

CITY OF MONROE, OHIO

Independent Auditors' Report on
Internal Controls and Compliance
Year Ended December 31, 2017



Dave Yost • Auditor of State

City Council
City of Monroe
PO Box 330
Monroe, OH 45050

We have reviewed the *Independent Auditor's Report* of the City of Monroe, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Monroe is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 13, 2018

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Monroe, Ohio:

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Ohio ("City"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 22, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompany schedule of findings and responses as 2017-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 22, 2018

CITY OF MONROE, OHIO
Schedule of Findings and Responses
Year Ended December 31, 2017

2017-001 Financial Reporting

During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the City's internal control over financial reporting. A deficiency in internal control exists when the design of operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. In this case, the internal controls over the preparation and review of the City's financial statements did not operate as designed. The City contracts with a third-party consultant to prepare its year-end financial statements. While the City may rely on the consultant to provide technical assistance and financial statement preparation, it is still the responsibility of the City to review the financials prepared by the consultant for errors and omissions

Adjustments were needed to record an understatement of accounts payable in the Capital Improvement Fund, to reclassify miscellaneous revenue to intergovernmental revenue in the Fire 1989 Levy Fund, and to record pension deferred inflows and deferred outflows in Governmental Activities.

We recommend the City enhance its internal controls over financial reporting with steps such as management's review of conversion documentation for completeness and accuracy and improved communication with hired consultants to ensure the preparation of complete, accurate and reliable financial statements in conformity with generally accepted accounting principles.

Views of Responsible Officials: *The City concurs with these adjustments which have been posted to the financial statements.*



The City of Monroe, Ohio



Blue Buffalo recently opened a second pet food distribution center in Monroe. This site takes advantage of Monroe's central location and strong infrastructure network to support Blue Buffalo's Midwest operations.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended
December 31, 2017

INTRODUCTORY SECTION



The City of Monroe, Ohio

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For The Year
Ended December 31, 2017

Prepared by:
City of Monroe Finance Department

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City of Monroe, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017

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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, 2018

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, 2017. 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 2017.

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 2017 population is 13,683.

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 5th 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 the summer of 2017, IDI-Gazeley started construction on the 1.3 million square foot Amazon fulfillment center at Park North. Additionally, the Hayneedle facility at Park North continued to see investment relating to the tenant's interior buildout in 2017. IDI-Gazeley also began construction on Park North Building 10, a 755,911 square-foot speculative warehouse and distribution center.

Also in 2017, Cincinnati Commercial Contracting constructed a speculative 20,600 square-foot building, half of which was leased to Numotion at the beginning of 2018.

At the interchange, construction of a standalone Dunkin Donuts at the Interchange was completed. A 14,000 square foot retail center that began construction in 2017 has leased out a portion of the building to Dairy Queen, which is beginning tenant finishes in 2018.

Local business Monroe Family Pet Hospital moved from their tenant space at Heritage Plaza and began construction of a 7,500 square foot standalone building.

Investment in residential new construction and building permits remained stable from 2016 to 2017, representing just over a half-percent increase in value.

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. In addition to instant access through the financial system, 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 2017 due to new development, as well as increased profitability and employment in existing businesses. Income tax revenue collected in 2017 was \$9,784,419, an increase of \$853,434 from 2016. Income tax revenue is expected to remain strong in the near future as our industrial areas continue to see steady growth and development. Additionally in November 2017, Monroe residents passed an additional 0.5% income tax levy effective January 1, 2018. The additional revenue is designated to help 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 November 1, 2017.

FINANCIAL POLICIES

The City has a solid policy related to development within the City by promoting economic development through the various TIF, RID and CRA 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, 2016. 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.

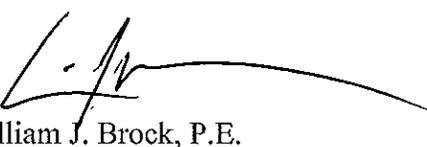
Acknowledgements

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,



Deborah Armitage
City Assistant Finance Director



William J. Brock, P.E.
City Manager

The City of Monroe, Ohio

List of Principal Officials

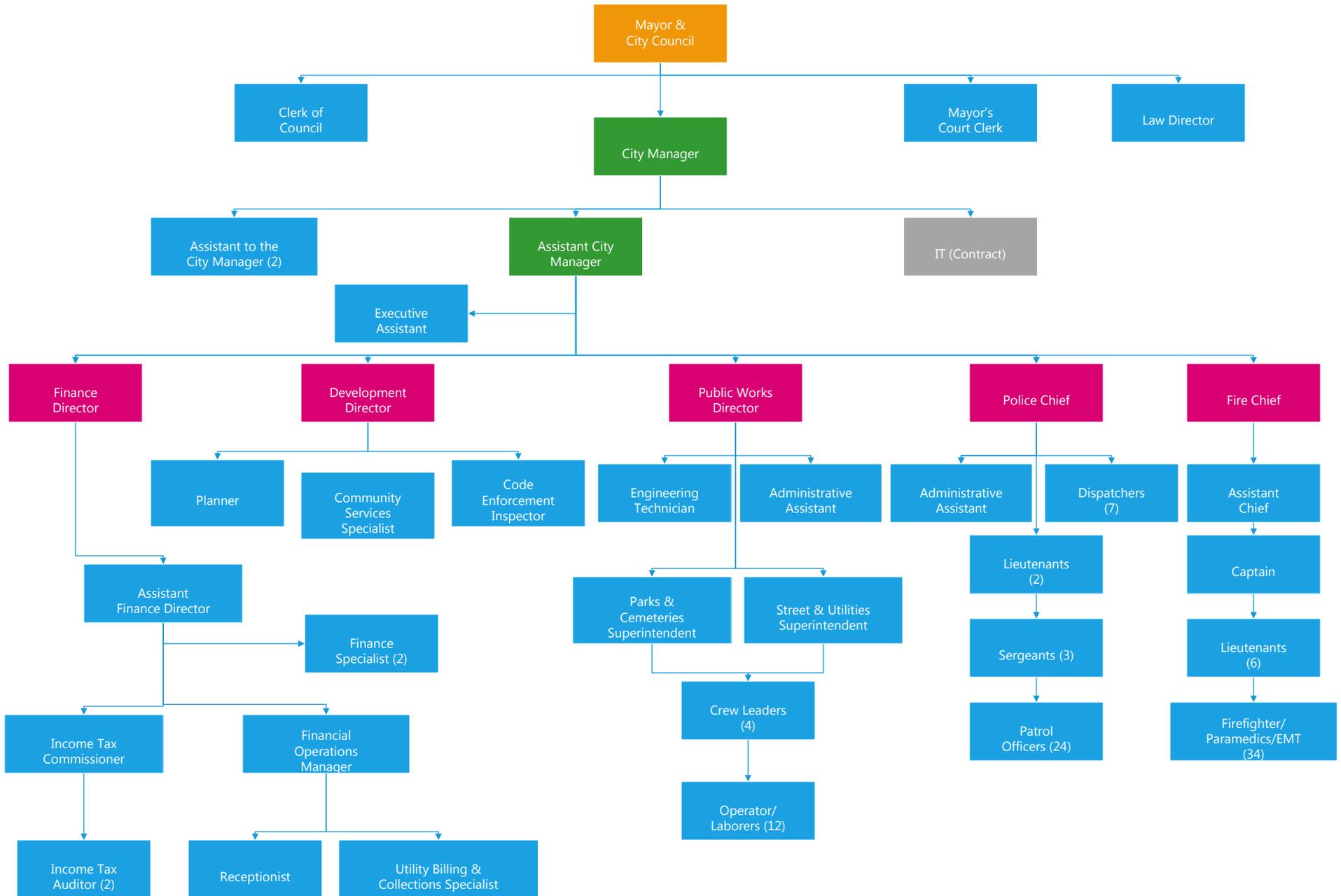
December 31, 2017

<u>OFFICE HELD</u>	<u>NAME OF OFFICIAL</u>
City Manager	William Brock
Assistant City Manager	Kacey Waggaman
Finance Director	Vacant
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, 2016

Christopher P. Morrill

Executive Director/CEO

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then 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 combining and individual nonmajor fund financial statements and schedules, the introductory section 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 22, 2018 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 22, 2018

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The City of Monroe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

This discussion and analysis of the City of Monroe's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. 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 2017 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, 2017, by \$58,599,812 (net position). Of this amount, \$2,562,038 is classified as unrestricted in the business-type activities.
- ❑ The City's governmental activities net position decreased by \$359,795 which represents a 1% decrease from 2016.
- ❑ At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$11,517,021. Of this amount \$1,303,329 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 \$1,867,035 or approximately 39% of total 2017 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 (\$63,673); (\$89,126); \$1,650,504; \$2,310,749; (\$410,907) and \$237,202 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 funds, 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 2017?" 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, 2017
(Unaudited)

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, Cemetery and Street Lighting 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, Cemetery and Street Lighting 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, 2017
(Unaudited)

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, Cemetery and Street Lighting operations.

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

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

Required Supplementary Information: The City is required to report the budgetary schedules for the General Fund and major special revenue funds along with the applicable accounting policies to develop those schedules. 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 \$58,599,812 (\$52,462,399 in governmental activities and \$6,137,413 in business type activities) as of December 31, 2017. By far, the largest portion of the City's net position (91%) 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, 2017
(Unaudited)

The following table provides a summary of the City's statement of net position for 2017 compared to 2016.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 31,833,668	\$ 34,507,150	\$ 4,030,084	\$ 3,406,290	\$ 35,863,752	\$ 37,913,440
Capital Assets	59,036,803	59,195,470	7,785,880	7,941,177	66,822,683	67,136,647
Total Assets	<u>90,870,471</u>	<u>93,702,620</u>	<u>11,815,964</u>	<u>11,347,467</u>	<u>102,686,435</u>	<u>105,050,087</u>
Deferred Outflows of Resources	<u>5,316,747</u>	<u>5,617,928</u>	<u>622,579</u>	<u>406,113</u>	<u>5,939,326</u>	<u>6,024,041</u>
Current Liabilities	13,495,345	15,709,035	663,924	685,128	14,159,269	16,394,163
Long-term Liabilities	25,308,545	25,890,652	5,628,949	5,468,374	30,937,494	31,359,026
Total Liabilities	<u>38,803,890</u>	<u>41,599,687</u>	<u>6,292,873</u>	<u>6,153,502</u>	<u>45,096,763</u>	<u>47,753,189</u>
Deferred Inflows of Resources	<u>4,920,929</u>	<u>4,898,667</u>	<u>8,257</u>	<u>18,244</u>	<u>4,929,186</u>	<u>4,916,911</u>
Nets Position:						
Net Investment in						
Capital Assets	49,681,122	48,521,362	3,575,375	3,544,371	53,256,497	52,065,733
Restricted	6,035,056	5,816,316	-	-	6,035,056	5,816,316
Unrestricted	(3,253,779)	(1,515,484)	2,562,038	2,037,463	(691,741)	521,979
Total Net Position	<u>\$ 52,462,399</u>	<u>\$ 52,822,194</u>	<u>\$ 6,137,413</u>	<u>\$ 5,581,834</u>	<u>\$ 58,599,812</u>	<u>\$ 58,404,028</u>

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 \$18,178,716, \$311,778, and \$5,658,481, 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 \$6,035,056 or 12% of governmental net position. The City's remaining unrestricted governmental net position was a deficit of \$3,253,779 which is a decrease of \$1,738,295 from 2016. Overall, 2017 total ending net position increased in 2017 by less than 1%.

During 2017, 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 2017 in governmental activities.

The City of Monroe, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

A Summary of the statement of activities is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	\$ 2,278,751	\$ 1,664,141	\$ 5,351,317	\$ 4,952,724	\$ 7,630,068	\$ 6,616,865
Operating Grants	711,111	430,063	-	-	711,111	430,063
Capital Grants	1,342,067	722,144	-	-	1,342,067	722,144
General Revenues:						
Income Tax	10,159,419	8,964,985	-	-	10,159,419	8,964,985
Property Tax	2,180,140	2,205,429	-	-	2,180,140	2,205,429
Other Taxes	967,185	875,067	-	-	967,185	875,067
Payments in Lieu of Taxes	5,786,214	5,522,245	-	-	5,786,214	5,522,245
Unrestricted Grants and Contributions	820,306	742,098	94,023	71,946	914,329	814,044
Investment earnings	81,424	196,532	8,183	11,400	89,607	207,932
Total Revenues	24,326,617	21,322,704	5,453,523	5,036,070	29,780,140	26,358,774
Program Expenses						
Security of Persons and Property	10,340,340	10,319,480	-	-	10,340,340	10,319,480
Leisure Time Activities	389,153	237,673	-	-	389,153	237,673
Transportation	4,213,280	3,599,347	-	-	4,213,280	3,599,347
General Government	9,192,686	7,856,366	-	-	9,192,686	7,856,366
Interest and Fiscal Charges	325,798	358,353	-	-	325,798	358,353
Water	-	-	2,603,817	2,574,356	2,603,817	2,574,356
Sewer	-	-	1,164,461	1,153,803	1,164,461	1,153,803
Stormwater Management	-	-	369,949	345,856	369,949	345,856
Garbage	-	-	773,492	686,698	773,492	686,698
Cemetery	-	-	86,073	76,274	86,073	76,274
Street Lighting	-	-	125,307	-	125,307	-
Total Expenses	24,461,257	22,371,219	5,123,099	4,836,987	29,584,356	27,208,206
Excess (Deficiency) of Revenues Over (Under)						
Expenses before Transfers	(134,640)	(1,048,515)	330,424	199,083	195,784	(849,432)
Transfers	(225,155)	-	225,155	-	-	-
Change in Net Position	(359,795)	(1,048,515)	555,579	199,083	195,784	(849,432)
Beginning Net Position	52,822,194	53,870,709	5,581,834	5,382,751	58,404,028	59,253,460
Ending Net Position	\$ 52,462,399	\$ 52,822,194	\$ 6,137,413	\$ 5,581,834	\$ 58,599,812	\$ 58,404,028

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 2017, security of persons and property expenses were approximately \$10.3 million, representing 42% of governmental activity spending.

The City of Monroe, Ohio
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Program revenues of approximately \$1.1 million reduced the amount of general revenues needed to cover the balance of such security of persons and property program expenses. As such, for 2017, \$9.2 million of general revenues were used to cover the balance of security of persons and property program expenses.

In 2017, the City received capital grants to improve and upgrade roadway infrastructure and operating grants and contributions to maintain roadway infrastructure. In addition, land comprising the former Americana Amusement Park site was donated to the City resulting in the recognition of a one-time capital grant revenue item of \$414,000. Further the City was the recipient of a SAFR public safety operating grant in 2017. As such, the level of operating and capital grants and contributions for 2017 was greater than in 2016. Additionally, charges for services were substantially higher in 2017 than in 2016 as a result of significant development occurring in the City which resulted in the doubling of building permit fees in 2017 compared to 2016.

Income tax revenue for 2017 increased \$1.2 million compared to 2016. The increase is the result of the continued economic development occurring in the City and in southwest Ohio.

Property tax revenues decreased very slightly for 2017 compared to 2016.

Overall, in 2017 the City saw total program expenses increase by approximately 9% compared to 2016. This increase was primarily related to the additional costs associated with providing increased levels of services related to economic development, general government, police, fire and EMS as the City continues to grow.

Business-Type Activities

The City's business-type activities include the Water, Sewer, Stormwater Management, Garbage, Cemetery and Street Lighting functions. The business-type activities as a whole reported a net increase of \$555,579 for 2017, which was largely the result of the City leveraging the economies of scale associated with the growing residential and commercial base of the City that is served by the business-type activities.

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 2017, the City's governmental funds reported a combined ending fund balance of \$11.5 million. Approximately \$1.3 million of this balance is unassigned, which is available for spending for citizens. The remainder of the balance is classified as nonspendable, restricted, committed or assigned to indicate that a portion of the fund balance "has been spoken for already" and is not available except for the particular purpose for which the balance was classified.

The General Fund is the primary operating fund of the City. As of December 31, 2017, the unassigned General Fund balance was \$1.9 million with a total fund balance of \$6.6 million. As a measure of liquidity, it is often useful to compare these numbers to total General Fund expenditures.

