

City of Monroe, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2001





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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City Council
City of Monroe
P.O. Box 330
Monroe, Ohio 45050

We have reviewed the Independent Auditor's Report of the City of Monroe, Butler County, prepared by BKD LLP, for the audit period January 1, 2001 to December 31, 2001. 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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

August 19, 2002

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CITY OF MONROE, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2001

Prepared by
E. David Collins, Finance Director

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City of Monroe, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2001

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Introductory Section



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Michael P. Morris
Mayor

CITY OF MONROE

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Donald W. Whitman
City Manager

June 4, 2002

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, 2001. The CAFR is presented in three sections:

1. The Introductory section includes the table of contents, this transmittal letter, a list of principal officials, and the City's organizational chart.
2. The Financial section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the report of independent accountant on the financial statements.
3. The Statistical section includes a number of tables depicting the financial history of the City for the past ten years, as well as information on subjects such as overlapping governments and demographics.

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

THE CITY OF MONROE

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

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

Although once strictly a farming community, the City of Monroe now has a strong industrial base. Currently, the total percentage of land area in Monroe is significantly weighted towards light and heavy industrial acreage. The City's industrial tax base generates over \$2,000,000 in annual revenue from a one-per cent earnings tax. Industrial growth is expected to continue. The City offers excellent access to the flourishing Interstate 75 corridor and holds 1,800 acres of prime green field industrial parcels ready for development with full utilities and road access.

CITY ORGANIZATION AND REPORTING ENTITY

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

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

The City is associated with the following jointly governed organizations: The Center for Local Governments and the Ohio-Kentucky-Indiana Regional Council of Governments, which are presented in Note 21 to the general purpose statements. The City is also a member of the Ohio Municipal League of Ohio Worker's Compensation Group Rating Plan, an insurance purchasing pool, which is presented in Note 22 to the general purpose financial statements.

ECONOMIC CONDITION AND MAJOR INITIATIVES

The continued high level of economic activity in eastern Butler County over the last few years has assisted the City's efforts for increasing its economic base. Since the earnings tax is the City's largest source of income, the creation of new jobs is essential to growing revenue.

The City offers excellent access to the flourishing Interstate 75 corridor. The travel time to the Monroe interstate interchange is no more than five minutes from anywhere within the City. Both State Route 63 and State Route 4 cross through Monroe, offering quick access to the cities of Hamilton and Middletown. Monroe companies currently draw employees from several nearby communities within a 15-mile radius of Monroe including the cities of Middletown, Hamilton, Fairfield, Mason, Franklin and Springboro. Within that radius exists a population of approximately 400,000 people.

The City 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 roadway and utility infrastructure can maintain its high level of service amidst the heavy demand caused by rapid commercial and industrial growth.

Road Improvements

The City has secured State funding for 80% of an estimated \$4,000,000 road widening project. The upgrades run from State Route 63 at the Interstate 75 interchange and terminate at the eastern corporation limits. This widening project will increase the number of lanes while implementing traffic control devices in response to the anticipated growth of an 800-acre industrial park situated at the corner of Interstate 75 and State Route 63.

The State Route 63 widening project will coincide with a Ohio Department of Transportation-sponsored project replacing the Interstate 75 bridge and making substantial improvements to the north and south bound ramps onto State Route 63. The City is also working with the Butler County Engineer's Office in designing the "Trenton Bypass." This four-lane divided highway project will link the City's State Route 63 to the City of Trenton and eventually westward to the City of Oxford. This project will open up new labor markets for Monroe businesses while providing better internal vehicle circulation within the City.

Water System Improvements

The City recently completed a joint water tank and distribution project with the City of Middletown. The joint water system project included Monroe's funding one-third of the 1.5 million-gallon water storage facility. The 500,000 gallons per day allocated to the City's western water district will provide ample water volume and pressure for the western industrial park developments. With the addition of this new tower, Monroe currently has a citywide capacity of 2.1 million gallons per day.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

The City's records are maintained on a cash basis for all fund types. Following the year-end closing, necessary adjustments are made to the cash basis records to produce this CAFR. For governmental and related fiduciary funds, the modified accrual basis of accounting is used for reporting purposes. This means that revenues are recognized when both measurable and available and expenditures are recognized when the fund liability is incurred.

The accrual basis of accounting is used for proprietary funds, which recognizes revenues when earned and expenses when incurred. A more detailed explanation of the basis of accounting for various funds is included in the notes to the general-purpose financial statements, located in the financial section of this report.

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

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

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

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

Fund Structure

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The type of funds used is determined by the Ohio Revised Code, by Ordinances and Resolutions of City Council, and by generally accepted accounting principles. The number of individual funds established is determined by prudent financial administration.

General Fixed Assets

The general fixed assets of the City include all City owned land, buildings, improvements, equipment, vehicles, and construction in progress used in the performance of general government functions. The general fixed assets exclude fixed assets of the Proprietary funds. Infrastructure improvements, such as roads, storm sewers, curbs and sidewalks, are not included in the fixed assets of the General Fixed Assets Account Group. As of December 31, 2001, the general fixed assets of the City amount to \$11,588,126. This amount represents actual cost or estimated actual cost, if actual cost was not available.

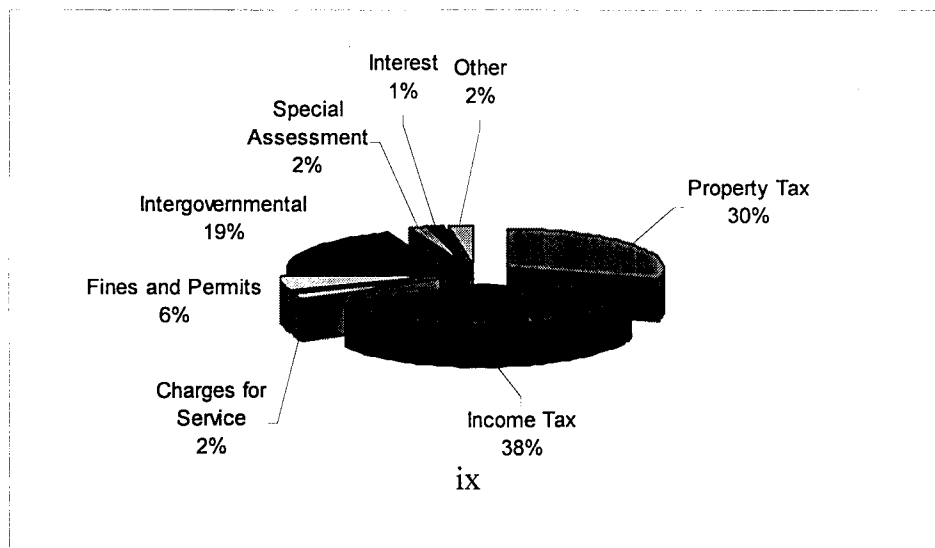
General Government Functions

The Governmental funds include the General, Special Revenue, Debt Service and Capital Projects fund types. All financial data for Proprietary and Fiduciary funds is excluded from the following analysis. Governmental Funds' revenues and variances when compared to last year are summarized below:

