>\$ 259,725</b>	<b>\$ 258,518</b>	<b>\$ 17,026</b>

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# STATISTICAL SECTION



*Mayor Routson addressed the crowd when the Best Western – Monroe, under new management, celebrated their grand reopening in 2012. The hotel was fully renovated when it changed from a Hampton Inn to a Best Western.*



**The City of Monroe, Ohio**  
**Statistical Section Descriptions**  
**December 31, 2012**

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.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader assess how the City's financial performance and situation have changed over time.	98-103
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and income tax.	104-108
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	109-111
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within in which the City's financial activities takes place.	112-113
<b>Operating Information</b>	
These schedules contain operational data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	114-116

**CITY OF MONROE, OHIO**  
Net Position by Component  
Last Nine Years  
*(accrual basis of accounting)*

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>									
Net Investment in Capital Assets	\$ 43,102,006	\$ 43,525,991	\$ 43,867,043	\$ 43,279,636	\$ 39,910,704	\$ 35,459,009	\$ 34,500,283	\$ 36,129,538	\$ 31,947,148
Restricted	2,363,223	2,204,984	1,871,712	1,285,278	1,146,508	2,123,343	3,042,662	2,691,443	1,826,135
Unrestricted (Deficit)	10,155,111	8,890,692	8,306,173	10,245,581	9,779,599	9,111,985	6,824,463	(1,013,088)	(3,292,253)
<i>Total Governmental Activities Net Position</i>	<u>55,620,340</u>	<u>54,621,667</u>	<u>54,044,928</u>	<u>54,810,495</u>	<u>50,836,811</u>	<u>46,694,337</u>	<u>44,367,408</u>	<u>37,807,893</u>	<u>30,481,030</u>
<b>Business-Type Activities</b>									
Net Investment in Capital Assets	3,843,682	2,705,389	2,873,285	2,670,120	2,499,198	1,479,725	314,256	(587,825)	(812,502)
Unrestricted	1,802,610	2,472,518	2,337,944	2,667,307	2,459,723	4,143,064	5,009,927	5,122,206	3,734,030
<i>Total Business-Type Activities Net Position</i>	<u>5,646,292</u>	<u>5,177,907</u>	<u>5,211,229</u>	<u>5,337,427</u>	<u>4,958,921</u>	<u>5,622,789</u>	<u>5,324,183</u>	<u>4,534,381</u>	<u>2,921,528</u>
<b>Primary government</b>									
Net Investment in Capital Assets	46,945,688	46,231,380	46,740,328	45,949,756	42,409,902	36,938,734	34,814,539	35,100,684	31,134,646
Restricted	2,363,223	2,204,984	1,871,712	1,285,278	1,146,508	2,123,343	3,042,662	2,691,443	1,826,135
Unrestricted	11,957,721	11,363,210	10,644,117	12,912,888	12,239,322	13,255,049	11,834,390	1,469,125	441,777
<i>Total Primary Government Net Position</i>	<u>\$ 61,266,632</u>	<u>\$ 59,799,574</u>	<u>\$ 59,256,157</u>	<u>\$ 60,147,922</u>	<u>\$ 55,795,732</u>	<u>\$ 52,317,126</u>	<u>\$ 49,691,591</u>	<u>\$ 39,261,252</u>	<u>\$ 33,402,558</u>

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 Position  
Last Nine Years  
*(accrual basis of accounting)*