The City of Monroe, Ohio
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During 2017, the City's General Fund decreased by approximately \$.9 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'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	\$ (63,673)	\$ 22,562	26.16%
Police Law Enforcement	(89,126)	(150,899)	-244.28%
2004 TIFs	1,650,504	116,021	7.56%
2004 RIDs	2,310,749	72,457	3.24%
Capital Improvement	(410,907)	(288,282)	235.09%
Bond Retirement	237,202	13,469	6.02%
Water	4,863,681	381,154	8.50%
Sewer	249,573	101,225	68.23%

The Fire 1989 Levy and Police Law Enforcement Funds saw their ending fund balances (deficits) remain near 2016 levels as operational transfers from the General Fund support these funds on an *as-needed* basis. In 2017, the General Fund transferred \$2,685,000 to the Fire 1989 Levy Fund and \$3,061,000 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 slightly as current year revenues continued to outpace current year payments to schools, capital outlay and transfers out for debt service.

The Capital Improvement Fund saw its ending fund balance decrease by \$288,282 as capital outlays related to an energy improvement initiative wrapped up in 2016 and street repaving was performed in 2017.

The Bond Retirement Fund saw its ending fund balance increase slightly in 2017 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 \$381,154 driven by increased water rates. The Sewer Fund produced a positive change in net position of \$101,225, which was primarily the result of receiving a transfer in of \$150,155 from the General Fund in 2017.

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.

The City of Monroe, Ohio
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(Unaudited)

During the course of 2017, 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 had various revisions as detailed in the table below:

Description	Original Budget	Final Budget	Change
Revenues:			
Property and Other Taxes	\$ 605,000	\$ 605,000	\$ -
Income Taxes	8,949,160	8,949,160	-
Intergovernmental Revenue	360,000	360,000	-
Fees, Licenses and Permits	651,000	651,000	-
Other Revenues	430,000	430,000	-
Total Revenues	10,995,160	10,995,160	-
Expenditures:			
Security of Persons/Property	611,289	611,289	-
General Government	4,546,011	5,064,967	518,956
Other Expenditures	768,700	770,700	2,000
Total Expenditures	\$ 5,926,000	\$ 6,446,956	\$ 520,956

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 2017:

Description	Final Budget	Actual	Variance
Revenues:			
Property and Other Taxes	\$ 605,000	\$ 739,374	\$ 134,374
Income Taxes	8,949,160	9,784,419	835,259
Intergovernmental Revenue	360,000	562,685	202,685
Fees, Licenses and Permits	651,000	1,218,371	567,371
Other Revenues	430,000	457,248	27,248
Total Revenues	10,995,160	12,762,097	1,766,937
Expenditures:			
Security of Persons/Property	611,289	474,167	(137,122)
General Government	5,064,967	4,392,439	(672,528)
Other Expenditures	770,700	668,007	(102,693)
Total Expenditures	\$ 6,446,956	\$ 5,534,613	\$ (912,343)

The City saw the actual revenue results finish \$1.8 million more than the final certificate amount for estimated revenues. The City's final expenditures were \$.9 million less than the final budgeted figures.

The City of Monroe, Ohio
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(Unaudited)

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.

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, 2017, amounts to \$53.3 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 2017, the City had general obligation bonds outstanding of \$8,750,000 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.

THE CITY OF MONROE
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 11,297,400	\$ 3,108,309	\$ 14,405,709
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	2,688,000	-	2,688,000
Taxes-Municipal Income	2,689,000	-	2,689,000
Accounts	137,295	541,100	678,395
Special Assessments	11,051,726	-	11,051,726
Payment in Lieu of Taxes	2,437,408	-	2,437,408
Internal Balances	140,000	(140,000)	-
Due from Other Governments	1,392,839	-	1,392,839
Restricted Cash and Cash Equivalents	-	520,675	520,675
Nondepreciable Capital Assets	1,926,054	563,741	2,489,795
Depreciable Capital Assets	57,110,749	7,222,139	64,332,888
Total Assets	90,870,471	11,815,964	102,686,435
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	280,845	-	280,845
	5,035,902	622,579	5,658,481
Total Deferred Outflows of Resources	5,316,747	622,579	5,939,326
Liabilities:			
Accounts Payable	518,278	66,649	584,927
Accrued Wages and Benefits	376,642	10,303	386,945
Due to Other Governments	11,219,178	249,238	11,468,416
Accrued Interest Payable	26,247	21,191	47,438
Deposits Payable	-	35,625	35,625
Long-Term Liabilities due within 1 year	1,355,000	280,918	1,635,918
Long-Term Liabilities due over 1 year:			
Net Pension Liability	16,791,093	1,387,623	18,178,716
Other Amounts	8,517,452	4,241,326	12,758,778
Total Liabilities	38,803,890	6,292,873	45,096,763
Deferred Inflows of Resources:			
Revenues Levied for the Next Year Pension	4,617,408	-	4,617,408
	303,521	8,257	311,778
Total Deferred Inflows of Resources	4,920,929	8,257	4,929,186
Net Position:			
Net Investment in Capital Assets	49,681,122	3,575,375	53,256,497
Restricted:			
Transportation	1,207,020	-	1,207,020
Security of Persons and Property	451,186	-	451,186
Purposes Permitted by TIF/RID Agreements	4,184,936	-	4,184,936
Other	191,914	-	191,914
Unrestricted	(3,253,779)	2,562,038	(691,741)
Total Net Position	\$ 52,462,399	\$ 6,137,413	\$ 58,599,812

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

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	
Governmental Activities:							
Security of Persons and Property	\$ (10,340,340)	\$ 678,209	\$ 455,523	\$ -	\$ (9,206,608)	\$ -	\$ (9,206,608)
Leisure Time Activities	(389,153)	51,855	45,789	414,000	122,491	-	122,491
Transportation	(4,213,280)	226,358	206,691	928,067	(2,852,164)	-	(2,852,164)
General Government	(9,192,686)	1,322,329	3,108	-	(7,867,249)	-	(7,867,249)
Interest and Fiscal Charges	(325,798)	-	-	-	(325,798)	-	(325,798)
Total Governmental Activities	(24,461,257)	2,278,751	711,111	1,342,067	(20,129,328)	-	(20,129,328)
Business-Type Activities:							
Water	(2,603,817)	2,906,682	-	-	-	302,865	302,865
Sewer	(1,164,461)	1,115,531	-	-	-	(48,930)	(48,930)
Stormwater Management	(369,949)	299,386	-	-	-	(70,563)	(70,563)
Garbage	(773,492)	800,207	-	-	-	26,715	26,715
Cemetery	(86,073)	83,645	-	-	-	(2,428)	(2,428)
Street Lighting	(125,307)	145,866	-	-	-	20,559	20,559
Total Business-Type Activities	(5,123,099)	5,351,317	-	-	-	228,218	228,218
Total	\$ (29,584,356)	\$ 7,630,068	\$ 711,111	\$ 1,342,067	\$ (20,129,328)	\$ 228,218	\$ (19,901,110)
General Revenues:							
Income Taxes					\$ 10,159,419	\$ -	\$ 10,159,419
Property Taxes Levied For:							
General Purposes					632,067	-	632,067
Security of Persons and Property					1,548,073	-	1,548,073
Payment in Lieu of Taxes					5,786,214	-	5,786,214
Other Taxes					967,185	-	967,185
Grants and Contributions Not							
Restricted to Specific Programs					820,306	94,023	914,329
Unrestricted Investment Earnings					81,424	8,183	89,607
Transfers					(225,155)	225,155	-
Total General Revenues and Transfers					19,769,533	327,361	20,096,894
Changes in Net Position					(359,795)	555,579	195,784
Net Position, Beginning of Year					52,822,194	5,581,834	58,404,028
Net Position, End of Year					\$ 52,462,399	\$ 6,137,413	\$ 58,599,812

See accompanying notes to the basic financial statements

**THE CITY OF MONROE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General	Fire 1989 Levy	Police Law Enforcement	2004 TIFS	2004 RIDS	Capital Improvement	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets:									
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 5,009,181	\$ 101,362	\$ 94,393	\$ 1,650,504	\$ 2,283,539	\$ 691,183	\$ 235,919	\$ 1,231,319	\$ 11,297,400
Receivables (Net of Allowance for Doubtful Accounts):									
Taxes-Real & Personal Property	783,000	593,000	611,000	-	-	-	-	701,000	2,688,000
Taxes-Municipal Income	2,689,000	-	-	-	-	-	-	-	2,689,000
Accounts	42,879	88,000	4,010	-	-	-	-	2,406	137,295
Special Assessments	-	-	-	-	-	17,000	11,034,726	-	11,051,726
Payment in Lieu of Taxes	-	-	-	1,057,000	1,106,000	-	-	274,408	2,437,408
Due from Other Funds	957,000	-	-	-	-	-	-	-	957,000
Due from Other Governments	418,818	119,330	76,795	198,722	45,000	67,500	1,283	465,391	1,392,839
Total Assets	\$ 9,899,878	\$ 901,692	\$ 786,198	\$ 2,906,226	\$ 3,434,539	\$ 775,683	\$ 11,271,928	\$ 2,674,524	\$ 32,650,668
Liabilities:									
Accounts Payable	\$ 88,295	\$ 28,705	\$ 9,491	\$ -	\$ 17,790	\$ 352,590	\$ -	\$ 21,407	\$ 518,278
Accrued Wages and Benefits	71,459	137,233	119,247	-	-	-	-	48,703	376,642
Due to Other Funds	-	-	-	-	-	817,000	-	-	817,000
Due to Other Governments	79,433	161,427	103,586	-	-	-	10,839,606	35,126	11,219,178
Total Liabilities	239,187	327,365	232,324	-	17,790	1,169,590	10,839,606	105,236	12,931,098
Deferred Inflows of Resources:									
Revenues Levied for the Next Year and Unavailable Revenue	3,062,543	638,000	643,000	1,255,722	1,106,000	17,000	195,120	1,285,164	8,202,549
Total Deferred Inflows of Resources	3,062,543	638,000	643,000	1,255,722	1,106,000	17,000	195,120	1,285,164	8,202,549
Fund Balances:									
Nonspendable	957,000	-	-	-	-	-	-	-	957,000
Restricted	-	-	-	1,650,504	2,310,749	-	237,202	1,159,402	5,357,857
Committed	-	-	-	-	-	-	-	124,722	124,722
Assigned	3,774,113	-	-	-	-	-	-	-	3,774,113
Unassigned	1,867,035	(63,673)	(89,126)	-	-	(410,907)	-	-	1,303,329
Total Fund Balances (Deficit)	6,598,148	(63,673)	(89,126)	1,650,504	2,310,749	(410,907)	237,202	1,284,124	11,517,021
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,899,878	\$ 901,692	\$ 786,198	\$ 2,906,226	\$ 3,434,539	\$ 775,683	\$ 11,271,928	\$ 2,674,524	\$ 32,650,668

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, 2017**

Total governmental fund balances	\$ 11,517,021
 <i>Amounts reported for governmental activities in the statement of net position are different due to the following:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	59,036,803
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	1,874,000
Delinquent property taxes receivable	508,000
Special assessments receivable	212,120
Intergovernmental and other receivables	991,021
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	(8,750,000)
Revenue bonds	(265,000)
Special assessment bonds	(175,000)
Compensated absences	(235,926)
Accrued interest on long-term debt	(26,247)
Deferred Charge on Refunding	280,845
Premium on bonds	(446,526)
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	5,035,902
Deferred Inflows - Pension	(303,521)
Net Pension Liability	<u>(16,791,093)</u>
Net position of governmental activities	<u><u>\$ 52,462,399</u></u>

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Fire 1989 Levy	Police Law Enforcement	2004 TIFS	2004 RIDS	Capital Improvement	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:									
Income Taxes	\$ 9,668,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,668,419
Property and Other Taxes	745,587	477,904	495,761	-	-	-	-	651,635	2,370,887
Payment in Lieu of Taxes	-	-	-	2,277,890	3,256,610	-	-	251,714	5,786,214
Intergovernmental	376,483	441,747	84,740	-	-	256,450	14,353	812,334	1,986,107
Charges for Services	98,426	512,872	87,521	-	-	-	-	101,970	800,789
Licenses and Permits	1,217,986	-	-	-	-	-	-	47,075	1,265,061
Investment Earnings	55,578	-	-	-	-	-	-	25,846	81,424
Fines and Forfeitures	81,541	-	769	-	-	-	-	17,373	99,683
Special Assessments	-	-	-	-	-	18,559	719,626	13,361	751,546
Miscellaneous	192,089	7,270	13,167	-	-	-	-	28,463	240,989
Total Revenues	12,436,109	1,439,793	681,958	2,277,890	3,256,610	275,009	733,979	1,949,771	23,051,119
Expenditures:									
Current:									
Security of Persons and Property	420,259	4,102,231	3,893,857	-	-	-	-	691,079	9,107,426
Leisure Time Activities	302,499	-	-	-	-	-	-	40,080	342,579
Payment to Schools	-	-	-	1,172,163	2,294,211	-	-	-	3,466,374
Transportation	278,697	-	-	-	-	-	-	1,564,673	1,843,370
General Government	3,780,658	-	-	-	-	-	-	18,385	3,799,043
Miscellaneous	-	-	-	21,788	43,296	-	26	4,944	70,054
Intergovernmental	-	-	-	792,380	-	-	656,576	-	1,448,956
Capital Outlay	-	-	-	175,538	483,136	1,521,961	-	-	2,180,635
Debt Service:									
Principal Retirement	-	-	-	-	-	-	1,110,000	245,000	1,355,000
Interest and Fiscal Charges	-	-	-	-	-	-	384,730	6,176	390,906
Total Expenditures	4,782,113	4,102,231	3,893,857	2,161,869	2,820,643	1,521,961	2,151,332	2,570,337	24,004,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,653,996	(2,662,438)	(3,211,899)	116,021	435,967	(1,246,952)	(1,417,353)	(620,566)	(953,224)
Other Financing Sources (Uses):									
Transfers - In	-	2,685,000	3,061,000	-	-	958,670	1,333,510	610,000	8,648,180
Transfers - Out	(8,509,825)	-	-	-	(363,510)	-	-	-	(8,873,335)
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(3,524,492)	-	(3,524,492)
Premium on Bonds	-	-	-	-	-	-	301,804	-	301,804
Issuance of Bonds	-	-	-	-	-	-	3,320,000	-	3,320,000
Total Other Financing Sources (Uses)	(8,509,825)	2,685,000	3,061,000	-	(363,510)	958,670	1,430,822	610,000	(127,843)
Net Change in Fund Balances	(855,829)	22,562	(150,899)	116,021	72,457	(288,282)	13,469	(10,566)	(1,081,067)
Fund Balances (Deficit) at Beginning of Year	7,453,977	(86,235)	61,773	1,534,483	2,238,292	(122,625)	223,733	1,294,690	12,598,088
Fund Balances (Deficit) at End of Year	\$ 6,598,148	\$ (63,673)	\$ (89,126)	\$ 1,650,504	\$ 2,310,749	\$ (410,907)	\$ 237,202	\$ 1,284,124	\$ 11,517,021