REVENUES

	2001	Variances	Percent of Increase (Decrease)
Property and Other Taxes	\$2,114,226	\$479,935	29.37%
Income Taxes	2,456,779	371,778	17.83
Charges for Services	154,848	32,317	26.37
Fines, Licenses and Permits	397,482	(46,610)	(10.50)
Intergovernmental	1,298,110	441,227	51.49
Special Assessments	135,505	4,531	3.46
Interest	100,788	(187,591)	(65.05)
Change in Fair Value	0	(19,293)	(100.00)
Other	170,372	(17,515)	(9.32)
Totals	<u>\$6,828,110</u>	<u>(1,058,779)</u>	<u>18.35%</u>

2001 Revenues as a Percentage of Total Revenues



Property and other taxes increased by 29.37% in fiscal year 2001. The increase can be attributed to the triennial property value update for the County.

Income tax revenues increased dramatically by 17.83% in fiscal year 2001. The City has implemented a new collection process during 2001 and was more aggressive in pursuing delinquent accounts during the year.

Charges for services increased by 26.37% in fiscal year 2001. The increase can be attributed the fire department and emergency medical services being within the City for the entire fiscal compared with only nine months for 2000.

Fines, licenses and permits decreased by 10.50% in fiscal year 2001. The value associated with the City's construction permits decreased by over \$10 million caused a reduction in the fee charged.

Intergovernmental revenues increased by 51.49% in fiscal year 2001. Since 2000 the City has received an unusually large amount of estate tax, which is not expected to be received again.

Special assessment revenues increased by 3.46% in fiscal year 2001 as the number of delinquencies decreased from last year.

Interest revenues decreased by 65.05% in fiscal year 2001. The decrease can be attributed to the Federal Reserve decreasing the rates over the past year. The City also had less moneys available for active investment.

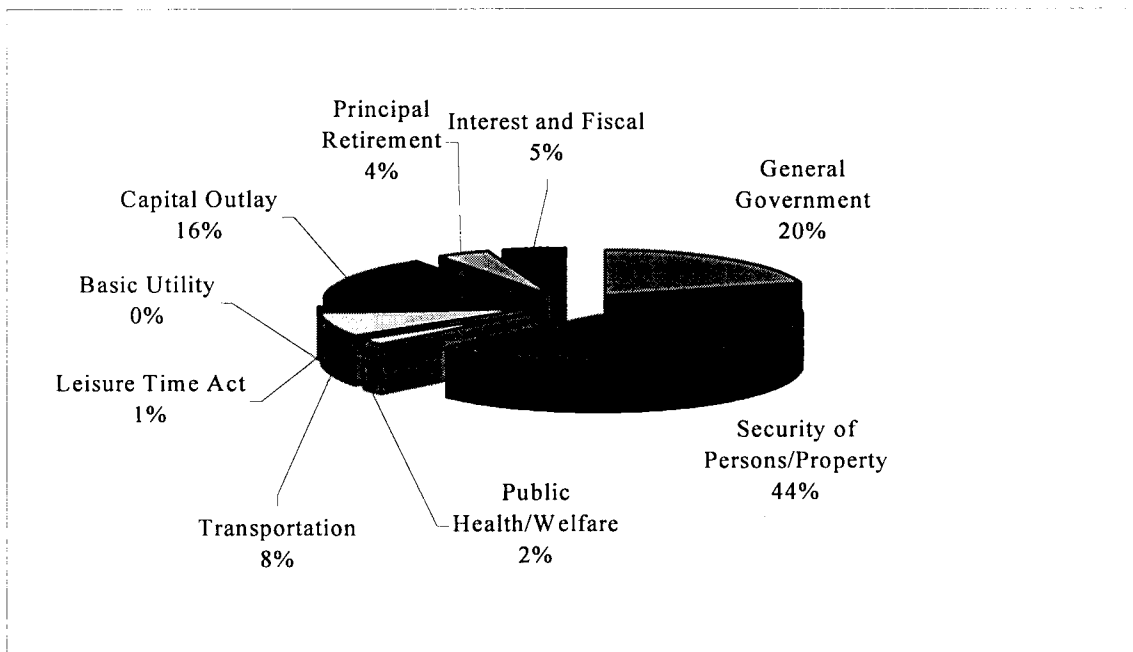
Other revenues decreased by 9.32% during fiscal year 2001. The decrease can be attributed to the City receiving less donations and contributions during the year compared to 2000.

The following schedule presents a summary of Governmental funds expenditures and variances as compared to last year:

EXPENDITURES

	2001	Variances	Percent of Increase (Decrease)
Current:			
General Government	\$1,987,587	\$1,392,279	228.36%
Security of Persons and Property	4,172,209	(89,159)	(2.09)
Public Health and Welfare	211,458	72,612	52.30
Transportation	808,002	88,829	12.35
Basic Utility Services	17,402	10,290	144.69
Leisure Time Activities	78,362	49,512	171.62
Capital Outlay	1,549,043	(692,498)	(30.89)
Debt Service:			
Principal Retirement	403,498	61,684	18.05
Interest and Fiscal Charges	482,585	7,714	1.62
Total	\$9,710,146	\$891,263	10.11%

2001 Expenditures as a Percentage of Total Expenditures



The 228.36% increase in general government expenditures can be attributed to the hiring of additional staff, maintenance of the municipal building and upgrading several activities within the general administration of the City.

Expenditures for security of persons and property decreased in 2001 by 2.09%. The City had spent more moneys in 2000 for capital improvements to the police station canopy and the additional of vehicles for the police department that the City did not need to spend during 2001.

Public health and welfare increase by 52.30% in 2001. The increase can be attributed to the City's additional maintenance of the parks and cemeteries.

Transportation increased by 12.35% in 2001. The increase can be attributed to the City making improvements to various streets and the purchase of several new street maintenance vehicles during 2001.

Basic utility services increase 144.69% in fiscal year 2001. The City is sharing more expenses between the enterprise funds and the general fund.

Leisure time activity expenditures increased by 171.62% in fiscal year 2001 as the City upgraded several parks with most of the improvements being completed at the Monroe Community Park as the focal point for the City.