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Program Revenues</b>									
Governmental Activities:									
Charges for Services:									
Security of Persons and Property	\$ 1,017,588	\$ 1,039,918	\$ 1,133,396	\$ 1,156,739	\$ 1,060,474	\$ 931,465	\$ 868,901	\$ 639,503	\$ 750,807
Leisure Time Activities	51,967	41,609	90,189	56,783	71,332	63,956	151,261	180,810	220,320
Transportation	199,415	197,629	282,924	231,488	182,140	100,000	-	-	-
General Government	478,259	523,925	422,062	685,142	628,566	402,862	744,910	726,831	444,834
Interest and Fiscal Charges	-	-	131,208	187,301	162,073	-	-	-	-
Operating Grants and Contributions	72,147	27,160	419,319	684,139	483,329	752,164	869,476	564,110	609,432
Capital Grants and Contributions*	788,738	687,994	665,571	3,725,000	4,392,382	805,223	2,802,248	7,069,000	5,268,350
<i>Total Governmental Activities Program Revenues</i>	<u>2,608,114</u>	<u>2,518,235</u>	<u>3,144,669</u>	<u>6,726,592</u>	<u>6,980,296</u>	<u>3,055,670</u>	<u>5,436,796</u>	<u>9,180,254</u>	<u>7,293,743</u>
Business-Type Activities:									
Charges for Services:									
Water	2,248,759	2,371,513	2,168,447	2,719,318	2,044,718	2,214,942	2,379,490	2,478,159	2,125,254
Sewer	1,087,309	1,173,338	1,112,527	1,087,705	1,166,762	1,218,250	1,153,178	1,162,147	1,087,713
Stormwater Management	274,874	244,383	253,350	263,985	240,753	255,560	236,089	151,470	171,658
Garbage	705,901	668,327	622,427	679,783	618,244	665,607	626,929	415,125	378,350
Cemetery	46,370	59,027	50,025	66,343	50,740	58,269	28,572	44,682	42,609
Operating Grants and Contributions	-	-	19,100	2,995	-	16	3,331	115,056	241,365
Capital Grants and Contributions	563,099	-	-	-	-	-	-	-	749,045
<i>Total Business-Type Activities Program Revenues</i>	<u>4,926,312</u>	<u>4,516,588</u>	<u>4,225,876</u>	<u>4,820,129</u>	<u>4,121,217</u>	<u>4,412,644</u>	<u>4,427,589</u>	<u>4,366,639</u>	<u>4,795,994</u>
<i>Total Primary Government Program Revenues</i>	<u>7,534,426</u>	<u>7,034,823</u>	<u>7,370,545</u>	<u>11,546,721</u>	<u>11,101,513</u>	<u>7,468,314</u>	<u>9,864,385</u>	<u>13,546,893</u>	<u>12,089,737</u>
<b>Expenses</b>									
Governmental Activities:									
Security of Persons and Property	7,081,355	7,437,553	7,317,214	6,657,452	7,126,129	5,969,482	4,398,101	4,540,694	4,486,282
Public Health Services	-	-	237,599	57,690	104,640	157,668	165,722	108,616	53,679
Leisure Time Activities	230,553	265,705	289,661	243,408	36,273	6,766	607	7,560	10,968
Transportation	3,093,607	2,839,671	3,221,985	2,120,330	2,650,250	2,208,735	1,854,390	1,759,235	1,522,048
General Government	4,794,068	4,936,519	4,258,487	3,594,174	3,327,306	1,904,304	1,616,468	1,806,973	1,358,457
Interest and Fiscal Charges	505,726	548,108	521,416	710,498	556,550	1,003,232	479,432	375,973	384,403
<i>Total Governmental Activities Expenses</i>	<u>\$ 15,705,309</u>	<u>\$ 16,027,556</u>	<u>\$ 15,846,362</u>	<u>\$ 13,383,552</u>	<u>\$ 13,801,148</u>	<u>\$ 11,250,187</u>	<u>\$ 8,514,720</u>	<u>\$ 8,599,051</u>	<u>\$ 7,815,837</u>

**CITY OF MONROE, OHIO**  
Changes in Net Position  
Last Nine Years  
*(accrual basis of accounting)*

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Business-Type Activities:</b>									
Water	\$ 2,509,165	\$ 2,625,712	\$ 2,492,173	\$ 2,693,114	\$ 2,726,916	\$ 2,231,916	\$ 2,020,068	\$ 1,674,742	\$ 1,372,394
Sewer	1,167,855	1,083,566	1,082,084	1,090,190	1,098,769	1,168,884	1,112,972	1,073,010	1,190,572
Stormwater Management	241,197	212,662	129,556	109,953	303,105	142,651	139,484	46,082	89,250
Garbage	558,719	769,260	621,710	646,917	618,169	530,864	565,819	398,179	341,895
Cemetery	59,463	70,790	48,435	57,453	20,603	17,223	12,931	31,255	110,633
<i>Total Business-Type Activities Expenses</i>	<u>4,536,399</u>	<u>4,761,990</u>	<u>4,373,958</u>	<u>4,597,627</u>	<u>4,767,562</u>	<u>4,091,538</u>	<u>3,851,274</u>	<u>3,223,268</u>	<u>3,104,744</u>
<i>Total Primary Government Expenses</i>	<u>20,241,708</u>	<u>20,789,546</u>	<u>20,220,320</u>	<u>17,981,179</u>	<u>18,568,710</u>	<u>15,341,725</u>	<u>12,365,994</u>	<u>11,822,319</u>	<u>10,920,581</u>
<b>Net (Expense)/Revenue</b>									
Governmental Activities	(13,097,195)	(13,509,321)	(12,701,693)	(6,656,960)	(6,820,852)	(8,194,517)	(3,077,924)	581,203	(522,094)
Business-Type Activities	389,913	(245,402)	(148,082)	222,502	(646,345)	321,106	576,315	1,143,371	1,691,250
<i>Total Primary Government Net Expense</i>	<u>(12,707,282)</u>	<u>(13,754,723)</u>	<u>(12,849,775)</u>	<u>(6,434,458)</u>	<u>(7,467,197)</u>	<u>(7,873,411)</u>	<u>(2,501,609)</u>	<u>1,724,574</u>	<u>1,169,156</u>
<b>General Revenues and Other Changes in Net Position</b>									
Governmental Activities:									
Taxes:									
Income Taxes	6,181,870	6,576,423	5,575,320	5,809,473	5,427,919	5,602,563	3,892,969	3,345,238	2,791,808
Property Taxes	2,215,688	2,522,822	1,863,360	1,146,468	2,036,484	2,185,091	2,544,831	2,361,985	2,661,305
Payment in Lieu of Taxes	2,961,845	2,910,801	2,415,620	2,005,204	844,205	416,537	70,878	65,573	66,472
Other Taxes	1,185,004	1,049,360	960,077	442,340	683,268	690,187	542,064	507,560	297,539
Grants and Entitlements not Restricted to Specific Programs	339,710	900,864	947,508	956,818	1,462,682	829,847	820,158	536,684	592,552
Investment Earnings	52,263	260,634	137,047	209,864	365,994	674,503	396,848	180,184	38,624
Miscellaneous	1,159,488	-	37,194	60,477	120,274	100,218	128,832	216,968	51,899
Transfers	-	(134,844)	-	-	22,500	22,500	22,500	(468,532)	363,844
<i>Total Governmental Activities</i>	<u>\$ 14,095,868</u>	<u>\$ 14,086,060</u>	<u>\$ 11,936,126</u>	<u>\$ 10,630,644</u>	<u>\$ 10,963,326</u>	<u>\$ 10,521,446</u>	<u>\$ 8,419,080</u>	<u>\$ 6,745,660</u>	<u>\$ 6,864,043</u>