See accompanying notes to the basic financial statements

**THE CITY OF MONROE
BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2017**

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

	Water	Sewer	Nonmajor Enterprise Funds	Totals
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 2,126,519	\$ 102,169	\$ 879,621	\$ 3,108,309
Accounts Receivable (Net of Allowance for Doubtful Accounts)	346,100	163,400	31,600	541,100
Total Current Assets	<u>2,472,619</u>	<u>265,569</u>	<u>911,221</u>	<u>3,649,409</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	520,675	-	-	520,675
Capital Assets:				
Nondepreciable Assets	563,741	-	-	563,741
Depreciable Assets	6,507,932	187,874	526,333	7,222,139
Total Capital Assets (Net of Accumulated Deprecation)	<u>7,071,673</u>	<u>187,874</u>	<u>526,333</u>	<u>7,785,880</u>
Total Noncurrent Assets	<u>7,592,348</u>	<u>187,874</u>	<u>526,333</u>	<u>8,306,555</u>
Total Assets	<u>10,064,967</u>	<u>453,443</u>	<u>1,437,554</u>	<u>11,955,964</u>
Deferred Outflows of Resources:				
Pension	283,081	89,448	250,050	622,579
Total Assets and Deferred Outflows of Resources	<u>\$ 10,348,048</u>	<u>\$ 542,891</u>	<u>\$ 1,687,604</u>	<u>\$ 12,578,543</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 3,796	\$ 42	\$ 62,811	\$ 66,649
Accrued Wages and Benefits	10,303	-	-	10,303
Due to Other Governments	156,514	92,724	-	249,238
Due to Other Funds	100,000	-	40,000	140,000
Accrued Interest Payable	21,191	-	-	21,191
Deposits Payable	35,625	-	-	35,625
Revenue Bonds Payable - Current	235,000	-	-	235,000
Loan Payable - Current	45,918	-	-	45,918
Total Current Liabilities	<u>608,347</u>	<u>92,766</u>	<u>102,811</u>	<u>803,924</u>
Noncurrent Liabilities:				
Compensated Absences Payable	8,922	-	-	8,922
Revenue Bonds Payable	4,109,201	-	-	4,109,201
Loans Payable	123,203	-	-	123,203
Net Pension Liability	630,940	199,365	557,318	1,387,623
Total Noncurrent Liabilities	<u>4,872,266</u>	<u>199,365</u>	<u>557,318</u>	<u>5,628,949</u>
Total Liabilities	<u>5,480,613</u>	<u>292,131</u>	<u>660,129</u>	<u>6,432,873</u>
Deferred Inflows of Resources:				
Pension	3,754	1,187	3,316	8,257
Net Position:				
Net Investment in Capital Assets	2,861,168	187,874	526,333	3,575,375
Unrestricted	2,002,513	61,699	497,826	2,562,038
Total Net Position	<u>4,863,681</u>	<u>249,573</u>	<u>1,024,159</u>	<u>6,137,413</u>
Total Net Position, Liabilities and Deferred Inflows of Resources	<u>\$ 10,348,048</u>	<u>\$ 542,891</u>	<u>\$ 1,687,604</u>	<u>\$ 12,578,543</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, 2017

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Operating Revenues:				
Charges for Services	\$ 2,900,740	\$ 1,115,531	\$ 1,329,104	\$ 5,345,375
Special Assessments	5,942	-	-	5,942
Total Operating Revenues	2,906,682	1,115,531	1,329,104	5,351,317
Operating Expenses:				
Personal Services	467,743	91,863	360,834	920,440
Materials and Supplies	947,122	-	25,630	972,752
Contractual Services	431,769	1,060,003	926,309	2,418,081
Depreciation	496,396	12,595	42,048	551,039
Total Operating Expenses	2,343,030	1,164,461	1,354,821	4,862,312
Operating Income (Loss)	563,652	(48,930)	(25,717)	489,005
Non-Operating Income (Expense):				
Investment Earnings	6,266	-	1,917	8,183
Interest and Fiscal Charges	(260,787)	-	-	(260,787)
Other Income	-	-	22,000	22,000
Other Intergovernmental Revenues	72,023	-	-	72,023
Total Non-Operating Income (Expense)	(182,498)	-	23,917	(158,581)
Income (Loss) Before Transfers	381,154	(48,930)	(1,800)	330,424
Transfers In	-	150,155	75,000	225,155
Change in Net Position	381,154	101,225	73,200	555,579
Total Net Position - Beginning of Year	4,482,527	148,348	950,959	5,581,834
Total Net Position - End of Year	\$ 4,863,681	\$ 249,573	\$ 1,024,159	\$ 6,137,413

See accompanying notes to the basic financial statements

**THE CITY OF MONROE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 2,883,807	\$ 1,102,731	\$ 1,311,104	\$ 5,297,642
Cash Paid for Employee Services and Benefits	(308,997)	(139,069)	(273,710)	(721,776)
Cash Paid to Suppliers for Goods and Services	(1,403,185)	(1,060,095)	(942,206)	(3,405,486)
Net Cash Provided (Used) by Operating Activities	1,171,625	(96,433)	95,188	1,170,380
Cash Flows from Noncapital Financing Activities:				
Transfers In	-	150,155	75,000	225,155
Interfund Loan Repayment	(150,000)	-	-	(150,000)
Operating Grants	72,023	-	-	72,023
Net Cash Provided (Used) by Noncapital Financing Activities	(77,977)	150,155	75,000	147,178
Cash Flows from Capital and Related Financing Activities:				
Sale of Capital Assets	-	-	22,000	22,000
Acquisition of Capital Assets	(386,897)	-	(8,845)	(395,742)
Principal Paid on Bonds	(230,000)	-	-	(230,000)
Principal Paid on Loans	(43,697)	-	-	(43,697)
Interest and Fiscal Charges	(263,408)	-	-	(263,408)
Net Cash Provided (Used) by Capital and Related Financing Activities	(924,002)	-	13,155	(910,847)
Cash Flows from Investing Activities				
Interest	6,266	-	1,917	8,183
Net Cash Provided by Investing Activities	6,266	-	1,917	8,183
Net Increase in Cash and Cash Equivalents	175,912	53,722	185,260	414,894
Cash and Cash Equivalents at Beginning of Year	2,471,282	48,447	694,361	3,214,090
Cash and Cash Equivalents at End of Year	\$ 2,647,194	\$ 102,169	\$ 879,621	\$ 3,628,984

**THE CITY OF MONROE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 563,652	\$ (48,930)	\$ (25,717)	\$ 489,005
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	496,396	12,595	42,048	551,039
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Accounts Receivable	(28,100)	(12,800)	(18,000)	(58,900)
Deferred Outflows of Resources - Pension	(98,425)	(31,100)	(86,941)	(216,466)
Accounts Payable	(24,294)	(92)	9,733	(14,653)
Deposits Payable	5,225	-	-	5,225
Accrued Wages and Benefits	(962)	-	-	(962)
Compensated Absences Payable	(21)	-	-	(21)
Due to Other Governments	61,097	(78,372)	-	(17,275)
Net Pension Liability	201,598	63,701	178,076	443,375
Deferred Inflows of Resources - Pension	(4,541)	(1,435)	(4,011)	(9,987)
Total Adjustments	607,973	(47,503)	120,905	681,375
Net Cash Provided (Used) by Operating Activities	\$ 1,171,625	\$ (96,433)	\$ 95,188	\$ 1,170,380

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2017

	Agency
Assets:	
Cash and Cash Equivalents in Segregated Accounts	\$ 9,223
Cash and Cash Equivalents	944,369
Total Assets	\$ 953,592
Liabilities:	
Due to Other Governments	\$ 953,592
Total Liabilities	\$ 953,592

See accompanying notes to the basic financial statements

The City of Monroe

Notes to the Basic Financial Statements – December 31, 2017

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, 2017.

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.

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

The City of Monroe

Notes to the Basic Financial Statements – December 31, 2017

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, 2017

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 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, 2017

The City also invested funds in money market mutual funds and the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2017. 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 has adopted GASB Statement No. 79, “Certain External Investment Pools and Pool Participants.” 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, 2017, which approximates fair value.

For 2017, 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 \$10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost (or estimated historical cost if purchased or constructed). Donated capital assets are recorded at acquisition value rather than fair value. 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.

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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, 2017. The entire liability is reported on the government-wide statement of net position. For enterprise funds, the entire liability is reflected in the fund balance sheet.

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:

Obligation	Fund
Compensated Absences	Will be paid by the General Fund or Water Fund.
General Obligation Bonds	Will be paid from the bond retirement 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 bond retirement 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.

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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, 2017 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.

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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, 2017:

	<u>Fund Deficit</u>
Major Funds:	
Governmental Funds:	
Fire 1989 Levy	\$ 63,673
Police Law Enforcement	89,126
Capital Improvement	<u>410,907</u>
Total Major Governmental Funds	<u>\$ 563,706</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.

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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."

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Deposits

At year-end, the carrying amount of the City’s deposits was \$2,343,215 and the bank balance was \$2,724,990. \$519,982 of the City’s deposits were insured by federal depository insurance. As of December 31, 2017, \$2,205,008 of the City’s bank balance of \$2,724,990 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 the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2017 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	\$ 261,934	\$ 1,310,507	S&P - AA+
STAR Ohio	7,799	-	S&P - AAAm
Negotiable CD's	1,943,145	9,968,147	N/A
Money Market Mutual Funds	45,229	-	S&P - AAAm
Total	\$ 2,258,107	\$ 11,278,654	

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 12% 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 \$1,572,441 and \$11,911,292, 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.

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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 2017 were levied after October 1, 2016, on assessed values as of January 1, 2016, 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 31st of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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

<u>Category</u>	<u>Assessed Value</u>
Real Property Valuation	\$ 287,725,190
Public Utility Tangible Personal Property	60,928,470
Total	<u>\$ 348,653,660</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.

Effective as of January 1, 2018, the residents of the City voted to increase the income tax rate of the City from 1.50% to 2.0%. Individuals owning and residing in real property within the City will be exempted from the additional .50% increase. The additional .50% income tax had no impact on the City's December 31, 2017 financial statements.

Note 7 - Receivables

Receivables at December 31, 2017 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.

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Note 8 - Capital Assets

A summary of the changes in capital assets during the year ended December 31, 2017, follows:

	12/31/2016	Increases	Decreases	12/31/2017
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land and Easements	\$ 1,436,276	\$ 414,000	\$ -	\$ 1,850,276
Construction in Progress	272,200	63,378	(259,800)	75,778
Total Capital Assets, Not Being Depreciated	1,708,476	477,378	(259,800)	1,926,054
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	10,583,936	446,881	-	11,030,817
Machinery, Equipment and Vehicles	9,049,228	439,983	-	9,489,211
Infrastructure – Streets	73,032,195	988,127	-	74,020,322
Total Capital Assets, Being Depreciated	92,665,359	1,874,991	-	94,540,350
Accumulated Depreciation				
Buildings and Building Improvements	(3,776,225)	(320,722)	-	(4,096,947)
Machinery, Equipment and Vehicles	(5,934,278)	(546,732)	-	(6,481,010)
Infrastructure – Streets	(25,467,862)	(1,383,782)	-	(26,851,644)
Less Accumulated Depreciation	(35,178,365)	(2,251,236)	-	(37,429,601)
Total Capital Assets, Being Depreciated, Net	57,486,994	(376,245)	-	57,110,749
Governmental Activities Capital Assets, Net	\$ 59,195,470	\$ 101,133	\$ (259,800)	\$ 59,036,803
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 563,741	\$ -	\$ -	\$ 563,741
Total Capital Assets, Not Being Depreciated	563,741	-	-	563,741
Capital Assets, Being Depreciated				
Buildings and Building Improvements	1,464,986	-	-	1,464,986
Machinery and Equipment	1,833,488	-	-	1,833,488
Infrastructure – Water Lines/Storm Sewers	10,815,653	395,742	-	11,211,395
Total Capital Assets, Being Depreciated	14,114,127	395,742	-	14,509,869
Accumulated Depreciation				
Buildings and Building Improvements	(971,344)	(30,757)	-	(1,002,101)
Machinery and Equipment	(1,004,362)	(93,164)	-	(1,097,526)
Infrastructure – Water Lines/Storm Sewers	(4,760,985)	(427,118)	-	(5,188,103)
Less Accumulated Depreciation	(6,736,691)	(551,039)	-	(7,287,730)
Total Capital Assets, Being Depreciated, Net	7,377,436	(155,297)	-	7,222,139
Business-Type Activities Capital Assets, Net	\$ 7,941,177	\$ (155,297)	\$ -	\$ 7,785,880

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Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

Security of Persons and Property	\$ 476,539
Transportation, Including Depreciation of General Infrastructure Assets	1,558,462
Leisure Time Activities	46,574
General Government	169,661
Total Depreciation Expense - Governmental Activities	<u>\$ 2,251,236</u>

Business-Type Activities:

Water	\$ 496,396
Sewer	12,595
Stormwater Management	37,548
Cemetery	4,500
Total Depreciation Expense – Business-Type Activities	<u>\$ 551,039</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.

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Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time 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):

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

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

	State and Local	Public Safety	Law Enforcement
2017 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2017 Actual Contribution Rates			
Employer:			
Pension	13.0%	17.1%	17.1%
Post-employment Health Care Benefits	1.0%	1.0%	1.0%
Total Employer	14.0%	18.1%	18.1%
Employee	10.0%	12.0%	13.0%

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$369,799 for 2017.

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 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 after 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.

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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>
2017 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2017 Actual Contribution Rates		
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 \$1,078,119 for 2017.

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, 2016, 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, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. 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&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 4,579,516	\$ 13,599,200	\$ 18,178,716
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0201667%	0.2147050%	
Prior Measurement Date	<u>0.0179910%</u>	<u>0.2197690%</u>	
Change in Proportionate Share	<u>0.0021757%</u>	<u>-0.0050640%</u>	
Pension Expense	\$ 1,085,702	\$ 1,864,208	\$ 2,949,910

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At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 681,996	\$ 1,326,307	\$ 2,008,303
Changes in employer proportion and differences between contributions and proportionate share of contributions	223,373	1,246,313	1,469,686
Differences between expected and actual experience	6,207	-	6,207
Change in Assumptions	726,367	-	726,367
Entity contributions subsequent to the measurement date	369,799	1,078,119	1,447,918
Total Deferred Outflows of Resources	<u>\$ 2,007,742</u>	<u>\$ 3,650,739</u>	<u>\$ 5,658,481</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 27,255	\$ 3,847	\$ 31,102
Changes in employer proportion and differences between contributions and proportionate share of contributions	-	280,676	280,676
Total Deferred Inflows of Resources	<u>\$ 27,255</u>	<u>\$ 284,523</u>	<u>\$ 311,778</u>

\$1,447,918 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, 2018. 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&F</u>	<u>Total</u>
Year Ending December 31:			
2018	\$ 664,379	\$ 572,024	\$ 1,236,403
2019	688,049	572,024	1,260,073
2020	281,470	572,024	853,494
2021	(23,210)	572,025	548,815
Total	<u>\$ 1,610,688</u>	<u>\$ 2,288,097</u>	<u>\$ 3,898,785</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.

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, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Notes to the Basic Financial Statements – December 31, 2017

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments.

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

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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 2016 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%	2.75%
Domestic Equities	20.70%	6.34%
Real Estate	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other investments	18.00%	4.92%
Total	100.00%	5.66%

Discount Rate The discount rate used to measure the total pension liability was 7.5%, post-experience study results, for the Traditional Pension Plan. 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan 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 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 6,996,232	\$ 4,579,516	\$ 2,565,608

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, 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.

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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation Date	January 1, 2016
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 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, 2016 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00%	5.21%
Non-US Equity	16.00%	5.40%
Core Fixed Income *	20.00%	2.37%
Global Inflation Protected *	20.00%	2.33%
High Yield	15.00%	4.48%
Real Estate	12.00%	5.65%
Private Markets	8.00%	7.99%
Real Assets	5.00%	6.87%
Master Limited Partnerships	8.00%	7.36%
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.

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Notes to the Basic Financial Statements – December 31, 2017

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.

Changes Between Measurement Date and Report Date In 2017, the OP&F Board of Trustees adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant

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	\$ 18,112,522	\$ 13,599,200	\$ 9,774,097

Note 10 – Postemployment 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.

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. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of 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 2016 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.

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Notes to the Basic Financial Statements – December 31, 2017

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 2017, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees 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 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The 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 to the VEBA for participants in the Member-Directed Plan for 2017 was 4.0%.

C. City Contributions

The City's actual contributions that were used to fund postemployment benefits were approximately \$25,001, \$44,339 and \$45,992 for 2017, 2016 and 2015, respectively. The full amount has been contributed for 2017, 2016 and 2015.

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.

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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, 2017 thru December 31, 2017. 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 \$25,331, \$22,815 and \$21,066 for 2017, 2016 and 2015, respectively. The full amount has been contributed for 2017, 2016 and 2015.

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.

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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, 2017, 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.

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, 2017:

	<u>2017</u>
Assets	\$ 44,452,326
Liabilities	<u>(13,004,011)</u>
Net Position	<u>\$ 31,448,315</u>

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment.

As of December 31, 2017, the City's estimated share of unpaid claims collectible in future years is approximately \$52,000.