Capital Outlay expenditures decreased by 30.89% in fiscal year 2001. The decrease can be attributed the City's large capital improvement plan with street projects and new police and fire structures during 2000 that were completed and the City only having one major capital project, the firehouse.

General Fund Balance

In 2001, revenues and other financing sources of \$4,425,827 were more than expenditures and other financing uses by \$384,636, resulting in a fund of balance of \$1,655,470 at December 31, 2001.

Special Revenue Funds

The Special Revenue funds are created to account for funds from specifically identified sources that must be maintained and accounted for separately. The City's major special Revenue funds consist of the Street fund, Fire Operation and Maintenance fund, Fire 1989 Levy fund, Fire 2000 Levy fund and the Police Law Enforcement fund. The following highlights fiscal year 2001 activity for some major funds:

The Street fund: Revenues and other financing sources were \$389,302, and expenditures were \$1,056,622. The December 31, 2001 balance was (\$649,684). The negative can be attributed to the City's resurfacing and improvements of many streets. The City believes it was important to make improvements to the various streets in the City to continue to create a viable business community.

The Fire Operation and Maintenance fund: Revenues and other financing sources were \$761,032, and expenditures were \$1,952,508. The December 31, 2001 balance was (\$1,137,804). The deficit was created with the City paying for the construction of the new firehouse from the operation account. The City is able to use the moneys related to the two operating levies to eliminate the deficit.

The Fire 1989 Levy fund: Revenues were \$566,981, and expenditures were \$6,689. The December 31, 2001 balance was \$609,592.

The Fire 2000 Levy fund: Revenues were \$343,880, and expenditures were \$1,290,038. The December 31, 2001 balance was (\$1,514,984). The deficit balance is attributed to a short-term note that was issued during 2001 being recorded as a liability on a GAAP basis and not as a revenue.

The Police Law Enforcement fund: Revenues and other financing sources were \$804,259, and expenditures were \$1,355,019. The December 31, 2001 balance was (\$572,088). The deficit was created, as the City continued with various construction projects for the police department but not at the rate from the prior year.

Capital Projects Funds

The City maintains three capital projects funds. These funds are the Park Improvement Fund, the Capital Improvement Fund and the Interstate 75 Corridor Fund. Expenditures for the Capital Projects funds were \$113,651, \$52,306, and \$0, respectively. The December 31, 2001 balance in each fund was (\$22,152), \$783 and \$44,173, respectively.

Proprietary Funds

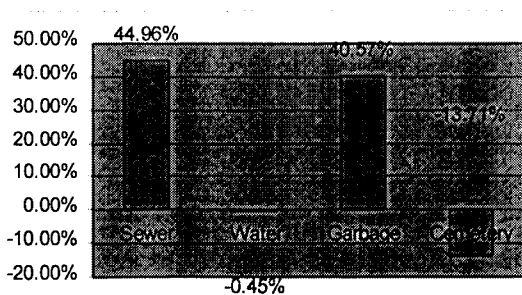
Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primary through user charges. The City operated four enterprises in 2001.

Enterprise Operations

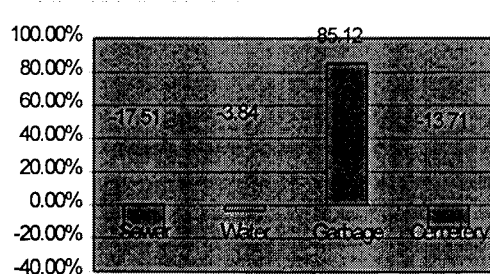
The City has four Enterprise funds: Sewer, Water, Garbage and Cemetery. Financial statements for these funds are included in this report. The Enterprise funds are user fee supported.

	Total Assets	Total Equity	Net Income (Loss)	Return on Assets	Return on Equity
Sewer	\$235,924	(\$605,625)	106,075	44.96%	(17.51)%
Water	6,661,891	772,994	(29,720)	(0.45)	(3.84)
Garbage	83,899	39,988	34,038	40.57	85.12
Cemetery	130,155	130,094	(17,840)	(13.71)	(13.71)

Return on Assets



Return on Equity



Fiduciary Funds

The City uses Fiduciary funds to hold assets in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's Fiduciary funds are an Expendable Trust and the Mayor's Court Agency fund.

Expendable Trust Funds

The Cemetery Trust fund holds and accounts for monies, which have been donated from various contributors to the City over many years. The only revenues and expenses relate to principal maintenance. The Longstreet Trust fund accounts for a one-time contribution to the City from an owner for improvements on Longstreet. The December 31, 2001 balance was \$66,364 and \$1,000, respectively.

Agency Fund

This fund is strictly of custodial nature and as such does not measure the results of operations. The City has only one Agency fund - the Mayor's Court.

DEBT ADMINISTRATION

The Debt Service fund is used to pay the general obligations of the City is used to accumulate resources for the payment of general and special assessment debt principal and interest.

At December 31, 2001, general obligation debt outstanding payable from the Debt Service fund amounted to \$4,745,000, while special assessment bonds totaled \$1,457,200. Special assessment debt is paid from assessments against property owners who benefited from the capital construction financed by the debt issue. In the event property owners fail to make the required payments, the City would be responsible for the debt service.

Debt expected to be paid from the Enterprise fund revenues is reported as a liability in the Enterprise funds. Enterprise fund bond obligations at December 31, 2001, totaled \$1,015,000.

Bond anticipation note debt outstanding at December 31, 2001, amount to \$5,700,000. Note proceeds are being issued for a new firehouse and waterworks system improvement. The waterworks system improvement notes were issued for \$3,800,000. The \$1,900,000 note for construction of a new firehouse was reissued during 2001 for the Fire Levy Fund.

The ratio of general bonded debt to assessed valuation and the amount of bonded debt per capita are considered good indicators of the City's debt position to city manager, citizens, and investors in general governmental debt.

The City's debt position as of December 31, 2001, was as follows:

Overall Legal Debt Margin	\$18,442,803
Unvoted Legal Debt Margin	\$ 7,174,371
Ratio of Net Bonded Debt To Assessed Valuation	2.86%
General Bonded Debt per Capita	\$ 902

CASH MANAGEMENT

The City Finance Director is in charge of the City's cash management program. All City cash is pooled for investment purposes. Longer term investments consist of Certificates of Deposit insured by the Federal Deposit Insurance Corporation or protected by either pledged collateral held in trust by the Federal Reserve Bank or pooled collateral, United States Agency Obligations and commercial paper. During 2001, the City earned \$105,229 in interest. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions hold the collateral. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided.