**CITY OF MONROE, OHIO**  
Changes in Net Position  
Last Nine Years  
*(accrual basis of accounting)*

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Business-Type Activities:</b>									
Investment Earnings	\$ 1,236	\$ -	\$ 21,884	\$ -	\$ 4,977	\$ -	\$ 987	\$ 950	\$ -
Grants and Entitlements not Restricted to Specific Programs	77,236	77,236	-	-	-	-	-	-	-
Transfers	-	134,844	-	-	(22,500)	(22,500)	(22,500)	468,532	(363,844)
<i>Total Business-Type Activities</i>	<u>78,472</u>	<u>212,080</u>	<u>21,884</u>	<u>-</u>	<u>(17,523)</u>	<u>(22,500)</u>	<u>(21,513)</u>	<u>469,482</u>	<u>(363,844)</u>
<i>Total Primary Government</i>	<u>14,174,340</u>	<u>14,298,140</u>	<u>11,958,010</u>	<u>10,630,644</u>	<u>10,945,803</u>	<u>10,498,946</u>	<u>8,397,567</u>	<u>7,215,142</u>	<u>6,500,199</u>
<b>Change in Net Position</b>									
Governmental Activities	998,673	576,739	(765,567)	3,973,684	4,142,474	2,326,929	5,341,156	7,326,863	6,341,949
Business-Type Activities	468,385	(33,322)	(126,198)	222,502	(663,868)	298,606	554,802	1,612,853	1,327,406
<i>Total Primary Government Change in Net Position</i>	<u>\$ 1,467,058</u>	<u>\$ 543,417</u>	<u>\$ (891,765)</u>	<u>\$ 4,196,186</u>	<u>\$ 3,478,606</u>	<u>\$ 2,625,535</u>	<u>\$ 5,895,958</u>	<u>\$ 8,939,716</u>	<u>\$ 7,669,355</u>

\* 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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ 482,044	\$ 501,908	\$ 545,390	\$ 264,594	\$ 51,762	\$ 4,800	\$ 6,583	\$ -
Unreserved	-	-	5,600,911	5,658,337	5,128,686	4,021,327	1,930,344	1,146,500	1,405,223	1,341,495
Nonspendable	35,000	35,000	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	865,127	348,919	-	-	-	-	-	-	-	-
Unassigned	7,797,187	6,646,925	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>8,697,314</b>	<b>7,030,844</b>	<b>6,082,955</b>	<b>6,160,245</b>	<b>5,674,076</b>	<b>4,285,921</b>	<b>1,982,106</b>	<b>1,151,300</b>	<b>1,411,806</b>	<b>1,341,495</b>
<b>All Other Governmental Funds</b>										
Reserved	-	-	1,479,927	882,226	297,624	716,157	762,925	1,961	21,713	-
Undesignated, Reported in:										
Special Revenue funds	-	-	495,407	(321,103)	275,254	1,095,589	1,336,376	1,582,971	29,242	(1,560,947)
Debt Service funds	-	-	34,720	15,789	232,959	146,072	7,563	(1,375,241)	(831,250)	(1,089,058)
Capital Projects funds	-	-	1,031,157	(4,117,594)	(2,993,639)	(2,632,732)	(823,597)	629,222	529,165	253,789
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,885,100	1,865,562	-	-	-	-	-	-	-	-
Committed	87,541	47,823	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(304,786)	(365,575)	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>1,667,855</b>	<b>1,547,810</b>	<b>3,041,211</b>	<b>(3,540,682)</b>	<b>(2,187,802)</b>	<b>(674,914)</b>	<b>1,283,267</b>	<b>838,913</b>	<b>(251,130)</b>	<b>(2,396,216)</b>
<b>Total Governmental Funds</b>	<b>\$ 10,365,169</b>	<b>\$ 8,578,654</b>	<b>\$ 9,124,166</b>	<b>\$ 2,619,563</b>	<b>\$ 3,486,274</b>	<b>\$ 3,611,007</b>	<b>\$ 3,265,373</b>	<b>\$ 1,990,213</b>	<b>\$ 1,160,676</b>	<b>\$ (1,054,721)</b>

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

\*\* The City implemented the reporting requirements of GASB Statement No. 54 in 2011.