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 2017 were \$82,614.

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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.

Note 13 – Long-Term Obligations

A summary of the changes in long-term obligations during the year ended December 31, 2017 follows:

	12/31/2016	Increase	Decrease	12/31/2017	Due Within One Year
Governmental Activities					
Special Assessment Bonds					
4.45% - 5.70% 2002 Limited Edition	225,000	-	(50,000)	175,000	55,000
Total - Special Assessment Bonds	225,000	-	(50,000)	175,000	55,000
Revenue Obligation Bonds					
1999 Adjustable Rate Tax Incremental	510,000	-	(245,000)	265,000	265,000
General Obligation Bonds (Unvoted)					
3% - 4% 2017 VP Bonds	-	3,320,000	(45,000)	3,275,000	10,000
Premium	-	301,804	(3,869)	297,935	-
1.50% - 3.50% 2013 VP Bonds	2,105,000	-	(540,000)	1,565,000	540,000
Premium	30,995	-	(3,999)	26,996	-
6.15% 2010 Building America Bonds	715,000	-	-	715,000	-
2 - 4.25% 2010 VP Bonds	4,480,000	-	(3,540,000)	940,000	305,000
Premium	63,808	-	(50,138)	13,670	-
2% - 4% 2014 VP Bonds	2,430,000	-	(175,000)	2,255,000	180,000
Premium	114,305	-	(6,380)	107,925	-
Total - General Obligation Bonds	9,939,108	3,621,804	(4,364,386)	9,196,526	1,035,000
Compensated Absences	216,641	19,285	-	235,926	-
Net Pension Liability:					
OPERS	2,172,017	1,019,876	-	3,191,893	-
OP&F	14,137,886	-	(538,686)	13,599,200	-
Total Net Pension Liability	16,309,903	1,019,876	(538,686)	16,791,093	-
Total - Governmental Activities	27,200,652	4,660,965	(5,198,072)	26,663,545	1,355,000
Business-Type Activities					
5.9-6.35% 2010 Series A Bonds	3,590,000	-	-	3,590,000	-
2-3.75% 2010 Series B Bonds	960,000	-	(230,000)	730,000	235,000
Premium	26,062	-	(1,861)	24,201	-
5.02% 2001 Loan Payable	212,818	-	(43,697)	169,121	45,918
Compensated Absences	8,943	-	(21)	8,922	-
Net Pension Liability - OPERS	944,248	443,375	-	1,387,623	-
Total - Business-Type Activities	5,742,071	443,375	(275,579)	5,909,867	280,918
Total - All Activities	\$ 32,942,723	\$ 5,104,340	\$ (5,473,651)	\$ 32,573,412	\$ 1,635,918

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.

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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 bond retirement fund.

The adjustable rate tax incremental bonds were issued on March 1, 1999 at a 3.35 percent stated interest rate. The bonds were issued to finance the Interstate 75 Corridor project. The bonds will be repaid from service payments recorded in the Corridor 75 debt service 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.

During 2017, the City issued General Obligation Bonds of \$3,320,000 to refund bonds that were previously outstanding. The bonds bear interest at rates varying from 3% to 4% and have a final maturity of December 1, 2030. More information about these bonds the related refunding is contained in Note 22.

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. \$3,240,000 of these bonds were refunded in 2017. More information regarding the refunding is contained in Note 22.

The unvoted general obligation bond issues will be paid out of the bond retirement fund.

Compensated absences and the net pension liabilities 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, 2017, the City's legal debt margin was approximately \$36.6 million for total debt and \$19.1 million for unvoted debt.

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2017

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2017 are:

Governmental Activities			
General Obligation Bonds			
Year	Principal	Interest	Total
2018	\$ 1,035,000	\$ 295,674	\$ 1,330,674
2019	1,060,000	271,823	1,331,823
2020	605,000	245,211	850,211
2021	610,000	227,085	837,085
2022	630,000	208,561	838,561
2023-2027	2,875,000	729,262	3,604,262
2028-2032	1,825,000	195,817	2,020,817
2033-2034	110,000	6,600	116,600
Totals	<u>\$ 8,750,000</u>	<u>\$ 2,180,033</u>	<u>\$ 10,930,033</u>

Governmental Activities						
Year	Special Assessment Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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>\$ 175,000</u>	<u>\$ 20,120</u>	<u>\$ 195,120</u>	<u>\$ 265,000</u>	<u>\$ 9,408</u>	<u>\$ 274,408</u>

Business-Type Activities						
Year	Loans Payable			2010 Revenue Improvement Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	-	-	24,907	310,000	202,975	512,975
2023-2027	-	-	-	1,750,000	723,270	2,473,270
2028-2030	-	-	-	1,230,000	158,114	1,388,114
Totals	<u>\$ 169,121</u>	<u>\$ 17,612</u>	<u>\$ 211,640</u>	<u>\$ 4,320,000</u>	<u>\$ 2,019,972</u>	<u>\$ 6,339,972</u>

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2017

Note 14 - Interfund Transactions

Interfund transfers during 2017 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ -	\$ 8,509,825
2004 RIDs	-	363,510
Fire 1989 Levy	2,685,000	-
Police Law Enforcement	3,061,000	-
Bond Retirement	1,333,510	-
Capital Improvement Fund	958,670	-
Total Major Governmental Funds	<u>8,038,180</u>	<u>8,873,335</u>
Enterprise Fund:		
Sewer	<u>150,155</u>	<u>-</u>
Nonmajor Funds:		
Governmental Fund:		
Street Fund	<u>610,000</u>	<u>-</u>
Enterprise Fund:		
Stormwater Fund	<u>75,000</u>	<u>-</u>
 Total All Funds	 <u>\$ 8,873,335</u>	 <u>\$ 8,873,335</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, 2017 interfund loans totaled \$957,000 – owed to the General Fund from the Capital Improvement Fund, Water Fund and Cemetery Fund in the amounts of \$817,000, \$100,000 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 2017. 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, 2017

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 2017. 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 – Purchase Commitments

The City had the following in outstanding encumbrances by fund as of December 31, 2017:

Fund	Outstanding Encumbrances
Governmental	
General	\$ 648,336
Fire 1989 Levy	68,102
Police Law Enforcement	39,653
2004 TIFs	44,363
2004 RIDs	121,933
Capital Improvement	548,925
Bond Retirement	3,500
Nonmajor Governmental Funds	293,332
Enterprise	
Water	270,218
Nonmajor Enterprise Funds	40,870
	<u>\$ 2,079,232</u>

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2017

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
Nonspendable:									
Interfund Loans	\$ 957,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 957,000
Total Nonspendable	957,000	-	-	-	-	-	-	-	957,000
Restricted for:									
Public safety	-	-	-	-	-	-	-	144,985	144,985
Public Works	-	-	-	-	-	-	-	922,264	922,264
Debt Service	-	-	-	-	-	-	237,202	-	237,202
Purposes Permitted by TIF/RID Agreements	-	-	-	1,650,504	2,310,749	-	-	24,961	3,986,214
Public Health	-	-	-	-	-	-	-	64,932	64,932
Other Purposes	-	-	-	-	-	-	-	2,260	2,260
Total Restricted	-	-	-	1,650,504	2,310,749	-	237,202	1,159,402	5,357,857
Committed for:									
Parks and Recreation	-	-	-	-	-	-	-	124,722	124,722
Total Committed	-	-	-	-	-	-	-	124,722	124,722
Assigned:									
Purchase Commitments	560,041	-	-	-	-	-	-	-	560,041
2017 Budgeted Use of Carryover Balance	3,214,072	-	-	-	-	-	-	-	3,214,072
Total Assigned	3,774,113	-	-	-	-	-	-	-	3,774,113
Unassigned (Deficit)	1,867,035	(63,673)	(89,126)	-	-	(410,907)	-	-	1,303,329
Total Fund Balances	\$ 6,598,148	\$ (63,673)	\$ (89,126)	\$ 1,650,504	\$ 2,310,749	\$ (410,907)	\$ 237,202	\$ 1,284,124	\$ 11,517,021

The City of Monroe
Notes to the Basic Financial Statements – December 31, 2017

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, 2017, 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, 2017, that is estimated based on the assumptions in the table below.

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

Cash Inflows:	
Estimated Service Payments, 2018 to 2034	\$ 5,042,991
Estimated Interest Income on Debt Reserve Balance, 2018 to 2034	1,083,187
Total, Future Value of Cash Inflows	6,126,178
 Cash Outflows:	
Public Improvement Bonds, Principal due from 2018 to 2034	11,185,000
Public Improvement Bonds, Interest due from 2018 to 2034	4,480,584
Estimated Administrative Expenses, due from 2018 to 2034	1,300,200
Total, Future Value of Cash Outflows	16,965,784
Special Assessment Receivable/Intergovernmental Payable	\$ (10,839,606)

The City of Monroe

Notes to the Basic Financial Statements – December 31, 2017

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 2017 from such agreements was approximately \$200,000.

Note 22—Defeased Debt

On November 1, 2017, the City issued general obligation bonds of \$3,320,000 at interests rates of 3.00% and 4.00% to advance refund \$3,240,000 of bonds with interest rates of 4.00% and 4.25%. The refunded bonds mature on December 1, 2030, and are callable on December 1, 2020. The general obligation bonds were issued at a premium of \$301,804, and after paying issuance costs of \$97,312, the net proceeds were \$3,524,492. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds are called on December 1, 2020. The advance refunding met the requirements of an in-substance debt defeasance and the refunded bonds of \$3,240,000 were removed from the City's government-wide financial statements.

As a result of the advance refunding, the City reduced its total debt service requirements by \$154,969, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$135,463.

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, 2017

	GENERAL FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 605,000	\$ 605,000	\$ 739,374	\$ 134,374
Income Taxes	8,949,160	8,949,160	9,784,419	835,259
Charges for Services	165,000	165,000	106,001	(58,999)
Fees, Licenses, and Permits	651,000	651,000	1,218,371	567,371
Fines and Forfeitures	120,000	120,000	81,530	(38,470)
Intergovernmental	360,000	360,000	562,685	202,685
Interest	135,000	135,000	130,945	(4,055)
Other	10,000	10,000	138,772	128,772
Total Revenues	<u>10,995,160</u>	<u>10,995,160</u>	<u>12,762,097</u>	<u>1,766,937</u>
Expenditures:				
Current:				
General Government				
Council				
Personal Services	98,700	100,375	100,277	98
Other	401,450	490,680	404,549	86,131
Total Council	<u>500,150</u>	<u>591,055</u>	<u>504,826</u>	<u>86,229</u>
Mayor's Court				
Personal Services	87,200	88,000	83,424	4,576
Other	22,170	22,171	18,093	4,078
Total Mayor's Court	<u>109,370</u>	<u>110,171</u>	<u>101,517</u>	<u>8,654</u>
Human Resources				
Personal Services	162,600	162,600	148,985	13,615
Other	153,771	153,771	133,128	20,643
Total Human Resources	<u>316,371</u>	<u>316,371</u>	<u>282,113</u>	<u>34,258</u>
Development				
Personal Services	346,350	343,600	339,246	4,354
Other	1,441,307	1,866,307	1,516,672	349,635
Total Development	<u>1,787,657</u>	<u>2,209,907</u>	<u>1,855,918</u>	<u>353,989</u>
Finance				
Personal Services	505,500	505,500	459,868	45,632
Other	527,956	527,956	452,217	75,739
Total Finance	<u>1,033,456</u>	<u>1,033,456</u>	<u>912,085</u>	<u>121,371</u>
City Manager's Office				
Personal Services	262,200	262,200	229,275	32,925
Other	536,807	541,807	506,705	35,102
Total City Manager's Office	<u>799,007</u>	<u>804,007</u>	<u>735,980</u>	<u>68,027</u>
Total General Government	<u>4,546,011</u>	<u>5,064,967</u>	<u>4,392,439</u>	<u>672,528</u>

(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, 2017

	GENERAL FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Security of Persons and Property				
Police Law Enforcement				
Personal Services	448,800	448,800	389,086	59,714
Other	162,489	162,489	85,081	77,408
Total Security of Persons and Property	611,289	611,289	474,167	137,122
Public Works				
Service Buildings and Grounds				
Other	421,231	423,231	357,391	65,840
Total Public Works	421,231	423,231	357,391	65,840
Leisure Time Activities				
Parks				
Personal Services	243,150	243,150	234,468	8,682
Other	104,319	104,319	76,148	28,171
Total Leisure Time Activities	347,469	347,469	310,616	36,853
Total Expenditures	5,926,000	6,446,956	5,534,613	912,343
Excess of Revenues Over Expenditures	5,069,160	4,548,204	7,227,484	2,679,280
Other Financing Sources (Uses):				
Transfers - Out	(7,929,302)	(8,826,277)	(8,509,825)	316,452
Advances - In	200,000	200,000	395,000	195,000
Total Other Financing Sources (Uses)	(7,729,302)	(8,626,277)	(8,114,825)	511,452
Net Change in Fund Balance	(2,660,142)	(4,078,073)	(887,341)	3,190,732
Fund Balance at Beginning of Year	4,543,069	4,543,069	4,543,069	-
Prior Year Encumbrances Appropriated	705,117	705,117	705,117	-
Fund Balance at End of Year	\$ 2,588,044	\$ 1,170,113	\$ 4,360,845	\$ 3,190,732

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, 2017

	FIRE 1989 LEVY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 510,000	\$ 510,000	\$ 477,904	\$ (32,096)
Charges for Services	513,777	513,777	492,870	(20,907)
Intergovernmental	583,000	506,218	340,417	(165,801)
Other	7,000	7,000	94,278	87,278
Total Revenues	1,613,777	1,536,995	1,405,469	(131,526)
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	3,609,500	3,594,500	3,575,249	19,251
Other	643,963	633,963	624,952	9,011
Total Expenditures	4,253,463	4,228,463	4,200,201	28,262
Deficiency of Revenues Under Expenditures	(2,639,686)	(2,691,468)	(2,794,732)	(103,264)
Other Financing Sources:				
Transfers In	2,546,000	2,550,000	2,685,000	135,000
Total Other Financing Sources	2,546,000	2,550,000	2,685,000	135,000
Net Change in Fund Balance	(93,686)	(141,468)	(109,732)	31,736
Fund Balance at Beginning of Year	36,529	36,529	36,529	-
Prior Year Encumbrances Appropriated	106,463	106,463	106,463	-
Fund Balance at End of Year	\$ 49,306	\$ 1,524	\$ 33,260	\$ 31,736

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, 2017

	POLICE LAW ENFORCEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 455,095	\$ 581,554	\$ 495,761	\$ (85,793)
Charges for Services	47,000	60,060	61,086	1,026
Fines and Forfeitures	4,000	-	769	769
Intergovernmental	60,000	73,320	80,140	6,820
Other	60,000	2,161	28,851	26,690
Total Revenues	626,095	717,095	666,607	(50,488)
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	3,019,581	3,275,925	3,273,728	2,197
Other	927,696	767,303	620,566	146,737
Total Security of Persons and Property	3,947,277	4,043,228	3,894,294	148,934
Capital Outlay	71,066	71,066	65,136	5,930
Total Expenditures	4,018,343	4,114,294	3,959,430	154,864
Deficiency of Revenues Under Expenditures	(3,392,248)	(3,397,199)	(3,292,823)	104,376
Other Financing Sources:				
Transfers - In	3,116,332	3,116,332	3,061,000	(55,332)
Total Other Financing Sources	3,116,332	3,116,332	3,061,000	(55,332)
Net Change in Fund Balance	(275,916)	(280,867)	(231,823)	49,044
Fund Balance at Beginning of Year	112,820	112,820	112,820	-
Prior Year Encumbrances Appropriated	173,743	173,743	173,743	-
Fund Balance at End of Year	\$ 10,647	\$ 5,696	\$ 54,740	\$ 49,044

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, 2017

	2004 TIFs			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 1,920,000	\$ 1,940,000	\$ 2,277,890	\$ 337,890
Intergovernmental	180,000	160,000	189,416	29,416
Total Revenues	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,467,306</u>	<u>367,306</u>
Expenditures:				
Capital Outlay	349,356	349,356	240,751	108,605
Payment to Schools	2,033,500	2,033,500	1,964,543	68,957
Total Expenditures	<u>2,384,456</u>	<u>2,384,456</u>	<u>2,206,232</u>	<u>178,224</u>
Net Change in Fund Balance	(284,456)	(284,456)	261,074	545,530
Fund Balance at Beginning of Year	1,152,067	1,152,067	1,152,067	-
Prior Year Encumbrances Appropriated	<u>193,000</u>	<u>193,000</u>	<u>193,000</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1,060,611</u></u>	<u><u>\$ 1,060,611</u></u>	<u><u>\$ 1,606,141</u></u>	<u><u>\$ 545,530</u></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, 2017

	2004 RIDs			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 3,000,000	\$ 3,000,000	\$ 3,256,610	\$ 256,610
Intergovernmental	-	-	5,000	5,000
Total Revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,261,610</u>	<u>261,610</u>
Expenditures:				
Current:				
Payments to Schools	3,231,000	2,867,490	2,294,211	573,279
Other	435,947	1,213,672	680,575	533,097
Total Expenditures	<u>3,666,947</u>	<u>4,081,162</u>	<u>2,974,786</u>	<u>1,106,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(666,947)	(1,081,162)	286,824	1,367,986
Other Financing Uses:				
Transfers - Out	-	(363,510)	(363,510)	-
Total Other Financing Uses	<u>-</u>	<u>(363,510)</u>	<u>(363,510)</u>	<u>-</u>
Net Change in Fund Balance	(666,947)	(1,444,672)	(76,686)	1,367,986
Fund Balance at Beginning of Year	2,053,755	2,053,755	2,053,755	-
Prior Year Encumbrances Appropriated	184,537	184,537	184,537	-
Fund Balance at End of Year	<u>\$ 1,571,345</u>	<u>\$ 793,620</u>	<u>\$ 2,161,606</u>	<u>\$ 1,367,986</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 Four Years *

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.020167%	0.017991%	0.017091%	0.017091%
City's Proportionate Share of the Net Pension Liability	\$ 4,579,516	\$ 3,116,265	\$ 2,061,373	\$ 2,014,815
City's Covered Payroll	\$ 2,547,925	\$ 2,293,564	\$ 2,102,308	\$ 2,104,293
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	179.74%	135.87%	98.05%	95.75%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	77.25%	81.08%	86.45%	86.36%

* Information prior to 2014 is not available.