RISK MANAGEMENT

The City is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The City is also covered under Ohio Municipal League of Ohio Worker's Compensation Group Rating Plan. Every effort is made by the City Administration to monitor insurance costs and related risk to insure proper fiscal management in this area. A more detailed description of the City's insurance coverage may be found in Note 15 to the financial statements.

OTHER INFORMATION

Independent Audit

This report includes an unqualified audit report regarding the City's financial statements. BKD LLP conducted this year's audit. The Independent Accountant's Report on the general-purpose financial statements 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 their Cincinnati, Ohio office.

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, 2000. 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.

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.

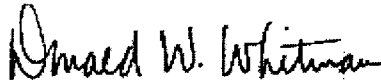
Acknowledgements

A note of sincere appreciation is extended to many hardworking and committed people who have contributed their time and effort to prepare this report. A special thank you is also extended to Mr. Sean Fraunfelter of Fraunfelter Accounting Services for his assistance, efforts, and guidance in the preparation of this CAFR.

Respectfully submitted,



E. David Collins
City Treasurer



Donald Whitman
City Manager

City of Monroe, Ohio
List of Principal Officials
December 31, 2001

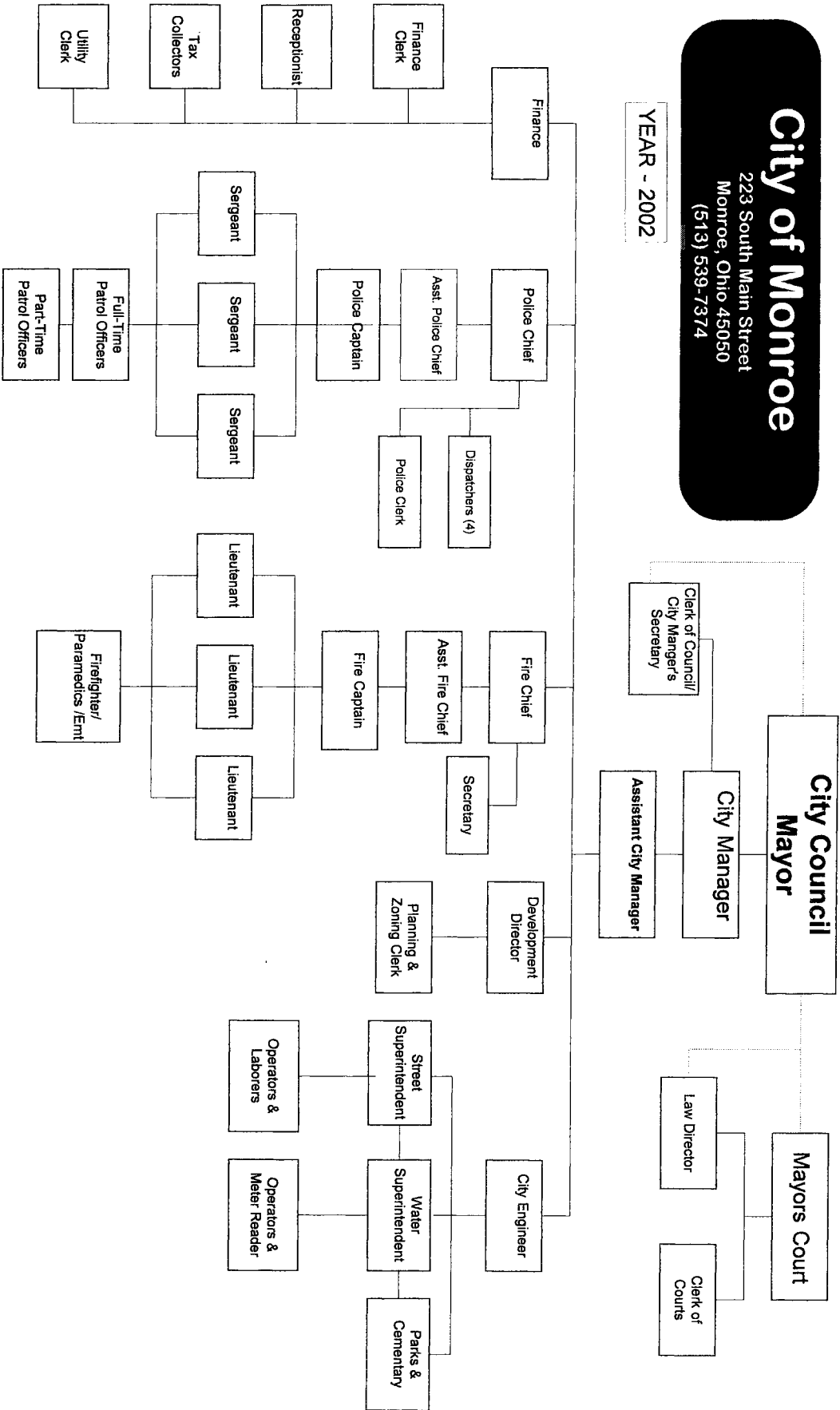
<u>OFFICE HELD</u>	<u>NAME OF OFFICIAL</u>
City Manager	Donald W. Whitman
Finance Director	E. David Collins
Law Director	K. Phillip Callahan
Mayor	Michael Morris
Vice Mayor	Robert Routson
Municipal Court Clerk	Sara Cottongim
Police Chief	Ernest Howard
Fire Chief	Mark Neu
Tax Commissioner	Lisa Warner
Street Superintendent	Timothy Booth
Water Superintendent	Robert Takach
Director of Development	Jay T. Stewart

CITY COUNCIL MEMBERS

Eric Detcher
Richard Kremer
Robert Youtsler
Steve Campbell
Steven Tannreuther

City of Monroe
 223 South Main Street
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YEAR - 2002



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Monroe,
Ohio

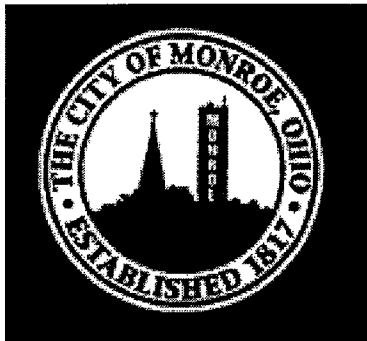
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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



Timothy A. Brewer
President

Jeffrey L. Esser
Executive Director



Financial Section



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Independent Accountants' Report on Financial Statements and Supplementary Information

The Mayor and City Council
City of Monroe, Ohio
Monroe, Ohio

We have audited the accompanying general purpose financial statements of the City of Monroe (City) as of and for the year ended December 31, 2001 as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Monroe as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, the City adopted Governmental Accounting Standards Board Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*" and Statement No. 36, "*Recipient Reporting for Certain Shared Nonexchange Revenues*," by restating beginning fund balances.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

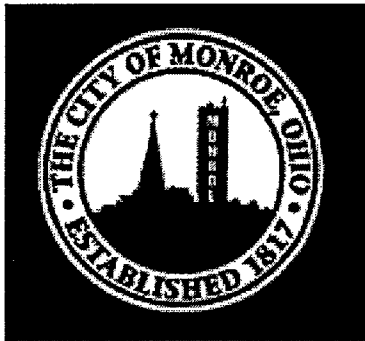
**Solutions
for
Success**

Our audit was conducted for the purpose of forming an opinion on the combined general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the combined general purpose financial statements. Such information has been subjected to the procedures applied in the audit of the combined general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the combined general purpose financial statements taken as a whole.

