



# **City of Monroe, Ohio Comprehensive Annual Financial Report**

For The Year Ended December 31, 2016



# INTRODUCTORY SECTION



The City of Monroe, Ohio

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For The Year  
Ended December 31, 2016

Prepared by:  
City of Monroe Finance Department

*City of Monroe, Ohio*  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2016*

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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 30, 2017

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, 2016. 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 2016.

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. The U.S. Census Bureau estimates that the City's 2016 population is 13,473.

Although once strictly a farming community, the City of Monroe now has a strong industrial base. Zoning code and related map changes implemented in 2013 included the creation of a “business park” designation to complement the existing industrial areas. Currently, the total percentage of land area in Monroe is significantly weighted towards light and heavy industrial acreage. The City offers excellent access to the flourishing Interstate 75 corridor and holds over 1500 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 15 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 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.

In late 2016/early 2017, IDI-Gazeley fully leased their speculative 993,000 SF industrial building in Park North at Monroe. While this building is general recognized as the largest speculative building ever built in the Cincinnati market, it is also notable because the building's tenant (Hayneedle) already has a building in Monroe and will continue operations at both sites. IDI-Gazeley also constructed a 143,000 SF speculative building in the same industrial park.

Also in 2016, Glove Specialties constructed a build-to-suit opportunity for 20,000 SF of office and distribution space. A regional physician group announced plans to develop Monroe's first Urgent Care in an in-line space that had been vacant for some time (the medical office opened in 2017).

Hospitality was another strong industry for the City in 2015. A local franchisee constructed a new Skyline Chili at the interchange, and Rivertown Brewery and Barrel House moved their production operations and a 4,000 SF tap room/restaurant to Monroe.

While economic development investment in 2016 was strong through lease activity, residential development and investment was also very strong. 2016 represented a 40% increase over the 2015 investment in new construction and residential building permits.

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.

## **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**

Income tax revenue continued to grow in 2016 due to new development, as well as increased profitability and employment in existing businesses. Income tax revenue collected in 2016 was \$8,930,985, an increase of \$1,032,780 from 2015. Income tax revenue is expected to remain strong in the near future as our industrial areas continue to see steady growth and development. The additional revenue is helping to meet the growing needs of the public safety service departments, as well as the City's shifted focus to capital projects.

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 to Aa3. The City remained at this rating for their most recent debt issuance on December 17, 2014.

## **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. Clark, Schaefer, Hackett & Company 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, 2015. 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 twelfth 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,

A handwritten signature in blue ink, appearing to read "Tina Williams".

Tina Williams, CPA  
City Finance Director

A handwritten signature in blue ink, appearing to read "William J. Brock".

William J. Brock, P.E.  
City Manager

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

***List of Principal Officials***

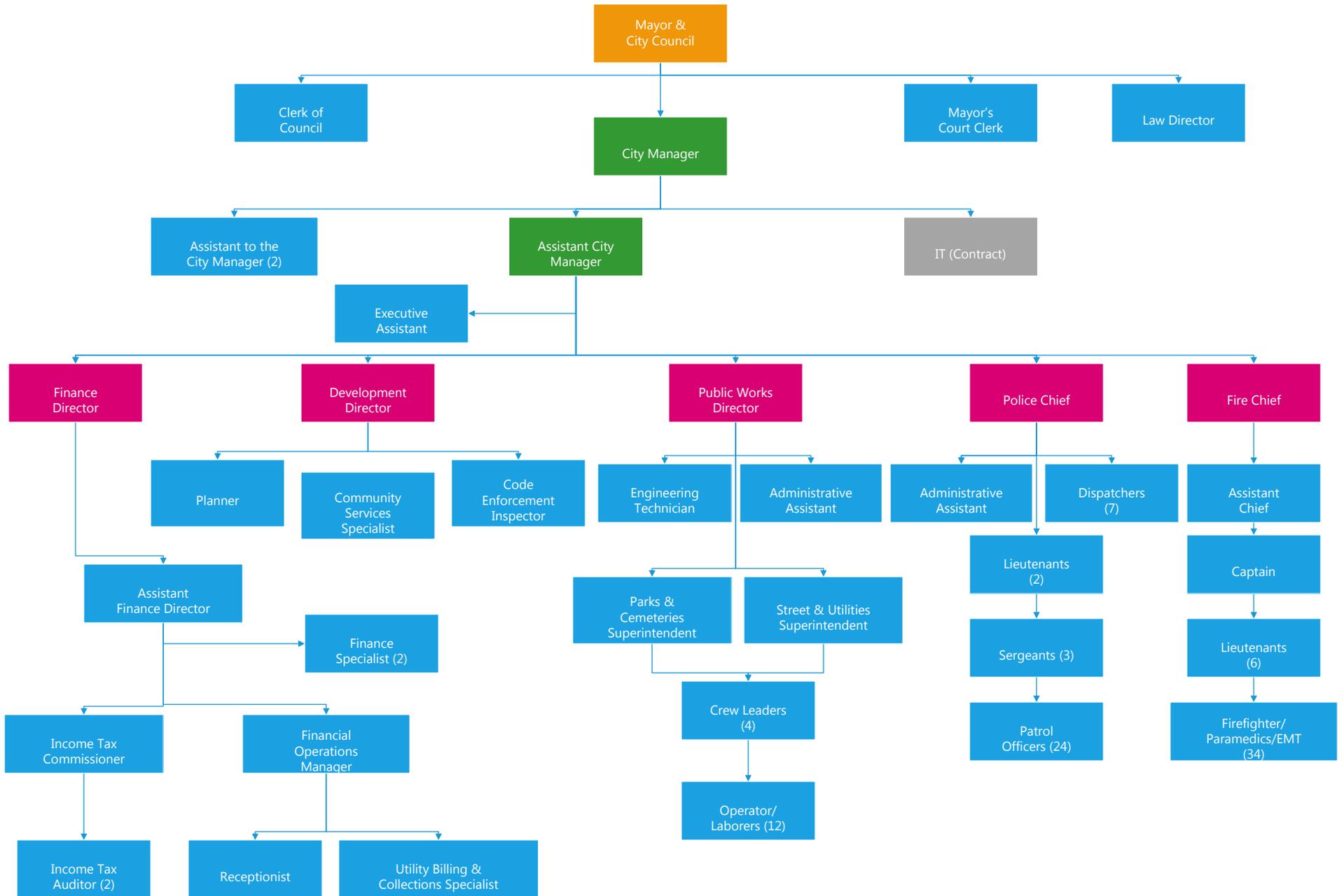
***December 31, 2016***

<b><u>OFFICE HELD</u></b>	<b><u>NAME OF OFFICIAL</u></b>
City Manager	William Brock
Assistant City Manager	Kacey Waggaman
Finance Director	Tina Williams
Law Director	K. Philip Callahan
Mayor	Robert Routson
Vice Mayor	Suzi Rubin
Mayor's Court Clerk	Rebecca Rosenbalm
Police Chief	Robert Buchanan
Fire Chief	John Centers
Tax Commissioner	Kristina Mayes
Public Works Director	Daniel Arthur
Director of Development	Kevin Chesar

**CITY COUNCIL MEMBERS**

Anna Hale  
Jason Frentzel  
Dan Clark  
Keith Funk  
Todd Hickman

# CITY OF MONROE





Government Finance Officers Association

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, 2015**

Executive Director/CEO

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# FINANCIAL SECTION



## **INDEPENDENT AUDITORS' REPORT**

To the City Council  
City of Monroe, Ohio:

### **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, Ohio (the "City") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with 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 that the management's discussion and analysis, required budgetary comparison schedules, and schedules of net pension liabilities and pension contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
June 27, 2017

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The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
(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, 2016. 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 2016 are as follows:

- ❑ The assets and deferred outflows of the City exceeded its deferred inflows and liabilities at the close of the year ended December 31, 2016, by \$58,404,028 (net position). Of this amount, \$2,037,463 is classified as unrestricted in the business-type activities.
- ❑ The City's governmental net position decreased by \$1,048,515 which represents a 2% decrease from 2015.
- ❑ At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$12,598,088. Of this amount \$3,358,622 represents unassigned fund balance that is available for spending.
- ❑ At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,567,620 or approximately 96% of total 2016 General Fund expenditures.
- ❑ The other major governmental funds: Fire 1989 Levy, Police Law Enforcement, 2004 TIFs, 2004 RIDs, Capital Improvement and Bond Retirement funds had ending fund balances (deficits) of (\$86,235); \$61,773; \$1,534,483; \$2,238,292; (\$122,625) and \$223,733 respectively.

### **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 2016?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, deferred outflows of resources, deferred inflows of resources 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, 2016  
(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, 2004 RIDs, Capital Improvement, 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, 2016  
(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 uses 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. Additionally, schedules related to the City's net pension liability and pension contributions (required by GASB 68) are presented as *Required Supplementary Information*.

### **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 and deferred outflows exceeded deferred inflows of resources and liabilities by \$58,404,028 (\$52,822,194 in governmental activities and \$5,581,834 in business type activities) as of December 31, 2016. By far, the largest portion of the City's net position (89%) 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, 2016  
(Unaudited)

The following table provides a summary of the City's statement of net position for 2016 compared to 2015.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 34,507,150	\$ 35,982,257	\$ 3,406,290	\$ 3,080,093	\$ 37,913,440	\$ 39,062,350
Capital Assets	59,195,470	59,102,316	7,941,177	8,280,413	67,136,647	67,382,729
Total Assets	93,702,620	95,084,573	11,347,467	11,360,506	105,050,087	106,445,079
Deferred Outflows of Resources	5,617,928	1,537,573	406,113	130,917	6,024,041	1,668,490
Current Liabilities	15,709,035	16,218,955	685,128	676,627	16,394,163	16,895,582
Long-term Liabilities	25,890,652	21,761,241	5,468,374	5,421,072	31,359,026	27,182,313
Total Liabilities	41,599,687	37,980,196	6,153,502	6,097,699	47,753,189	44,077,895
Deferred Inflows of Resources	4,898,667	4,771,241	18,244	10,973	4,916,911	4,782,214
Nets Position:						
Net Investment in						
Capital Assets	48,521,362	47,136,171	3,544,371	3,798,267	52,065,733	50,934,438
Restricted	5,816,316	5,409,598	-	-	5,816,316	5,409,598
Unrestricted	(1,515,484)	1,324,940	2,037,463	1,584,484	521,979	2,909,424
Total Net Position	\$ 52,822,194	\$ 53,870,709	\$ 5,581,834	\$ 5,382,751	\$ 58,404,028	\$ 59,253,460

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for its proportionate share of each pension plan's *change* in net pension liability not accounted for as deferred inflows/outflows. As a result of GASB 68, the City is reporting a net pension liability, deferred inflows of resources related to pensions and deferred outflows of resources related to pension of \$17,254,151, \$99,911, and \$6,024,041, respectively.

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 \$5,816,316 or 11% of governmental net position. The City's remaining unrestricted governmental net position was a deficit of \$1,515,484 which is a decrease of \$2,840,424 from 2015. Overall, 2016 ending net position for governmental activities and business-type activities decreased in 2016 by approximately 1%.

During 2016, the City continued to acquire and construct long-term capital assets and infrastructure while reducing outstanding liabilities through scheduled debt service payments. Additionally, the City continued to provide increased levels of general government, police protection, fire and EMS services. Providing these increased levels of services had the impact of decreasing net position in 2016 compared to 2015.

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
(Unaudited)

A Summary of the statement of activities is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services	\$ 1,664,141	\$ 1,758,147	\$ 4,952,724	\$ 4,790,031	\$ 6,616,865	\$ 6,548,178
Operating Grants	430,063	419,749	-	-	430,063	419,749
Capital Grants	722,144	819,945	-	-	722,144	819,945
General Revenues:						
Income Tax	8,964,985	8,140,236	-	-	8,964,985	8,140,236
Property Tax	2,205,429	2,132,529	-	-	2,205,429	2,132,529
Other Taxes	875,067	913,713	-	-	875,067	913,713
Payments in Lieu of Taxes	5,522,245	5,558,580	-	-	5,522,245	5,558,580
Unrestricted Grants and Contributions	742,098	604,639	71,946	-	814,044	604,639
Investment earnings	196,532	159,632	11,400	1,177	207,932	160,809
Total Revenues	21,322,704	20,507,170	5,036,070	4,791,208	26,358,774	25,298,378
Program Expenses						
Security of Persons and Property	10,319,480	7,710,538	-	-	10,319,480	7,710,538
Leisure Time Activities	237,673	244,835	-	-	237,673	244,835
Transportation	3,599,347	3,703,896	-	-	3,599,347	3,703,896
General Government	7,856,366	7,214,366	-	-	7,856,366	7,214,366
Interest and Fiscal Charges	358,353	374,467	-	-	358,353	374,467
Water	-	-	2,574,356	2,449,900	2,574,356	2,449,900
Sewer	-	-	1,153,803	1,126,356	1,153,803	1,126,356
Stormwater Management	-	-	345,856	334,356	345,856	334,356
Garbage	-	-	686,698	695,478	686,698	695,478
Cemetery	-	-	76,274	58,982	76,274	58,982
Total Expenses	22,371,219	19,248,102	4,836,987	4,665,072	27,208,206	23,913,174
Excess (Deficiency) of Revenues Over (Under) Expenses before Transfers	(1,048,515)	1,259,068	199,083	126,136	(849,432)	1,385,204
Transfers	-	(80,000)	-	80,000	-	-
Change in Net Position	(1,048,515)	1,179,068	199,083	206,136	(849,432)	1,385,204
Beginning Net Position	53,870,709	52,691,641	5,382,751	5,176,615	59,253,460	57,868,256
Ending Net Position	\$ 52,822,194	\$ 53,870,709	\$ 5,581,834	\$ 5,382,751	\$ 58,404,028	\$ 59,253,460

*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 2016, security of persons and property expenses were approximately \$10.3 million, representing 46% of governmental activity spending.

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
(Unaudited)

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Program revenues of approximately \$.8 million reduced the amount of general revenues needed to cover the balance of such security of persons and property program expenses. As such, for 2016, \$9.5 million of general revenues were used to cover the balance of security of persons and property program expenses.

In 2016, the City received capital grants to improve and upgrade roadway infrastructure and operating grants and contributions to maintain roadway infrastructure. Overall, the level of capital grants and contributions for 2016 was similar to 2015.

Income tax revenue for 2016 increased \$.8 million compared to 2015. The increase is the result of the continued economic rebound occurring in the City and in southwest Ohio.

Property tax revenues increased slightly for 2016 compared to 2015 as the City's commercial property tax based continued to grow.

Overall, in 2016 the City saw total program expenses increase by approximately 16% compared to 2015. This increase was primarily related to the additional costs associated with security of persons and property – which was a result of increased levels of police, fire and EMS services.

#### *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 \$199,083 for 2016, which is essentially flat compared to 2015.

#### **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 2016, the City's governmental funds reported a combined ending fund balance of \$12.6 million. Approximately \$3.4 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, 2016, the unassigned General Fund balance was \$3.6 million with a total fund balance of \$7.5 million. As a measure of liquidity, it is often useful to compare these numbers to total General Fund expenditures.

During 2016, the City's General Fund decreased by approximately \$1.4 million. This is primarily due to the City's continuing efforts to provide increased levels of general government services as well as police and fire protection services to residents through operational transfers into the funds that account for those services.

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
(Unaudited)

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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	\$ (86,235)	\$ (28,020)	-48.13%
Police Law Enforcement	61,773	(10,273)	-14.26%
2004 TIFs	1,534,483	398,228	35.05%
2004 RIDs	2,238,292	316,236	16.45%
Capital Improvement	(122,625)	(574,713)	-127.12%
Bond Retirement	223,733	46,854	26.49%
Water	4,482,527	310,562	7.44%
Sewer	148,348	(65,657)	-30.68%

The Fire 1989 Levy and Police Law Enforcement Funds saw their ending fund balances (deficit) remain near 2015 levels as operation transfers from the General Fund support these funds on an *as-needed* basis. In 2016, the General Fund transferred \$2,481,734 to the Fire 1989 Levy Fund and \$3,218,441 to the Police Law Enforcement Fund.

The 2004 TIFs Fund saw its ending balance increase as payments in lieu of taxes collected from properties in the tax increment financing districts continued to exceed payments made to schools and expenditures for capital outlays.

The 2004 RIDs Fund saw its ending balance increase as current year revenues increased slightly and capital outlays decreased, compared to 2015.

The Capital Improvement Fund saw its ending fund balance decrease by \$574,713 as capital outlays related to an energy improvement initiative continued in 2016.

The Bond Retirement Fund saw its ending fund balance increase slightly in 2016 as special assessments and transfers in exceeded debt service and intergovernmental payments.

The City's two major enterprise funds work hand in 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 Water Fund experienced a positive change in net position of \$310,562 driven by increased water rates. The Sewer Fund produced a negative change in net position of \$65,657 which was the result of additional maintenance performed in 2016.

**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 2016, the City amended its total and General Fund budgets 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, 2016  
(Unaudited)

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

Description	Original Budget	Final Budget	Change
<b>Revenues:</b>			
Property and Other Taxes	\$ 776,479	\$ 776,479	\$ -
Income Taxes	8,266,038	8,266,038	-
Intergovernmental Revenue	349,220	349,220	-
Fees, Licenses and Permits	716,108	716,108	-
Other Revenues	342,410	342,410	-
<b>Total Revenues</b>	<b>10,450,255</b>	<b>10,450,255</b>	<b>-</b>
<b>Expenditures:</b>			
Security of Persons/Property	597,218	598,854	1,636
General Government	3,852,731	3,935,030	82,299
Other Expenditures	664,834	692,589	27,755
<b>Total Expenditures</b>	<b>\$ 5,114,783</b>	<b>\$ 5,226,473</b>	<b>\$ 111,690</b>

The City was able to keep its expenditure line items under the budgeted amounts as cost savings were realized across multiple functions of government, including general government and security of persons and property. The following table summarizes the major variations in revenues and expenditures from final budget to the actual results for 2016:

Description	Final Budget	Actual	Variance
<b>Revenues:</b>			
Property and Other Taxes	\$ 776,479	\$ 709,492	\$ (66,987)
Income Taxes	8,266,038	8,930,985	664,947
Intergovernmental Revenue	349,220	467,680	118,460
Fees, Licenses and Permits	716,108	678,759	(37,349)
Other Revenues	342,410	426,582	84,172
<b>Total Revenues</b>	<b>10,450,255</b>	<b>11,213,498</b>	<b>763,243</b>
<b>Expenditures:</b>			
Security of Persons/Property	598,854	511,937	(86,917)
General Government	3,935,030	3,206,250	(728,780)
Other Expenditures	692,589	564,175	(128,414)
<b>Total Expenditures</b>	<b>\$ 5,226,473</b>	<b>\$ 4,282,362</b>	<b>\$ (944,111)</b>

The City saw the actual revenue results finish \$.8 million more than the final certificate amount for estimated revenues. The City's final expenditures were \$.9 million less than the final budgeted figures.