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

Note - In 2016, OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments.

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 Four Years *

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.214705%	0.219769%	0.182626%	0.182626%
City's Proportionate Share of the Net Pension Liability	\$ 13,599,200	\$ 14,137,886	\$ 9,460,802	\$ 8,894,472
City's Covered Payroll	\$ 4,600,964	\$ 4,053,430	\$ 3,848,251	\$ 3,785,546
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	295.57%	348.79%	245.85%	234.96%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	68.36%	66.77%	72.20%	73.00%

* Information prior to 2014 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 Five Years *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 369,799	\$ 305,751	\$ 275,141	\$ 252,277	\$ 273,558
Contributions in Relation to the Contractually Required Contribution	<u>(369,799)</u>	<u>(305,751)</u>	<u>(275,141)</u>	<u>(252,277)</u>	<u>(273,558)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
City Covered Payroll	\$ 2,844,608	\$ 2,547,925	\$ 2,293,564	\$ 2,102,308	\$ 2,104,293
Contributions as a Percentage of Covered Payroll	13.00%	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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,078,119	\$ 948,018	\$ 875,608	\$ 764,280	\$ 718,281
Contributions in Relation to the Contractually Required Contribution	<u>(1,078,119)</u>	<u>(948,018)</u>	<u>(875,608)</u>	<u>(764,280)</u>	<u>(718,281)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 5,012,836	\$ 4,600,964	\$ 4,053,430	\$ 3,848,251	\$ 3,785,556
Contributions as a Percentage of Covered Payroll	21.51%	20.60%	21.60%	19.86%	18.97%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually Required Contribution	\$ 554,536	\$ 561,742	\$ 336,313	\$ 262,152	\$ 261,504
Contributions in Relation to the Contractually Required Contribution	<u>(554,536)</u>	<u>(561,742)</u>	<u>(336,313)</u>	<u>(262,152)</u>	<u>(261,504)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 3,794,415	\$ 3,832,793	\$ 3,784,684	\$ 3,432,031	\$ 3,026,055
Contributions as a Percentage of Covered Payroll	14.61%	14.66%	8.89%	7.64%	8.64%

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 2017, 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, 2017

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, 2017

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, 2017, 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	\$ (855,829)	\$ 22,562	\$ (150,899)	\$ 116,021	\$ 72,457
Adjustments:					
Revenue Accruals	325,988	(34,324)	(15,351)	189,416	5,000
Expenditure Accruals	(104,164)	(29,868)	(25,920)	-	(32,210)
Advances	395,000	-	-	-	-
Encumbrances	(648,336)	(68,102)	(39,653)	(44,363)	(121,933)
Budget Basis	<u>\$ (887,341)</u>	<u>\$(109,732)</u>	<u>\$ (231,823)</u>	<u>\$ 261,074</u>	<u>\$ (76,686)</u>

CITY OF MONROE, OHIO
NONMAJOR FUND DESCRIPTIONS
DECEMBER 31, 2017

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, 2017

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 2017, 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.

Street Lighting

To account for the provision of street lighting to the residents of lighting districts within the City.

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Corridor I-75 Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 1,036,305	\$ 81	\$ 194,933	\$ 1,231,319
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes-Real & Personal Property	701,000	-	-	701,000
Accounts	2,406	-	-	2,406
Payments in Lieu of Taxes	-	274,408	-	274,408
Due from Other Governments	465,391	-	-	465,391
Total Assets	\$ 2,205,102	\$ 274,489	\$ 194,933	\$ 2,674,524
Liabilities:				
Accounts Payable	\$ 17,758	\$ -	\$ 3,649	\$ 21,407
Accrued Wages and Benefits	48,703	-	-	48,703
Due to Other Governments	35,126	-	-	35,126
Total Liabilities	101,587	-	3,649	105,236
Deferred Inflows of Resources:				
Revenues Levied for the Next Year and Unavailable Revenue	1,010,756	274,408	-	1,285,164
Total Deferred Inflows of Resources	1,010,756	274,408	-	1,285,164
Fund Balances:				
Restricted	1,092,759	81	66,562	1,159,402
Committed	-	-	124,722	124,722
Total Fund Balances	1,092,759	81	191,284	1,284,124
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,205,102	\$ 274,489	\$ 194,933	\$ 2,674,524

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Corridor I-75 Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$ 651,635	\$ -	\$ -	\$ 651,635
Payment in Lieu of Taxes	-	251,714	-	251,714
Intergovernmental	812,334	-	-	812,334
Charges for Services	101,970	-	-	101,970
Licenses and Permits	-	-	47,075	47,075
Investment Earnings	25,846	-	-	25,846
Fines and Forfeitures	10,004	-	7,369	17,373
Special Assessments	13,361	-	-	13,361
Miscellaneous	28,463	-	-	28,463
Total Revenues	1,643,613	251,714	54,444	1,949,771
Expenditures:				
Current:				
Security of Persons and Property	690,930	-	149	691,079
Leisure Time Activities	-	-	40,080	40,080
Transportation	1,564,673	-	-	1,564,673
General Government	-	532	17,853	18,385
Miscellaneous	4,944	-	-	4,944
Debt Service:				
Principal Retirement	-	245,000	-	245,000
Interest and Fiscal Charges	-	6,176	-	6,176
Total Expenditures	2,260,547	251,708	58,082	2,570,337
Excess (Deficiency) of Revenues Over (Under) Expenditures	(616,934)	6	(3,638)	(620,566)
Other Financing Sources (Uses):				
Transfers - In	610,000	-	-	610,000
Total Other Financing Sources (Uses)	610,000	-	-	610,000
Net Change in Fund Balances	(6,934)	6	(3,638)	(10,566)
Fund Balances at Beginning of Year	1,099,693	75	194,922	1,294,690
Fund Balances at End of Year	<u>\$ 1,092,759</u>	<u>\$ 81</u>	<u>\$ 191,284</u>	<u>\$ 1,284,124</u>

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017**

	Street	State Highway	Motor Vehicle License	DARE Grant	Enforcement and Education	2005 Fire Levy
Assets:						
Equity in Pooled Cash and Investments	\$ 262,472	\$ 219,907	\$ 375,860	\$ 14,970	\$ 4,380	\$ 74
Taxes-Real & Personal Property	-	-	-	-	-	701,000
Accounts	1,970	-	-	-	183	-
Due from Other Governments	349,965	27,767	60,676	-	-	25,000
Total Assets	\$ 614,407	\$ 247,674	\$ 436,536	\$ 14,970	\$ 4,563	\$ 726,074
Liabilities:						
Accounts Payable	\$ 13,461	\$ 322	\$ 3,975	\$ -	\$ -	\$ -
Accrued Wages and Benefits	48,703	-	-	-	-	-
Due to Other Governments	35,126	-	-	-	-	-
Total Liabilities	97,290	322	3,975	-	-	-
Deferred Inflows of Resources:						
Revenues Levied for the Next Year and Unavailable Revenue	227,071	18,411	39,274	-	-	726,000
Total Deferred Inflows of Resources	227,071	18,411	39,274	-	-	726,000
Fund Balances:						
Restricted	290,046	228,941	393,287	14,970	4,563	74
Total Fund Balances	290,046	228,941	393,287	14,970	4,563	74
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 614,407	\$ 247,674	\$ 436,536	\$ 14,970	\$ 4,563	\$ 726,074

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017**

Street Lighting	Cemetery Trust	Longstreet Trust	Law Enforcement	Fire Escrow Deposit	Fire Historical Preservation	FEMA	Total
\$ 9,990	\$ 64,932	\$ 2,260	\$ 57,521	\$ 21,371	\$ 1,471	\$ 1,097	\$ 1,036,305
-	-	-	-	-	-	-	701,000
-	-	-	253	-	-	-	2,406
-	-	-	-	-	-	1,983	465,391
<u>\$ 9,990</u>	<u>\$ 64,932</u>	<u>\$ 2,260</u>	<u>\$ 57,774</u>	<u>\$ 21,371</u>	<u>\$ 1,471</u>	<u>\$ 3,080</u>	<u>\$ 2,205,102</u>
-	-	-	-	-	-	-	17,758
-	-	-	-	-	-	-	48,703
-	-	-	-	-	-	-	35,126
-	-	-	-	-	-	-	101,587
-	-	-	-	-	-	-	1,010,756
-	-	-	-	-	-	-	1,010,756
9,990	64,932	2,260	57,774	21,371	1,471	3,080	1,092,759
<u>9,990</u>	<u>64,932</u>	<u>2,260</u>	<u>57,774</u>	<u>21,371</u>	<u>1,471</u>	<u>3,080</u>	<u>1,092,759</u>
<u>\$ 9,990</u>	<u>\$ 64,932</u>	<u>\$ 2,260</u>	<u>\$ 57,774</u>	<u>\$ 21,371</u>	<u>\$ 1,471</u>	<u>\$ 3,080</u>	<u>\$ 2,205,102</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, 2017

	Street	State Highway	Motor Vehicle License	DARE Grant	Enforcement and Education	2005 Fire Levy
Revenues:						
Property and Other Taxes	\$ -	\$ -	\$ 77,227	\$ -	\$ -	\$ 574,408
Intergovernmental	655,579	53,156	40,162	9,151	-	49,553
Charges for Services	101,970	-	-	-	-	-
Investment Earnings	8,558	6,124	10,164	-	-	-
Fines and Forfeitures	-	-	-	-	727	-
Special Assessments	3,233	-	-	-	-	-
Miscellaneous	27,652	-	-	-	-	-
Total Revenues	796,992	59,280	127,553	9,151	727	623,961
Expenditures:						
Current:						
Security of Persons and Property	-	-	-	20,646	-	627,999
Transportation	1,483,702	29,566	51,405	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	1,483,702	29,566	51,405	20,646	-	627,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(686,710)	29,714	76,148	(11,495)	727	(4,038)
<u>Other Financing Sources (Uses):</u>						
Transfers - In	610,000	-	-	-	-	-
Total Other Financing Sources (Uses)	610,000	-	-	-	-	-
Net Change in Fund Balances	(76,710)	29,714	76,148	(11,495)	727	(4,038)
Fund Balances at Beginning of Year	366,756	199,227	317,139	26,465	3,836	4,112
Fund Balances at End of Year	\$ 290,046	\$ 228,941	\$ 393,287	\$ 14,970	\$ 4,563	\$ 74

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Street Lighting	Cemetery Trust	Longstreet Trust	Law Enforcement	Fire Escrow Deposit	Fire Historical Preservation	FEMA	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 651,635
-	-	-	-	-	-	4,733	812,334
-	-	-	-	-	-	-	101,970
-	934	66	-	-	-	-	25,846
-	-	-	9,277	-	-	-	10,004
10,128	-	-	-	-	-	-	13,361
-	-	-	-	-	811	-	28,463
10,128	934	66	9,277	-	811	4,733	1,643,613
-	-	-	7,960	13,684	-	20,641	690,930
-	-	-	-	-	-	-	1,564,673
-	-	-	-	-	4,944	-	4,944
-	-	-	7,960	13,684	4,944	20,641	2,260,547
10,128	934	66	1,317	(13,684)	(4,133)	(15,908)	(616,934)
-	-	-	-	-	-	-	610,000
-	-	-	-	-	-	-	610,000
10,128	934	66	1,317	(13,684)	(4,133)	(15,908)	(6,934)
(138)	63,998	2,194	56,457	35,055	5,604	18,988	1,099,693
<u>\$ 9,990</u>	<u>\$ 64,932</u>	<u>\$ 2,260</u>	<u>\$ 57,774</u>	<u>\$ 21,371</u>	<u>\$ 1,471</u>	<u>\$ 3,080</u>	<u>\$ 1,092,759</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, 2017

	STREET FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 666,800	\$ 666,800	\$ 648,991	\$ (17,809)
Interest	5,000	5,000	8,558	3,558
Special Assessment	2,000	2,000	3,233	1,233
Charges for Services	103,000	103,000	102,800	(200)
Other	31,000	31,000	17,339	(13,661)
Total Revenues	<u>807,800</u>	<u>807,800</u>	<u>780,921</u>	<u>(26,879)</u>
Expenditures:				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	1,132,500	967,500	935,891	31,609
Other	933,391	833,391	780,675	52,716
Total Transportation	<u>2,065,891</u>	<u>1,800,891</u>	<u>1,716,566</u>	<u>84,325</u>
Total Expenditures	<u>2,065,891</u>	<u>1,800,891</u>	<u>1,716,566</u>	<u>84,325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,258,091)	(993,091)	(935,645)	57,446
Other Financing Sources:				
Transfers - In	921,120	656,222	610,000	(46,222)
Total Other Financing Sources	<u>921,120</u>	<u>656,222</u>	<u>610,000</u>	<u>(46,222)</u>
Net Change in Fund Balance	(336,971)	(336,869)	(325,645)	11,224
Fund Balance at Beginning of Year	170,978	170,978	170,978	-
Prior Year Encumbrances Appropriated	169,691	169,691	169,691	-
Fund Balance at End of Year	<u>\$ 3,698</u>	<u>\$ 3,800</u>	<u>\$ 15,024</u>	<u>\$ 11,224</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, 2017

	STATE HIGHWAY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 52,621	\$ 7,621
Interest	-	-	6,124	6,124
Total Revenues	45,000	45,000	58,745	13,745
Expenditures:				
Current:				
Transportation				
State Highway Maintenance				
Other	71,845	71,845	33,613	38,232
Total Expenditures	71,845	71,845	33,613	38,232
Net Change in Fund Balance	(26,845)	(26,845)	25,132	51,977
Fund Balance at Beginning of Year	173,223	173,223	173,223	-
Prior Year Encumbrances Appropriated	18,845	18,845	18,845	-
Fund Balance at End of Year	\$ 165,223	\$ 165,223	\$ 217,200	\$ 51,977