The information listed as the statistical section in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the combined general purpose financial statements and, accordingly, we express no opinion on it.

BKD, LLP

June 4, 2002



City of Monroe, Ohio
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$164,188	\$2,035	\$0	\$44,956
Investments	0	0	1,509	0
Cash with Fiscal Agent	0	0	63,914	0
Investments with Fiscal Agent	0	0	540,000	0
Segregated Accounts:				
Cash and Cash Equivalents	0	0	0	0
Receivables:				
Property and Other Taxes	596,165	2,680,118	0	0
Income Taxes	226,185	0	0	0
Accounts	20,303	21,525	0	0
Interfund	526,667	1,159,052	0	0
Special Assessments	0	43,710	2,267,411	0
Due from Other Funds	241,145	0	0	0
Due from Other Governments	341,390	16,438	0	0
Restricted Assets:				
Cash and Cash Equivalents with Trustee	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits				
Amount to be Provided for Retirement of Special Assessment Bonds	0	0	0	0
Amount to be Provided for Retirement of General Long Term Obligations	0	0	0	0
Total Assets and Other Debits	<u>\$2,116,043</u>	<u>\$3,922,878</u>	<u>\$2,872,834</u>	<u>\$44,956</u>

See accompanying notes to the general purpose financial statements

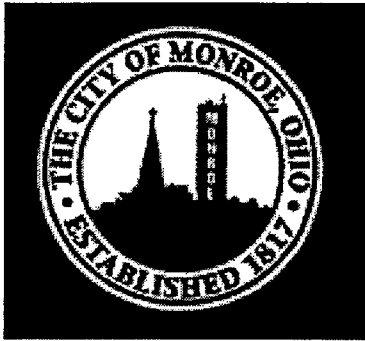
Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$472,413	\$21,864	\$0	\$0	\$705,456
0	45,500	0	0	47,009
0	0	0	0	63,914
0	0	0	0	540,000
0	4,915	0	0	4,915
0	0	0	0	3,276,283
0	0	0	0	226,185
248,060	0	0	0	289,888
2,321,934	0	0	0	4,007,653
0	0	0	0	2,311,121
0	291	0	0	241,436
0	0	0	0	357,828
178,134	0	0	0	178,134
3,891,328	0	11,588,126	0	15,479,454
0	0	0	1,457,200	1,457,200
0	0	0	5,248,841	5,248,841
<u>\$7,111,869</u>	<u>\$72,570</u>	<u>\$11,588,126</u>	<u>\$6,706,041</u>	<u>\$34,435,317</u>

City of Monroe, Ohio
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2001
(continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$41,467	\$38,402	\$0	\$0
Contracts Payable	15,200	68,680	0	0
Interfund Payable	0	2,609,109	610,392	22,152
Accrued Wages and Benefits	24,324	47,511	0	0
Compensated Absences Payable	0	0	0	0
Due to Other Funds	80	0	0	0
Due to Other Governments	8,125	92,222	0	0
Deferred Revenue	371,377	2,268,139	2,253,694	0
Undistributed Monies	0	0	0	0
Deposits Held and Due to Others	0	0	0	0
Matured Interest Payable	0	0	2,202	0
Matured Bonds Payable	0	0	35,000	0
Accrued Interest Payable	0	34,512	0	0
Notes Payable	0	1,900,000	0	0
Capital Lease Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Loans Payable	0	0	0	0
Mortgage Revenue Bonds Payable	0	0	0	0
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0
Total Liabilities	460,573	7,058,575	2,901,288	22,152
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Reserved for Revenue Bond				
Future Debt Service	0	0	0	0
Reserved for Revenue Bond				
Replacement and Improvement	0	0	0	0
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	58,365	190,325	0	11,879
Unreserved:				
Undesignated (Deficit)	1,597,105	(3,326,022)	(28,454)	10,925
Total Fund Equity (Deficit) and Other Credits	1,655,470	(3,135,697)	(28,454)	22,804
Total Liabilities, Fund Equity and Other Credits	\$2,116,043	\$3,922,878	\$2,872,834	\$44,956

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$224,464	\$0	\$0	\$0	\$304,333
0	0	0	0	83,880
766,000	0	0	0	4,007,653
3,259	0	0	0	75,094
6,230	0	0	27,937	34,167
240,211	1,145	0	0	241,436
1,089	3,877	0	0	105,313
0	0	0	0	4,893,210
0	167	0	0	167
0	17	0	0	17
0	0	0	0	2,202
0	0	0	0	35,000
42,257	0	0	0	76,769
3,800,000	0	0	0	5,700,000
0	0	0	475,904	475,904
0	0	0	4,745,000	4,745,000
675,908	0	0	0	675,908
1,015,000	0	0	0	1,015,000
0	0	0	1,457,200	1,457,200
<u>6,774,418</u>	<u>5,206</u>	<u>0</u>	<u>6,706,041</u>	<u>23,928,253</u>
0	0	11,588,126	0	11,588,126
1,978,022	0	0	0	1,978,022
45,169	0	0	0	45,169
132,963	0	0	0	132,963
(1,818,703)	0	0	0	(1,818,703)
0	0	0	0	260,569
0	67,364	0	0	(1,679,082)
<u>337,451</u>	<u>67,364</u>	<u>11,588,126</u>	<u>0</u>	<u>10,507,064</u>
<u>\$7,111,869</u>	<u>\$72,570</u>	<u>\$11,588,126</u>	<u>\$6,706,041</u>	<u>\$34,435,317</u>