Actual receipts exceeded budgeted receipts most significantly in the area of income taxes – where management has been conservative in estimating receipts and the City has seen continued employment growth. Budgeted expenditures exceeded actual expenditures in all functions of government as management continued to closely monitor how resources are used and looked for ways to reduce or eliminate nonessential outlays.

The City of Monroe, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2016  
(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, 2016, amounts to \$52.1 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 2016, the City had general obligation bonds outstanding of \$9,730,000 in governmental activities. For more information on the City's debt, please see Note 13 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.monroehio.org](http://www.monroehio.org).

**THE CITY OF MONROE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 11,675,676	\$ 2,693,415	\$ 14,369,091
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	3,011,000	-	3,011,000
Taxes-Municipal Income	2,314,000	-	2,314,000
Accounts	109,158	482,200	591,358
Special Assessments	13,729,859	-	13,729,859
Payment in Lieu of Taxes	2,314,000	-	2,314,000
Internal Balances	290,000	(290,000)	-
Due from Other Governments	1,063,457	-	1,063,457
Restricted Cash and Cash Equivalents	-	520,675	520,675
Nondepreciable Capital Assets	1,708,476	563,741	2,272,217
Depreciable Capital Assets	57,486,994	7,377,436	64,864,430
<b>Total Assets</b>	<b>93,702,620</b>	<b>11,347,467</b>	<b>105,050,087</b>
<b>Deferred Outflows of Resources:</b>			
Pension	5,617,928	406,113	6,024,041
<b>Liabilities:</b>			
Accounts Payable	239,584	81,302	320,886
Accrued Wages and Benefits	313,287	11,265	324,552
Due to Other Governments	13,815,548	266,513	14,082,061
Accrued Interest Payable	30,616	21,951	52,567
Deposits Payable	-	30,400	30,400
Long-Term Liabilities due within 1 year	1,310,000	273,697	1,583,697
Long-Term Liabilities due over 1 year:			
Net Pension Liability	16,309,903	944,248	17,254,151
Other Amounts	9,580,749	4,524,126	14,104,875
<b>Total Liabilities</b>	<b>41,599,687</b>	<b>6,153,502</b>	<b>47,753,189</b>
<b>Deferred Inflows of Resources:</b>			
Revenues Levied for the Next Year	4,817,000	-	4,817,000
Pension	81,667	18,244	99,911
<b>Total Deferred Inflows of Resources:</b>	<b>4,898,667</b>	<b>18,244</b>	<b>4,916,911</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	48,521,362	3,544,371	52,065,733
Restricted:			
Transportation	1,160,897	-	1,160,897
Security of Persons and Property	673,770	-	673,770
Purposes Permitted by TIF/RID Agreements	3,797,730	-	3,797,730
Other	183,919	-	183,919
Unrestricted	(1,515,484)	2,037,463	521,979
<b>Total Net Position</b>	<b>\$ 52,822,194</b>	<b>\$ 5,581,834</b>	<b>\$ 58,404,028</b>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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	\$ (10,319,480)	\$ 719,420	\$ 69,584	\$ -	\$ (9,530,476)	\$ -	\$ (9,530,476)
Leisure Time Activities	(237,673)	64,313	36,226	-	(137,134)	-	(137,134)
Transportation	(3,599,347)	146,070	231,566	722,144	(2,499,567)	-	(2,499,567)
General Government	(7,856,366)	734,338	92,687	-	(7,029,341)	-	(7,029,341)
Interest and Fiscal Charges	(358,353)	-	-	-	(358,353)	-	(358,353)
Total Governmental Activities	<u>(22,371,219)</u>	<u>1,664,141</u>	<u>430,063</u>	<u>722,144</u>	<u>(19,554,871)</u>	<u>-</u>	<u>(19,554,871)</u>
<b>Business-Type Activities:</b>							
Water	(2,574,356)	2,803,030	-	-	-	228,674	228,674
Sewer	(1,153,803)	1,088,146	-	-	-	(65,657)	(65,657)
Stormwater Management	(345,856)	291,158	-	-	-	(54,698)	(54,698)
Garbage	(686,698)	705,381	-	-	-	18,683	18,683
Cemetery	(76,274)	65,009	-	-	-	(11,265)	(11,265)
Total Business-Type Activities	<u>(4,836,987)</u>	<u>4,952,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,737</u>	<u>115,737</u>
Total	<u>\$ (27,208,206)</u>	<u>\$ 6,616,865</u>	<u>\$ 430,063</u>	<u>\$ 722,144</u>	<u>\$ (19,554,871)</u>	<u>\$ 115,737</u>	<u>\$ (19,439,134)</u>
<b>General Revenues:</b>							
Income Taxes					\$ 8,964,985	\$ -	\$ 8,964,985
Property Taxes Levied For:							
General Purposes					634,922	-	634,922
Security of Persons and Property					1,570,507	-	1,570,507
Payment in Lieu of Taxes					5,522,245	-	5,522,245
Other Taxes					875,067	-	875,067
Grants and Contributions Not							
Restricted to Specific Programs					742,098	71,946	814,044
Unrestricted Investment Earnings					196,532	11,400	207,932
Total General Revenues					<u>18,506,356</u>	<u>83,346</u>	<u>18,589,702</u>
Changes in Net Position					(1,048,515)	199,083	(849,432)
Net Position, Beginning of Year					53,870,709	5,382,751	59,253,460
Net Position, End of Year					<u>\$ 52,822,194</u>	<u>\$ 5,581,834</u>	<u>\$ 58,404,028</u>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	General	Fire 1989 Levy	Police Law Enforcement	2004 TIFS	2004 RIDS	Capital Improvement	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>									
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 5,248,186	\$ 142,992	\$ 286,563	\$ 1,345,067	\$ 2,238,292	\$ 919,178	\$ 222,450	\$ 1,272,948	\$ 11,675,676
Receivables (Net of Allowance for Doubtful Accounts):									
Taxes-Real & Personal Property	872,000	676,000	704,000	-	-	-	-	759,000	3,011,000
Taxes-Municipal Income	2,314,000	-	-	-	-	-	-	-	2,314,000
Accounts	50,479	58,000	-	-	-	197	-	482	109,158
Special Assessments	-	-	-	-	-	19,000	13,706,859	4,000	13,729,859
Payment in Lieu of Taxes	-	-	-	964,000	1,118,000	-	-	232,000	2,314,000
Due from Other Funds	1,352,000	-	-	-	-	-	-	-	1,352,000
Due from Other Governments	333,158	17,000	87,220	189,416	-	-	1,283	435,380	1,063,457
<b>Total Assets</b>	<b>\$ 10,169,823</b>	<b>\$ 893,992</b>	<b>\$ 1,077,783</b>	<b>\$ 2,498,483</b>	<b>\$ 3,356,292</b>	<b>\$ 938,375</b>	<b>\$ 13,930,592</b>	<b>\$ 2,703,810</b>	<b>\$ 35,569,150</b>
<b>Liabilities:</b>									
Accounts Payable	\$ 125,785	\$ 49,713	\$ 34,136	\$ -	\$ -	\$ -	\$ -	\$ 29,950	\$ 239,584
Accrued Wages and Benefits	75,543	97,711	102,184	-	-	-	-	37,849	313,287
Due to Other Funds	-	-	-	-	-	1,042,000	-	20,000	1,062,000
Due to Other Governments	119,973	122,803	95,290	-	-	-	13,449,074	28,408	13,815,548
<b>Total Liabilities</b>	<b>321,301</b>	<b>270,227</b>	<b>231,610</b>	<b>-</b>	<b>-</b>	<b>1,042,000</b>	<b>13,449,074</b>	<b>116,207</b>	<b>15,430,419</b>
<b>Deferred Inflows of Resources:</b>									
Revenues Levied for the Next Year and Unavailable Revenue	2,394,545	710,000	784,400	964,000	1,118,000	19,000	257,785	1,292,913	7,540,643
<b>Total Deferred Inflows of Resources</b>	<b>2,394,545</b>	<b>710,000</b>	<b>784,400</b>	<b>964,000</b>	<b>1,118,000</b>	<b>19,000</b>	<b>257,785</b>	<b>1,292,913</b>	<b>7,540,643</b>
<b>Fund Balances:</b>									
Nonspendable	1,352,000	-	-	-	-	-	-	-	1,352,000
Restricted	-	-	61,773	1,534,483	2,238,292	-	223,733	1,177,101	5,235,382
Committed	-	-	-	-	-	-	-	117,727	117,727
Assigned	2,534,357	-	-	-	-	-	-	-	2,534,357
Unassigned	3,567,620	(86,235)	-	-	-	(122,625)	-	(138)	3,358,622
<b>Total Fund Balances (Deficit)</b>	<b>7,453,977</b>	<b>(86,235)</b>	<b>61,773</b>	<b>1,534,483</b>	<b>2,238,292</b>	<b>(122,625)</b>	<b>223,733</b>	<b>1,294,690</b>	<b>12,598,088</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,169,823</b>	<b>\$ 893,992</b>	<b>\$ 1,077,783</b>	<b>\$ 2,498,483</b>	<b>\$ 3,356,292</b>	<b>\$ 938,375</b>	<b>\$ 13,930,592</b>	<b>\$ 2,703,810</b>	<b>\$ 35,569,150</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, 2016**

Total governmental fund balances \$ 12,598,088

*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. 59,195,470

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

Income taxes receivable	1,383,000
Delinquent property taxes receivable	508,000
Special assessments receivable	280,785
Intergovernmental and other receivables	551,858

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	(9,730,000)
Revenue bonds	(510,000)
Special assessment bonds	(225,000)
Compensated absences	(216,641)
Accrued interest on long-term debt	(30,616)
Premium on bonds	(209,108)

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	5,617,928
Deferred Inflows - Pension	(81,667)
Net Pension Liability	<u>(16,309,903)</u>

Net position of governmental activities \$ 52,822,194

**THE CITY OF MONROE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Fire 1989 Levy	Police Law Enforcement	2004 TIFS	2004 RIDS	Capital Improvement	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>									
Income Taxes	\$ 8,905,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,905,985
Property and Other Taxes	708,742	495,293	504,476	-	-	-	-	645,224	2,353,735
Payment in Lieu of Taxes	-	-	-	2,012,229	3,275,300	-	-	234,716	5,522,245
Intergovernmental	642,189	35,299	85,525	189,416	-	-	14,336	798,035	1,764,800
Charges for Services	110,022	467,787	51,093	-	-	-	-	100,684	729,586
Licenses and Permits	640,165	-	-	-	-	-	-	56,228	696,393
Investment Earnings	181,191	-	-	-	-	-	-	15,341	196,532
Fines and Forfeitures	121,228	-	-	-	-	-	-	16,735	137,963
Special Assessments	-	-	-	-	-	49,250	758,748	113,686	921,684
Miscellaneous	70,238	60,162	13,779	-	-	-	-	48,308	192,487
<b>Total Revenues</b>	<b>11,379,760</b>	<b>1,058,541</b>	<b>654,873</b>	<b>2,201,645</b>	<b>3,275,300</b>	<b>49,250</b>	<b>773,084</b>	<b>2,028,957</b>	<b>21,421,410</b>
<b>Expenditures:</b>									
<b>Current:</b>									
Security of Persons and Property	449,036	3,568,295	3,883,587	-	-	-	-	634,759	8,535,677
Leisure Time Activities	186,901	-	-	-	-	-	-	4,110	191,011
Payment to Schools	-	-	-	998,479	2,294,887	-	-	-	3,293,366
Transportation	284,916	-	-	-	-	-	-	1,632,298	1,917,214
General Government	2,799,735	-	-	-	-	-	-	22,392	2,822,127
Miscellaneous	-	-	-	25,034	37,297	-	3,000	1,160	66,491
Intergovernmental	-	-	-	770,216	-	-	648,129	-	1,418,345
Capital Outlay	-	-	-	9,688	268,745	2,123,963	-	28,974	2,431,370
<b>Debt Service:</b>									
Principal Retirement	-	-	-	-	-	-	1,047,100	230,000	1,277,100
Interest and Fiscal Charges	-	-	-	-	-	-	371,136	4,655	375,791
<b>Total Expenditures</b>	<b>3,720,588</b>	<b>3,568,295</b>	<b>3,883,587</b>	<b>1,803,417</b>	<b>2,600,929</b>	<b>2,123,963</b>	<b>2,069,365</b>	<b>2,558,348</b>	<b>22,328,492</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>7,659,172</b>	<b>(2,509,754)</b>	<b>(3,228,714)</b>	<b>398,228</b>	<b>674,371</b>	<b>(2,074,713)</b>	<b>(1,296,281)</b>	<b>(529,391)</b>	<b>(907,082)</b>
<b>Other Financing Sources (Uses):</b>									
Transfers - In	-	2,481,734	3,218,441	-	-	1,500,000	1,343,135	856,312	9,399,622
Transfers - Out	(9,041,487)	-	-	-	(358,135)	-	-	-	(9,399,622)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,041,487)</b>	<b>2,481,734</b>	<b>3,218,441</b>	<b>-</b>	<b>(358,135)</b>	<b>1,500,000</b>	<b>1,343,135</b>	<b>856,312</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,382,315)</b>	<b>(28,020)</b>	<b>(10,273)</b>	<b>398,228</b>	<b>316,236</b>	<b>(574,713)</b>	<b>46,854</b>	<b>326,921</b>	<b>(907,082)</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>8,836,292</b>	<b>(58,215)</b>	<b>72,046</b>	<b>1,136,255</b>	<b>1,922,056</b>	<b>452,088</b>	<b>176,879</b>	<b>967,769</b>	<b>13,505,170</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 7,453,977</b>	<b>\$ (86,235)</b>	<b>\$ 61,773</b>	<b>\$ 1,534,483</b>	<b>\$ 2,238,292</b>	<b>\$ (122,625)</b>	<b>\$ 223,733</b>	<b>\$ 1,294,690</b>	<b>\$ 12,598,088</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, 2016**

Net change in fund balances - total governmental funds \$ (907,082)

*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	2,317,736
Depreciation expense	(2,224,582)

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

Income taxes receivable	59,000
Special assessments receivable	(193,126)
Intergovernmental and other receivables	35,420

Governmental Funds report premiums as other financing sources, whereas these amounts are deferred and amortized in the statement of activities:

Amortization of bond premiums	14,937
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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	1,277,100
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

2,501

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	(42,011)
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

1,161,124

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.

(2,549,532)

Change in net position of governmental activities

\$ (1,048,515)

**THE CITY OF MONROE  
BALANCE SHEET  
ENTERPRISE FUNDS  
DECEMBER 31, 2016**

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	\$ 1,950,607	\$ 48,447	\$ 694,361	\$ 2,693,415
Accounts Receivable (Net of Allowance for Doubtful Accounts)	318,000	150,600	13,600	482,200
Total Current Assets	<u>2,268,607</u>	<u>199,047</u>	<u>707,961</u>	<u>3,175,615</u>
<b>Noncurrent Assets:</b>				
<b>Restricted Assets:</b>				
Cash and Cash Equivalents	520,675	-	-	520,675
<b>Capital Assets:</b>				
Nondepreciable Assets	563,741	-	-	563,741
Depreciable Assets	6,617,431	200,469	559,536	7,377,436
Total Capital Assets (Net of Accumulated Deprecation)	<u>7,181,172</u>	<u>200,469</u>	<u>559,536</u>	<u>7,941,177</u>
Total Noncurrent Assets	<u>7,701,847</u>	<u>200,469</u>	<u>559,536</u>	<u>8,461,852</u>
<b>Total Assets</b>	<u>9,970,454</u>	<u>399,516</u>	<u>1,267,497</u>	<u>11,637,467</u>
<b>Deferred Outflows of Resources:</b>				
Pension	184,656	58,348	163,109	406,113
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 10,155,110</u>	<u>\$ 457,864</u>	<u>\$ 1,430,606</u>	<u>\$ 12,043,580</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 28,090	\$ 134	\$ 53,078	\$ 81,302
Accrued Wages and Benefits	11,265	-	-	11,265
Due to Other Governments	95,417	171,096	-	266,513
Due to Other Funds	250,000	-	40,000	290,000
Accrued Interest Payable	21,951	-	-	21,951
Deposits Payable	30,400	-	-	30,400
Revenue Bonds Payable - Current	230,000	-	-	230,000
Loan Payable - Current	43,697	-	-	43,697
Total Current Liabilities	<u>710,820</u>	<u>171,230</u>	<u>93,078</u>	<u>975,128</u>
<b>Noncurrent Liabilities:</b>				
Compensated Absences Payable	8,943	-	-	8,943
Revenue Bonds Payable	4,346,062	-	-	4,346,062
Loans Payable	169,121	-	-	169,121
Net Pension Liability	429,342	135,664	379,242	944,248
Total Noncurrent Liabilities	<u>4,953,468</u>	<u>135,664</u>	<u>379,242</u>	<u>5,468,374</u>
<b>Total Liabilities</b>	<u>5,664,288</u>	<u>306,894</u>	<u>472,320</u>	<u>6,443,502</u>
<b>Deferred Inflows of Resources:</b>				
Pension	8,295	2,622	7,327	18,244
<b>Net Position:</b>				
Net Investment in Capital Assets	2,784,366	200,469	559,536	3,544,371
Unrestricted	1,698,161	(52,121)	391,423	2,037,463
Total Net Position	<u>4,482,527</u>	<u>148,348</u>	<u>950,959</u>	<u>5,581,834</u>
<b>Total Net Position, Liabilities and Deferred Inflows of Resources</b>	<u>\$ 10,155,110</u>	<u>\$ 457,864</u>	<u>\$ 1,430,606</u>	<u>\$ 12,043,580</u>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Operating Revenues:				
Charges for Services	\$ 2,798,177	\$ 1,088,146	\$ 1,061,548	\$ 4,947,871
Special Assessments	4,853	-	-	4,853
<b>Total Operating Revenues</b>	<b>2,803,030</b>	<b>1,088,146</b>	<b>1,061,548</b>	<b>4,952,724</b>
Operating Expenses:				
Personal Services	439,306	104,069	346,542	889,917
Materials and Supplies	1,080,947	134	32,953	1,114,034
Contractual Services	265,925	1,037,005	688,897	1,991,827
Depreciation	519,022	12,595	40,436	572,053
<b>Total Operating Expenses</b>	<b>2,305,200</b>	<b>1,153,803</b>	<b>1,108,828</b>	<b>4,567,831</b>
Operating Income (Loss)	497,830	(65,657)	(47,280)	384,893
Non-Operating Income (Expense):				
Investment Earnings	9,942	-	1,458	11,400
Interest and Fiscal Charges	(269,156)	-	-	(269,156)
Other Intergovernmental Revenues	71,946	-	-	71,946
<b>Total Non-Operating Income (Expense)</b>	<b>(187,268)</b>	<b>-</b>	<b>1,458</b>	<b>(185,810)</b>
Change in Net Position	310,562	(65,657)	(45,822)	199,083
Total Net Position - Beginning of Year	4,171,965	214,005	996,781	5,382,751
<b>Total Net Position - End of Year</b>	<b>\$ 4,482,527</b>	<b>\$ 148,348</b>	<b>\$ 950,959</b>	<b>\$ 5,581,834</b>