Source: City financial records

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
Income Taxes	\$ 6,287,100	\$ 6,600,141	\$ 5,951,344	\$ 5,784,713	\$ 5,352,927	\$ 5,238,256	\$ 3,909,004	\$ 3,345,238	\$ 2,791,808	\$ 2,891,413
Property and Other Taxes	2,462,243	2,400,487	1,885,387	2,041,637	1,971,017	2,131,720	2,197,086	2,425,332	2,793,454	1,098,020
Payment in Lieu of Taxes	2,961,845	2,910,801	2,415,620	2,005,203	844,205	416,537	70,878	-	-	-
Intergovernmental	1,459,844	1,757,320	2,797,302	5,716,065	2,813,759	1,885,762	1,702,514	1,139,297	1,281,053	1,690,446
Charges for Services	1,032,001	1,059,176	1,165,741	1,251,564	1,084,965	1,184,918	1,081,891	706,307	683,024	429,184
Licenses and Permits	453,761	581,733	446,880	585,034	1,062,746	347,224	718,573	798,943	616,013	852,123
Investment Earnings	52,263	260,634	137,047	208,864	365,994	674,503	396,848	180,184	38,657	8,732
Fines and Forfeitures	206,413	200,206	258,349	221,530	220,440	139,590	112,789	71,580	62,073	0
Special Assessments	930,613	863,556	327,428	301,213	302,789	72,463	210,722	197,673	203,396	244,479
Miscellaneous	1,224,481	33,581	199,582	226,261	166,658	439,270	125,345	241,688	75,900	127,709
<b>Total Revenues</b>	<b>17,070,564</b>	<b>16,667,635</b>	<b>15,584,680</b>	<b>18,342,084</b>	<b>14,185,500</b>	<b>12,530,243</b>	<b>10,525,650</b>	<b>9,106,242</b>	<b>8,545,378</b>	<b>7,342,106</b>
<b>Expenditures</b>										
Current:										
Security of Persons and Property	6,800,480	7,120,069	6,881,493	6,506,911	5,896,151	5,708,624	4,366,684	4,415,942	4,279,918	3,690,212
Public Health and Welfare	-	-	237,599	83,191	104,640	148,323	165,722	108,616	53,679	196,073
Transportation	1,313,344	1,462,501	1,525,763	1,722,489	1,196,834	1,047,776	608,078	597,737	595,673	696,325
General Government	1,821,488	2,250,755	1,964,892	2,229,646	2,342,991	1,511,020	1,503,590	1,614,230	1,315,218	1,308,932
Leisure Time Activities	190,326	224,689	261,285	236,052	27,074	2,005	607	-	-	2,936
Payments to Schools	1,588,445	1,358,998	-	-	-	-	-	-	-	-
Basic Utility Services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	34,457	31,603	-	-	-	-	-	-	-	-
Intergovernmental	1,259,569	1,182,660	1,835,317	1,256,721	539,714	228,317	22,721	17,876	10,811	-
Capital Outlay	697,870	1,830,107	1,928,489	5,716,840	3,069,094	1,977,412	1,945,597	273,949	108,156	676,750
Debt service:										
Principal Retirement	1,076,564	1,084,867	786,979	756,775	613,681	593,242	518,412	485,148	83,700	5,004,913
Interest and Fiscal Charges	501,506	532,054	598,974	700,170	546,635	990,390	483,450	371,295	457,722	997,457
<b>Total Expenditures</b>	<b>15,284,049</b>	<b>17,078,303</b>	<b>16,020,791</b>	<b>19,208,795</b>	<b>14,336,814</b>	<b>12,207,109</b>	<b>9,614,861</b>	<b>7,884,793</b>	<b>6,904,877</b>	<b>12,573,598</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,786,515</b>	<b>(410,668)</b>	<b>(436,111)</b>	<b>(866,711)</b>	<b>(151,314)</b>	<b>323,134</b>	<b>910,789</b>	<b>1,221,449</b>	<b>1,640,501</b>	<b>(5,231,492)</b>
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	-	-	-	-	2,143	-	17,584	-	211,052	-
Proceeds from Lease Purchase										
Agreement/Inception of Capital Lease	-	-	-	-	1,938	-	559,287	76,620	-	-
Face Value from the Sale of Bonds	-	-	6,845,000	-	-	-	-	-	-	7,565,000
Premium from the Sale of Bonds	-	-	95,714	-	-	-	-	-	-	-
Transfers In	5,885,613	6,168,852	6,595,376	5,468,000	5,409,771	4,659,641	4,719,513	2,772,370	1,640,614	2,532,932
Transfers Out	(5,885,613)	(6,303,696)	(6,595,376)	(5,468,000)	(5,387,271)	(4,637,141)	(4,697,013)	(3,240,902)	(1,276,770)	(2,546,932)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(134,844)</b>	<b>6,940,714</b>	<b>-</b>	<b>26,581</b>	<b>22,500</b>	<b>599,371</b>	<b>(391,912)</b>	<b>574,896</b>	<b>7,551,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,786,515</b>	<b>\$ (545,512)</b>	<b>\$ 6,504,603</b>	<b>\$ (866,711)</b>	<b>\$ (124,733)</b>	<b>\$ 345,634</b>	<b>\$ 1,510,160</b>	<b>\$ 829,537</b>	<b>\$ 2,215,397</b>	<b>\$ 2,319,508</b>
Debt Service as a Percentage of Noncapital Expenditures	10.6%	10.7%	10.0%	11.9%	12.9%	15.2%	12.9%	11.3%	8.0%	50.5%