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, 2017

	MOTOR VEHICLE LICENSE FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Other Taxes	\$ 70,000	\$ 70,000	\$ 77,227	\$ 7,227
Intergovernmental	30,000	30,000	38,613	8,613
Interest	-	-	10,164	10,164
Total Revenues	100,000	100,000	126,004	26,004
Expenditures:				
Current:				
Transportation				
State Highway Maintenance				
Other	147,355	147,355	63,096	84,259
Total Expenditures	147,355	147,355	63,096	84,259
Net Change in Fund Balance	(47,355)	(47,355)	62,908	110,263
Fund Balance at Beginning of Year	260,180	260,180	260,180	-
Prior Year Encumbrances Appropriated	38,955	38,955	38,955	-
Fund Balance at End of Year	\$ 251,780	\$ 251,780	\$ 362,043	\$ 110,263

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, 2017

	DARE GRANT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,000	\$ 9,000	\$ 9,151	\$ 151
Other	-	-	2,142	2,142
Total Revenues	14,000	9,000	11,293	2,293
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	10,500	22,500	18,121	4,379
Other	7,500	7,500	4,667	2,833
Total Expenditures	18,000	30,000	22,788	7,212
Net Change in Fund Balance	(4,000)	(21,000)	(11,495)	9,505
Fund Balance at Beginning of Year	26,465	26,465	26,465	-
Fund Balance at End of Year	<u>\$ 22,465</u>	<u>\$ 5,465</u>	<u>\$ 14,970</u>	<u>\$ 9,505</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, 2017

	ENFORCEMENT AND EDUCATION FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ 544	\$ 544
Total Revenues	-	-	544	544
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	544	544
Fund Balance at Beginning of Year	3,836	3,836	3,836	-
Fund Balance at End of Year	<u>\$ 3,836</u>	<u>\$ 3,836</u>	<u>\$ 4,380</u>	<u>\$ 544</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, 2017

	2005 FIRE LEVY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 585,000	\$ 574,408	\$ 574,408	\$ -
Intergovernmental	50,000	49,480	49,553	73
Miscellaneous	-	-	0	-
Total Revenues	<u>635,000</u>	<u>623,888</u>	<u>623,961</u>	<u>73</u>
Expenditures:				
Current:				
Security of Persons and Property				
Other	<u>630,000</u>	<u>628,000</u>	<u>627,999</u>	<u>1</u>
Total Expenditures	<u>630,000</u>	<u>628,000</u>	<u>627,999</u>	<u>1</u>
Net Change in Fund Balance	5,000	(4,112)	(4,038)	74
Fund Balance at Beginning of Year	<u>4,112</u>	<u>4,112</u>	<u>4,112</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 9,112</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 74</u></u>	<u><u>\$ 74</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, 2017

	STREET LIGHTING FUND			Variance Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Special Assessments	\$ 120,000	\$ -	\$ 2,097	\$ 2,097
Total Revenues	120,000	-	2,097	2,097
Expenditures:				
Current:				
Transportation				
Other	128,842	8,842	1,909	6,933
Total Expenditures	128,842	8,842	1,909	6,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,842)	(8,842)	188	9,030
Other Financing Sources (Uses):				
Advances - Out	-	-	(20,000)	(20,000)
Total Other Financing Sources:	-	-	(20,000)	(20,000)
Net Change in Fund Balance	(8,842)	(8,842)	(19,812)	(10,970)
Fund Balance at Beginning of Year	25,960	25,960	25,960	-
Prior Year Encumbrances Appropriated	3,842	3,842	3,842	-
Fund Balance at End of Year	<u>\$ 17,118</u>	<u>\$ 17,118</u>	<u>\$ 9,990</u>	<u>\$ (10,970)</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, 2017

	CEMETERY TRUST FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 2,000	\$ 2,000	\$ 934	\$ (1,066)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>934</u>	<u>(1,066)</u>
Expenditures:				
Public Health and Welfare				
Cemetery				
Other	-	12,000	-	12,000
Total Expenditures	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Net Change in Fund Balance	2,000	(10,000)	934	10,934
Fund Balance at Beginning of Year	<u>63,998</u>	<u>63,998</u>	<u>63,998</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 65,998</u>	<u>\$ 53,998</u>	<u>\$ 64,932</u>	<u>\$ 10,934</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, 2017

	LONGSTREET TRUST FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 50	\$ 50	\$ 66	\$ 16
Total Revenues	50	50	66	16
Expenditures:				
Public Health and Welfare Cemetery Other	250	250	-	250
Total Expenditures	250	250	-	250
Net Change in Fund Balance	(200)	(200)	66	266
Fund Balance at Beginning of Year	2,194	2,194	2,194	-
Fund Balance at End of Year	<u>\$ 1,994</u>	<u>\$ 1,994</u>	<u>\$ 2,260</u>	<u>\$ 266</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, 2017

	LAW ENFORCEMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Fines, licenses, and permits	\$ 10,000	\$ -	\$ 9,024	\$ 9,024
Total Revenues	10,000	-	9,024	9,024
Expenditures:				
Current:				
Security of Persons and Property				
Other	30,000	30,000	8,010	21,990
Total Security of Persons and Property	30,000	30,000	8,010	21,990
Total Expenditures	30,000	30,000	8,010	21,990
Net Change in Fund Balance	(20,000)	(30,000)	1,014	31,014
Fund Balance at Beginning of Year	56,507	56,507	56,507	-
Fund Balance at End of Year	<u>\$ 36,507</u>	<u>\$ 26,507</u>	<u>\$ 57,521</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, 2017

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

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, 2017

	FIRE HISTORICAL PRESERVATION FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 811	\$ 811
Total Revenues	-	-	811	811
Total Expenditures:				
Current:				
Miscellaneous				
Other	5,000	5,000	4,944	56
Total Expenditures	5,000	5,000	4,944	56
Net Change in Fund Balance	(5,000)	(5,000)	(4,133)	867
Fund Balance at Beginning of Year	5,604	5,604	5,604	-
Fund Balance at End of Year	\$ 604	\$ 604	\$ 1,471	\$ 867

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, 2017

	FEMA FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 2,750	\$ (2,250)
Total Revenues	5,000	5,000	2,750	(2,250)
Expenditures:				
Current:				
Security of Persons and Property				
Other	21,000	21,000	20,641	359
Total Expenditures	21,000	21,000	20,641	359
Net Change in Fund Balance	(16,000)	(16,000)	(17,891)	(1,891)
Fund Balance at Beginning of Year	18,988	18,988	18,988	-
Fund Balance at End of Year	\$ 2,988	\$ 2,988	\$ 1,097	\$ (1,891)

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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, 2017

	BOND RETIREMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Special Assessments	\$ 741,743	\$ 721,743	\$ 719,626	\$ (2,117)
Intergovernmental	-	14,353	14,353	-
Total Revenues	<u>741,743</u>	<u>736,096</u>	<u>733,979</u>	<u>(2,117)</u>
Expenditures:				
Current				
Intergovernmental	650,000	657,000	656,576	424
Debt Service:				
Principal Retirement	1,305,200	5,174,553	1,110,000	4,064,553
Interest and Fiscal Charges	119,300	455,508	388,256	67,252
Total Expenditures	<u>2,074,500</u>	<u>6,287,061</u>	<u>2,154,832</u>	<u>4,132,229</u>
Deficiency of Revenues Under Expenditures	(1,332,757)	(5,550,965)	(1,420,853)	4,130,112
Other Financing Sources:				
Proceeds From Sale of Bonds	-	7,359,694	3,320,000	(4,039,694)
Premium on Sale of Bonds	-	301,804	301,804	-
Payment to Refunded Debt Escrow Agent	-	(3,524,492)	(3,524,492)	-
Transfers - In	1,350,000	1,350,000	1,333,510	(16,490)
Total Other Financing Sources	<u>1,350,000</u>	<u>5,487,006</u>	<u>1,430,822</u>	<u>(4,056,184)</u>
Net Change in Fund Balance	17,243	(63,959)	9,969	73,928
Fund Balances at Beginning of Year	218,950	218,950	218,950	-
Prior Year Encumbrances Appropriated	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 239,693</u>	<u>\$ 158,491</u>	<u>\$ 232,419</u>	<u>\$ 73,928</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, 2017

	CORRIDOR I-75 FUND			Variance Positive (Negative)
	Budget Original	Final	Actual	
Revenues:				
Payment in Lieu of Taxes	\$ 255,000	\$ 251,713	\$ 251,714	\$ 1
Total Revenues	255,000	251,713	251,714	1
Expenditures:				
Debt Service:				
Principal Retirement	245,000	244,220	245,000	(780)
Interest and Fiscal Charges	7,500	7,500	6,708	792
Total Expenditures	252,500	251,720	251,708	12
Net Change in Fund Balance	2,500	(7)	6	13
Fund Balance at Beginning of Year	75	75	75	-
Fund Balance at End of Year	\$ 2,575	\$ 68	\$ 81	\$ 13

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2017**

	<u>Park Improvement</u>	<u>Court Technology Improvement</u>	<u>CPO TIF</u>	<u>Total</u>
Assets:				
Equity in Pooled Cash and Investments	\$ 128,222	\$ 41,831	\$ 24,880	\$ 194,933
Total Assets	<u>\$ 128,222</u>	<u>\$ 41,831</u>	<u>\$ 24,880</u>	<u>\$ 194,933</u>
Liabilities:				
Accounts Payable	\$ 3,500	\$ 149	\$ -	\$ 3,649
Total Liabilities	<u>\$ 3,500</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 3,649</u>
Fund Balances:				
Restricted	-	41,682	24,880	66,562
Committed	<u>124,722</u>	<u>-</u>	<u>-</u>	<u>124,722</u>
Total Fund Balances	<u>124,722</u>	<u>41,682</u>	<u>24,880</u>	<u>191,284</u>
Total Liabilities and Fund Balances	<u>\$ 128,222</u>	<u>\$ 41,831</u>	<u>\$ 24,880</u>	<u>\$ 194,933</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, 2017

	Park Improvement	Court Technology Improvement	CPO TIF	Total
Revenues:				
Licenses and Permits	\$ 47,075	\$ -	\$ -	\$ 47,075
Fines and Forfeitures	-	7,369	-	7,369
Total Revenues	<u>47,075</u>	<u>7,369</u>	<u>-</u>	<u>54,444</u>
Expenditures:				
Current:				
Leisure Time Activities	40,080	-	-	40,080
General Government	-	17,853	-	17,853
Security of Persons and Property	-	149	-	149
Total Expenditures	<u>40,080</u>	<u>18,002</u>	<u>-</u>	<u>58,082</u>
Change in Fund Balance	6,995	(10,633)	-	(3,638)
Fund Balances at Beginning of Year	<u>117,727</u>	<u>52,315</u>	<u>24,880</u>	<u>194,922</u>
Fund Balances at End of Year	<u>\$ 124,722</u>	<u>\$ 41,682</u>	<u>\$ 24,880</u>	<u>\$ 191,284</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, 2017

	PARK IMPROVEMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Fees, Licenses, and Permits	\$ 90,000	\$ 45,000	\$ 47,075	\$ 2,075
Total Revenues	90,000	45,000	47,075	2,075
Expenditures:				
Current:				
Leisure Time Activities				
Other	62,250	66,350	60,600	5,750
Capital Outlay	140,481	61,381	3,481	57,900
Total Expenditures	202,731	127,731	64,081	63,650
Net Change in Fund Balance	(112,731)	(82,731)	(17,006)	65,725
Fund Balance at Beginning of Year	117,246	117,246	117,246	-
Prior Year Encumbrances Appropriated	481	481	481	-
Fund Balance at End of Year	\$ 4,996	\$ 34,996	\$ 100,721	\$ 65,725

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, 2017

	COURT TECHNOLOGY IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 7,000	\$ 7,851	\$ 851
Total Revenues	20,000	7,000	7,851	851
Expenditures:				
Current:				
General Government				
Other	27,515	27,515	19,712	7,803
Total Expenditures	27,515	27,515	19,712	7,803
Net Change in Fund Balance	(7,515)	(20,515)	(11,861)	8,654
Fund Balance at Beginning of Year	50,918	50,918	50,918	-
Prior Year Encumbrances Appropriated	915	915	915	-
Fund Balance at End of Year	<u>\$ 44,318</u>	<u>\$ 31,318</u>	<u>\$ 39,972</u>	<u>\$ 8,654</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, 2017

	CAPITAL IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ -	\$ -	\$ 18,756	\$ 18,756
Intergovernmental	-	-	188,950	188,950
Total Revenues	-	-	207,706	207,706
Expenditures:				
Capital Outlay	1,499,970	1,834,898	1,718,296	116,602
Total Expenditures	1,499,970	1,834,898	1,718,296	116,602
Deficiency of Revenues Under Expenditures	(1,499,970)	(1,834,898)	(1,510,590)	324,308
Other Financing Sources (Uses):				
Transfers - In	1,000,000	1,000,000	958,670	(41,330)
Advances - Out	-	-	(225,000)	(225,000)
Total Other Financing Sources	1,000,000	1,000,000	733,670	(266,330)
Net Change in Fund Balance	(499,970)	(834,898)	(776,920)	57,978
Fund Balance at Beginning of Year	377,878	377,878	377,878	-
Prior Year Encumbrances Appropriated	541,300	541,300	541,300	-
Fund Balance at End of Year	<u>\$ 419,208</u>	<u>\$ 84,280</u>	<u>\$ 142,258</u>	<u>\$ 57,978</u>

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**THE CITY OF MONROE
BALANCE SHEET
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2017**

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	Stormwater Management	Garbage	Cemetery	Street Lighting	Totals
Assets:					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 155,320	\$ 645,170	\$ 61,150	\$ 17,981	\$ 879,621
Accounts Receivable (Net of Allowance for Doubtful Accounts)	5,700	13,800	-	12,100	31,600
Total Current Assets	<u>161,020</u>	<u>658,970</u>	<u>61,150</u>	<u>30,081</u>	<u>911,221</u>
Noncurrent Assets:					
Capital Assets:					
Depreciable Assets	500,833	-	25,500	-	526,333
Total Noncurrent Assets	<u>500,833</u>	<u>-</u>	<u>25,500</u>	<u>-</u>	<u>526,333</u>
Total Assets	<u>661,853</u>	<u>658,970</u>	<u>86,650</u>	<u>30,081</u>	<u>1,437,554</u>
Deferred Outflows of Resources:					
Pension	166,990	63,473	19,587	-	250,050
Total Assets and Deferred Outflows of Resources	<u>\$ 828,843</u>	<u>\$ 722,443</u>	<u>\$ 106,237</u>	<u>\$ 30,081</u>	<u>\$ 1,687,604</u>
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 85	\$ 53,204	\$ -	\$ 9,522	\$ 62,811
Due to Other Funds	-	-	40,000	-	40,000
Total Current Liabilities	<u>85</u>	<u>53,204</u>	<u>40,000</u>	<u>9,522</u>	<u>102,811</u>
Noncurrent Liabilities:					
Net Pension Liability	372,196	141,468	43,654	-	557,318
Total Noncurrent Liabilities	<u>372,196</u>	<u>141,468</u>	<u>43,654</u>	<u>-</u>	<u>557,318</u>
Total Liabilities	<u>372,281</u>	<u>194,672</u>	<u>83,654</u>	<u>9,522</u>	<u>660,129</u>
Deferred Inflows of Resources:					
Pension	2,214	842	260	-	3,316
Net Position					
Investment in Capital Assets	500,833	-	25,500	-	526,333
Unrestricted	(46,485)	526,929	(3,177)	20,559	497,826
Total Net Position	<u>454,348</u>	<u>526,929</u>	<u>22,323</u>	<u>20,559</u>	<u>1,024,159</u>
Total Net Position, Liabilities and Deferred Inflows of Resources	<u>\$ 828,843</u>	<u>\$ 722,443</u>	<u>\$ 106,237</u>	<u>\$ 30,081</u>	<u>\$ 1,687,604</u>

**THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	Stormwater Management	Garbage	Cemetery	Street Lighting	Totals
Operating Revenues:					
Charges for Services	\$ 299,386	\$ 800,207	\$ 83,645	\$ 145,866	\$ 1,329,104
Total Operating Revenues	299,386	800,207	83,645	145,866	1,329,104
Operating Expenses:					
Personal Services	241,304	83,677	35,853	-	360,834
Materials and Supplies	19,678	-	5,952	-	25,630
Contractual Services	71,419	689,815	39,768	125,307	926,309
Depreciation	37,548	-	4,500	-	42,048
Total Operating Expenses	369,949	773,492	86,073	125,307	1,354,821
Operating Income (Loss)	(70,563)	26,715	(2,428)	20,559	(25,717)
Non-Operating Income (Expense):					
Other Income	22,000	-	-	-	22,000
Investment Earnings	-	-	1,917	-	1,917
Total Non-Operating Income (Expense)	22,000	-	1,917	-	23,917
Income (Loss) Before Transfers	(48,563)	26,715	(511)	20,559	(1,800)
Transfers In	75,000	-	-	-	75,000
Change in Net Position	26,437	26,715	(511)	20,559	73,200
Total Net Position - Beginning of Year	427,911	500,214	22,834	-	950,959
Total Net Position - End of Year	\$ 454,348	\$ 526,929	\$ 22,323	\$ 20,559	\$ 1,024,159

THE CITY OF MONROE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	Stormwater Management	Garbage	Cemetery	Street Lighting	Totals
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 296,786	\$ 796,907	\$ 83,645	\$ 133,766	\$ 1,311,104
Cash Paid for Employee Services and Benefits	(183,119)	(61,563)	(29,028)	-	(273,710)
Cash Paid to Suppliers for Goods and Services	(91,813)	(688,708)	(45,900)	(115,785)	(942,206)
Net Cash Provided by Operating Activities	<u>21,854</u>	<u>46,636</u>	<u>8,717</u>	<u>17,981</u>	<u>95,188</u>
Cash Flows from Noncapital Financing Activities:					
Transfers In	75,000	-	-	-	75,000
Net Cash Provided by Noncapital Financing Activities	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
Cash Flows from Capital and Related Financing Activities:					
Sale of Capital Assets	22,000	-	-	-	22,000
Acquisition of Capital Assets	(8,845)	-	-	-	(8,845)
Net Cash Provided by Capital and Related Financing Activities	<u>13,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,155</u>
Cash Flows from Investing Activities					
Interest	-	-	1,917	-	1,917
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>1,917</u>	<u>-</u>	<u>1,917</u>
Net Increase in Cash and Cash Equivalents	110,009	46,636	10,634	17,981	185,260
Cash and Cash Equivalents at Beginning of Year	45,311	598,534	50,516	-	694,361
Cash and Cash Equivalents at End of Year	<u>\$ 155,320</u>	<u>\$ 645,170</u>	<u>\$ 61,150</u>	<u>\$ 17,981</u>	<u>\$ 879,621</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ (70,563)	\$ 26,715	\$ (2,428)	\$ 20,559	\$ (25,717)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	37,548	-	4,500	-	42,048
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:					
Accounts Receivable	(2,600)	(3,300)	-	(12,100)	(18,000)
Deferred Outflows of Resources - Pension	(58,061)	(22,070)	(6,810)	-	(86,941)
Accounts Payable	(716)	1,107	(180)	9,522	9,733
Net Pension Liability	118,925	45,202	13,949	-	178,076
Deferred Inflows of Resources - Pension	(2,679)	(1,018)	(314)	-	(4,011)
Total Adjustments	<u>92,417</u>	<u>19,921</u>	<u>11,145</u>	<u>(2,578)</u>	<u>120,905</u>
Net Cash Provided by Operating Activities	<u>\$ 21,854</u>	<u>\$ 46,636</u>	<u>\$ 8,717</u>	<u>\$ 17,981</u>	<u>\$ 95,188</u>

**THE CITY OF MONROE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Mayor's Court			
	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 8,495	\$ 130,318	\$ 129,590	\$ 9,223
Total Assets	\$ 8,495	\$ 130,318	\$ 129,590	\$ 9,223
Liabilities:				
Due to Other Governments	\$ 8,495	\$ 130,318	\$ 129,590	\$ 9,223
Total Liabilities	\$ 8,495	\$ 130,318	\$ 129,590	\$ 9,223

	JEDD			
	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
Assets:				
Cash and Cash Equivalents	\$ 630,544	\$ 828,507	\$ 514,682	\$ 944,369
Total Assets	\$ 630,544	\$ 828,507	\$ 514,682	\$ 944,369
Liabilities:				
Due to Other Governments	\$ 630,544	\$ 828,507	\$ 514,682	\$ 944,369
Total Liabilities	\$ 630,544	\$ 828,507	\$ 514,682	\$ 944,369

	Total - All Agency Funds			
	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
Assets:				
Cash and Cash Equivalents	\$ 630,544	\$ 828,507	\$ 514,682	\$ 944,369
Cash and Cash Equivalents in Segregated Accounts	8,495	130,318	129,590	9,223
Total Assets	\$ 639,039	\$ 958,825	\$ 644,272	\$ 953,592
Liabilities:				
Due to Other Governments	\$ 639,039	\$ 958,825	\$ 644,272	\$ 953,592
Total Liabilities	\$ 639,039	\$ 958,825	\$ 644,272	\$ 953,592

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**STATISTICAL
SECTION**



The City of Monroe, Ohio
Statistical Section Descriptions
December 31, 2017

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader assess how the City’s financial performance and situation have changed over time.	106-111
Revenue Capacity	
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
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	117-119
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within in which the City’s financial activities takes place.	120-121
Operating Information	
These schedules contain operational data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	122-124

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Net Investment in Capital Assets	\$ 49,681,122	\$ 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
Restricted	6,035,056	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
Unrestricted (Deficit)	(3,253,779)	(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
<i>Total Governmental Activities Net Position</i>	<u>52,462,399</u>	<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>
Business-Type Activities										
Net Investment in Capital Assets	3,575,375	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
Unrestricted	2,562,038	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
<i>Total Business-Type Activities Net Position</i>	<u>6,137,413</u>	<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>
Primary government										
Net Investment in Capital Assets	53,256,497	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
Restricted	6,035,056	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
Unrestricted	(691,741)	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
<i>Total Primary Government Net Position</i>	<u>\$ 58,599,812</u>	<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>

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property	\$ 678,209	\$ 719,420	\$ 767,302	\$ 964,086	\$ 963,080	\$ 1,017,588	\$ 1,039,918	\$ 1,133,396	\$ 1,156,739	\$ 1,060,474
Leisure Time Activities	51,855	64,313	40,916	37,320	48,828	51,967	41,609	90,189	56,783	71,332
Transportation	226,358	146,070	116,284	173,980	175,745	199,415	197,629	282,924	231,488	182,140
General Government	1,322,329	734,338	833,645	529,204	595,519	478,259	523,925	422,062	685,142	628,566
Interest and Fiscal Charges	-	-	-	-	-	-	-	131,208	187,301	162,073
Operating Grants and Contributions	711,111	430,063	419,749	359,110	114,329	72,147	27,160	419,319	684,139	483,329
Capital Grants and Contributions	1,342,067	722,144	819,945	2,260,224	2,174,710	788,738	687,994	665,571	3,725,000	4,392,382
Total Governmental Activities Program Revenues	4,331,929	2,816,348	2,997,841	4,323,924	4,072,211	2,608,114	2,518,235	3,144,669	6,726,592	6,980,296
Business-Type Activities:										
Charges for Services:										
Water	2,906,682	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
Sewer	1,115,531	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
Stormwater Management	299,386	291,158	288,275	297,938	291,829	274,874	244,383	253,350	263,985	240,753
Garbage	800,207	705,381	745,304	732,046	763,010	705,901	668,327	622,427	679,783	618,244
Cemetery	83,645	65,009	55,205	69,480	64,987	46,370	59,027	50,025	66,343	50,740
Street Lighting	145,866	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	19,100	2,995	-
Capital Grants and Contributions	-	-	-	-	-	563,099	-	-	-	-
Total Business-Type Activities Program Revenues	5,351,317	4,952,724	4,790,031	4,635,633	4,284,338	4,926,312	4,516,588	4,225,876	4,820,129	4,121,217
Total Primary Government Program Revenues	9,683,246	7,769,072	7,787,872	8,959,557	8,356,549	7,534,426	7,034,823	7,370,545	11,546,721	11,101,513
Expenses										
Governmental Activities:										
Security of Persons and Property	10,340,340	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
Public Health Services	-	-	-	-	-	-	-	237,599	57,690	104,640
Leisure Time Activities	389,153	237,673	244,835	207,885	209,725	230,553	265,705	289,661	243,408	36,273
Transportation	4,213,280	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
General Government	9,192,686	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
Interest and Fiscal Charges	325,798	358,353	374,467	407,000	529,177	505,726	548,108	521,416	710,498	556,550
Total Governmental Activities Expenses	\$ 24,461,257	\$ 22,371,219	\$ 19,248,102	\$ 21,527,382	\$ 16,902,995	\$ 15,705,309	\$ 16,027,556	\$ 15,846,362	\$ 13,383,552	\$ 13,801,148

CITY OF MONROE, OHIO

Changes in Net Position
Last Ten Years

(accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-Type Activities:										
Water	\$ 2,603,817	\$ 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
Sewer	1,164,461	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
Stormwater Management	369,949	345,856	334,356	352,172	259,865	241,197	212,662	129,556	109,953	303,105
Garbage	773,492	686,698	695,478	640,666	708,575	558,719	769,260	621,710	646,917	618,169
Cemetery	86,073	76,274	58,982	64,281	71,155	59,463	70,790	48,435	57,453	20,603
Street Lighting	125,307	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	5,123,099	4,836,987	4,665,072	4,462,945	4,416,314	4,536,399	4,761,990	4,373,958	4,597,627	4,767,562
Total Primary Government Expenses	29,584,356	27,208,206	23,913,174	25,990,327	21,319,309	20,241,708	20,789,546	20,220,320	17,981,179	18,568,710
Net (Expense)/Revenue										
Governmental Activities	(20,129,328)	(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)
Business-Type Activities	228,218	115,737	124,959	172,688	(131,976)	389,913	(245,402)	(148,082)	222,502	(646,345)
Total Primary Government Net Expense	(19,901,110)	(19,439,134)	(16,125,302)	(17,030,770)	(12,962,760)	(12,707,282)	(13,754,723)	(12,849,775)	(6,434,458)	(7,467,197)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Income Taxes	10,159,419	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
Property Taxes	2,180,140	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
Payment in Lieu of Taxes	5,786,214	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
Other Taxes	967,185	875,067	913,713	1,257,498	1,419,366	1,185,004	1,049,360	960,077	442,340	683,268
Grants and Entitlements not Restricted to Specific Programs	820,306	742,098	604,639	348,307	960,152	339,710	900,864	947,508	956,818	1,462,682
Investment Earnings	81,424	196,532	159,632	102,004	131,034	52,263	260,634	137,047	209,864	365,994
Miscellaneous	-	-	-	-	-	1,159,488	-	37,194	60,477	120,274
Transfers	(225,155)	-	(80,000)	-	-	-	(134,844)	-	-	22,500
Total Governmental Activities	\$ 19,769,533	\$ 18,506,356	\$ 17,429,329	\$ 19,359,748	\$ 17,325,705	\$ 14,095,868	\$ 14,086,060	\$ 11,936,126	\$ 10,630,644	\$ 10,963,326

CITY OF MONROE, OHIO

Changes in Net Position
Last Ten Years

(accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-Type Activities:										
Investment Earnings	\$ 8,183	\$ 11,400	\$ 1,177	\$ 1,216	\$ 840	\$ 1,236	\$ -	\$ 21,884	\$ -	\$ 4,977
Grants and Entitlements not Restricted to Specific Programs	94,023	71,946	-	71,637	71,096	77,236	77,236	-	-	-
Transfers	225,155	-	80,000	-	-	-	134,844	-	-	(22,500)
Total Business-Type Activities	327,361	83,346	81,177	72,853	71,936	78,472	212,080	21,884	-	(17,523)
Total Primary Government	20,096,894	18,589,702	17,510,506	19,432,601	17,397,641	14,174,340	14,298,140	11,958,010	10,630,644	10,945,803
Change in Net Position										
Governmental Activities	(359,795)	(1,048,515)	1,179,068	2,156,290	4,494,921	998,673	576,739	(765,567)	3,973,684	4,142,474
Business-Type Activities	555,579	199,083	206,136	245,541	(60,040)	468,385	(33,322)	(126,198)	222,502	(663,868)
Total Primary Government Change in Net Position	\$ 195,784	\$ (849,432)	\$ 1,385,204	\$ 2,401,831	\$ 4,434,881	\$ 1,467,058	\$ 543,417	\$ (891,765)	\$ 4,196,186	\$ 3,478,606

Source: City financial records

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

	2017	2015	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,044	\$ 501,908	\$ 545,390
Unreserved	-	-	-	-	-	-	-	5,600,911	5,658,337	5,128,686
Nonspendable	957,000	1,352,000	1,352,000	1,625,000	505,000	35,000	35,000	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,774,113	2,534,357	1,349,795	1,774,325	1,550,876	865,127	348,919	-	-	-
Unassigned	1,867,035	3,567,620	6,134,497	5,861,516	6,786,968	7,797,187	6,646,925	-	-	-
<i>Total General Fund</i>	<u>6,598,148</u>	<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>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	1,479,927	882,226	297,624
Undesignated, Reported in:										
Special Revenue funds	-	-	-	-	-	-	-	495,407	(321,103)	275,254
Debt Service funds	-	-	-	-	-	-	-	34,720	15,789	232,959
Capital Projects funds	-	-	-	-	-	-	-	1,031,157	(4,117,594)	(2,993,639)
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	5,357,857	5,235,382	4,653,646	6,803,746	3,432,985	1,885,100	1,865,562	-	-	-
Committed	124,722	117,727	94,583	158,604	129,812	87,541	47,823	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(563,706)	(208,998)	(79,351)	(64,072)	(236,262)	(304,786)	(365,575)	-	-	-
<i>Total All Other Governmental Funds</i>	<u>4,918,873</u>	<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>
<i>Total Governmental Funds</i>	<u>\$ 11,517,021</u>	<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>

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Income Taxes	\$ 9,668,419	\$ 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
Property and Other Taxes	2,370,887	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
Payment in Lieu of Taxes	5,786,214	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
Intergovernmental	1,986,107	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
Charges for Services	800,789	729,586	722,468	919,787	900,660	1,032,001	1,059,176	1,165,741	1,251,564	1,084,965
Licenses and Permits	1,265,061	696,393	805,478	503,195	582,054	453,761	581,733	446,880	585,034	1,062,746
Investment Earnings	81,424	196,532	159,632	102,004	131,034	52,263	260,634	137,047	208,864	365,994
Fines and Forfeitures	99,683	137,963	162,992	250,971	276,936	206,413	200,206	258,349	221,530	220,440
Special Assessments	751,546	921,684	867,671	841,894	869,640	930,613	863,556	327,428	301,213	302,789
Miscellaneous	240,989	192,487	413,109	140,974	441,481	1,224,481	33,581	199,582	226,261	166,658
Total Revenues	23,051,119	21,421,410	20,546,987	23,315,952	18,289,736	17,070,564	16,667,635	15,584,680	18,342,084	14,185,500
Expenditures										
Current:										
Security of Persons and Property	9,107,426	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
Public Health and Welfare								237,599	83,191	104,640
Transportation	1,843,370	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
General Government	3,799,043	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
Leisure Time Activities	342,579	191,011	198,556	161,394	163,234	190,326	224,689	261,285	236,052	27,074
Payments to Schools	3,466,374	3,293,366	3,304,401	6,068,047	2,227,489	1,588,445	1,358,998	-	-	-
Miscellaneous	70,054	66,491	70,577	60,384	32,498	34,457	31,603	-	-	-
Intergovernmental	1,448,956	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
Capital Outlay	2,180,635	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
Debt service:										
Principal Retirement	1,355,000	1,277,100	1,251,500	1,110,900	4,791,677	1,076,564	1,084,867	786,979	756,775	613,681
Interest and Fiscal Charges	390,906	375,791	391,528	411,926	571,245	501,506	532,054	598,974	700,170	546,635
Total Expenditures	24,004,343	22,328,492	23,120,936	22,228,809	20,299,518	15,284,049	17,078,303	16,020,791	19,208,795	14,336,814
Excess of Revenues Over (Under) Expenditures	(953,224)	(907,082)	(2,573,949)	1,087,143	(2,009,782)	1,786,515	(410,668)	(436,111)	(866,711)	(151,314)
Other Financing Sources (Uses)										
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	2,143
Proceeds from Lease Purchase										
Agreement/Inception of Capital Lease	-	-	-	-	-	-	-	-	-	1,938
Face Value from the Sale of Bonds	3,320,000	-	-	2,775,000	3,770,000	-	-	6,845,000	-	-
Premium from the Sale of Bonds	301,804	-	-	127,597	43,992	-	-	95,714	-	-
Payment to Refunded Bond Escrow Agent	(3,524,492)	-	-	-	-	-	-	-	-	-
Transfers In	8,648,180	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
Transfers Out	(8,873,335)	(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)
Total Other Financing Sources (Uses)	(127,843)	-	(80,000)	2,902,597	3,813,992	-	(134,844)	6,940,714	-	26,581
Net Change in Fund Balances	\$ (1,081,067)	\$ (907,082)	\$ (2,653,949)	\$ 3,989,740	\$ 1,804,210	\$ 1,786,515	\$ (545,512)	\$ 6,504,603	\$ (866,711)	\$ (124,733)
Debt Service as a Percentage of Noncapital Expenditures	8.0%	8.3%	8.9%	7.9%	27.0%	10.6%	10.7%	10.0%	11.9%	12.9%