See accompanying notes to the basic financial statements

**THE CITY OF MONROE  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 2,784,805	\$ 1,071,246	\$ 1,064,648	\$ 4,920,699
Cash Paid for Employee Services and Benefits	(318,923)	(111,155)	(325,773)	(755,851)
Cash Paid to Suppliers for Goods and Services	(1,416,478)	(1,037,005)	(734,805)	(3,188,288)
Net Cash Provided by Operating Activities	1,049,404	(76,914)	4,070	976,560
Cash Flows from Noncapital Financing Activities:				
Operating Grants	71,946	-	-	71,946
Net Cash Provided (Used) by Noncapital Financing Activities	71,946	-	-	71,946
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(193,047)	-	(39,770)	(232,817)
Principal Paid on Bonds	(225,000)	-	-	(225,000)
Principal Paid on Loans	(41,583)	-	-	(41,583)
Interest and Fiscal Charges	(271,709)	-	-	(271,709)
Net Cash Used by Capital and Related Financing Activities	(731,339)	-	(39,770)	(771,109)
Cash Flows from Investing Activities				
Interest	9,942	-	1,458	11,400
Net Cash Provided by Investing Activities	9,942	-	1,458	11,400
Net Increase (Decrease) in Cash and Cash Equivalents	399,953	(76,914)	(34,242)	288,797
Cash and Cash Equivalents at Beginning of Year	2,071,329	125,361	728,603	2,925,293
Cash and Cash Equivalents at End of Year	\$ 2,471,282	\$ 48,447	\$ 694,361	\$ 3,214,090

**THE CITY OF MONROE  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	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)	\$ 497,830	\$ (65,657)	\$ (47,280)	\$ 384,893
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	519,022	12,595	40,436	572,053
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Accounts Receivable	(23,600)	(16,900)	3,100	(37,400)
Deferred Outflows of Resources - Pension	(125,129)	(39,539)	(110,528)	(275,196)
Accounts Payable	(69,606)	134	(12,955)	(82,427)
Deposits Payable	5,375	-	-	5,375
Accrued Wages and Benefits	3,369	-	-	3,369
Compensated Absences Payable	3,221	-	-	3,221
Due to Other Governments	90,278	(14,516)	-	75,762
Net Pension Liability	145,338	45,924	128,377	319,639
Deferred Inflows of Resources - Pension	3,306	1,045	2,920	7,271
Total Adjustments	551,574	(11,257)	51,350	591,667
Net Cash Provided by Operating Activities	\$ 1,049,404	\$ (76,914)	\$ 4,070	\$ 976,560
See accompanying notes to the basic financial statements				

**THE CITY OF MONROE**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2016**

	Agency
<b>Assets:</b>	
Cash and Cash Equivalents in Segregated Accounts	\$ 8,495
Cash and Cash Equivalents	630,544
Total Assets	\$ 639,039
<b>Liabilities:</b>	
Due to Other Governments	\$ 639,039
Total Liabilities	\$ 639,039

See accompanying notes to the basic financial statements

# The City of Monroe

## Notes to the Basic Financial Statements – December 31, 2016

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### Note 1 - Reporting Entity and Basis of Presentation

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

#### The Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City. Services provided 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, 2016.

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 15 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.

## The City of Monroe

### Notes to the Basic Financial Statements – December 31, 2016

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#### 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, deferred inflows of resources 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 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.

## The City of Monroe

### Notes to the Basic Financial Statements – December 31, 2016

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#### 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.

#### 2004 RIDs

The 2004 RIDs Fund accounts for payments in lieu of taxes received from residential incentive districts located within the City.

#### Capital Improvement

The Capital Improvement Fund accounts for significant capital projects undertaken by the City.

#### 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) and a JEDD agency fund (which accounts for funds that flow through the JEDD). The City's agency funds are custodial in nature (assets equal liabilities) and do 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, Cash Equivalents and Investments" 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 with the cash management pool are considered to be cash equivalents. In accordance with GASB Statement No. 72, Fair Value Measurement and Application, the City categorizes its fair value measurements of its investments in U.S. Government agency notes within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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The City also invested funds in money market mutual funds and the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2016. 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 and money market mutual fund are valued at the net asset value per share provided by STAR Ohio on an amortized cost basis at December 31, 2016, which approximates fair value.

For 2016, there were no limitations or restrictions on any participants’ withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

**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.

**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.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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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, 2016. 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.

**Pensions**

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

**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.

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

<b>Obligation</b>	<b>Fund</b>
Compensated Absences	Will be paid by the General Fund or Water Fund.
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.
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 operating 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 not in spendable form and 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.

## The City of Monroe

### Notes to the Basic Financial Statements – December 31, 2016

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Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balances at December 31, 2016 represent resources set aside for purchase commitments and subsequent year budgets by the City's Council.

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 deferred outflows of resources) and liabilities (and deferred inflows of resources) 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. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as inflow of resources in the periods that the amounts become available or for the periods in which they are to be used.

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

Revenue 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.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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**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, 2016:

	<u>Fund Deficit</u>
Major Funds:	
Governmental Funds:	
Fire 1989 Levy	\$ 86,235
Capital Improvement	<u>122,625</u>
Total Major Governmental Funds	<u>208,860</u>
Nonmajor Funds:	
Governmental Funds:	
Street Lighting	<u>138</u>
Total Nonmajor Governmental Funds	<u>138</u>
Total All Funds	<u>\$ 208,998</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, 2016**

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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, 2016**

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**Deposits**

At year-end, the carrying amount of the City's deposits was \$1,573,892 and the bank balance was \$2,010,217. \$366,505 of the City's deposits were insured by federal depository insurance. As of December 31, 2016, \$1,643,712 of the City's bank balance of \$2,010,217 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, 2016 the City had the following investments:

Categorized Investments	Fair Value and Maturity		Credit Rating
	Under One Year	One to Five Years	
U.S. Government Notes	\$ 240,103	\$ 1,421,635	S&P - AA+
STAR Ohio	7,717	-	S&P - AAAm
Negotiable CD's	2,689,842	9,539,438	N/A
Money Market Mutual Funds	56,178	-	S&P - AAAm
<b>Total</b>	<b>\$ 2,993,840</b>	<b>\$ 10,961,073</b>	

*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 96% of its investments in U.S. Government Notes.

*Fair Value Measurement* – The City's recurring fair value measurement of its investment in U.S. Government Notes and negotiable CDs of \$1,661,738 and \$12,229,280, respectively were valued using pricing sources as provided by investment managers (Level 2 inputs). The City's investment in money market mutual and STAR Ohio funds are excluded from fair value measurement requirements under GASB Statement No. 72, and instead are reported at amortized cost.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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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 2016 were levied after October 1, 2015, on assessed values as of January 1, 2015, 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. 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.

<u>Category</u>	<u>Assessed Value</u>
Real Property Valuation	\$ 258,168,230
Public Utility Tangible Personal Property	60,066,240
Total	<u>\$ 318,234,470</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, 2016 consisted of property and other taxes, income taxes, utility accounts (shown net of an allowance for uncollectible accounts), special assessments, and intergovernmental receivables and shared revenues arising from entitlements.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

**Note 8 - Capital Assets**

A summary of the changes in capital assets during the year ended December 31, 2016, follows:

	12/31/2015	Increases	Decreases	12/31/2016
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land and Easements	\$ 1,436,276	\$ -	\$ -	\$ 1,436,276
Construction in Progress	1,333,526	259,158	(1,320,484)	272,200
Total Capital Assets, Not Being Depreciated	2,769,802	259,158	(1,320,484)	1,708,476
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	10,365,778	218,158	-	10,583,936
Machinery, Equipment and Vehicles	8,188,947	860,281	-	9,049,228
Infrastructure – Streets	70,731,572	2,300,623	-	73,032,195
Total Capital Assets, Being Depreciated	89,286,297	3,379,062	-	92,665,359
Accumulated Depreciation				
Buildings and Building Improvements	(3,461,704)	(314,521)	-	(3,776,225)
Machinery, Equipment and Vehicles	(5,376,744)	(557,534)	-	(5,934,278)
Infrastructure – Streets	(24,115,335)	(1,352,527)	-	(25,467,862)
Less Accumulated Depreciation	(32,953,783)	(2,224,582)	-	(35,178,365)
Total Capital Assets, Being Depreciated, Net	56,332,514	1,154,480	-	57,486,994
Governmental Activities Capital Assets, Net	\$ 59,102,316	\$ 1,413,638	\$(1,320,484)	\$ 59,195,470
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 563,741	\$ -	\$ -	\$ 563,741
Construction in Progress	2,693,759	-	(2,693,759)	-
Total Capital Assets, Not Being Depreciated	3,257,500	-	(2,693,759)	563,741
Capital Assets, Being Depreciated				
Buildings and Building Improvements *	1,464,986	-	-	1,464,986
Machinery and Equipment	1,823,938	9,550	-	1,833,488
Infrastructure – Water Lines/Storm Sewers *	7,898,627	2,917,026	-	10,815,653
Total Capital Assets, Being Depreciated	11,187,551	2,926,576	-	14,114,127
Accumulated Depreciation				
Buildings and Building Improvements	(938,677)	(32,667)	-	(971,344)
Machinery and Equipment	(911,706)	(92,656)	-	(1,004,362)
Infrastructure – Water Lines	(4,314,255)	(446,730)	-	(4,760,985)
Less Accumulated Depreciation	(6,164,638)	(572,053)	-	(6,736,691)
Total Capital Assets, Being Depreciated, Net	5,022,913	2,354,523	-	7,377,436
Business-Type Activities Capital Assets, Net	\$ 8,280,413	\$ 2,354,523	\$(2,693,759)	\$ 7,941,177

\* The City reclassified \$59,194 of capital assets reported at December 31, 2015 from *Buildings and Building Improvements* to *Infrastructure – Water Lines/Storm Sewers* to more appropriately report the class of the underlying capital assets.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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Depreciation expense was charged to governmental functions as follows:

**Governmental Activities:**

Security of Persons and Property	\$ 498,768
Transportation, Including Depreciation of General Infrastructure Assets	1,513,465
Leisure Time Activities	46,662
General Government	165,687
Total Depreciation Expense - Governmental Activities	<u>\$ 2,224,582</u>

**Business-Type Activities:**

Water	\$ 519,022
Sewer	12,595
Stormwater Management	35,936
Cemetery	4,500
Total Depreciation Expense – Business-Type Activities	<u>\$ 572,053</u>

**Note 9 - Defined Benefit Pension Plans**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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**Plan Description – Ohio Public Employees Retirement System (OPERS)**

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0%
Employee	10.0%
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	<u>2.0%</u>
Total Employer	<u>14.0%</u>
Employee	<u>10.0%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$305,751 for 2016. Of this amount, \$44,397 is reported as due to other governments.

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City’s full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 <b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
 Total Employer	 <u>19.50%</u>	 <u>24.00%</u>
 Employee	 12.25%	 12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$948,018 for 2016. Of this amount \$111,650 is reported as due to other governments.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 3,116,265	\$ 14,137,886	\$ 17,254,151
Proportion of the Net Pension Liability	0.017991%	0.219769%	
Pension Expense	\$ 170,669	\$ 1,269,453	\$ 1,440,122

**The City of Monroe**

**Notes to the Basic Financial Statements – December 31, 2016**

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 915,987	\$ 2,238,909	\$ 3,154,896
Changes in employer proportion and differences between contributions and proportionate share of contributions	71,613	1,543,763	1,615,376
City contributions subsequent to the measurement date	<u>305,751</u>	<u>948,018</u>	<u>1,253,769</u>
Total Deferred Outflows of Resources	<u>\$ 1,293,351</u>	<u>\$ 4,730,690</u>	<u>\$ 6,024,041</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$ 60,212</u>	<u>\$ 39,699</u>	<u>\$ 99,911</u>
	<u>\$ 60,212</u>	<u>\$ 39,699</u>	<u>\$ 99,911</u>

\$1,253,769 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2017	233,378	875,013	1,108,391
2018	248,025	875,013	1,123,038
2019	238,697	875,013	1,113,710
2020	207,288	773,076	980,364
2021	-	289,801	289,801
Thereafter	<u>-</u>	<u>55,057</u>	<u>55,057</u>
Total	<u>\$ 927,388</u>	<u>\$ 3,742,973</u>	<u>\$ 4,670,361</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

## The City of Monroe

### Notes to the Basic Financial Statements – December 31, 2016

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
Cost of Living Adjustments	Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.80% simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

In 2015, OPERS managed investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is .4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	20.70%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	18.30%	7.40%
Other investments	18.00%	4.59%
Total	100.00%	5.27%

**The City of Monroe**

**Notes to the Basic Financial Statements – December 31, 2016**

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**  
 The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 4,964,976	\$ 3,116,265	\$ 1,556,941

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

## The City of Monroe

### Notes to the Basic Financial Statements – December 31, 2016

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	
Domestic Equity	16.00%	4.47%
Non-US Equity	16.00%	4.47%
Core Fixed Income *	20.00%	1.62%
Global Inflation Protected *	20.00%	1.33%
High Yield	15.00%	3.39%
Real Estate	12.00%	3.93%
Private Markets	8.00%	6.98%
Timber	5.00%	4.92%
Master Limited Partnerships	8.00%	7.03%
Total	120.00%	

\* levered 2X

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 18,645,980	\$ 14,137,886	\$ 10,319,090

# The City of Monroe

## Notes to the Basic Financial Statements – December 31, 2016

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### Note 10 - Post Employment Benefits

#### *Ohio Public Employees Retirement System*

##### **A. Plan Description**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

##### **B. Funding Policy**

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

## **The City of Monroe**

### **Notes to the Basic Financial Statements – December 31, 2016**

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#### **C. City Contributions**

The City's actual contributions that were used to fund postemployment benefits were approximately \$44,339, \$45,992 and \$44,678 for 2016, 2015 and 2014, respectively. The full amount has been contributed for 2016, 2015 and 2014.

#### ***Ohio Police and Fire Pension Fund***

##### **A. Plan Description**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, 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 statutory survivor benefit 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 issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

##### **B. Funding Policy**

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated 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 contributions 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. The portion of employer contributions allocated to healthcare was 0.5% of covered payroll from January 1, 2016 thru December 31, 2016. The amount of 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 provisions of Sections 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 covered dependents and the coverage selected.

#### **C. City Contributions**

The City's actual contributions that were used to pay postemployment benefits were approximately \$22,815, \$21,066, and \$20,644 for 2016, 2015 and 2014, respectively. The full amount has been contributed for 2016, 2015 and 2014.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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**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 property and casualty losses, and injuries to employees.

The City insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Beginning in 2014, the City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016:

	<u>2016</u>
Assets	\$ 42,182,281
Liabilities	<u>(13,396,700)</u>
Net Position	<u>\$ 28,785,581</u>

At December 31, 2016 the liabilities above include approximately \$12 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed to approximately 520 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment.

As of December 31, 2016, the City's estimated share of unpaid claims collectible in future years is approximately \$54,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership. The City's contributions to PEP for 2016 were \$85,311.

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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 of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

**Note 13 –Long-Term Obligations**

A summary of the changes in long-term obligations during the year ended December 31, 2016 follows:

	12/31/2015	Increase	Decrease	12/31/2016	Due Within One Year
<b>Governmental Activities</b>					
<b>Special Assessment Bonds</b>					
6.61% 1998 Waterline Extension II	\$ 12,100	\$ -	\$ (12,100)	\$ -	\$ -
4.45% - 5.70% 2002 Limited Edition	275,000	-	(50,000)	225,000	50,000
Total - Special Assessment Bonds	287,100	-	(62,100)	225,000	50,000
<b>Revenue Obligation Bonds</b>					
1999 Adjustable Rate Tax Incremental	740,000	-	(230,000)	510,000	245,000
<b>General Obligation Bonds (Unvoted)</b>					
1.50% - 3.50% 2013 VP Bonds	2,635,000	-	(530,000)	2,105,000	540,000
Premium	34,994	-	(3,999)	30,995	-
6.15% 2010 Building America Bonds	715,000	-	-	715,000	-
2 - 4.25% 2010 VP Bonds	4,765,000	-	(285,000)	4,480,000	300,000
Premium	68,366	-	(4,558)	63,808	-
2% - 4% 2014 VP Bonds	2,600,000	-	(170,000)	2,430,000	175,000
Premium	120,685	-	(6,380)	114,305	-
Total - General Obligation Bonds	10,939,045	-	(999,937)	9,939,108	1,015,000
Compensated Absences	174,630	42,011	-	216,641	-
Net Pension Liability:					
OPERS	1,436,764	735,253	-	2,172,017	-
OP&F	9,460,802	4,677,084	-	14,137,886	-
Total Net Pension Liability	10,897,566	5,412,337	-	16,309,903	-
Total - Governmental Activities	23,038,341	5,454,348	(1,292,037)	27,200,652	1,310,000
<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	1,185,000	-	(225,000)	960,000	230,000
Premium	27,923	-	(1,861)	26,062	-
5.02% 2001 Loan Payable	254,401	-	(41,583)	212,818	43,697
Compensated Absences	5,722	3,221	-	8,943	-
Net Pension Liability - OPERS	624,609	319,639	-	944,248	-
Total - Business-Type Activities	5,687,655	322,860	(268,444)	5,742,071	273,697
Total - All Activities	\$ 28,725,996	\$ 5,777,208	\$ (1,560,481)	\$ 32,942,723	\$ 1,583,697

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 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, 2016

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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.

The 2013 Various Purpose bonds were issued in 2013 to currently refund the outstanding balance of certain legacy debt. The bonds bear interest at rates varying from 1.50% to 3.50% and have a final maturity of December 1, 2024.

During 2014, the City issued General Obligation Bonds of \$2,775,000 to finance certain energy improvements to the City's buildings and infrastructure. The bonds bear interest at rates varying from 2% to 4% and have a final maturity of December 1, 2034.

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 out of the debt service fund.

The compensated absences will be paid from the fund from which the employees' salaries are paid, mainly the General and Water 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. Additionally, covenants related to these revenue bonds include, among other things, requiring the City to charge minimum rates and/or restrict operating and maintenance expenses of the system such that there is net income available for debt service of at least 110% of the succeeding year debt service (principal and interest).

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, 2016, the City's legal debt margin was approximately \$33.4 million for total debt and \$17.5 million for unvoted debt.