\* 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		
2003	208,560,150	595,886,143	39,576,788	158,307,152	16,634,540	18,902,886	264,771,478	773,096,181	\$ 11.17	34.25%
2004	203,857,670	582,450,485	39,277,088	157,108,352	16,612,830	18,878,215	259,747,588	758,437,052	\$ 11.17	34.25%
2005	205,833,010	588,094,314	34,843,584	139,374,336	16,172,430	18,377,761	256,849,024	745,846,411	\$ 11.17	34.44%
2006	232,771,170	665,060,486	37,698,431	150,793,724	16,295,740	18,517,886	286,765,341	834,372,096	\$ 11.17	34.37%
2007	267,694,640	764,841,829	38,248,035	152,992,140	17,060,460	19,386,886	323,003,135	937,220,855	\$ 9.32	34.46%
2008	275,519,850	787,199,571	23,163,041	37,060,866	17,441,240	19,819,591	316,124,131	844,080,028	\$ 9.32	37.45%
2009	302,282,910	863,665,457	16,039,580	160,395,800	16,946,160	19,257,000	335,268,650	1,043,318,257	\$ 9.32	32.13%
2010	289,085,520	825,958,629	194,860	3,897,200	17,502,820	19,889,568	306,783,200	849,745,397	\$ 9.32	36.10%
2011	282,027,380	805,792,514	-	-	79,977,540	90,883,568	362,004,920	896,676,082	\$ 9.32	40.37%
2012	256,873,460	733,924,171	-	-	46,622,670	52,980,307	303,496,130	786,904,478	\$ 9.32	38.57%

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
2003	11.17	8.75	40.68	1.93
2004	11.17	8.74	40.68	1.93
2005	11.17	8.74	40.68	1.93
2006	11.17	9.44	40.32	2.53
2007	9.32	10.95	44.87	2.53
2008	9.32	10.45	44.28	2.53
2009	9.32	9.745	41.038	2.53
2010	9.32	9.745	41.038	2.53
2011	9.32	9.72	41.54	3.78
2012	9.32	9.72	44.85	3.78

SOURCE: City of Monroe's Operating Budget

SOURCE: Butler County Auditor's Office

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

**CITY OF MONROE, OHIO**  
Top Ten Principal Taxpayers  
Real and Personal Property  
Current Year and Eleven Years Ago (2)

Name of Taxpayer	2012		
	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Ohio Inc	\$ 17,881,370	1	5.89%
Rockies Express Pipeline	16,014,260	2	5.28%
Ohio Presbyterian Retirement	5,116,860	3	1.69%
Worthington Steel	4,049,810	4	1.33%
KP Properties of Ohio LLC	3,024,140	5	1.00%
EPHS Investments LLC	2,646,000	6	0.87%
Summit Properties Partnership	2,203,370	7	0.73%
Garver Road Investment LLC	1,575,740	8	0.52%
ECP Monroe LLC	1,405,410	9	0.46%
Crystal Partners LLC	1,381,230	10	0.46%
<b>Total</b>	<b>\$ 55,298,190</b>		<b>18.22%</b>

Total Assessed Valuation \$ 303,496,130

Name of Taxpayer	2001 (2)		
	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Ohio Inc. (1)	\$ 22,748,690	1	10.96%
Worthington Steel	15,732,300	2	7.58%
Dayton Technologies	8,205,270	3	3.95%
EPHS Investments LLC	3,419,420	4	1.65%
Ohio Presbyterian Retirement	2,535,350	5	1.22%
Duke Realty Ohio	2,512,740	6	1.21%
Xerox Corporation	2,304,900	7	1.11%
Mount Pleasant Retirement Homes	2,097,160	8	1.01%
Sulzer Escher Wyess Incorporated	2,049,760	9	0.99%
Dayton Power and Light	1,719,690	10	0.83%
<b>Total</b>	<b>\$ 63,325,280</b>		<b>30.51%</b>

Total Assessed Valuation \$ 207,545,278

Source: Butler County Auditor's Office

(1) Cincinnati Gas and Electric in 2001.

(2) Information for 2002 was unavailable, therefore 2001 information was used.

**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
2003	2,172,608	1,830,899	68,594	1,950,276	89.77%	475,777	21.90%
2004	2,043,265	1,944,437	69,575	2,014,012	98.57%	505,030	24.72%
2005	2,183,502	2,075,690	143,904	2,014,012	92.24%	468,939	21.48%
2006	2,424,899	2,236,846	138,056	2,374,902	97.94%	518,936	21.40%
2007	2,162,034	1,844,390	39,791	1,884,181	87.15%	796,789	36.85%
2008	2,264,322	2,024,667	139,646	2,164,313	95.58%	896,798	39.61%
2009	2,769,439	2,291,505	61,167	2,352,672	84.95%	582,617	21.04%
2010	2,198,324	1,829,927	18,960	1,848,887	84.10%	463,420	21.08%
2011	2,181,406	2,001,723	76,618	2,078,341	95.28%	268,300	12.30%
2012	2,154,716	1,986,756	82,634	2,069,390	96.04%	236,325	10.97%