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		
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%
2017	\$ 287,725,190	\$ 822,071,971	\$ -	\$ -	\$ 60,928,470	\$ 69,236,898	\$ 348,653,660	\$ 891,308,869	9.32	39.12%

SOURCE: Butler County Auditor's Office

Note: Includes Butler and Warren County Information

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

COLLECTION YEAR	CITY OF MONROE	BUTLER COUNTY	SCHOOL DISTRICT	OTHER (1)
	OPERATING	OPERATING	OPERATING	OPERATING
2008	\$ 9.32	\$ 10.45	\$ 44.28	\$ 2.53
2009	\$ 9.32	\$ 9.75	\$ 41.04	\$ 2.53
2010	\$ 9.32	\$ 9.75	\$ 41.04	\$ 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
2017	\$ 9.32	\$ 9.72	\$ 46.87	\$ 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	2017		
	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Ohio Inc	\$ 23,063,980	1	6.62%
Rockies Express Pipeline	13,536,780	2	3.88%
Worthington Steel	4,137,960	3	1.19%
Ohio Presbyterian Retirement	4,115,630	4	1.18%
Dayton Technologies	3,931,130	5	1.13%
KP Properties of Ohio LLC	3,251,770	6	0.93%
EPHS Investments LLC	2,543,800	7	0.73%
Summit Properties Partnership	2,193,370	8	0.63%
McGraw Kokosing Inc	2,156,180	9	0.62%
Monroe Terrace Apartments	1,934,290	10	0.55%
Total	\$ 60,864,890		17.46%
Total Assessed Valuation	\$ 348,653,660		
Name of Taxpayer	2008		
	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Ohio Inc	\$ 15,687,430	1	4.96%
Ohio Presbyterian Retirement	4,937,040	2	1.56%
Dayton Technologies	4,513,900	3	1.43%
EPHS Investments LLC	4,319,170	4	1.37%
K.P. Properties of Ohio LLC	3,541,210	5	1.12%
Worthington Steel	3,508,800	6	1.11%
Duke Realty Ohio	2,970,330	7	0.94%
Ohio Presbyterian	2,492,130	8	0.79%
Clark Cincinnati Inc	2,249,620	9	0.71%
Crystal Partners LLC	1,726,530	10	0.55%
Total	\$ 45,946,160		14.53%
Total Assessed Valuation	\$ 316,124,131		

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
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%
2017	\$ 1,996,044	\$ 1,973,906	\$ 14,768	\$ 1,988,674	99.63%	\$ 406,455	20.36%

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
2017	1.50%	\$ 1,334,809	\$ 1,867,848	\$ 6,581,775	\$ 9,784,432
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

Source: City Financial Records

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Bonded Debt Outstanding:										
Governmental Activities - General Obligation Notes/Bonds	\$9,196,526	\$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
Governmental Activities - Special Assessment Bonds	175,000	225,000	287,100	343,600	399,500	460,900	521,800	626,200	724,200	816,800
Business Type Activities - Loans/Notes/Bonds Payable	4,513,322	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
Capital Leases Payable	-	-	-	-	-	95,277	185,941	299,496	420,238	534,914
Governmental Activities - Revenue Obligation Bonds	265,000	510,000	740,000	955,000	1,160,000	1,350,000	1,530,000	1,695,000	1,850,000	2,000,000
Total	14,149,848	15,462,988	17,023,469	18,551,338	17,023,248	18,138,642	19,454,308	20,799,716	17,774,341	16,288,070
Percentage of Estimated Actual										
Property Value	1.59%	1.92%	2.13%	2.34%	2.16%	2.31%	2.17%	2.45%	1.70%	1.93%
Assessed Property Value	348,653,660	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
Actual Property Value	891,308,869	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
Total Debt Per Capita	1,137	1,243	1,368	1,491	1,368	1,458	1,564	1,672	2,492	2,283
Total Debt as a Percentage of Personal Income	3.75%	4.45%	5.16%	5.95%	5.52%	6.16%	6.78%	7.29%	7.77%	6.22%
Population	12,442	12,442	12,442	12,442	12,442	12,442	12,442	12,442	7,133	7,133
Less:										
Governmental Activities - Special Assessment Bonds	(175,000)	(225,000)	(287,100)	(343,600)	(399,500)	(460,900)	(521,800)	(626,200)	(724,200)	(816,800)
Business Type Activities - Loans/Notes/Bonds Payable	(4,513,322)	(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)
Capital Leases Payable	-	-	-	-	-	(95,277)	(185,941)	(299,496)	(420,238)	(534,914)
Governmental Activities - Revenue Obligation Bonds	(265,000)	(510,000)	(740,000)	(955,000)	(1,160,000)	(1,350,000)	(1,530,000)	(1,695,000)	(1,850,000)	(2,000,000)
Total Net Debt Applicable to Debt Limit	9,196,526	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
Overall Legal Debt Limit										
10 1/2% of Assessed Valuation	36,608,634	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
Legal Debt Margin Within 10 1/2% Limitations	\$27,412,108	\$23,475,511	\$22,325,841	\$21,036,583	\$22,933,715	\$21,422,094	\$26,820,517	\$20,292,236	\$23,688,208	\$23,753,034
Legal Debt Margin as a Percentage of the Debt Limit	74.88%	70.26%	67.12%	63.80%	69.87%	67.22%	70.56%	63.00%	67.29%	71.56%
Unvoted Debt Limitation										
5 1/2% of Assessed Valuation	\$19,175,951	\$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
Total Debt Approved by Council	14,149,848	15,462,988	17,023,469	18,551,338	17,023,248	18,138,642	19,454,308	20,799,716	17,774,341	16,288,070
Less:										
Governmental Activities - Special Assessment Bonds	(175,000)	(225,000)	(287,100)	(343,600)	(399,500)	(460,900)	(521,800)	(626,200)	(724,200)	(816,800)
Business Type Activities - Loans/Notes/Bonds Payable	(4,513,322)	(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)
Governmental Activities - Revenue Obligation Bonds	(265,000)	(510,000)	(740,000)	(955,000)	(1,160,000)	(1,350,000)	(1,530,000)	(1,695,000)	(1,850,000)	(2,000,000)
Net Debt Within 5 1/2% Limitations	9,196,526	9,939,108	10,939,045	11,933,982	9,890,474	10,540,277	11,375,941	12,219,496	11,935,238	9,974,914
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$9,979,425	\$7,563,788	\$6,485,419	\$5,336,314	\$7,303,149	\$6,152,010	\$8,534,330	\$4,653,580	\$6,504,538	\$7,411,913
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	52.04%	43.21%	37.22%	30.90%	42.48%	36.86%	42.86%	27.58%	35.27%	42.63%

Source: City Financial Records

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

CITY OF MONROE, OHIO
 Computation of Direct and Overlapping Debt
 December 31, 2017

JURISDICTION	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO CITY OF MONROE (2)	AMOUNT APPLICABLE TO CITY OF MONROE
City of Monroe	\$ 9,636,526	100.00%	\$ 9,636,526
Butler County	<u>40,026,278</u>	3.42%	<u>1,368,899</u>
	<u>\$ 49,662,804</u>		<u>\$ 11,005,425</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 all long-term debt instruments of the governmental activities.
- (2) The City is 16.1 square miles of Butler County's 470.20 square miles reported in the 2000 census.

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

CITY OF MONROE, OHIO
Ratio of Net General Obligation Debt
to Assessed Valuation and Net Bonded Debt per Capita
Last Ten Years

YEAR	POPULATION	ASSESSED VALUE	PERSONAL INCOME (1)	GROSS BONDED DEBT (2)	DEBT SERVICE BALANCE	DEBT PAYABLE FROM ENTERPRISE REVENUES	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION	NET BONDED DEBT PER CAPITA
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
2017	12,442	\$ 348,653,660	\$ 377,444,800	\$ 1,591,996	\$ 237,202	\$ 169,121	\$ 1,761,117	0.51%	\$ 142

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

2017

Employer	Nature of Business	Rank
Kohl's Department Stores	Distribution Center	1
Home Depot USA	Distribution Center	2
Deceuninck North America	Manufacturing	3
UGN	Manufacturing	4
SSB Manufacturing	Manufacturing	5
Ohio Presbyterian Retirement	Retirement Community	6
Kroger Limited Partnership	Groceries	7
Hayneedle	Distribution Center	8
Monroe Local School District	Government	9
Worthington Industries	Manufacturing	10
Total City Employers		24,167
Total Top Ten Employers Employment Count		8,628
Percent of Total Employment		35.70%

2008

Employer	Nature of Business	Rank
CBS Personell Services, LLC	Staffing Service	1
Kohl's Department Stores	Distribution Center	2
Elite Labor Weekly, LTD	Staffing Service	3
Ohio Presbyterian Retirement	Retirement Community	4
Baker Concrete Construnction	Manufacturing	5
Monroe Local Schools	Government	6
Deceuninck North America	Manufacturing	7
Minute Men, INC	Manufacturing	8
1 Force, LLC	Staffing Service	9
Omega Warehouse Services	Distribution Center	10
Total City Employers		24,166
Total Top Ten Employers Employment Count		9,006
Percent of Total Employment		37.27%

Statistics are published in a form that does not disclose information with respect to particular taxpayers. 718.13(B)

Source: City Records

CITY OF MONROE, OHIO

Demographic Statistics
Last Ten Years

YEAR	POPULATION (1)	SCHOOL ENROLLMENT (2)	UNEMPLOYMENT RATE BUTLER COUNTY (3)	PER CAPITA PERSONAL INCOME
2008	7,133	2,332	6.2%	\$ 36,709
2009	7,133	2,307	9.9%	\$ 32,069
2010	12,442	2,314	9.2%	\$ 22,926
2011	12,442	2,473	8.6%	\$ 23,057
2012	12,442	2,523	6.1%	\$ 23,653
2013	12,442	2,513	4.7%	\$ 24,793
2014	12,442	2,641	5.4%	\$ 25,047
2015	12,442	2,600	4.3%	\$ 26,493
2016	12,442	2,707	3.8%	\$ 27,938
2017	12,442	2,877	3.6%	\$ 30,336

(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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
CAPITAL ASSETS DEPRECIATION										
Governmental Activities:										
Security of Persons and Property	\$ 476,539	\$ 498,768	\$ 412,742	\$ 363,537	\$ 361,756	\$ 369,351	\$ 381,803	\$ 682,438	\$ 331,752	\$ 263,393
Leisure Time Activities	46,574	46,662	46,279	46,491	46,491	46,627	41,016	28,376	9,199	9,199
Transportation	1,558,462	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
General Government	169,661	165,687	138,266	106,326	104,768	111,025	114,818	457,631	106,317	107,272
Total Governmental Activities	<u>2,251,236</u>	<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>
Business-Type Activities:										
Water	496,396	519,022	453,121	448,326	450,922	408,544	410,692	365,948	463,316	429,801
Sewer	12,595	12,595	12,595	12,595	12,595	1,049	-	-	-	-
Stormwater Management	37,548	35,936	42,640	37,445	35,646	27,266	23,700	50,435	18,070	13,413
Cemetery	4,500	4,500	4,500	4,500	1,500	-	-	-	-	-
Total Business-Type Activities	<u>551,039</u>	<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>
Total	<u>\$ 2,802,275</u>	<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>

Source: City of Monroe, Finance Department

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

Function/program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Construction Permits Issued	471	496	355	311	266	275	295	377	582	345
Estimated Value of Construction	\$152,931,880	\$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	19	15	19	10	31	28	37	35	112	30
Property Maintenance Complaints	1,177	772	153	65	70	111	180	136	162	120
Utility Bills mailed	62,664	61,238	60,426	59,770	58,791	57,336	57,018	59,748	59,018	57,954
Purchase Orders Issued	376	408	316	185	277	304	344	636	846	Not Available
Police										
Total Incidents	21,207	24,463	27,002	23,929	21,155	20,068	20,143	24,310	19,000	18,010
Number of Citations issued	849	1,444	1,928	2,268	4,814	3,901	3,264	5,356	4,941	4,005
Misdemeanor & Felony Arrests	768	721	761	878	1,777	1,655	1,632	2,236	1,794	1,477
DUI Arrests	51	61	52	51	91	132	101	145	179	150
Alcohol Compliance Checks	2	4	3	5	2	2	2	2	2	1
Detective Investigated Cases	266	142	159	130	287	377	367	294	249	113
Calls for Service	13,876	12,572	27,002	23,929	12,096	9,917	10,332	10,715	10,150	9,307
Fire										
Emergency responses	2,678	2,578	2,413	2,283	536	682	574	595	594	635
Fire hydrant inspections	1,274	1,000	1,000	1,000	1,000	823	800	999	823	754
Training Hours	5,870	3,109	7,002	7,200	7,230	7,330	6,002	5,473	4,063	5,248
Number of times dispatched	3,001	2,835	2,606	2,327	2,274	2,565	2,376	2,492	2,470	2,448
Community Training Programs (number of attendees)	2,849	2,804	1,552	250	1,612	1,560	1,300	1,109	938	528
Public Service										
Snow removal (man hours)	529	564	1,638	2,091	1,287	599	676	2,475	1,430	1,275
Leaf pick-up (man hours)	582	460	802	773	644	731	643	800	850	800
Curbs replaced (linear feet)	987	904	313	766	110	0	0	0	0	2,000
Drive aprons replaced (square yards)	270	220	525	229	81	0	0	0	0	600
Truckloads of leaves picked-up	67	54	70	78	88	91	81	102	164	180
Tons of snow melting salt used	942	706	1,267	2,166	1,734	857	1,087	2,133	1,300	1,800
Number of snow events	10	10	7	17	13	8	9	15	13	14
Cemetery burials	45	28	33	43	32	34	37	34	\$34	42
Water meter installations	950	354	640	188	125	3,301	230	161	160	154

Source: City department year-end reports.

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

Function/program	<u>2017</u>	<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>
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	7.0	7.5	7.0	3.0	3.0	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	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchasing/Adm. Services	0.0	0.0	0.0	9.5	7.5	7.7	9.2	9.2	9.2	8.2
Planning	4.0	4.0	2.0	2.0	3.0	3.0	4.0	4.0	4.0	4.0
Police	37.5	37.0	34.0	32.0	31.5	32.5	36.0	37.0	36.0	30.5
Fire	43.0	35.0	35.0	35.0	35.0	33.0	34.0	36.0	36.0	33.0
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	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Service	4.0	4.0	4.0	4.0	3.0	4.5	4.5	4.0	5.0	5.0
Service:										
Administration	4.0	5.0	4.0	4.0	4.0	4.5	4.5	3.5	3.5	3.0
Street Maintenance	12.0	11.0	10.0	10.0	9.0	10.5	10.0	10.0	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	1.0	0.8	0.8	0.8	0.8	0.8
Totals:	<u>128.5</u>	<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>

Source: City of Monroe, Finance Department

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



Dave Yost • Auditor of State

CITY OF MONROE

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST, 23 2018**