**The City of Monroe**

**Notes to the Basic Financial Statements – December 31, 2016**

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2016 are:

<b>Governmental Activities</b>			
General Obligation Bonds			
Year	Principal	Interest	Total
2017	\$ 1,015,000	\$ 336,635	\$ 1,351,635
2018	1,025,000	315,436	1,340,436
2019	1,050,000	291,885	1,341,885
2020	595,000	265,573	860,573
2021	600,000	247,747	847,747
2022-2026	2,955,000	902,564	3,857,564
2027-2031	2,325,000	322,326	2,647,326
2032-2034	165,000	13,200	178,200
Totals	<u>\$ 9,730,000</u>	<u>\$ 2,695,366</u>	<u>\$ 12,425,366</u>

<b>Governmental Activities</b>						
Year	Special Assessment Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 50,000	\$ 12,665	\$ 62,665	\$ 245,000	\$ 18,105	\$ 263,105
2018	55,000	9,890	64,890	265,000	9,408	274,408
2019	60,000	6,810	66,810	-	-	-
2020	60,000	3,420	63,420	-	-	-
Totals	<u>\$ 225,000</u>	<u>\$ 32,785</u>	<u>\$ 257,785</u>	<u>\$ 510,000</u>	<u>\$ 27,513</u>	<u>\$ 537,513</u>

<b>Business-Type Activities</b>						
Year	Loans Payable			2010 Revenue Improvement Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 43,697	\$ 10,245	\$ 53,942	\$ 230,000	\$ 253,162	\$ 483,162
2018	45,918	8,024	53,942	235,000	246,263	481,263
2019	48,252	5,690	53,942	245,000	238,625	483,625
2020	50,704	3,238	53,942	250,000	230,050	480,050
2021	24,247	660	24,907	300,000	220,675	520,675
2022-2026	-	-	-	2,060,000	824,000	2,884,000
2027-2030	-	-	-	1,230,000	260,349	1,490,349
Totals	<u>\$ 212,818</u>	<u>\$ 27,857</u>	<u>\$ 240,675</u>	<u>\$ 4,550,000</u>	<u>\$ 2,273,124</u>	<u>\$ 6,823,124</u>

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

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**Note 14 - Interfund Transactions**

Interfund transfers during 2016 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ -	\$ 9,041,487
2004 RIDs	-	358,135
Fire 1989 Levy	2,481,734	-
Police Law Enforcement	3,218,441	-
Bond Retirement	1,343,135	-
Capital Improvement Fund	1,500,000	-
Total Major Governmental Funds	<u>8,543,310</u>	<u>9,399,622</u>
Nonmajor Funds:		
Governmental Funds:		
Street Fund	<u>856,312</u>	-
Total Nonmajor Governmental Funds	<u>856,312</u>	-
 Total All Funds	 <u>\$ 9,399,622</u>	 <u>\$ 9,399,622</u>

The transfers out of the General Fund were to supplement the operations of other funds. Transfers out of the 2004 RIDs were to the Bond Retirement Fund for required debt service.

At December 31, 2016 interfund loans totaled \$1,352,000 – owed to the General Fund from the Street Lighting Fund, Capital Improvement Fund, Water Fund and Cemetery Fund in the amounts of \$20,000, \$1,042,000, \$250,000 and \$40,000, respectively. The interfund loans were made to assist the borrower-funds with cash flow needs.

**Note 15 - 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 2016. 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, 2016**

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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 2016. 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 16 - 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 17 – Contractual Commitments**

The City’s major outstanding contracts for services, as of December 31, 2016, were as follows:

Contractor	Project	Amount
Butler County TID	Salzman Road Extension	\$ 248,782
Bansal Construction, Inc.	Hollytree	180,900
Bansal Construction, Inc.	North Main	134,800

**The City of Monroe**  
**Notes to the Basic Financial Statements – December 31, 2016**

The City had the following in outstanding encumbrances by fund as of December 31, 2016:

Fund	Outstanding Encumbrances
<b>Governmental</b>	
General	\$ 705,117
Fire 1989 Levy	106,463
Police Law Enforcement	173,743
2004 TIFs	193,000
2004 RIDs	184,537
Capital Improvement	541,300
Bond Retirement	3,500
Nonmajor Governmental Funds	232,729
<b>Enterprise</b>	
Water	369,235
Nonmajor Enterprise Funds	48,347
	<u>\$ 2,557,971</u>

**Note 18 – 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	2004 RIDs	Capital Improvement	Bond Retirement	Non-major Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>									
Interfund Loans	\$ 1,352,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,352,000
Total Nonspendable	<u>1,352,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,352,000</u>
<b>Restricted for:</b>									
Public safety	-	-	61,773	-	-	-	-	202,832	264,605
Public Works	-	-	-	-	-	-	-	883,122	883,122
Capital Improvements	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	223,733	-	223,733
Purposes Permitted by TIF/RID Agreements	-	-	-	1,534,483	2,238,292	-	-	24,955	3,797,730
Public Health	-	-	-	-	-	-	-	63,998	63,998
Other Purposes	-	-	-	-	-	-	-	2,194	2,194
Total Restricted	<u>-</u>	<u>-</u>	<u>61,773</u>	<u>1,534,483</u>	<u>2,238,292</u>	<u>-</u>	<u>223,733</u>	<u>1,177,101</u>	<u>5,235,382</u>
<b>Committed for:</b>									
Parks and Recreation	-	-	-	-	-	-	-	117,727	117,727
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,727</u>	<u>117,727</u>
<b>Assigned:</b>									
Purchase Commitments	579,332	-	-	-	-	-	-	-	579,332
2016 Budgeted Use of Carryover Balance	1,955,025	-	-	-	-	-	-	-	1,955,025
Total Assigned	<u>2,534,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,534,357</u>
<b>Unassigned (Deficit)</b>	<u>3,567,620</u>	<u>(86,235)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,625)</u>	<u>-</u>	<u>(138)</u>	<u>3,358,622</u>
<b>Total Fund Balances</b>	<u>\$ 7,453,977</u>	<u>\$ (86,235)</u>	<u>\$ 61,773</u>	<u>\$ 1,534,483</u>	<u>\$ 2,238,292</u>	<u>\$ (122,625)</u>	<u>\$ 223,733</u>	<u>\$ 1,294,690</u>	<u>\$ 12,598,088</u>

**The City of Monroe**

**Notes to the Basic Financial Statements – December 31, 2016**

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**Note 19 – 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, 2016, 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, 2016, 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, 2017 to 2034	\$ 4,706,521
Estimated Interest Income on Debt Reserve Balance, 2017 to 2034	<u>1,539,754</u>
Total, Future Value of Cash Inflows	<u>6,246,275</u>
<b>Cash Outflows:</b>	
Public Improvement Bonds, Principal due from 2017 to 2034	10,000,000
Public Improvement Bonds, Interest due from 2017 to 2034	8,520,050
Estimated Administrative Expenses, due from 2017 to 2034	<u>1,175,299</u>
Total, Future Value of Cash Outflows	<u>19,695,349</u>
Special Assessment Receivable/Intergovernmental Payable	<u>\$ (13,449,074)</u>

## The City of Monroe

### Notes to the Basic Financial Statements – December 31, 2016

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#### Note 20 – Joint Economic Development District

Effective January 1, 2015, the City of Monroe began participating in a Joint Economic Development District (JEDD) with Turtle Creek Township. The JEDD is located entirely within Turtle Creek Township, Butler County, Ohio along State Route 63 on the East Side of Interstate 75. The purpose of the JEDD is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the District. The JEDD is governed by a Board of Directors which consists of a municipal member, a township member, a member who represents the owners of the businesses within the JEDD, a member who represents the persons working within the JEDD, and one member who is selected by the above members who serves as chairperson.

The proceeds of the JEDD are used to pay a portion of the costs associated with the District, the provision of public services such as police and fire protection, and to provide for improvements in connector roads that benefit the JEDD.

Under the terms of the agreement with the JEDD, City of Monroe and Turtle Creek Township:

- The JEDD will receive 4% of income tax revenues collected.
- Turtle Creek Township receives 50% of the net income tax revenues collected.
- The City of Monroe receives 50% of the net income tax revenues collected and \$80,000 for interchange maintenance.

The City of Monroe administers and collects income tax for the JEDD and reports quarterly to the JEDD. The City of Monroe receives an additional fee for the collection of the gross income tax collected and absorbs all reasonable costs associated with the collection of these income taxes.

#### Note 21 – Tax Abatements

The City has granted tax abatements to entities located within the City's community reinvestment areas and created under Chapter 3735 of the Ohio Revised Code. The agreements vary in lengths of five to fifteen years and allow for a 45% to 100% real property tax exemption on the value of new buildings constructed within the community reinvestment areas and pursuant to Section 3735.67 of the Ohio Revised Code. The purpose of the development incentives are to promote economic growth and job generation within the community. The Tax Incentive Review Council of the City of Monroe reviews the agreements annually for compliance. If an entity fails to meet the requirements of the agreement, the exemptions from taxation granted under the agreement may be revoked. The value of real property tax dollars abated in fiscal year 2016 from such agreements was \$214,505.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

**The 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, 2016**

	GENERAL FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 776,479	\$ 776,479	\$ 709,492	\$ (66,987)
Income Taxes	8,266,038	8,266,038	8,930,985	664,947
Charges for Services	62,410	62,410	99,533	37,123
Fees, Licenses, and Permits	716,108	716,108	678,759	(37,349)
Fines and Forfeitures	145,000	145,000	127,361	(17,639)
Intergovernmental	349,220	349,220	467,680	118,460
Interest	135,000	135,000	161,934	26,934
Other	-	-	37,754	37,754
<b>Total Revenues</b>	<b>10,450,255</b>	<b>10,450,255</b>	<b>11,213,498</b>	<b>763,243</b>
Expenditures:				
Current:				
General Government				
Council				
Personal Services	95,800	95,800	94,727	1,073
Other	175,998	179,451	146,514	32,937
<b>Total Council</b>	<b>271,798</b>	<b>275,251</b>	<b>241,241</b>	<b>34,010</b>
Mayor's Court				
Personal Services	86,900	86,900	80,955	5,945
Other	23,170	23,170	17,749	5,421
<b>Total Mayor's Court</b>	<b>110,070</b>	<b>110,070</b>	<b>98,704</b>	<b>11,366</b>
Human Resources				
Personal Services	225,600	225,600	135,524	90,076
Other	125,500	129,500	123,529	5,971
<b>Total Human Resources</b>	<b>351,100</b>	<b>355,100</b>	<b>259,053</b>	<b>96,047</b>
Development				
Personal Services	322,860	322,860	297,659	25,201
Other	1,112,565	1,129,107	935,512	193,595
<b>Total Development</b>	<b>1,435,425</b>	<b>1,451,967</b>	<b>1,233,171</b>	<b>218,796</b>
Finance				
Personal Services	304,300	304,300	294,762	9,538
Other	670,738	646,495	398,994	247,501
<b>Total Finance</b>	<b>975,038</b>	<b>950,795</b>	<b>693,756</b>	<b>257,039</b>
City Manager's Office				
Personal Services	102,800	105,300	104,174	1,126
Other	606,500	686,547	576,151	110,396
<b>Total City Manager's Office</b>	<b>709,300</b>	<b>791,847</b>	<b>680,325</b>	<b>111,522</b>
<b>Total General Government</b>	<b>3,852,731</b>	<b>3,935,030</b>	<b>3,206,250</b>	<b>728,780</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, 2016**

	GENERAL FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Security of Persons and Property				
Police Law Enforcement				
Personal Services	367,250	367,250	322,814	44,436
Other	229,968	231,604	189,123	42,481
Total Security of Persons and Property	597,218	598,854	511,937	86,917
Public Works				
Service Buildings and Grounds				
Other	469,776	477,641	374,172	103,469
Total Public Works	469,776	477,641	374,172	103,469
Leisure Time Activities				
Parks				
Personal Services	129,485	139,375	137,475	1,900
Other	65,573	75,573	52,528	23,045
Total Leisure Time Activities	195,058	214,948	190,003	24,945
Total Expenditures	5,114,783	5,226,473	4,282,362	944,111
Excess of Revenues Over Expenditures	5,335,472	5,223,782	6,931,136	1,707,354
Other Financing Sources (Uses):				
Transfers - Out	(7,158,002)	(9,041,487)	(9,041,487)	-
Advances - In	309,118	309,118	-	(309,118)
Total Other Financing Sources (Uses)	(6,848,884)	(8,732,369)	(9,041,487)	(309,118)
Net Change in Fund Balance	(1,513,412)	(3,508,587)	(2,110,351)	1,398,236
Fund Balance at Beginning of Year	6,142,187	6,142,187	6,142,187	-
Prior Year Encumbrances Appropriated	511,233	511,233	511,233	-
Fund Balance at End of Year	\$ 5,140,008	\$ 3,144,833	\$ 4,543,069	\$ 1,398,236

See accompanying notes to the required supplementary information

**The 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, 2016**

	FIRE 1989 LEVY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 580,000	\$ 580,000	\$ 495,293	\$ (84,707)
Charges for Services	605,000	605,000	483,754	(121,246)
Intergovernmental	90,000	90,000	47,632	(42,368)
Other	179,043	179,043	126,629	(52,414)
<b>Total Revenues</b>	<b>1,454,043</b>	<b>1,454,043</b>	<b>1,153,308</b>	<b>(300,735)</b>
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	3,140,850	3,160,850	3,055,495	105,355
Other	707,218	707,217	624,227	82,990
<b>Total Expenditures</b>	<b>3,848,068</b>	<b>3,868,067</b>	<b>3,679,722</b>	<b>188,345</b>
Deficiency of Revenues Under Expenditures	(2,394,025)	(2,414,024)	(2,526,414)	(112,390)
Other Financing Sources:				
Transfers In	2,481,734	2,481,734	2,481,734	-
<b>Total Other Financing Sources</b>	<b>2,481,734</b>	<b>2,481,734</b>	<b>2,481,734</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>87,709</b>	<b>67,710</b>	<b>(44,680)</b>	<b>(112,390)</b>
Fund Balance at Beginning of Year	14,666	14,666	14,666	-
Prior Year Encumbrances Appropriated	66,543	66,543	66,543	-
<b>Fund Balance at End of Year</b>	<b>\$ 168,918</b>	<b>\$ 148,919</b>	<b>\$ 36,529</b>	<b>\$ (112,390)</b>

See accompanying notes to the required supplementary information

**The 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, 2016**

	POLICE LAW ENFORCEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 523,000	\$ 523,000	\$ 504,476	\$ (18,524)
Charges for Services	65,400	65,400	56,585	(8,815)
Intergovernmental	83,000	83,000	78,705	(4,295)
Other	10,129	10,129	67,418	57,289
<b>Total Revenues</b>	<b>681,529</b>	<b>681,529</b>	<b>707,184</b>	<b>25,655</b>
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	2,967,681	3,117,681	3,092,880	24,801
Other	914,009	879,009	655,413	223,596
<b>Total Security of Persons and Property</b>	<b>3,881,690</b>	<b>3,996,690</b>	<b>3,748,293</b>	<b>248,397</b>
Capital Outlay	360,000	400,000	298,407	101,593
<b>Total Expenditures</b>	<b>4,241,690</b>	<b>4,396,690</b>	<b>4,046,700</b>	<b>349,990</b>
Deficiency of Revenues Under Expenditures	(3,560,161)	(3,715,161)	(3,339,516)	375,645
Other Financing Sources:				
Transfers - In	3,075,566	3,218,471	3,218,441	(30)
<b>Total Other Financing Sources</b>	<b>3,075,566</b>	<b>3,218,471</b>	<b>3,218,441</b>	<b>(30)</b>
<b>Net Change in Fund Balance</b>	<b>(484,595)</b>	<b>(496,690)</b>	<b>(121,075)</b>	<b>375,615</b>
Fund Balance at Beginning of Year	34,260	34,260	34,260	-
Prior Year Encumbrances Appropriated	199,635	199,635	199,635	-
<b>Fund Balance at End of Year</b>	<b>\$ (250,700)</b>	<b>\$ (262,795)</b>	<b>\$ 112,820</b>	<b>\$ 375,615</b>

See accompanying notes to the required supplementary information

**The 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, 2016**

	2004 TIFs			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 2,220,000	\$ 2,020,000	\$ 2,012,229	\$ (7,771)
Intergovernmental	180,000	180,000	164,201	(15,799)
Total Revenues	<u>2,400,000</u>	<u>2,200,000</u>	<u>2,176,430</u>	<u>(23,570)</u>
Expenditures:				
Capital Outlay	31,250	258,090	226,167	31,923
Payment to Schools	2,886,485	2,113,935	1,768,695	345,240
Total Expenditures	<u>2,917,935</u>	<u>2,373,625</u>	<u>1,996,417</u>	<u>377,208</u>
Net Change in Fund Balance	(517,935)	(173,625)	180,013	353,638
Fund Balance at Beginning of Year	854,119	854,119	854,119	-
Prior Year Encumbrances Appropriated	<u>117,935</u>	<u>117,935</u>	<u>117,935</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 454,119</u>	<u>\$ 798,429</u>	<u>\$ 1,152,067</u>	<u>\$ 353,638</u>

See accompanying notes to the required supplementary information

**The City of Monroe, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget and Actual (Budgetary Basis)**  
**Major Governmental Funds**  
**For the Year Ended December 31, 2016**

	2004 RIDs			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 2,988,500	\$ 3,288,500	\$ 3,263,439	\$ (25,061)
Miscellaneous	11,500	11,500	11,861	361
Total Revenues	<u>3,000,000</u>	<u>3,300,000</u>	<u>3,275,300</u>	<u>(24,700)</u>
Expenditures:				
Current:				
Payments to Schools	3,954,000	3,133,666	2,294,887	838,779
Other	72,794	534,993	490,579	44,414
Total Expenditures	<u>4,026,794</u>	<u>3,668,659</u>	<u>2,785,466</u>	<u>883,193</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,026,794)	(368,659)	489,834	858,493
Other Financing Uses:				
Transfers - Out	-	(358,135)	(358,135)	-
Total Other Financing Uses	<u>-</u>	<u>(358,135)</u>	<u>(358,135)</u>	<u>-</u>
Net Change in Fund Balance	(1,026,794)	(726,794)	131,699	858,493
Fund Balance at Beginning of Year	1,895,262	1,895,262	1,895,262	-
Prior Year Encumbrances Appropriated	26,794	26,794	26,794	-
Fund Balance at End of Year	<u>\$ 895,262</u>	<u>\$ 1,195,262</u>	<u>\$ 2,053,755</u>	<u>\$ 858,493</u>

City of Monroe  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Public Employees Retirement System  
 Last Three Years \*

	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.017991%	0.017091%	0.017091%
City's Proportionate Share of the Net Pension Liability	\$ 3,116,265	\$ 2,061,373	\$ 2,014,815
City's Covered-Employee Payroll	\$ 2,293,564	\$ 2,102,308	\$ 2,104,293
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	135.87%	98.05%	95.75%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	81.08%	86.45%	86.36%

\* Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which  
 is the prior fiscal year end.