SOURCE: Butler County Auditor's Office

Note: Includes only Butler County Information

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

	<b>2011</b>		<b>2010</b>		<b>2009</b>		<b>2008</b>		<b>2007</b>	
	<b>Individuals</b>	<b>Net Profit</b>								
Total number of final returns filed	5,442	1,171	5,425	2,514	5,885	1,313	5,484	1,594	5,031	1,232
Total number of returns not filed	981	244	840	129	253	124	359	151	284	112
Total tax dollars paid prior to filing	\$ 514,853	\$ 610,076	\$ 1,189,177	\$ 484,630	\$ 1,180,560	\$ 720,123	\$ 1,228,814	\$ 861,157	\$ 1,379,277	\$ 1,343,569
Total tax dollars paid with filing	\$ 281,892	\$ 26,551	\$ 179,408	\$ 59,946	\$ 101,680	\$ 29,575	\$ 49,338	\$ 963	\$ 297,296	\$ 83,148
Total tax dollars paid after filing	\$ 126,741	\$ 10,031	\$ 132,037	\$ 7,920	\$ 127,762	\$ 18,303	\$ 163,139	\$ 85,972	\$ 140,123	\$ 46,725
Total penalty and interest paid	\$ 28,758	\$ 1,322	\$ 28,675	\$ 3,748	\$ 29,375	\$ 2,381	\$ 24,259	\$ 3,137	\$ 23,254	\$ 5,417
	<b><u>Withholding</u></b>		<b><u>Withholding</u></b>		<b><u>Withholding</u></b>		<b><u>Withholding</u></b>		<b><u>Withholding</u></b>	
Total number of reconciliations filed	1,166		969		1,090		951		889	
Total number of reconciliations not filed	33		47		15		32		28	
Total tax dollars paid with reconciliations	\$ 4,423,848		\$ 4,278,592		\$ 4,010,045		\$ 3,927,695		\$ 3,714,769	

Source: City financial records

\* The City converted tax software during 2007. Information prior to the conversion is not reported since it cannot be retrieved. 2007 is the latest information available. The City's records for calendar year 2012 are not finalized.

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Bonded Debt Outstanding:</b>										
General Obligation Notes/Bonds	\$10,445,000	\$11,190,000	\$11,920,000	\$11,515,000	\$9,440,000	\$9,855,000	\$6,765,000	\$7,170,000	\$7,565,000	\$7,565,000
Special Assessment Bonds	460,900	521,800	626,200	724,200	816,800	928,900	1,029,600	1,130,000	1,302,700	1,302,700
Enterprise Loans/Notes/Bonds Payable	5,787,465	6,026,567	6,259,020	3,264,903	3,496,356	3,702,259	3,928,543	4,891,323	5,282,195	5,282,195
Capital Leases Payable	95,277	185,941	299,496	420,238	534,914	643,855	755,876	75,472	0	0
Revenue Obligation Bonds	1,350,000	1,530,000	1,695,000	1,850,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total</b>	<b>18,138,642</b>	<b>19,454,308</b>	<b>20,799,716</b>	<b>17,774,341</b>	<b>16,288,070</b>	<b>17,130,014</b>	<b>14,479,019</b>	<b>15,266,795</b>	<b>16,149,895</b>	<b>16,149,895</b>
Percentage of Estimated Actual Property Value	2.31%	2.17%	2.45%	1.70%	1.93%	1.83%	1.74%	2.05%	2.13%	2.09%
Assessed Property Value	303,496,130	362,004,920	306,783,200	335,268,650	316,124,131	323,003,135	286,765,341	256,849,024	259,747,588	264,771,478
Actual Property Value	786,904,478	896,676,082	849,745,397	1,043,318,257	844,080,028	937,220,855	834,372,096	745,846,411	758,437,052	773,096,181
Total Debt Per Capita	1,458	1,564	1,672	2,492	2,283	2,402	2,030	2,140	2,264	2,264
Total Debt as a Percentage of Personal Income	Not Available	Not Available	7.29%	7.77%	6.22%	8.77%	6.59%	7.54%	8.81%	9.82%
Population	12,442	12,442	12,442	7,133	7,133	7,133	7,133	7,133	7,133	7,133
<b>Less:</b>										
Special Assessment Bonds	(460,900)	(521,800)	(626,200)	(724,200)	(816,800)	(928,900)	(1,029,600)	(1,130,000)	(1,302,700)	(1,302,700)
Enterprise Loans/Notes/Bonds Payable	(5,787,465)	(6,026,567)	(6,259,020)	(3,264,903)	(3,496,356)	(3,702,259)	(3,928,543)	(4,891,323)	(5,282,195)	(5,282,195)
Capital Leases Payable	(95,277)	(185,941)	(299,496)	(420,238)	(534,914)	(643,855)	(755,876)	(75,472)	0	0
Revenue Obligation Bonds	(1,350,000)	(1,530,000)	(1,695,000)	(1,850,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Total Net Debt Applicable to Debt Limit</b>	<b>10,445,000</b>	<b>11,190,000</b>	<b>11,920,000</b>	<b>11,515,000</b>	<b>9,440,000</b>	<b>9,855,000</b>	<b>6,765,000</b>	<b>7,170,000</b>	<b>7,565,000</b>	<b>7,565,000</b>
Overall Legal Debt Limit 10 1/2% of Assessed Valuation	31,867,094	38,010,517	32,212,236	35,203,208	33,193,034	33,915,329	30,110,361	26,969,148	27,273,497	27,801,005
<b>Legal Debt Margin Within 10 1/2% Limitations</b>	<b>\$21,422,094</b>	<b>\$26,820,517</b>	<b>\$20,292,236</b>	<b>\$23,688,208</b>	<b>\$23,753,034</b>	<b>\$24,060,329</b>	<b>\$23,345,361</b>	<b>\$19,799,148</b>	<b>\$19,708,497</b>	<b>\$20,236,005</b>
Legal Debt Margin as a Percentage of the Debt Limit	67.22%	70.56%	63.00%	67.29%	71.56%	70.94%	77.53%	73.41%	72.26%	72.79%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	\$16,692,287	\$19,910,271	\$16,873,076	\$18,439,776	\$17,386,827	\$17,765,172	\$15,772,094	\$14,126,696	\$14,286,117	\$14,562,431
<b>Total Debt Approved by Council</b>	<b>18,138,642</b>	<b>19,454,308</b>	<b>20,799,716</b>	<b>17,774,341</b>	<b>16,288,070</b>	<b>17,130,014</b>	<b>14,479,019</b>	<b>15,266,795</b>	<b>16,149,895</b>	<b>16,149,895</b>
<b>Less:</b>										
Special Assessment Bonds	(460,900)	(521,800)	(626,200)	(724,200)	(816,800)	(928,900)	(1,029,600)	(1,130,000)	(1,302,700)	(1,302,700)
Enterprise Loans/Notes/Bonds Payable	(5,787,465)	(6,026,567)	(6,259,020)	(3,264,903)	(3,496,356)	(3,702,259)	(3,928,543)	(4,891,323)	(5,282,195)	(5,282,195)
Revenue Obligation Bonds	(1,350,000)	(1,530,000)	(1,695,000)	(1,850,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Net Debt Within 5 1/2% Limitations</b>	<b>10,540,277</b>	<b>11,375,941</b>	<b>12,219,496</b>	<b>11,935,238</b>	<b>9,974,914</b>	<b>10,498,855</b>	<b>7,520,876</b>	<b>7,245,472</b>	<b>7,565,000</b>	<b>7,565,000</b>
<b>Unvoted Legal Debt Margin Within 5 1/2% Limitations</b>	<b>\$6,152,010</b>	<b>\$8,534,330</b>	<b>\$4,653,580</b>	<b>\$6,504,538</b>	<b>\$7,411,913</b>	<b>\$7,266,317</b>	<b>\$8,251,218</b>	<b>\$6,881,224</b>	<b>\$6,721,117</b>	<b>\$6,997,431</b>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	36.86%	42.86%	27.58%	35.27%	42.63%	40.90%	52.32%	48.71%	47.05%	48.05%