City of Monroe, Ohio
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2001

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Property and Other Taxes	\$659,086	\$1,374,509	\$80,631	\$0	\$0	\$2,114,226
Income Taxes	2,456,779	0	0	0	0	2,456,779
Charges for Services	4,793	150,055	0	0	0	154,848
Fines, Licenses and Permits	295,225	40,077	0	62,180	0	397,482
Intergovernmental	813,921	484,189	0	0	0	1,298,110
Special Assessments	0	54,141	81,364	0	0	135,505
Interest	99,544	0	1,244	0	98	100,886
Other	95,654	74,218	0	500	0	170,372
Total Revenues	4,425,002	2,177,189	163,239	62,680	98	6,828,208
Expenditures:						
Current:						
General Government	1,987,587	0	0	0	0	1,987,587
Security of Persons and Property	216,608	3,955,601	0	0	0	4,172,209
Public Health and Welfare	211,458	0	0	0	0	211,458
Transportation	371,035	436,967	0	0	0	808,002
Basic Utility Services	17,402	0	0	0	0	17,402
Leisure Time Activities	78,362	0	0	0	0	78,362
Capital Outlay	127,309	1,255,777	0	165,957	0	1,549,043
Debt Service:						
Principal Retirement	0	116,698	286,800	0	0	403,498
Interest and Fiscal Charges	0	66,980	415,605	0	0	482,585
Total Expenditures	3,009,761	5,832,023	702,405	165,957	0	9,710,146
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,415,241	(3,654,834)	(539,166)	(103,277)	98	(2,881,938)
Other Financing Sources (Uses):						
Sale of Fixed Assets	825	0	0	0	0	825
Operating Transfers - In	0	999,280	0	71,975	0	1,071,255
Operating Transfers - Out	(1,031,430)	0	(121,769)	0	0	(1,153,199)
Total Other Financing Sources (Uses)	(1,030,605)	999,280	(121,769)	71,975	0	(81,119)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	384,636	(2,655,554)	(660,935)	(31,302)	98	(2,963,057)
Fund Balances (Deficit) at Beginning of Year - Restated (See Note 3)	1,270,834	(480,143)	632,481	54,106	67,266	1,544,544
Fund Balances (Deficit) at End of Year	\$1,655,470	(\$3,135,697)	(\$28,454)	\$22,804	\$67,364	(\$1,418,513)

See accompanying notes to the general purpose financial statements

City of Monroe, Ohio
Combined Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property and Other Taxes	\$370,000	\$481,050	\$111,050	\$1,016,000	\$1,003,799	(\$12,201)
Income Taxes	2,516,000	2,393,484	(122,516)	0	0	0
Charges for Services	30,000	4,793	(25,207)	130,000	129,756	(244)
Fines, Licenses and Permits	282,000	287,932	5,932	100	50	(50)
Intergovernmental	659,500	653,687	(5,813)	513,500	514,878	1,378
Special Assessments	0	0	0	54,500	54,141	(359)
Interest	117,700	99,544	(18,156)	0	0	0
Other	91,500	95,343	3,843	841,750	70,993	(770,757)
Total Revenues	4,066,700	4,015,833	(50,867)	2,555,850	1,773,617	(782,233)
Expenditures:						
Current						
General Government	2,101,906	2,111,432	(9,526)	0	0	0
Security of Persons and Property	230,500	223,207	7,293	5,195,042	4,586,172	608,870
Public Health and Welfare	211,460	207,724	3,736	0	0	0
Transportation	385,000	380,411	4,589	602,207	450,471	151,736
Basic Utility Services	22,500	17,402	5,098	0	0	0
Leisure Time Activities	83,150	79,763	3,387	0	0	0
Capital Outlay	260,356	127,309	133,047	1,475,298	1,255,777	219,521
Debt Service:						
Principal Retirement	0	0	0	1,400,000	1,900,000	(500,000)
Interest and Fiscal Charges	0	0	0	0	56,769	(56,769)
Total Expenditures	3,294,872	3,147,248	147,624	8,672,547	8,249,189	423,358
Excess (Deficiency) of Revenues Over (Under) Expenditures	771,828	868,585	96,757	(6,116,697)	(6,475,572)	(358,875)
Other Financing Sources (Uses):						
Sale of Fixed Assets	3,500	825	(2,675)	0	0	0
Proceeds From Sale of Notes	0	0	0	0	1,900,000	1,900,000
Operating Transfers - In	0	0	0	972,500	999,280	26,780
Operating Transfers - Out	(1,190,000)	(1,031,430)	158,570	0	0	0
Total Other Financing Sources (Uses)	(1,186,500)	(1,030,605)	155,895	972,500	2,899,280	1,926,780
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(414,672)	(162,020)	252,652	(5,144,197)	(3,576,292)	1,567,905
Fund Balances at Beginning of Year - Restated	686,006	686,006	0	499,501	499,501	0
Prior Year Encumbrances Appropriated	133,872	133,872	0	1,321,197	1,321,197	0
Fund Balances (Deficit) at End of Year	\$405,206	\$657,858	\$252,652	(\$3,323,499)	(\$1,755,594)	\$1,567,905

See accompanying notes to the general purpose financial statements

Debt Service Fund			Capital Projects Funds			Expendable Trust Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$80,500	\$80,631	\$131	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	97,000	62,480	(34,520)	0	0	0
0	0	0	0	0	0	0	0	0
80,575	81,364	789	0	0	0	0	0	0
0	0	0	0	0	0	100	98	(2)
0	0	0	0	500	500	0	0	0
<u>161,075</u>	<u>161,995</u>	<u>920</u>	<u>97,000</u>	<u>62,980</u>	<u>(34,020)</u>	<u>100</u>	<u>98</u>	<u>(2)</u>
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	30,000	0	30,000
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	180,500	178,703	1,797	0	0	0
235,000	351,800	(116,800)	0	0	0	0	0	0
480,000	428,745	51,255	0	0	0	0	0	0
<u>715,000</u>	<u>780,545</u>	<u>(65,545)</u>	<u>180,500</u>	<u>178,703</u>	<u>1,797</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
<u>(553,925)</u>	<u>(618,550)</u>	<u>(64,625)</u>	<u>(83,500)</u>	<u>(115,723)</u>	<u>(32,223)</u>	<u>(29,900)</u>	<u>98</u>	<u>29,998</u>
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	285,000	71,975	(213,025)	0	0	0
0	(56,769)	(56,769)	0	0	0	0	0	0
<u>0</u>	<u>(56,769)</u>	<u>(56,769)</u>	<u>285,000</u>	<u>71,975</u>	<u>(213,025)</u>	<u>0</u>	<u>0</u>	<u>0</u>
(553,925)	(675,319)	(121,394)	201,500	(43,748)	(245,248)	(29,900)	98	29,998
66,436	66,436	0	47,173	47,173	0	67,266	67,266	0
0	0	0	7,500	7,500	0	0	0	0
<u>(\$487,489)</u>	<u>(\$608,883)</u>	<u>(\$121,394)</u>	<u>\$256,173</u>	<u>\$10,925</u>	<u>(\$245,248)</u>	<u>\$37,366</u>	<u>\$67,364</u>	<u>\$29,998</u>