City of Monroe  
Required Supplementary Information  
Schedule of the City's Proportionate Share of the Net Pension Liability  
Ohio Police and Fire Pension Fund  
Last Three Years \*

	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.219769%	0.182626%	0.182626%
City's Proportionate Share of the Net Pension Liability	\$ 14,137,886	\$ 9,460,802	\$ 8,894,472
City's Covered-Employee Payroll	\$ 4,053,430	\$ 3,848,251	\$ 3,785,556
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	348.79%	245.85%	234.96%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	66.77%	72.20%	73.00%

\* Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which  
is the prior fiscal year end.

City of Monroe  
Required Supplementary Information  
Schedule of City Contributions  
Ohio Public Employees Retirement System  
Last Four Years \*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 305,751	\$ 275,141	\$ 252,277	\$ 273,558
Contributions in Relation to the Contractually Required Contribution	<u>(305,751)</u>	<u>(275,141)</u>	<u>(252,277)</u>	<u>(273,558)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 2,547,925	\$ 2,293,564	\$ 2,102,308	\$ 2,104,293
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%	13.00%

\* Information prior to 2013 is not available.

City of Monroe  
Required Supplementary Information  
Schedule of City Contributions  
Ohio Police and Fire Pension Fund  
Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 948,018	\$ 875,608	\$ 764,280	\$ 718,281	\$ 554,536
Contributions in Relation to the Contractually Required Contribution	<u>(948,018)</u>	<u>(875,608)</u>	<u>(764,280)</u>	<u>(718,281)</u>	<u>(554,536)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
City Covered-Employee Payroll	\$ 4,600,964	\$ 4,053,430	\$ 3,848,251	\$ 3,785,556	\$ 3,794,415
Contributions as a Percentage of Covered-Employee Payroll	20.60%	21.60%	19.86%	18.97%	14.61%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually Required Contribution	\$ 561,742	\$ 336,313	\$ 262,152	\$ 261,504	\$ 227,831
Contributions in Relation to the Contractually Required Contribution	<u>(561,742)</u>	<u>(336,313)</u>	<u>(262,152)</u>	<u>(261,504)</u>	<u>(227,831)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
City Covered-Employee Payroll	\$ 3,832,793	\$ 3,784,684	\$ 3,432,031	\$ 3,026,055	\$ 2,564,071
Contributions as a Percentage of Covered-Employee Payroll	14.66%	8.89%	7.64%	8.64%	8.89%

**Note 1 - Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than 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 2016, 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, 2016

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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.

**The City of Monroe**

Notes to the Required Supplementary Information – December 31, 2016

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**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 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, 2016, 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	2004 RIDs
GAAP Basis	<u>\$(1,382,315)</u>	<u>\$ (28,020)</u>	<u>\$ (10,273)</u>	<u>\$ 398,228</u>	<u>\$ 316,236</u>
Adjustments:					
Revenue Accruals	(166,262)	94,767	52,311	(25,215)	-
Expenditure Accruals	143,343	(4,964)	10,630	-	-
Encumbrances	<u>(705,117)</u>	<u>(106,463)</u>	<u>(173,743)</u>	<u>(193,000)</u>	<u>(184,537)</u>
Budget Basis	<u><u>\$(2,110,351)</u></u>	<u><u>\$ (44,680)</u></u>	<u><u>\$ (121,075)</u></u>	<u><u>\$ 180,013</u></u>	<u><u>\$ 131,699</u></u>

**CITY OF MONROE, OHIO**  
**NONMAJOR FUND DESCRIPTIONS**  
**DECEMBER 31, 2016**

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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 restricted 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 restricted 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.

**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, 2016**

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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 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.

**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. The City did not adopt a budget for this fund for 2016, and accordingly, a budgetary comparison schedule is not included.

**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, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Corridor I-75 Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 1,078,433	\$ 75	\$ 194,440	\$ 1,272,948
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes-Real & Personal Property	759,000	-	-	759,000
Accounts	-	-	482	482
Special Assessments	4,000	-	-	4,000
Payments in Lieu of Taxes	-	232,000	-	232,000
Due from Other Governments	435,380	-	-	435,380
<b>Total Assets</b>	<b>\$ 2,276,813</b>	<b>\$ 232,075</b>	<b>\$ 194,922</b>	<b>\$ 2,703,810</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 29,950	\$ -	\$ -	\$ 29,950
Accrued Wages and Benefits	37,849	-	-	37,849
Due to Other Funds	20,000	-	-	20,000
Due to Other Governments	28,408	-	-	28,408
<b>Total Liabilities</b>	<b>116,207</b>	<b>-</b>	<b>-</b>	<b>116,207</b>
<b>Deferred Inflows of Resources:</b>				
Revenues Levied for the Next Year and Unavailable Revenue	1,060,913	232,000	-	1,292,913
<b>Total Deferred Inflows of Resources</b>	<b>1,060,913</b>	<b>232,000</b>	<b>-</b>	<b>1,292,913</b>
<b>Fund Balances:</b>				
Restricted	1,099,831	75	77,195	1,177,101
Committed	-	-	117,727	117,727
Unassigned	(138)	-	-	(138)
<b>Total Fund Balances</b>	<b>1,099,693</b>	<b>75</b>	<b>194,922</b>	<b>1,294,690</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,276,813</b>	<b>\$ 232,075</b>	<b>\$ 194,922</b>	<b>\$ 2,703,810</b>

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Corridor I-75 Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$ 645,224	\$ -	\$ -	\$ 645,224
Payment in Lieu of Taxes	-	234,716	-	234,716
Intergovernmental	798,035	-	-	798,035
Charges for Services	100,684	-	-	100,684
Licenses and Permits	-	-	56,228	56,228
Investment Earnings	15,341	-	-	15,341
Fines and Forfeitures	4,266	-	12,469	16,735
Special Assessments	113,686	-	-	113,686
Miscellaneous	48,308	-	-	48,308
<b>Total Revenues</b>	<b>1,725,544</b>	<b>234,716</b>	<b>68,697</b>	<b>2,028,957</b>
Expenditures:				
Current:				
Security of Persons and Property	634,759	-	-	634,759
Leisure Time Activities	-	-	4,110	4,110
Transportation	1,632,298	-	-	1,632,298
General Government	-	-	22,392	22,392
Miscellaneous	1,160	-	-	1,160
Capital Outlay	-	-	28,974	28,974
Debt Service:				
Principal Retirement	-	230,000	-	230,000
Interest and Fiscal Charges	-	4,655	-	4,655
<b>Total Expenditures</b>	<b>2,268,217</b>	<b>234,655</b>	<b>55,476</b>	<b>2,558,348</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(542,673)	61	13,221	(529,391)
Other Financing Sources (Uses):				
Transfers - In	856,312	-	-	856,312
<b>Total Other Financing Sources (Uses)</b>	<b>856,312</b>	<b>-</b>	<b>-</b>	<b>856,312</b>
<b>Net Change in Fund Balances</b>	<b>313,639</b>	<b>61</b>	<b>13,221</b>	<b>326,921</b>
Fund Balances at Beginning of Year	786,054	14	181,701	967,769
Fund Balances at End of Year	<u>\$ 1,099,693</u>	<u>\$ 75</u>	<u>\$ 194,922</u>	<u>\$ 1,294,690</u>

**THE CITY OF MONROE  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2016**

	Street	State Highway	Motor Vehicle License	DARE Grant	Enforcement and Education	2005 Fire Levy
<b>Assets:</b>						
Equity in Pooled Cash and Investments	\$ 340,669	\$ 192,068	\$ 299,135	\$ 26,465	\$ 3,836	\$ 4,112
Receivables (Net of Allowance for Doubtful Accounts):						
Taxes-Real & Personal Property	-	-	-	-	-	759,000
Special Assessments	-	-	-	-	-	-
Due from Other Governments	327,265	26,535	57,580	-	-	24,000
<b>Total Assets</b>	<b>\$ 667,934</b>	<b>\$ 218,603</b>	<b>\$ 356,715</b>	<b>\$ 26,465</b>	<b>\$ 3,836</b>	<b>\$ 787,112</b>
<b>Liabilities:</b>						
Accounts Payable	\$ 16,449	\$ 1,662	\$ 1,849	\$ -	\$ -	\$ -
Accrued Wages and Benefits	37,849	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	28,408	-	-	-	-	-
<b>Total Liabilities</b>	<b>82,706</b>	<b>1,662</b>	<b>1,849</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>						
Revenues Levied for the Next Year and Unavailable Revenue	218,472	17,714	37,727	-	-	783,000
<b>Total Deferred Inflows of Resources</b>	<b>218,472</b>	<b>17,714</b>	<b>37,727</b>	<b>-</b>	<b>-</b>	<b>783,000</b>
<b>Fund Balances:</b>						
Restricted	366,756	199,227	317,139	26,465	3,836	4,112
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>366,756</b>	<b>199,227</b>	<b>317,139</b>	<b>26,465</b>	<b>3,836</b>	<b>4,112</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 667,934</b>	<b>\$ 218,603</b>	<b>\$ 356,715</b>	<b>\$ 26,465</b>	<b>\$ 3,836</b>	<b>\$ 787,112</b>

**THE CITY OF MONROE  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2016**

Street Lighting	Cemetery Trust	Longstreet Trust	Law Enforcement	Fire Escrow Deposit	Fire Historical Preservation	FEMA	Total
\$ 29,802	\$ 63,998	\$ 2,194	\$ 56,507	\$ 35,055	\$ 5,604	\$ 18,988	\$ 1,078,433
-	-	-	-	-	-	-	759,000
4,000	-	-	-	-	-	-	4,000
-	-	-	-	-	-	-	435,380
<u>\$ 33,802</u>	<u>\$ 63,998</u>	<u>\$ 2,194</u>	<u>\$ 56,507</u>	<u>\$ 35,055</u>	<u>\$ 5,604</u>	<u>\$ 18,988</u>	<u>\$ 2,276,813</u>
\$ 9,940	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ 29,950
-	-	-	-	-	-	-	37,849
20,000	-	-	-	-	-	-	20,000
-	-	-	-	-	-	-	28,408
<u>29,940</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,207</u>
4,000	-	-	-	-	-	-	1,060,913
<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,060,913</u>
-	63,998	2,194	56,457	35,055	5,604	18,988	1,099,831
(138)	-	-	-	-	-	-	(138)
<u>(138)</u>	<u>63,998</u>	<u>2,194</u>	<u>56,457</u>	<u>35,055</u>	<u>5,604</u>	<u>18,988</u>	<u>1,099,693</u>
<u>\$ 33,802</u>	<u>\$ 63,998</u>	<u>\$ 2,194</u>	<u>\$ 56,507</u>	<u>\$ 35,055</u>	<u>\$ 5,604</u>	<u>\$ 18,988</u>	<u>\$ 2,276,813</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, 2016**

	Street	State Highway	Motor Vehicle License	DARE Grant	Enforcement and Education	2005 Fire Levy
<b>Revenues:</b>						
Property and Other Taxes	\$ -	\$ -	\$ 75,342	\$ -	\$ -	\$ 569,882
Intergovernmental	636,398	51,600	37,250	10,665	-	49,505
Charges for Services	100,684	-	-	-	-	-
Investment Earnings	4,461	4,053	6,204	-	-	-
Fines and Forfeitures	-	-	-	-	1,159	-
Special Assessments	1,647	-	-	-	-	-
Miscellaneous	32,255	-	-	-	-	2,079
<b>Total Revenues</b>	<b>775,445</b>	<b>55,653</b>	<b>118,796</b>	<b>10,665</b>	<b>1,159</b>	<b>621,466</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	-	-	-	9,288	-	621,453
Transportation	1,462,840	27,263	51,154	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,462,840</b>	<b>27,263</b>	<b>51,154</b>	<b>9,288</b>	<b>-</b>	<b>621,453</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(687,395)	28,390	67,642	1,377	1,159	13
<b>Other Financing Sources (Uses):</b>						
Transfers - In	856,312	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>856,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	168,917	28,390	67,642	1,377	1,159	13
Fund Balances at Beginning of Year	197,839	170,837	249,497	25,088	2,677	4,099
<b>Fund Balances at End of Year</b>	<b>\$ 366,756</b>	<b>\$ 199,227</b>	<b>\$ 317,139</b>	<b>\$ 26,465</b>	<b>\$ 3,836</b>	<b>\$ 4,112</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, 2016**

Street Lighting	Cemetery Trust	Longstreet Trust	Law Enforcement	Fire Escrow Deposit	Fire Historical Preservation	FEMA	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 645,224
-	-	-	-	-	-	12,617	798,035
-	-	-	-	-	-	-	100,684
-	573	50	-	-	-	-	15,341
-	-	-	3,107	-	-	-	4,266
112,039	-	-	-	-	-	-	113,686
-	-	-	-	13,684	290	-	48,308
<u>112,039</u>	<u>573</u>	<u>50</u>	<u>3,107</u>	<u>13,684</u>	<u>290</u>	<u>12,617</u>	<u>1,725,544</u>
-	-	-	4,018	-	-	-	634,759
91,041	-	-	-	-	-	-	1,632,298
-	-	-	-	-	1,160	-	1,160
<u>91,041</u>	<u>-</u>	<u>-</u>	<u>4,018</u>	<u>-</u>	<u>1,160</u>	<u>-</u>	<u>2,268,217</u>
20,998	573	50	(911)	13,684	(870)	12,617	(542,673)
-	-	-	-	-	-	-	856,312
-	-	-	-	-	-	-	856,312
20,998	573	50	(911)	13,684	(870)	12,617	313,639
(21,136)	63,425	2,144	57,368	21,371	6,474	6,371	786,054
<u>\$ (138)</u>	<u>\$ 63,998</u>	<u>\$ 2,194</u>	<u>\$ 56,457</u>	<u>\$ 35,055</u>	<u>\$ 5,604</u>	<u>\$ 18,988</u>	<u>\$ 1,099,693</u>

**The 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, 2016**

	STREET FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 664,000	\$ 664,000	\$ 633,184	\$ (30,816)
Interest	5,000	5,000	4,461	(539)
Special Assessment	3,000	3,000	1,647	(1,353)
Charges for Services	117,808	117,808	102,384	(15,424)
Other	32,800	32,800	43,158	10,358
<b>Total Revenues</b>	<b>822,608</b>	<b>822,608</b>	<b>784,834</b>	<b>(37,774)</b>
Expenditures:				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	1,158,200	986,430	941,158	45,272
Other	803,503	833,503	689,914	143,589
<b>Total Transportation</b>	<b>1,961,703</b>	<b>1,819,933</b>	<b>1,631,072</b>	<b>188,861</b>
<b>Total Expenditures</b>	<b>1,961,703</b>	<b>1,819,933</b>	<b>1,631,072</b>	<b>188,861</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,139,095)	(997,325)	(846,238)	151,087
Other Financing Sources:				
Transfers - In	856,312	856,312	856,312	-
<b>Total Other Financing Sources</b>	<b>856,312</b>	<b>856,312</b>	<b>856,312</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(282,783)</b>	<b>(141,013)</b>	<b>10,074</b>	<b>151,087</b>
Fund Balance at Beginning of Year	14,551	14,551	14,551	-
Prior Year Encumbrances Appropriated	146,353	146,353	146,353	-
<b>Fund Balance at End of Year</b>	<b>\$ (121,879)</b>	<b>\$ 19,891</b>	<b>\$ 170,978</b>	<b>\$ 151,087</b>

**The 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, 2016**

	STATE HIGHWAY FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 51,339	\$ 6,339
Interest	-	-	4,053	4,053
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>55,392</u>	<u>10,392</u>
Expenditures:				
Current:				
Transportation				
State Highway Maintenance				
Other	<u>70,306</u>	<u>70,306</u>	<u>45,333</u>	<u>24,973</u>
Total State Highway Maintenance	<u>70,306</u>	<u>70,306</u>	<u>45,333</u>	<u>24,973</u>
Net Change in Fund Balance	(25,306)	(25,306)	10,059	35,365
Fund Balance at Beginning of Year	140,908	140,908	140,908	-
Prior Year Encumbrances Appropriated	<u>22,256</u>	<u>22,256</u>	<u>22,256</u>	-
Fund Balance at End of Year	<u>\$ 137,858</u>	<u>\$ 137,858</u>	<u>\$ 173,223</u>	<u>\$ 35,365</u>

**The 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, 2016**

	MOTOR VEHICLE LICENSE FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Other Taxes	\$ 70,000	\$ 70,000	\$ 75,342	\$ 5,342
Intergovernmental	30,000	30,000	37,535	7,535
Interest	-	-	6,204	6,204
<b>Total Revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>119,081</b>	<b>19,081</b>
Expenditures:				
Current:				
Transportation				
State Highway Maintenance				
Other	161,941	161,941	89,869	72,072
<b>Total State Highway Maintenance</b>	<b>161,941</b>	<b>161,941</b>	<b>89,869</b>	<b>72,072</b>
<b>Net Change in Fund Balance</b>	<b>(61,941)</b>	<b>(61,941)</b>	<b>29,212</b>	<b>91,153</b>
Fund Balance at Beginning of Year	178,427	178,427	178,427	-
Prior Year Encumbrances Appropriated	52,541	52,541	52,541	-
<b>Fund Balance at End of Year</b>	<b>\$ 169,027</b>	<b>\$ 169,027</b>	<b>\$ 260,180</b>	<b>\$ 91,153</b>

**The 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, 2016**

	DARE GRANT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,000	\$ 14,000	\$ 10,665	\$ (3,335)
Other	-	-	730	730
Total Revenues	<u>14,000</u>	<u>14,000</u>	<u>11,395</u>	<u>(2,605)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	13,545	13,545	8,488	5,057
Other	7,500	7,500	1,530	5,970
Total Expenditures	<u>21,045</u>	<u>21,045</u>	<u>10,018</u>	<u>11,027</u>
Net Change in Fund Balance	(7,045)	(7,045)	1,377	8,422
Fund Balance at Beginning of Year	<u>25,088</u>	<u>25,088</u>	<u>25,088</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 18,043</u></u>	<u><u>\$ 18,043</u></u>	<u><u>\$ 26,465</u></u>	<u><u>\$ 8,422</u></u>

**The 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, 2016**

	ENFORCEMENT AND EDUCATION FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ 1,159	\$ 1,159
Total Revenues	-	-	1,159	1,159
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	1,159	1,159
Fund Balance at Beginning of Year	2,677	2,677	2,677	-
Fund Balance at End of Year	\$ 2,677	\$ 2,677	\$ 3,836	\$ 1,159