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, 2012

JURISDICTION	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO CITY OF MONROE (2)	AMOUNT APPLICABLE TO CITY OF MONROE
City of Monroe	\$ 12,241,857	100.00%	\$ 12,241,857
Butler County (3)	<u>62,575,000</u>	3.42%	<u>2,140,065</u>
	<u>\$ 74,816,857</u>		<u>\$ 14,381,922</u>

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

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

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

(3) Net Debt Outstanding for Butler County is an estimate.

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
2003	7,133	264,771,478	164,412,661	7,565,000	N/A	622,195	8,187,195	3.09%	1,148
2004	7,133	259,747,588	183,353,605	7,565,000	N/A	599,259	8,164,259	3.14%	1,145
2005	7,133	256,849,024	202,404,969	7,170,000	N/A	575,157	7,745,157	3.02%	1,086
2006	7,133	286,765,341	219,634,615	6,765,000	7,563	548,543	7,313,543	2.55%	1,025
2007	7,133	323,003,135	195,371,841	6,355,000	146,072	522,259	6,877,259	2.13%	964
2008	7,133	316,124,131	261,846,333	5,940,000	232,959	508,449	6,448,449	2.04%	904
2009	7,133	335,268,650	228,749,977	5,515,000	15,789	464,903	5,979,903	1.78%	838
2010	12,442	306,783,200	285,239,467	5,075,000	30,454	434,020	5,509,020	1.80%	443
2011	12,442	362,004,920	286,876,405	4,610,000	18,379	401,567	5,011,567	1.38%	403
2012	12,442	303,496,130	Not available	4,130,000	109,320	367,465	4,497,465	1.48%	361

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

(1) From the City's tax department for taxable income.

Information for 2008 is estimated using the total withholdings and applying a 1.5% tax rate to that figure.

Information for 2012 is not available as the City's reconciliation process for 2012 was not complete at the time of report issuance.

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

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

**CITY OF MONROE, OHIO**

Principal Employers  
Prior Year and Ten Years Ago

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**2012**

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<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Kohl's Department Store	2,643	13.43%
CBS Personnel Service	1,529	7.77%
Banana Republic	560	2.85%
Home Depot	482	2.45%
Ohio Presbyterian Retirement	415	2.11%
Monroe Local School	356	1.81%
Deceuninck North America	341	1.73%
CM Temporary Services	271	1.38%
Hayneedle	251	1.28%
Compressed Air Technologies	230	1.17%
Total	<u>7,078</u>	<u>35.98%</u>
Total City Employees	<u>19,673</u>	

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**2002**

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

**Source:** Department of Income Tax

\* Was Dayton Technologies Inc. in 2002

**CITY OF MONROE, OHIO**

Demographic Statistics

Last Ten Years

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YEAR	POPULATION (1)	SCHOOL ENROLLMENT (2)	UNEMPLOYMENT RATE BUTLER COUNTY (3)	PER CAPITA PERSONAL INCOME
2003	7,133	1,245	4.0	23,049.58
2004	7,133	1,506	4.9	25,704.98
2005	7,133	1,685	5.0	28,375.85
2006	7,133	1,855	4.8	30,791.34
2007	7,133	2,022	4.9	27,389.86
2008	7,133	2,332	6.2	36,709.15
2009	7,133	2,307	9.9	32,069.25
2010	12,442	2,314	9.2	22,925.53
2011	12,442	2,473	8.6	23,057.10
2012	12,442	2,523	6.1	Not Available

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

(2) SOURCE: Monroe Board of Education

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

Note: Certain information for 2011 and 2012 was not available at time of report issuance.