City of Monroe, Ohio
Combined Statement of Revenues, Expense and
Changes in Fund Equity
Proprietary Fund Type
For the Year Ended December 31, 2001

	Enterprise
<u>Operating Revenues:</u>	
Charges for Services	\$2,418,490
Sales	32,364
Other Operating Revenues	4,678
Total Operating Revenues	2,455,532
 <u>Operating Expenses:</u>	
Personal Services	433,601
Contractual Services	1,590,305
Materials and Supplies	197,248
Depreciation	193,755
Total Operating Expenses	2,414,909
 Operating Income	 40,623
 <u>Non-Operating Revenues (Expenses):</u>	
Deposits Refunded	(6,568)
Interest and Fiscal Charges	(27,789)
Interest Revenue	4,343
Total Non-Operating Revenues (Expenses)	(30,014)
Income Before Operating Transfers	10,609
Operating Transfers - In	81,944
Net Income	92,553
Fund Equity at Beginning of Year	244,898
Total Fund Equity at End of Year	\$337,451

See accompanying notes to the general purpose financial statements

City of Monroe, Ohio
Combined Statement of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Proprietary Fund Type
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$2,181,740	\$2,405,179	\$223,439
Sales	32,300	31,932	(368)
Proceeds of Notes	0	4,500,000	4,500,000
Other Operating Revenues	1,000	4,908	3,908
Total Revenues	<u>2,215,040</u>	<u>6,942,019</u>	<u>4,726,979</u>
Expenses:			
Personal Services	447,227	436,765	10,462
Contractual Services	2,396,936	2,587,159	(190,223)
Materials and Supplies	229,860	218,641	11,219
Deposits Refunded	2,550	6,188	(3,638)
Capital Outlay	351,258	430,764	(79,506)
Miscellaneous Expenses	0	18	(18)
Debt Service:			
Principal Retirement	0	1,400,000	(1,400,000)
Interest and Fiscal Charges	0	46,411	(46,411)
Total Expenses	<u>3,427,831</u>	<u>5,125,946</u>	<u>(1,698,115)</u>
Excess of Revenues Over (Under) Expenses before Operating Transfers	(1,212,791)	1,816,073	3,028,864
Operating Transfers - In	35,000	16,944	(18,056)
Operating Transfers - Out	(1,550)	0	1,550
Excess (Deficiency) of Revenues Over (Under) Expenses and Operating Transfers	(1,179,341)	1,833,017	3,012,358
Fund Equity Beginning of Year	72,086	72,086	0
Prior Year Encumbrances Appropriated	24,776	24,776	0
Fund Equity (Deficit) at End of Year	<u>(\$1,082,479)</u>	<u>\$1,929,879</u>	<u>\$3,012,358</u>

See accompanying notes to the general purpose financial statements

City of Monroe, Ohio
Combined Statement of Cash Flows
Proprietary Fund Type
For the Year Ended December 31, 2001

	Enterprise
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$2,437,111
Cash Paid for Employee Services and Benefits	(436,682)
Cash Paid to Suppliers for Goods and Services	(2,543,462)
Utility Deposits Returned	4,890
	(538,143)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Short Term Loan	(1,571,430)
Operating Transfers-In	81,944
	(1,489,486)
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Proceeds from Sale of General Obligation Notes Payable	4,500,000
Deposits Refunded	(6,188)
Acquisition of Capital Assets	(594,718)
Interest Paid on General Obligation Notes Payable	(46,411)
Principal Paid on General Obligation Notes Payable	(1,400,000)
Interest Due on Mortgage Revenue Bonds Payable	32,500
Principal Paid on Mortgage Revenue Bonds Payable	(65,000)
	2,420,183
<u>Cash Flows from Investing Activities:</u>	
Interest	4,343
	4,343
Net Increase in Cash and Cash Equivalents	396,897
Cash and Cash Equivalents at Beginning of Year	253,650
Cash and Cash Equivalents at End of Year	\$650,547
See accompanying notes to the general purpose financial statements	(continued)

City of Monroe, Ohio
Combined Statement of Cash Flows
Proprietary Fund Type
For the Year Ended December 31, 2001
(continued)

	Enterprise
Reconciliation of Operating Income to <u>Net Cash Used for Operating Activities:</u>	
Operating Income	\$40,623
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation Expense	193,755
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(13,743)
Decrease in Due from Other Governments	212
Decrease in Accounts Payable	(755,790)
Increase in Accrued Wages and Benefits Payable	280
Increase in Compensated Absences Payable	2,835
Decrease in Due to Other Governments	(6,526)
Increase in Due to Other Funds	211
	(578,766)
Total Adjustments	(578,766)
Net Cash Used for Operating Activities	(\$538,143)

Schedule of Noncash Capital and Financing Activities:

At December 31, 2001, the Water Fund had a loan payable of \$675,908 related to a water tower and accounts payable of \$57,743 that related to certain capitalized assets.

Notes to the General-Purpose Financial Statements

Note 1 — Reporting Entity and Basis of Presentation

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

The Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City had no component units at December 31, 2001.

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 Governments, which are presented in Note 21 to the combined general-purpose financial statements. The City is also a member the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan, an insurance purchasing pool, which is presented in Note 22 to the combined general-purpose financial statements.

Basis of Presentation — Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund

This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the charter of the City.

Special Revenue Funds

These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal, interest and related assets.

Capital Projects Funds

These funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector. The following is the City's proprietary fund type:

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered or financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City's fiduciary funds include expendable trust funds and agency funds. The expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term obligations related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group

The general fixed assets account group is used to account for all general fixed assets of the City, other than those accounted for in enterprise funds.

General Long-Term Obligations Account Group

The general long-term obligations account group is used to account for all unmatured general long-term obligations of the City that is not a specific liability of the enterprise funds, including special assessment debt for which the City is obligated in some manner.

Note 2 — Summary of Significant Accounting Policies

The financial statements of the City of Monroe have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its enterprise fund activities provided they do not conflict with or contradict GASB pronouncements. The significant accounting policies followed in the preparation of these financial statements are summarized below.

Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, state-levied locally shared taxes (including gasoline tax), fines, licenses and permits, amounts due from other funds for goods or services, and income tax withheld by employers.