**The 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, 2016**

	2005 FIRE LEVY FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 580,000	\$ 580,000	\$ 569,882	\$ (10,118)
Intergovernmental	55,000	55,000	49,505	(5,495)
Miscellaneous	-	-	2,079	2,079
Total Revenues	<u>635,000</u>	<u>635,000</u>	<u>621,466</u>	<u>(13,534)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Other	<u>575,000</u>	<u>622,000</u>	<u>621,453</u>	<u>547</u>
Total Expenditures	<u>575,000</u>	<u>622,000</u>	<u>621,453</u>	<u>547</u>
Net Change in Fund Balance	60,000	13,000	13	(12,987)
Fund Balance at Beginning of Year	<u>4,099</u>	<u>4,099</u>	<u>4,099</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 64,099</u></u>	<u><u>\$ 17,099</u></u>	<u><u>\$ 4,112</u></u>	<u><u>\$ (12,987)</u></u>

**The 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, 2016**

	STREET LIGHTING FUND			Variance Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Special Assessments	\$ 120,000	\$ 145,000	\$ 112,039	\$ (32,961)
Total Revenues	120,000	145,000	112,039	(32,961)
Expenditures:				
Current:				
Transportation				
Other	131,866	131,866	94,771	37,095
Total Expenditures	131,866	131,866	94,771	37,095
Net Change in Fund Balance	(11,866)	13,134	17,268	4,134
Fund Balance at Beginning of Year	1,826	1,826	1,826	-
Prior Year Encumbrances Appropriated	6,866	6,866	6,866	-
Fund Balance at End of Year	<u>\$ (10,040)</u>	<u>\$ 14,960</u>	<u>\$ 25,960</u>	<u>\$ 4,134</u>

**The 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, 2016**

	CEMETERY TRUST FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 1,000	\$ 1,000	\$ 573	\$ (427)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>573</u>	<u>(427)</u>
Expenditures:				
Public Health and Welfare				
Cemetery				
Other	30,000	30,000	-	30,000
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net Change in Fund Balance	(29,000)	(29,000)	573	29,573
Fund Balance at Beginning of Year	<u>63,425</u>	<u>63,425</u>	<u>63,425</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 34,425</u>	<u>\$ 34,425</u>	<u>\$ 63,998</u>	<u>\$ 29,573</u>

**The 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, 2016**

	LONGSTREET TRUST FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Interest	\$ 50	\$ 50	\$ 50	\$ -
Total Revenues	50	50	50	-
Expenditures:				
Public Health and Welfare				
Cemetery				
Other	250	250	-	250
Total Expenditures	250	250	-	250
Net Change in Fund Balance	(200)	(200)	50	250
Fund Balance at Beginning of Year	2,144	2,144	2,144	-
Fund Balance at End of Year	<u>\$ 1,944</u>	<u>\$ 1,944</u>	<u>\$ 2,194</u>	<u>\$ 250</u>

**The 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, 2016**

	LAW ENFORCEMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Fines, licenses, and permits	\$ 10,000	\$ 3,500	\$ 3,107	\$ (393)
Total Revenues	10,000	3,500	3,107	(393)
Expenditures:				
Current:				
Security of Persons and Property				
Other	30,000	30,000	4,343	25,657
Total Security of Persons and Property	30,000	30,000	4,343	25,657
Total Expenditures	30,000	30,000	4,343	25,657
Net Change in Fund Balance	(20,000)	(26,500)	(1,236)	25,264
Fund Balance at Beginning of Year	57,743	57,743	57,743	-
Fund Balance at End of Year	<u>\$ 37,743</u>	<u>\$ 31,243</u>	<u>\$ 56,507</u>	<u>\$ -</u>

**The 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, 2016**

	FIRE ESCROW DEPOSIT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ 14,000	\$ 13,684	\$ (316)
Expenditures:				
Current:				
Security of Persons and Property				
Other	21,371	21,371	-	21,371
Total Security of Persons and Property	21,371	21,371	-	21,371
Total Expenditures	21,371	21,371	-	21,371
Net Change in Fund Balance	(21,371)	(7,371)	13,684	21,055
Fund Balance at Beginning of Year	21,371	21,371	21,371	-
Fund Balance at End of Year	\$ -	\$ 14,000	\$ 35,055	\$ -

**The 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, 2016**

	FIRE HISTORICAL PRESERVATION FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ -	\$ 500	\$ 290	\$ (210)
Total Revenues	-	500	290	(210)
Total Expenditures:				
Current:				
Miscellaneous				
Other	6,000	5,000	2,481	2,519
Total Expenditures	6,000	5,000	2,481	2,519
Net Change in Fund Balance	(6,000)	(4,500)	(2,191)	2,309
Fund Balance at Beginning of Year	7,795	7,795	7,795	-
Fund Balance at End of Year	\$ 1,795	\$ 3,295	\$ 5,604	\$ 2,309

**The 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, 2016**

	FEMA FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 12,617	\$ (383)
Total Revenues	13,000	13,000	12,617	(383)
Total Expenditures	-	-	-	-
Net Change in Fund Balance	13,000	13,000	12,617	(383)
Fund Balance at Beginning of Year	6,371	6,371	6,371	-
Fund Balance at End of Year	<u>\$ 19,371</u>	<u>\$ 19,371</u>	<u>\$ 18,988</u>	<u>\$ (383)</u>

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**The 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, 2016**

	BOND RETIREMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Special Assessments	\$ 741,743	\$ 741,743	\$ 758,748	\$ 17,005
Intergovernmental	-	-	14,336	14,336
Total Revenues	<u>741,743</u>	<u>741,743</u>	<u>773,084</u>	<u>31,341</u>
Expenditures:				
Current				
Intergovernmental	650,000	650,000	648,129	1,871
Debt Service:				
Principal Retirement	1,047,100	1,047,100	1,047,100	-
Interest and Fiscal Charges	378,802	378,802	377,636	1,166
Total Expenditures	<u>2,075,902</u>	<u>2,075,902</u>	<u>2,072,865</u>	<u>3,037</u>
Deficiency of Revenues Under Expenditures	(1,334,159)	(1,334,159)	(1,299,781)	34,378
Other Financing Sources:				
Transfers - In	1,223,945	1,350,000	1,343,135	(6,865)
Total Other Financing Sources	<u>1,223,945</u>	<u>1,350,000</u>	<u>1,343,135</u>	<u>(6,865)</u>
Net Change in Fund Balance	(110,214)	15,841	43,354	27,513
Fund Balances at Beginning of Year	172,096	172,096	172,096	-
Prior Year Encumbrances Appropriated	3,500	3,500	3,500	-
Fund Balances at End of Year	<u>\$ 65,382</u>	<u>\$ 191,437</u>	<u>\$ 218,950</u>	<u>\$ 27,513</u>

**The 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, 2016**

	CORRIDOR I-75 FUND			Variance Positive (Negative)
	Budget Original	Final	Actual	
Revenues:				
Payment in Lieu of Taxes	\$ 237,000	\$ 237,000	\$ 234,716	\$ (2,284)
Total Revenues	237,000	237,000	234,716	(2,284)
Expenditures:				
Debt Service:				
Principal Retirement	230,000	230,000	230,000	-
Interest and Fiscal Charges	7,000	7,000	4,655	2,345
Total Expenditures	237,000	237,000	234,655	2,345
Net Change in Fund Balance	-	-	61	61
Fund Balance at Beginning of Year	14	14	14	-
Fund Balance at End of Year	\$ 14	\$ 14	\$ 75	\$ 61

**THE CITY OF MONROE  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2016**

	<u>Park Improvement</u>	<u>Court Technology Improvement</u>	<u>CPO TIF</u>	<u>Total</u>
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 117,727	\$ 51,833	\$ 24,880	\$ 194,440
Accounts Receivable (Net of Allowance for Doubtful Accounts)	<u>-</u>	<u>482</u>	<u>-</u>	<u>482</u>
<b>Total Assets</b>	<u><u>\$ 117,727</u></u>	<u><u>\$ 52,315</u></u>	<u><u>\$ 24,880</u></u>	<u><u>\$ 194,922</u></u>
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balances:</b>				
Restricted	-	52,315	24,880	77,195
Committed	<u>117,727</u>	<u>-</u>	<u>-</u>	<u>117,727</u>
<b>Total Fund Balances</b>	<u>117,727</u>	<u>52,315</u>	<u>24,880</u>	<u>194,922</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 117,727</u></u>	<u><u>\$ 52,315</u></u>	<u><u>\$ 24,880</u></u>	<u><u>\$ 194,922</u></u>

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Park Improvement	Court Technology Improvement	CPO TIF	Total
Revenues:				
Licenses and Permits	\$ 56,228	\$ -	\$ -	\$ 56,228
Fines and Forfeitures	-	12,469	-	12,469
Total Revenues	<u>56,228</u>	<u>12,469</u>	<u>-</u>	<u>68,697</u>
Expenditures:				
Current:				
Leisure Time Activities	4,110	-	-	4,110
General Government	-	22,392	-	22,392
Capital Outlay	<u>28,974</u>	<u>-</u>	<u>-</u>	<u>28,974</u>
Total Expenditures	<u>33,084</u>	<u>22,392</u>	<u>-</u>	<u>55,476</u>
Change in Fund Balance	23,144	(9,923)	-	13,221
Fund Balances at Beginning of Year	<u>94,583</u>	<u>62,238</u>	<u>24,880</u>	<u>181,701</u>
Fund Balances at End of Year	<u>\$ 117,727</u>	<u>\$ 52,315</u>	<u>\$ 24,880</u>	<u>\$ 194,922</u>

**The 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, 2016**

	PARK IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses, and Permits	\$ 40,000	\$ 55,000	\$ 56,228	\$ 1,228
Total Revenues	40,000	55,000	56,228	1,228
Expenditures:				
Current:				
Leisure Time Activities				
Other	4,110	4,110	4,110	-
Capital Outlay	119,456	119,456	29,455	90,001
Total Expenditures	123,566	123,566	33,565	90,001
Net Change in Fund Balance	(83,566)	(68,566)	22,663	91,229
Fund Balance at Beginning of Year	71,017	71,017	71,017	-
Prior Year Encumbrances Appropriated	23,566	23,566	23,566	-
Fund Balance at End of Year	<u>\$ 11,017</u>	<u>\$ 26,017</u>	<u>\$ 117,246</u>	<u>\$ 91,229</u>

**The 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, 2016**

	COURT TECHNOLOGY IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 13,383	\$ (6,617)
Total Revenues	20,000	20,000	13,383	(6,617)
Expenditures:				
Current:				
General Government				
Other	26,920	26,920	23,340	3,580
Total Expenditures	26,920	26,920	23,340	3,580
Net Change in Fund Balance	(6,920)	(6,920)	(9,957)	(3,037)
Fund Balance at Beginning of Year	60,555	60,555	60,555	-
Prior Year Encumbrances Appropriated	320	320	320	-
Fund Balance at End of Year	<u>\$ 53,955</u>	<u>\$ 53,955</u>	<u>\$ 50,918</u>	<u>\$ (3,037)</u>

**The City of Monroe, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget and Actual (Budgetary Basis)**  
**Major Governmental Funds**  
**For the Year Ended December 31, 2016**

	CAPITAL IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 200,000	\$ 200,000	\$ 49,053	\$ (150,947)
Miscellaneous	100,000	100,000	-	(100,000)
Total Revenues	300,000	300,000	49,053	(250,947)
Expenditures:				
Capital Outlay	3,552,535	3,552,535	2,806,129	746,406
Total Expenditures	3,552,535	3,552,535	2,806,129	746,406
Deficiency of Revenues Under Expenditures	(3,252,535)	(3,252,535)	(2,757,076)	495,459
Other Financing Sources (Uses):				
Transfers - In	250,000	1,500,000	1,500,000	-
Total Other Financing Sources	250,000	1,500,000	1,500,000	-
Net Change in Fund Balance	(3,002,535)	(1,752,535)	(1,257,076)	495,459
Fund Balance at Beginning of Year	38,419	38,419	38,419	-
Prior Year Encumbrances Appropriated	1,596,535	1,596,535	1,596,535	-
Fund Balance at End of Year	<u>\$ (1,367,581)</u>	<u>\$ (117,581)</u>	<u>\$ 377,878</u>	<u>\$ 495,459</u>

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**THE CITY OF MONROE  
BALANCE SHEET  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 45,311	\$ 598,534	\$ 50,516	\$ 694,361
Accounts Receivable (Net of Allowance for Doubtful Accounts)	3,100	10,500	-	13,600
Total Current Assets	48,411	609,034	50,516	707,961
Noncurrent Assets:				
Capital Assets:				
Depreciable Assets	529,536	-	30,000	559,536
Total Noncurrent Assets	529,536	-	30,000	559,536
Total Assets	577,947	609,034	80,516	1,267,497
Deferred Outflows of Resources:				
Pension	108,929	41,403	12,777	163,109
Total Assets and Deferred Outflows of Resources	\$ 686,876	\$ 650,437	\$ 93,293	\$ 1,430,606
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 801	\$ 52,097	\$ 180	\$ 53,078
Due to Other Funds	-	-	40,000	40,000
Total Current Liabilities	801	52,097	40,180	93,078
Noncurrent Liabilities:				
Net Pension Liability	253,271	96,266	29,705	379,242
Total Noncurrent Liabilities	253,271	96,266	29,705	379,242
Total Liabilities	254,072	148,363	69,885	472,320
Deferred Inflows of Resources:				
Pension	4,893	1,860	574	7,327
Net Position				
Investment in Capital Assets	529,536	-	30,000	559,536
Unrestricted	(101,625)	500,214	(7,166)	391,423
Total Net Position	427,911	500,214	22,834	950,959
Total Net Position, Liabilities and Deferred Inflows of Resources	\$ 686,876	\$ 650,437	\$ 93,293	\$ 1,430,606

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
Operating Revenues:				
Charges for Services	\$ 291,158	\$ 705,381	\$ 65,009	\$ 1,061,548
Total Operating Revenues	291,158	705,381	65,009	1,061,548
Operating Expenses:				
Personal Services	227,291	91,067	28,184	346,542
Materials and Supplies	26,904	-	6,049	32,953
Contractual Services	55,725	595,631	37,541	688,897
Depreciation	35,936	-	4,500	40,436
Total Operating Expenses	345,856	686,698	76,274	1,108,828
Operating Income (Loss)	(54,698)	18,683	(11,265)	(47,280)
Non-Operating Income (Expense):				
Investment Earnings	-	-	1,458	1,458
Total Non-Operating Income (Expense)	-	-	1,458	1,458
Change in Net Position	(54,698)	18,683	(9,807)	(45,822)
Total Net Position - Beginning of Year	482,609	481,531	32,641	996,781
Total Net Position - End of Year	\$ 427,911	\$ 500,214	\$ 22,834	\$ 950,959

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 291,958	\$ 707,681	\$ 65,009	\$ 1,064,648
Cash Paid for Employee Services and Benefits	(213,420)	(85,795)	(26,558)	(325,773)
Cash Paid to Suppliers for Goods and Services	(96,194)	(594,304)	(44,307)	(734,805)
Net Cash Provided (Used) by Operating Activities	(17,656)	27,582	(5,856)	4,070
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(39,770)	-	-	(39,770)
Net Cash Used by Capital and Related Financing Activities	(39,770)	-	-	(39,770)
Cash Flows from Investing Activities				
Interest	-	-	1,458	1,458
Net Cash Provided by Investing Activities	-	-	1,458	1,458
Net Increase (Decrease) in Cash and Cash Equivalents	(57,426)	27,582	(4,398)	(34,242)
Cash and Cash Equivalents at Beginning of Year	102,737	570,952	54,914	728,603
Cash and Cash Equivalents at End of Year	\$ 45,311	\$ 598,534	\$ 50,516	\$ 694,361
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (54,698)	\$ 18,683	\$ (11,265)	\$ (47,280)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	35,936	-	4,500	40,436
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Accounts Receivable	800	2,300	-	3,100
Deferred Outflows of Resources - Pension	(73,814)	(28,056)	(8,658)	(110,528)
Accounts Payable	(13,565)	1,327	(717)	(12,955)
Net Pension Liability	85,735	32,587	10,055	128,377
Deferred Inflows of Resources - Pension	1,950	741	229	2,920
Total Adjustments	37,042	8,899	5,409	51,350
Net Cash Provided (Used) by Operating Activities	\$ (17,656)	\$ 27,582	\$ (5,856)	\$ 4,070

**THE CITY OF MONROE**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Mayor's Court				
	Balance			Balance
	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Assets:</b>				
Cash and Cash Equivalents in Segregated Accounts	\$ 20,723	\$ 170,957	\$ 183,185	\$ 8,495
<b>Total Assets</b>	<b>\$ 20,723</b>	<b>\$ 170,957</b>	<b>\$ 183,185</b>	<b>\$ 8,495</b>
<b>Liabilities:</b>				
Due to Other Governments	\$ 20,723	\$ 170,957	\$ 183,185	\$ 8,495
<b>Total Liabilities</b>	<b>\$ 20,723</b>	<b>\$ 170,957</b>	<b>\$ 183,185</b>	<b>\$ 8,495</b>
JEDD				
	Balance			Balance
	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 44,024	\$ 794,450	\$ 207,930	\$ 630,544
<b>Total Assets</b>	<b>\$ 44,024</b>	<b>\$ 794,450</b>	<b>\$ 207,930</b>	<b>\$ 630,544</b>
<b>Liabilities:</b>				
Due to Other Governments	\$ 44,024	\$ 794,450	\$ 207,930	\$ 630,544
<b>Total Liabilities</b>	<b>\$ 44,024</b>	<b>\$ 794,450</b>	<b>\$ 207,930</b>	<b>\$ 630,544</b>
Total - All Agency Funds				
	Balance			Balance
	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 44,024	\$ 794,450	\$ 207,930	\$ 630,544
Cash and Cash Equivalents in Segregated Accounts	20,723	170,957	183,185	8,495
<b>Total Assets</b>	<b>\$ 64,747</b>	<b>\$ 965,407</b>	<b>\$ 391,115</b>	<b>\$ 639,039</b>
<b>Liabilities:</b>				
Due to Other Governments	\$ 64,747	\$ 965,407	\$ 391,115	\$ 639,039
<b>Total Liabilities</b>	<b>\$ 64,747</b>	<b>\$ 965,407</b>	<b>\$ 391,115</b>	<b>\$ 639,039</b>

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**STATISTICAL  
SECTION**



*The City of Monroe, Ohio*  
*Statistical Section Descriptions*  
*December 31, 2016*

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

<u>Contents</u>	<u>Pages</u>
<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.	106-111
<b>Revenue Capacity</b>	
Theses schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax and income tax.	112-116
<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.	117-119
<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.	120-121
<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.	122-124

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 48,521,362	\$ 47,136,171	\$ 44,555,054	\$ 43,977,066	\$ 43,102,006	\$ 43,525,991	\$ 43,867,043	\$ 43,279,636	\$ 39,910,704	\$ 35,459,009
Restricted	5,816,316	5,409,598	6,537,503	5,084,300	2,363,223	2,204,984	1,871,712	1,285,278	1,146,508	2,123,343
Unrestricted (Deficit)	(1,515,484)	1,324,940	10,957,753	10,832,654	10,155,111	8,890,692	8,306,173	10,245,581	9,779,599	9,111,985
<i>Total Governmental Activities Net Position</i>	<u>52,822,194</u>	<u>53,870,709</u>	<u>62,050,310</u>	<u>59,894,020</u>	<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>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	3,544,371	3,798,267	3,843,114	3,969,466	3,843,682	2,705,389	2,873,285	2,670,120	2,499,198	1,479,725
Unrestricted	2,037,463	1,584,484	1,867,562	1,495,669	1,802,610	2,472,518	2,337,944	2,667,307	2,459,723	4,143,064
<i>Total Business-Type Activities Net Position</i>	<u>5,581,834</u>	<u>5,382,751</u>	<u>5,710,676</u>	<u>5,465,135</u>	<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>
<b>Primary government</b>										
Net Investment in Capital Assets	52,065,733	50,934,438	48,398,168	47,946,532	46,945,688	46,231,380	46,740,328	45,949,756	42,409,902	36,938,734
Restricted	5,816,316	5,409,598	6,537,503	5,084,300	2,363,223	2,204,984	1,871,712	1,285,278	1,146,508	2,123,343
Unrestricted	521,979	2,909,424	12,825,315	12,328,323	11,957,721	11,363,210	10,644,117	12,912,888	12,239,322	13,255,049
<i>Total Primary Government Net Position</i>	<u>\$ 58,404,028</u>	<u>\$ 59,253,460</u>	<u>\$ 67,760,986</u>	<u>\$ 65,359,155</u>	<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>

Source: City financial records

Note - The City adopted GASB 68 in 2015. Net position for 2014 (and prior years) has not been restated.