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>CAPITAL ASSETS DEPRECIATION</b>									
<b>Governmental Activities:</b>									
Security of Persons and Property	\$ 369,351	\$ 381,803	\$ 682,438	\$ 331,752	\$ 263,393	\$ 130,550	\$ 139,050	\$ 134,523	\$ 204,604
Leisure Time Activities	46,627	41,016	28,376	9,199	9,199	7,560	-	7,560	10,968
Transportation	1,338,806	1,352,020	1,695,270	105,101	87,731	90,951	57,439	64,629	926,375
General Government	111,025	114,818	457,631	106,317	107,272	108,952	105,866	125,361	138,616
Total Governmental Activities	<u>1,865,809</u>	<u>1,889,657</u>	<u>2,863,715</u>	<u>552,369</u>	<u>467,595</u>	<u>338,013</u>	<u>302,355</u>	<u>332,073</u>	<u>1,280,563</u>
<b>Business-Type Activities:</b>									
Water	408,544	410,692	365,948	463,316	429,801	226,799	241,086	229,797	232,066
Sewer	1,049	-	-	-	-	-	-	-	-
Stormwater Management	27,266	23,700	50,435	18,070	13,413	13,413	-	-	-
Total Business-Type Activities	<u>436,859</u>	<u>434,392</u>	<u>416,383</u>	<u>481,386</u>	<u>443,214</u>	<u>240,212</u>	<u>241,086</u>	<u>229,797</u>	<u>232,066</u>
Total	<u>\$ 2,302,668</u>	<u>\$ 2,324,049</u>	<u>\$ 3,280,098</u>	<u>\$ 1,033,755</u>	<u>\$ 910,809</u>	<u>\$ 578,225</u>	<u>\$ 543,441</u>	<u>\$ 561,870</u>	<u>\$ 1,512,629</u>

Source: City of Monroe, Finance Department

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

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

<b>Function/program</b>	2012	2011	2010	2009	2008	2007
<b>General Government</b>						
Construction Permits Issued	275	295	377	582	345	356
Estimated Value of Construction	\$20,166,599	\$24,155,582	\$21,554,765	\$31,432,126	\$126,439,882	\$48,200,000
Zoning Certificates Approved	28	37	35	112	30	16
Property Maintenance Complaints	111	180	136	162	120	10
Utility Bills mailed	57,336	57,018	59,748	59,018	57,954	54,388
Purchase Orders Issued	304	344	636	846	Not Available	Not Available
<b>Police</b>						
Total Incidents	20,068	20,143	24,310	19,000	18,010	14,825
Number of Citations issued	3,901	3,264	5,356	4,941	4,005	2,204
Misdemeanor & Felony Arrests	1,655	1,632	2,236	1,794	1,477	1,536
DUI Arrests	132	101	145	179	150	73
Alcohol Compliance Checks	2	2	2	2	1	2
Detective Investigated Cases	377	367	294	249	113	207
Calls for Service	9,917	10,332	10,715	10,150	9,307	14,825
<b>Fire</b>						
Emergency responses	682	574	595	594	635	550
Fire hydrant inspections	823	800	999	823	754	668
Training Hours	7,330	6,002	5,473	4,063	5,248	3,252
Number of times dispatched	2,565	2,376	2,492	2,470	2,448	2,219
Community Training Programs (number of attendees)	1,560	1,300	1,109	938	528	138
<b>Public Service</b>						
Snow removal (man hours)	599	676	2,475	1,430	1,275	1,366
Leaf pick-up (man hours)	731	643	800	850	800	960
Curbs replaced (linear feet)	0	0	0	0	2,000	2,000
Drive aprons replaced (square yards)	0	0	0	0	600	600
Truckloads of leaves picked-up	91	81	102	164	180	200
Tons of snow melting salt used	857	1,087	2,133	1,300	1,800	1,856
Number of snow events	8	9	15	13	14	11
Cemetery burials	34	37	34	\$34	42	48
Water meter installations	3,301	230	161	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

<b><u>Function/program</u></b>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government:										
Council	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Mayor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
Law	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Purchasing/Adm. Services	7.7	9.2	9.2	9.2	8.2	7.5	6.5	5.0	5.0	4.5
Planning	3.0	4.0	4.0	4.0	4.0	2.0	2.0	2.0	0.5	1.5
Police	32.5	36.0	37.0	36.0	30.5	30.0	29.0	29.0	29.5	31.0
Fire	33.0	34.0	36.0	36.0	33.0	32.0	30.0	32.5	31.5	32.5
Engineering	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utilities:										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Service	4.5	4.5	4.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Service:										
Administration	4.5	4.5	3.5	3.5	3.0	3.0	2.0	0.0	0.0	0.0
Street Maintenance	10.5	10.0	10.0	9.0	9.0	9.0	9.0	8.0	7.0	7.0
Cemetery	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerk of Courts	0.8	0.8	0.8	0.8	0.8	0.5	0.5	0.5	0.5	1.0
Totals:	<u>108.5</u>	<u>115.0</u>	<u>116.5</u>	<u>115.5</u>	<u>105.5</u>	<u>100.0</u>	<u>95.0</u>	<u>93.0</u>	<u>89.5</u>	<u>93.0</u>

**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