**CITY OF MONROE, OHIO**

Changes in Net Position  
Last Ten Years  
(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Security of Persons and Property	\$ 719,420	\$ 767,302	\$ 964,086	\$ 963,080	\$ 1,017,588	\$ 1,039,918	\$ 1,133,396	\$ 1,156,739	\$ 1,060,474	\$ 931,465
Leisure Time Activities	64,313	40,916	37,320	48,828	51,967	41,609	90,189	56,783	71,332	63,956
Transportation	146,070	116,284	173,980	175,745	199,415	197,629	282,924	231,488	182,140	100,000
General Government	734,338	833,645	529,204	595,519	478,259	523,925	422,062	685,142	628,566	402,862
Interest and Fiscal Charges	-	-	-	-	-	-	131,208	187,301	162,073	-
Operating Grants and Contributions	430,063	419,749	359,110	114,329	72,147	27,160	419,319	684,139	483,329	752,164
Capital Grants and Contributions	722,144	819,945	2,260,224	2,174,710	788,738	687,994	665,571	3,725,000	4,392,382	805,223
<b>Total Governmental Activities Program Revenues</b>	<b>2,816,348</b>	<b>2,997,841</b>	<b>4,323,924</b>	<b>4,072,211</b>	<b>2,608,114</b>	<b>2,518,235</b>	<b>3,144,669</b>	<b>6,726,592</b>	<b>6,980,296</b>	<b>3,055,670</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Water	2,803,030	2,637,664	2,448,785	2,198,251	2,248,759	2,371,513	2,168,447	2,719,318	2,044,718	2,214,942
Sewer	1,088,146	1,063,583	1,087,384	966,261	1,087,309	1,173,338	1,112,527	1,087,705	1,166,762	1,218,250
Stormwater Management	291,158	288,275	297,938	291,829	274,874	244,383	253,350	263,985	240,753	255,560
Garbage	705,381	745,304	732,046	763,010	705,901	668,327	622,427	679,783	618,244	665,607
Cemetery	65,009	55,205	69,480	64,987	46,370	59,027	50,025	66,343	50,740	58,269
Operating Grants and Contributions	-	-	-	-	-	-	19,100	2,995	-	16
Capital Grants and Contributions	-	-	-	-	563,099	-	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>4,952,724</b>	<b>4,790,031</b>	<b>4,635,633</b>	<b>4,284,338</b>	<b>4,926,312</b>	<b>4,516,588</b>	<b>4,225,876</b>	<b>4,820,129</b>	<b>4,121,217</b>	<b>4,412,644</b>
<b>Total Primary Government Program Revenues</b>	<b>7,769,072</b>	<b>7,787,872</b>	<b>8,959,557</b>	<b>8,356,549</b>	<b>7,534,426</b>	<b>7,034,823</b>	<b>7,370,545</b>	<b>11,546,721</b>	<b>11,101,513</b>	<b>7,468,314</b>
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Security of Persons and Property	10,319,480	7,710,538	7,195,344	7,327,943	7,081,355	7,437,553	7,317,214	6,657,452	7,126,129	5,969,482
Public Health Services	-	-	-	-	-	-	237,599	57,690	104,640	157,668
Leisure Time Activities	237,673	244,835	207,885	209,725	230,553	265,705	289,661	243,408	36,273	6,766
Transportation	3,599,347	3,703,896	3,839,052	3,444,945	3,093,607	2,839,671	3,221,985	2,120,330	2,650,250	2,208,735
General Government	7,856,366	7,214,366	9,878,101	5,391,205	4,794,068	4,936,519	4,258,487	3,594,174	3,327,306	1,904,304
Interest and Fiscal Charges	358,353	374,467	407,000	529,177	505,726	548,108	521,416	710,498	556,550	1,003,232
<b>Total Governmental Activities Expenses</b>	<b>\$ 22,371,219</b>	<b>\$ 19,248,102</b>	<b>\$ 21,527,382</b>	<b>\$ 16,902,995</b>	<b>\$ 15,705,309</b>	<b>\$ 16,027,556</b>	<b>\$ 15,846,362</b>	<b>\$ 13,383,552</b>	<b>\$ 13,801,148</b>	<b>\$ 11,250,187</b>

**CITY OF MONROE, OHIO**

Changes in Net Position  
Last Ten Years

*(accrual basis of accounting)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Business-Type Activities:</b>										
Water	\$ 2,574,356	\$ 2,449,900	\$ 2,254,150	\$ 2,412,228	\$ 2,509,165	\$ 2,625,712	\$ 2,492,173	\$ 2,693,114	\$ 2,726,916	\$ 2,231,916
Sewer	1,153,803	1,126,356	1,151,676	964,491	1,167,855	1,083,566	1,082,084	1,090,190	1,098,769	1,168,884
Stormwater Management	345,856	334,356	352,172	259,865	241,197	212,662	129,556	109,953	303,105	142,651
Garbage	686,698	695,478	640,666	708,575	558,719	769,260	621,710	646,917	618,169	530,864
Cemetery	76,274	58,982	64,281	71,155	59,463	70,790	48,435	57,453	20,603	17,223
<b>Total Business-Type Activities Expenses</b>	<b>4,836,987</b>	<b>4,665,072</b>	<b>4,462,945</b>	<b>4,416,314</b>	<b>4,536,399</b>	<b>4,761,990</b>	<b>4,373,958</b>	<b>4,597,627</b>	<b>4,767,562</b>	<b>4,091,538</b>
<b>Total Primary Government Expenses</b>	<b>27,208,206</b>	<b>23,913,174</b>	<b>25,990,327</b>	<b>21,319,309</b>	<b>20,241,708</b>	<b>20,789,546</b>	<b>20,220,320</b>	<b>17,981,179</b>	<b>18,568,710</b>	<b>15,341,725</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(19,554,871)	(16,250,261)	(17,203,458)	(12,830,784)	(13,097,195)	(13,509,321)	(12,701,693)	(6,656,960)	(6,820,852)	(8,194,517)
Business-Type Activities	115,737	124,959	172,688	(131,976)	389,913	(245,402)	(148,082)	222,502	(646,345)	321,106
<b>Total Primary Government Net Expense</b>	<b>(19,439,134)</b>	<b>(16,125,302)</b>	<b>(17,030,770)</b>	<b>(12,962,760)</b>	<b>(12,707,282)</b>	<b>(13,754,723)</b>	<b>(12,849,775)</b>	<b>(6,434,458)</b>	<b>(7,467,197)</b>	<b>(7,873,411)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Income Taxes	8,964,985	8,140,236	7,701,539	7,260,322	6,181,870	6,576,423	5,575,320	5,809,473	5,427,919	5,602,563
Property Taxes	2,205,429	2,132,529	1,740,469	2,408,877	2,215,688	2,522,822	1,863,360	1,146,468	2,036,484	2,185,091
Payment in Lieu of Taxes	5,522,245	5,558,580	8,209,931	5,145,954	2,961,845	2,910,801	2,415,620	2,005,204	844,205	416,537
Other Taxes	875,067	913,713	1,257,498	1,419,366	1,185,004	1,049,360	960,077	442,340	683,268	690,187
Grants and Entitlements not Restricted to Specific Programs	742,098	604,639	348,307	960,152	339,710	900,864	947,508	956,818	1,462,682	829,847
Investment Earnings	196,532	159,632	102,004	131,034	52,263	260,634	137,047	209,864	365,994	674,503
Miscellaneous	-	-	-	-	1,159,488	-	37,194	60,477	120,274	100,218
Transfers	-	(80,000)	-	-	-	(134,844)	-	-	22,500	22,500
<b>Total Governmental Activities</b>	<b>\$ 18,506,356</b>	<b>\$ 17,429,329</b>	<b>\$ 19,359,748</b>	<b>\$ 17,325,705</b>	<b>\$ 14,095,868</b>	<b>\$ 14,086,060</b>	<b>\$ 11,936,126</b>	<b>\$ 10,630,644</b>	<b>\$ 10,963,326</b>	<b>\$ 10,521,446</b>

**CITY OF MONROE, OHIO**

Changes in Net Position  
Last Ten Years  
(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Business-Type Activities:</b>										
Investment Earnings	\$ 11,400	\$ 1,177	\$ 1,216	\$ 840	\$ 1,236	\$ -	\$ 21,884	\$ -	\$ 4,977	\$ -
Grants and Entitlements not Restricted to Specific Programs	71,946	-	71,637	71,096	77,236	77,236	-	-	-	-
Transfers	-	80,000	-	-	-	134,844	-	-	(22,500)	(22,500)
<b>Total Business-Type Activities</b>	<b>83,346</b>	<b>81,177</b>	<b>72,853</b>	<b>71,936</b>	<b>78,472</b>	<b>212,080</b>	<b>21,884</b>	<b>-</b>	<b>(17,523)</b>	<b>(22,500)</b>
<b>Total Primary Government</b>	<b>18,589,702</b>	<b>17,510,506</b>	<b>19,432,601</b>	<b>17,397,641</b>	<b>14,174,340</b>	<b>14,298,140</b>	<b>11,958,010</b>	<b>10,630,644</b>	<b>10,945,803</b>	<b>10,498,946</b>
<b>Change in Net Position</b>										
Governmental Activities	(1,048,515)	1,179,068	2,156,290	4,494,921	998,673	576,739	(765,567)	3,973,684	4,142,474	2,326,929
Business-Type Activities	199,083	206,136	245,541	(60,040)	468,385	(33,322)	(126,198)	222,502	(663,868)	298,606
<b>Total Primary Government Change in Net Position</b>	<b>\$ (849,432)</b>	<b>\$ 1,385,204</b>	<b>\$ 2,401,831</b>	<b>\$ 4,434,881</b>	<b>\$ 1,467,058</b>	<b>\$ 543,417</b>	<b>\$ (891,765)</b>	<b>\$ 4,196,186</b>	<b>\$ 3,478,606</b>	<b>\$ 2,625,535</b>

Source: City financial records

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

	2015	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,044	\$ 501,908	\$ 545,390	\$ 264,594
Unreserved	-	-	-	-	-	-	5,600,911	5,658,337	5,128,686	4,021,327
Nonspendable	1,352,000	1,352,000	1,625,000	505,000	35,000	35,000	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,534,357	1,349,795	1,774,325	1,550,876	865,127	348,919	-	-	-	-
Unassigned	3,567,620	6,134,497	5,861,516	6,786,968	7,797,187	6,646,925	-	-	-	-
<i>Total General Fund</i>	<u>7,453,977</u>	<u>8,836,292</u>	<u>9,260,841</u>	<u>8,842,844</u>	<u>8,697,314</u>	<u>7,030,844</u>	<u>6,082,955</u>	<u>6,160,245</u>	<u>5,674,076</u>	<u>4,285,921</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	1,479,927	882,226	297,624	716,157
Undesignated, Reported in:										
Special Revenue funds	-	-	-	-	-	-	495,407	(321,103)	275,254	1,095,589
Debt Service funds	-	-	-	-	-	-	34,720	15,789	232,959	146,072
Capital Projects funds	-	-	-	-	-	-	1,031,157	(4,117,594)	(2,993,639)	(2,632,732)
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	5,235,382	4,653,646	6,803,746	3,432,985	1,885,100	1,865,562	-	-	-	-
Committed	117,727	94,583	158,604	129,812	87,541	47,823	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(208,998)	(79,351)	(64,072)	(236,262)	(304,786)	(365,575)	-	-	-	-
<i>Total All Other Governmental Funds</i>	<u>5,144,111</u>	<u>4,668,878</u>	<u>6,898,278</u>	<u>3,326,535</u>	<u>1,667,855</u>	<u>1,547,810</u>	<u>3,041,211</u>	<u>(3,540,682)</u>	<u>(2,187,802)</u>	<u>(674,914)</u>
<i>Total Governmental Funds</i>	<u>\$ 12,598,088</u>	<u>\$ 13,505,170</u>	<u>\$ 16,159,119</u>	<u>\$ 12,169,379</u>	<u>\$ 10,365,169</u>	<u>\$ 8,578,654</u>	<u>\$ 9,124,166</u>	<u>\$ 2,619,563</u>	<u>\$ 3,486,274</u>	<u>\$ 3,611,007</u>

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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Income Taxes	\$ 8,905,985	\$ 7,917,236	\$ 7,600,866	\$ 6,918,373	\$ 6,287,100	\$ 6,600,141	\$ 5,951,344	\$ 5,784,713	\$ 5,352,927	\$ 5,238,256
Property and Other Taxes	2,353,735	2,321,009	1,910,551	2,315,935	2,462,243	2,400,487	1,885,387	2,041,637	1,971,017	2,131,720
Payment in Lieu of Taxes	5,522,245	5,558,580	9,433,275	3,922,610	2,961,845	2,910,801	2,415,620	2,005,203	844,205	416,537
Intergovernmental	1,764,800	1,618,812	1,612,435	1,931,013	1,459,844	1,757,320	2,797,302	5,716,065	2,813,759	1,885,762
Charges for Services	729,586	722,468	919,787	900,660	1,032,001	1,059,176	1,165,741	1,251,564	1,084,965	1,184,918
Licenses and Permits	696,393	805,478	503,195	582,054	453,761	581,733	446,880	585,034	1,062,746	347,224
Investment Earnings	196,532	159,632	102,004	131,034	52,263	260,634	137,047	208,864	365,994	674,503
Fines and Forfeitures	137,963	162,992	250,971	276,936	206,413	200,206	258,349	221,530	220,440	139,590
Special Assessments	921,684	867,671	841,894	869,640	930,613	863,556	327,428	301,213	302,789	72,463
Miscellaneous	192,487	413,109	140,974	441,481	1,224,481	33,581	199,582	226,261	166,658	439,270
<b>Total Revenues</b>	<b>21,421,410</b>	<b>20,546,987</b>	<b>23,315,952</b>	<b>18,289,736</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>Expenditures</b>										
Current:										
Security of Persons and Property	8,535,677	7,429,735	6,826,765	7,054,230	6,800,480	7,120,069	6,881,493	6,506,911	5,896,151	5,708,624
Public Health and Welfare							237,599	83,191	104,640	148,323
Transportation	1,917,214	1,849,330	1,883,332	1,571,217	1,313,344	1,462,501	1,525,763	1,722,489	1,196,834	1,047,776
General Government	2,822,127	2,358,614	2,247,630	1,636,046	1,821,488	2,250,755	1,964,892	2,229,646	2,342,991	1,511,020
Leisure Time Activities	191,011	198,556	161,394	163,234	190,326	224,689	261,285	236,052	27,074	2,005
Payments to Schools	3,293,366	3,304,401	6,068,047	2,227,489	1,588,445	1,358,998	-	-	-	-
Basic Utility Services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	66,491	70,577	60,384	32,498	34,457	31,603	-	-	-	-
Intergovernmental	1,418,345	1,426,529	1,395,577	1,387,840	1,259,569	1,182,660	1,835,317	1,256,721	539,714	228,317
Capital Outlay	2,431,370	4,840,166	2,062,854	864,042	697,870	1,830,107	1,928,489	5,716,840	3,069,094	1,977,412
Debt service:										
Principal Retirement	1,277,100	1,251,500	1,110,900	4,791,677	1,076,564	1,084,867	786,979	756,775	613,681	593,242
Interest and Fiscal Charges	375,791	391,528	411,926	571,245	501,506	532,054	598,974	700,170	546,635	990,390
<b>Total Expenditures</b>	<b>22,328,492</b>	<b>23,120,936</b>	<b>22,228,809</b>	<b>20,299,518</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>Excess of Revenues Over (Under) Expenditures</b>	<b>(907,082)</b>	<b>(2,573,949)</b>	<b>1,087,143</b>	<b>(2,009,782)</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>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	-	-	-	-	-	-	-	-	2,143	-
Proceeds from Lease Purchase										
Agreement/Inception of Capital Lease	-	-	-	-	-	-	-	-	1,938	-
Face Value from the Sale of Bonds	-	-	2,775,000	3,770,000	-	-	6,845,000	-	-	-
Premium from the Sale of Bonds	-	-	127,597	43,992	-	-	95,714	-	-	-
Transfers In	9,399,622	7,838,760	6,686,928	7,325,800	5,885,613	6,168,852	6,595,376	5,468,000	5,409,771	4,659,641
Transfers Out	(9,399,622)	(7,918,760)	(6,686,928)	(7,325,800)	(5,885,613)	(6,303,696)	(6,595,376)	(5,468,000)	(5,387,271)	(4,637,141)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(80,000)</b>	<b>2,902,597</b>	<b>3,813,992</b>	<b>-</b>	<b>(134,844)</b>	<b>6,940,714</b>	<b>-</b>	<b>26,581</b>	<b>22,500</b>
<b>Net Change in Fund Balances</b>	<b>\$ (907,082)</b>	<b>\$ (2,653,949)</b>	<b>\$ 3,989,740</b>	<b>\$ 1,804,210</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>
Debt Service as a Percentage of Noncapital Expenditures	8.3%	8.9%	7.9%	27.0%	10.6%	10.7%	10.0%	11.9%	12.9%	15.2%

Source: City financial records

**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		
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%
2013	252,538,190	721,537,686	-	-	60,073,130	68,264,920	312,611,320	789,802,606	\$ 9.32	39.58%
2014	253,392,610	723,978,886	-	-	60,612,770	68,878,148	314,005,380	792,857,033	\$ 9.32	39.60%
2015	255,429,030	729,797,229	-	-	61,379,410	69,749,330	316,808,440	799,546,558	\$ 9.32	39.62%
2016	258,168,230	737,623,514	-	-	60,066,240	68,257,091	318,234,470	805,880,605	\$ 9.32	39.49%

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 OPERATING	BUTLER COUNTY OPERATING	SCHOOL DISTRICT OPERATING	OTHER (1) OPERATING
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	45.50	3.78
2013	9.32	9.72	47.20	3.78
2014	9.32	9.72	46.19	3.78
2015	9.32	9.72	48.12	3.78
2016	9.32	9.72	48.67	3.98

SOURCE: City of Monroe's Operating Budget

SOURCE: Butler County Auditor's Office

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

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

Name of Taxpayer	2016		
	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Ohio Inc	\$ 21,217,120	1	6.67%
Rockies Express Pipeline	14,104,390	2	4.43%
Worthington Steel	4,137,960	3	1.30%
Ohio Presbyterian Retirement	4,091,190	4	1.29%
KP Properties of Ohio LLC	3,251,770	5	1.02%
EPHS Investments LLC	2,543,800	6	0.80%
Summit Properties Partnership	2,193,370	7	0.69%
Dayton Technologies	2,136,810	8	0.67%
Baker Monroe Properties	1,535,460	9	0.48%
Monroe Terrace Apartments	1,371,810	10	0.43%
<b>Total</b>	<b>\$ 56,583,680</b>		<b>17.78%</b>
Total Assessed Valuation	\$ 318,234,470		
Name of Taxpayer	2007		
	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Ohio Inc	\$ 16,144,340	1	5.00%
Ohio Presbyterian Retirement	4,451,560	2	1.38%
Reserve at Monroe	3,410,430	3	1.06%
Dayton Technologies	3,373,090	4	1.04%
Worthington Steel	3,105,010	5	0.96%
EPHS Investments LLC	2,782,620	6	0.86%
Monroe Crossings LLC	2,779,420	7	0.86%
Duke Realty Ohio	2,492,130	8	0.77%
K.P. Properties of Ohio LLC	2,150,570	9	0.67%
Clark Cincinnati Inc.	2,009,640	10	0.62%
<b>Total</b>	<b>\$ 42,698,810</b>		<b>13.22%</b>
Total Assessed Valuation	\$ 323,003,135		

Source: Butler County Auditor's Office

**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
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%
2013	2,108,775	1,885,586	51,200	1,936,786	91.84%	531,835	25.22%
2014	1,954,831	1,911,409	40,243	1,951,652	99.84%	531,835	27.21%
2015	1,942,178	1,916,053	26,125	1,942,178	100.00%	507,255	26.12%
2016	1,966,546	1,923,286	43,122	1,966,408	99.99%	421,223	21.42%

SOURCE: Butler County Auditor's Office

Note: Includes only Butler County Information

***CITY OF MONROE, OHIO***  
**Income Tax Revenue by Source Type**  
**Last Ten Years**

Fiscal Year	Tax Rate	Residential Income Tax	Business Income Tax	Withholding Income Tax	Grand Total
2016	1.50%	\$ 1,394,864	\$ 1,498,127	\$ 6,037,796	\$ 8,930,787
2015	1.50%	\$ 1,163,456	\$ 1,632,265	\$ 5,164,773	\$ 7,960,494
2014	1.50%	\$ 1,131,215	\$ 1,418,601	\$ 4,947,714	\$ 7,497,530
2013	1.50%	\$ 1,097,856	\$ 921,906	\$ 4,660,560	\$ 6,680,322
2012	1.50%	\$ 1,067,146	\$ 685,817	\$ 4,615,907	\$ 6,368,870
2011	1.50%	\$ 1,070,021	\$ 910,092	\$ 4,447,868	\$ 6,427,981
2010	1.50%	\$ 1,062,440	\$ 939,498	\$ 4,242,677	\$ 6,244,615
2009	1.50%	\$ 1,062,769	\$ 741,953	\$ 3,965,280	\$ 5,770,002
2008	1.50%	\$ 915,959	\$ 625,511	\$ 3,941,812	\$ 5,483,282
2007	1.50%	\$ 864,509	\$ 680,515	\$ 3,720,690	\$ 5,265,714

Source: City Financial Records

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Bonded Debt Outstanding:</b>										
Governmental Activities - General Obligation Notes/Bonds	\$9,939,108	\$10,939,045	\$11,933,982	\$9,890,474	\$10,445,000	\$11,190,000	\$11,920,000	\$11,515,000	\$9,440,000	\$9,855,000
Governmental Activities - Special Assessment Bonds	225,000	287,100	343,600	399,500	460,900	521,800	626,200	724,200	816,800	928,900
Business Type Activities - Loans/Notes/Bonds Payable	4,788,880	5,057,324	5,318,756	5,573,274	5,787,465	6,026,567	6,259,020	3,264,903	3,496,356	3,702,259
Capital Leases Payable	-	-	-	-	95,277	185,941	299,496	420,238	534,914	643,855
Governmental Activities - Revenue Obligation Bonds	510,000	740,000	955,000	1,160,000	1,350,000	1,530,000	1,695,000	1,850,000	2,000,000	2,000,000
<b>Total</b>	<b>15,462,988</b>	<b>17,023,469</b>	<b>18,551,338</b>	<b>17,023,248</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>Percentage of Estimated Actual</b>										
Property Value	1.92%	2.13%	2.34%	2.16%	2.31%	2.17%	2.45%	1.70%	1.93%	1.83%
Assessed Property Value	318,234,470	316,808,440	314,005,380	312,611,320	303,496,130	362,004,920	306,783,200	335,268,650	316,124,131	323,003,135
Actual Property Value	805,880,605	799,546,558	792,857,033	789,802,606	786,904,478	896,676,082	849,745,397	1,043,318,257	844,080,028	937,220,855
<b>Total Debt Per Capita</b>	<b>1,243</b>	<b>1,368</b>	<b>1,491</b>	<b>1,368</b>	<b>1,458</b>	<b>1,564</b>	<b>1,672</b>	<b>2,492</b>	<b>2,283</b>	<b>2,402</b>
<b>Total Debt as a Percentage of Personal Income</b>	<b>Not Available</b>	<b>Not Available</b>	<b>5.95%</b>	<b>5.78%</b>	<b>6.16%</b>	<b>6.78%</b>	<b>7.29%</b>	<b>7.77%</b>	<b>6.22%</b>	<b>8.77%</b>
<b>Population</b>	<b>12,442</b>	<b>12,442</b>	<b>12,442</b>	<b>12,442</b>	<b>12,442</b>	<b>12,442</b>	<b>12,442</b>	<b>7,133</b>	<b>7,133</b>	<b>7,133</b>
<b>Less:</b>										
Governmental Activities - Special Assessment Bonds	(225,000)	(287,100)	(343,600)	(399,500)	(460,900)	(521,800)	(626,200)	(724,200)	(816,800)	(928,900)
Business Type Activities - Loans/Notes/Bonds Payable	(4,788,880)	(5,057,324)	(5,318,756)	(5,573,274)	(5,787,465)	(6,026,567)	(6,259,020)	(3,264,903)	(3,496,356)	(3,702,259)
Capital Leases Payable	-	-	-	-	(95,277)	(185,941)	(299,496)	(420,238)	(534,914)	(643,855)
Governmental Activities - Revenue Obligation Bonds	(510,000)	(740,000)	(955,000)	(1,160,000)	(1,350,000)	(1,530,000)	(1,695,000)	(1,850,000)	(2,000,000)	(2,000,000)
<b>Total Net Debt Applicable to Debt Limit</b>	<b>9,939,108</b>	<b>10,939,045</b>	<b>11,933,982</b>	<b>9,890,474</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>Overall Legal Debt Limit</b>										
10 1/2% of Assessed Valuation	33,414,619	33,264,886	32,970,565	32,824,189	31,867,094	38,010,517	32,212,236	35,203,208	33,193,034	33,915,329
<b>Legal Debt Margin Within 10 1/2% Limitations</b>	<b>\$23,475,511</b>	<b>\$22,325,841</b>	<b>\$21,036,583</b>	<b>\$22,933,715</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>Legal Debt Margin as a Percentage of the Debt Limit</b>	<b>70.26%</b>	<b>67.12%</b>	<b>63.80%</b>	<b>69.87%</b>	<b>67.22%</b>	<b>70.56%</b>	<b>63.00%</b>	<b>67.29%</b>	<b>71.56%</b>	<b>70.94%</b>
<b>Unvoted Debt Limitation</b>										
5 1/2% of Assessed Valuation	\$17,502,896	\$17,424,464	\$17,270,296	\$17,193,623	\$16,692,287	\$19,910,271	\$16,873,076	\$18,439,776	\$17,386,827	\$17,765,172
<b>Total Debt Approved by Council</b>	<b>15,462,988</b>	<b>17,023,469</b>	<b>18,551,338</b>	<b>17,023,248</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>Less:</b>										
Governmental Activities - Special Assessment Bonds	(225,000)	(287,100)	(343,600)	(399,500)	(460,900)	(521,800)	(626,200)	(724,200)	(816,800)	(928,900)
Business Type Activities - Loans/Notes/Bonds Payable	(4,788,880)	(5,057,324)	(5,318,756)	(5,573,274)	(5,787,465)	(6,026,567)	(6,259,020)	(3,264,903)	(3,496,356)	(3,702,259)
Governmental Activities - Revenue Obligation Bonds	(510,000)	(740,000)	(955,000)	(1,160,000)	(1,350,000)	(1,530,000)	(1,695,000)	(1,850,000)	(2,000,000)	(2,000,000)
<b>Net Debt Within 5 1/2% Limitations</b>	<b>9,939,108</b>	<b>10,939,045</b>	<b>11,933,982</b>	<b>9,890,474</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>Unvoted Legal Debt Margin Within 5 1/2% Limitations</b>	<b>\$7,563,788</b>	<b>\$6,485,419</b>	<b>\$5,336,314</b>	<b>\$7,303,149</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>Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	<b>43.21%</b>	<b>37.22%</b>	<b>30.90%</b>	<b>42.48%</b>	<b>36.86%</b>	<b>42.86%</b>	<b>27.58%</b>	<b>35.27%</b>	<b>42.63%</b>	<b>40.90%</b>

Source: City Financial Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Additionally, certain information was not available at the time of report issuance.

**CITY OF MONROE, OHIO**  
 Computation of Direct and Overlapping Debt  
 December 31, 2016

JURISDICTION	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO CITY OF MONROE (2)	AMOUNT APPLICABLE TO CITY OF MONROE
City of Monroe	\$ 10,450,375	100.00%	\$ 10,450,375
Butler County (3)	<u>50,319,762</u>	3.42%	<u>1,720,936</u>
	<u>\$ 60,770,137</u>		<u>\$ 12,171,311</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
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	294,294,842	4,130,000	109,320	367,465	4,497,465	1.48%	361
2013	12,442	312,611,320	308,478,171	3,772,992	354,479	331,629	4,104,621	1.31%	330
2014	12,442	314,005,380	311,639,664	3,193,993	232,543	293,972	3,487,965	1.11%	280
2015	12,442	316,808,440	329,623,358	2,669,994	176,879	254,401	2,924,395	0.92%	235
2016	12,442	318,234,470	347,607,052	2,135,995	223,733	212,818	2,348,813	0.74%	189

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.

Certain Information was not available 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  
Current Year and Nine Years Ago

**2016**

Employer	Nature of Business	Rank
Kohl's Department Stores	Distribution Center	1
Home Depot USA	Distribution Center	2
Deceuninck North America	Manufacturing	3
Ohio Presbyterian Retirement	Retirement Community	4
SSB Manufacturing	Manufacturing	5
Hayneedle	Distribution Center	6
Kroger Limited Partnership	Groceries	7
Monroe Local School District	Government	8
Worthington Industries	Manufacturing	9
UGN	Manufacturing	10
Total City Employers		21,215
Total Top Ten Employers Employment Count		7,558
Percent of Total Employment		35.63%

**2007**

Employer	Nature of Business	Rank
CM Temporary	Staffing Service	1
1 Force	Staffing Service	2
Minute Men	Staffing Service	3
Monroe Local Schools	Government	4
Duke Energy	Utilities	5
Hawthorne Glen	Retirement Community	6
West Chester Holding	Distribution Center	7
Arkay Plastic	Manufacturing	8
Superior Tech	Manufacturing	9
Berns Greenhouse	Landscaping	10

Source: City Records

**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
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	23,653.34
2013	12,442	2,513	4.7	24,793.29
2014	12,442	2,641	5.4	25,047.39
2015	12,442	2,600	4.3	26,492.80
2016	12,442	2,707	3.8	27,938.20

(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 was not available at time of report issuance.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>CAPITAL ASSETS DEPRECIATION</b>										
<b>Governmental Activities:</b>										
Security of Persons and Property	\$ 498,768	\$ 412,742	\$ 363,537	\$ 361,756	\$ 369,351	\$ 381,803	\$ 682,438	\$ 331,752	\$ 263,393	\$ 130,550
Leisure Time Activities	46,662	46,279	46,491	46,491	46,627	41,016	28,376	9,199	9,199	7,560
Transportation	1,513,465	1,458,947	1,399,834	1,359,674	1,338,806	1,352,020	1,695,270	105,101	87,731	90,951
General Government	165,687	138,266	106,326	104,768	111,025	114,818	457,631	106,317	107,272	108,952
Total Governmental Activities	<u>2,224,582</u>	<u>2,056,234</u>	<u>1,916,188</u>	<u>1,872,689</u>	<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>
<b>Business-Type Activities:</b>										
Water	519,022	453,121	448,326	450,922	408,544	410,692	365,948	463,316	429,801	226,799
Sewer	12,595	12,595	12,595	12,595	1,049	-	-	-	-	-
Stormwater Management	35,936	42,640	37,445	35,646	27,266	23,700	50,435	18,070	13,413	13,413
Cemetery	4,500	4,500	4,500	1,500	-	-	-	-	-	-
Total Business-Type Activities	<u>572,053</u>	<u>512,856</u>	<u>502,866</u>	<u>500,663</u>	<u>436,859</u>	<u>434,392</u>	<u>416,383</u>	<u>481,386</u>	<u>443,214</u>	<u>240,212</u>
Total	<u>\$ 2,796,635</u>	<u>\$ 2,569,090</u>	<u>\$ 2,419,054</u>	<u>\$ 2,373,352</u>	<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>

Source: City of Monroe, Finance Department

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

<b>Function/program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>General Government</b>									
Construction Permits Issued	496	355	311	266	275	295	377	582	345
Estimated Value of Construction	\$47,880,450	\$47,880,450	\$28,699,068	\$39,053,554	\$20,166,599	\$24,155,582	\$21,554,765	\$31,432,126	\$126,439,882
Zoning Certificates Approved	15	19	10	31	28	37	35	112	30
Property Maintenance Complaints	772	153	65	70	111	180	136	162	120
Utility Bills mailed	61,238	60,426	59,770	58,791	57,336	57,018	59,748	59,018	57,954
Purchase Orders Issued	408	316	185	277	304	344	636	846	Not Available
<b>Police</b>									
Total Incidents	24,463	27,002	23,929	21,155	20,068	20,143	24,310	19,000	18,010
Number of Citations issued	1,444	1,928	2,268	4,814	3,901	3,264	5,356	4,941	4,005
Misdemeanor & Felony Arrests	721	761	878	1,777	1,655	1,632	2,236	1,794	1,477
DUI Arrests	61	52	51	91	132	101	145	179	150
Alcohol Compliance Checks	4	3	5	2	2	2	2	2	1
Detective Investigated Cases	142	159	130	287	377	367	294	249	113
Calls for Service	12,572	27,002	23,929	12,096	9,917	10,332	10,715	10,150	9,307
<b>Fire</b>									
Emergency responses	2,578	2,413	2,283	536	682	574	595	594	635
Fire hydrant inspections	1,000	1,000	1,000	1,000	823	800	999	823	754
Training Hours	3,109	7,002	7,200	7,230	7,330	6,002	5,473	4,063	5,248
Number of times dispatched	2,835	2,606	2,327	2,274	2,565	2,376	2,492	2,470	2,448
Community Training Programs (number of attendees)	2,804	1,552	250	1,612	1,560	1,300	1,109	938	528
<b>Public Service</b>									
Snow removal (man hours)	564	1,638	2,091	1,287	599	676	2,475	1,430	1,275
Leaf pick-up (man hours)	460	802	773	644	731	643	800	850	800
Curbs replaced (linear feet)	904	313	766	110	0	0	0	0	2,000
Drive aprons replaced (square yards)	220	525	229	81	0	0	0	0	600
Truckloads of leaves picked-up	54	70	78	88	91	81	102	164	180
Tons of snow melting salt used	706	1,267	2,166	1,734	857	1,087	2,133	1,300	1,800
Number of snow events	10	7	17	13	8	9	15	13	14
Cemetery burials	28	33	43	32	34	37	34	\$34	42
Water meter installations	354	640	188	125	3,301	230	161	160	154

**Source:** City department year-end reports.  
**Note:** Information prior to 2008 is not available.

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

<b>Function/program</b>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</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	7.5	7.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Law	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Administration	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchasing/Adm. Services	0.0	0.0	9.5	7.5	7.7	9.2	9.2	9.2	8.2	7.5
Planning	4.0	2.0	2.0	3.0	3.0	4.0	4.0	4.0	4.0	2.0
Police	37.0	34.0	32.0	31.5	32.5	36.0	37.0	36.0	30.5	30.0
Fire	35.0	35.0	35.0	35.0	33.0	34.0	36.0	36.0	33.0	32.0
Engineering	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utilities:										
Administration	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Service	4.0	4.0	4.0	3.0	4.5	4.5	4.0	5.0	5.0	4.0
Service:										
Administration	5.0	4.0	4.0	4.0	4.5	4.5	3.5	3.5	3.0	3.0
Street Maintenance	11.0	10.0	10.0	9.0	10.5	10.0	10.0	9.0	9.0	9.0
Cemetery	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerk of Courts	1.0	1.0	1.0	1.0	0.8	0.8	0.8	0.8	0.8	0.5
Totals:	<u>120.5</u>	<u>113.0</u>	<u>110.5</u>	<u>107.0</u>	<u>108.5</u>	<u>115.0</u>	<u>116.5</u>	<u>115.5</u>	<u>105.5</u>	<u>100.0</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