The City reports deferred revenue in its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2001, whose availability is indeterminable and which are intended to finance 2002 operations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside the available period, the entire amount has been deferred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are general recognized in the accounting period in which the related fund liability is incurred if reasonable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The cost of accumulated unpaid vacation is reported as fund liabilities in the period in which it will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7.) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements including timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The accrual basis of accounting is utilized for reporting purposes by the enterprise funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when incurred.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

Budgetary Process

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

Tax Budget

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

Estimated Resources

The City 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 2001.

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.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures and encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and expendable trust funds and are reported in the notes to the financial statements for enterprise funds.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

Lapsing of Appropriations

At the close of each 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 succeeding year and is not reappropriated.

Cash and Cash Equivalents

To improve cash management, all cash received by the City is pooled. Monies for all funds, including enterprise funds, except cash held by a trustee or fiscal agent and specific fund investments, are maintained in this pool. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the balance sheet. Individual fund integrity is maintained through the City's records. The City's Mayor's Court has its own checking accounts for collection and distribution of court fines and forfeitures that are presented on the combined balance sheet as "Cash and cash equivalents in segregated accounts." The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "Cash and cash equivalents with fiscal agent." The Street, Fire Operation and Maintenance, Police Law Enforcement, Street Lighting, Debt Service, Park Improvement and Sewer funds expended more than their share of pooled cash and cash equivalents. These funds had negative cash balances at year-end that were eliminated by short-term loans from various city funds. These loans are classified as "Interfund receivables" and "Interfund payables."

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less and funds within the cash management pool are considered to be cash equivalents. Except for non-participating investment contracts, investments are reported at fair value, which is based on quoted market prices. Non-participating investment contracts, such as certificates of deposit, are reported at cost. During fiscal year 2001, investments were limited to STAR Ohio, certificates of deposit, City owned debt issues, and a money market mutual fund. Investments with original maturities of three months or more that are held for bonded debt as principal and interest come due, are presented on the balance sheet as "Investments with Fiscal Agents."

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2001.

Following Ohio statutes, the City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2001 amounted to \$99,544, which includes \$25,532, assigned from other City funds. Interest was also credited to the debt service fund, expendable trust funds and enterprise funds in the amounts of \$1,244, \$98 and \$4,343, respectively.

Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due from other funds" or "Due to other funds" on the balance sheet. Short-term interfund loans for a negative cash balance in a fund are classified as "Interfund receivables" and "Interfund payables."

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Restricted Assets

Restricted assets in the enterprise funds represent cash and cash equivalents with a fiscal agent, which have been set aside to satisfy bond indenture requirements for current and future debt payments, and cash and cash equivalents set aside for replacement and improvement of fixed assets originally acquired with bond proceeds.

Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fund fixed assets are assets used in providing services accounted for in enterprise funds. They are accounted for within the enterprise funds.

All purchased fixed assets are valued at cost when historical records are available and estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. An improvement to a fund fixed asset is depreciated over the remaining useful life of the related asset.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs, gutters, sidewalks, and drainage systems are not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of the enterprise funds' fixed assets is computed using the straight-line method over the following useful lives:

	Years
Land improvements	20
Infrastructure	20
Buildings	40
Vehicles, furniture and equipment	8—20

Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as operating transfers.

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Compensated Absences

The City follows the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences." Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The City record 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.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. This amount is recorded in the account, "Compensated absences payable" in the fund from which the person is paid. The remainder is reported in the general long-term obligations account group. In enterprise funds, the entire amount of unpaid compensated absences is reported as a fund liability.

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. However, compensated absences that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are considered not to have used current available financial resources. Bonds and capital leases are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by enterprise funds are reported as liabilities in the appropriate enterprise funds.

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

Obligation	Fund
Compensated Absences	Will be paid by the fund from which the employee's salary is paid.
Capital lease	Will be paid from the fire operation and maintenance fund and police law enforcement fund.
General Obligation Bonds	Will be paid from the fire 1989 levy fund and the debt service fund.
Loans Payable	Will be paid from the water fund, which is utilizing the water tower associated with the loan.
Mortgage Revenue Bonds	Will be paid from the water fund, which utilized the proceeds of the debt.
Special Assessment Bonds	Will be paid from the debt service fund.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

Capitalization of Interest

The City's policy is to capitalize net interest on enterprise fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2001, interest costs incurred on construction projects in enterprise funds were not material.

Contributed Capital

Contributed capital represents resources from other funds, federal and state grants, other governments, and private sources provided to the City's enterprise funds which are not subject to repayment. There were no changes in contributed capital during the year.

Because the City had not prepared its financial statements in accordance with generally accepted accounting principles in years prior to 1996, the exact amount of contributed capital at December 31, 2001, cannot be determined. Only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the enterprise funds are classified as retained earnings.

Reservations of Fund Equity

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

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.

Total Columns on Combined General-Purpose Financial Statements

Total columns on the combined general-purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Note 3 — Change in Accounting Principle

For fiscal year 2001, the City implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues," an amendment of GASB No. 33, which changes how the City reports certain types of revenues. The following is the effect the implementation had on the fund balances at December 31, 2001:

	Special Revenue Funds				
	General	Fire Operation and Maintenance	Fire 1989 Levy	Fire 2000 Levy	Police Law Enforcement
Fund Balance at December 31, 2000	\$1,241,679	\$35,730	\$29,11	(\$616,010)	(\$45,998)
GASB Statements No. 33 and No. 36	29,155	17,942	20,18	20,184	24,670
Fund Balance at December 31, 2000 – restated	\$1,270,834	\$53,672	\$49,30	(\$595,826)	(\$21,328)

Note 4 — Budget to GAAP Reconciliation

Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance and retained earnings 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 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual (Budget Basis) — All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity — Budget and Actual (Budget Basis) — Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds and as note disclosure for enterprise funds (GAAP basis).
4. For enterprise funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

CITY OF MONROE

Notes to the General-Purpose Financial Statements

6. The City pays short and long-term debt from the Debt Service Fund (Budget Basis) as opposed to the fund that received the proceeds (GAAP Basis). Debt Service Fund resources used to pay both principal and interest have been allocated accordingly.

The adjustments necessary to convert the results of operations for the year ended December 31, 2001, on the GAAP basis to the budget basis are as follows:

**Excess (Deficiency) of Revenues and
Other Financing Sources Over (Under)
Expenditures and Other Financing Uses
All Governmental Fund Types and Expendable Trust Funds**

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$384,636	(\$2,655,554)	(\$660,935)	(\$31,302)	\$98
Adjustments:					
Revenue Accruals	(409,169)	(403,572)	(1,244)	300	0
Expenditure Accruals	(79,122)	(2,226,841)	(13,140)	(867)	0
Encumbrances	(58,365)	(190,325)	0	(11,879)	0
Reallocation of debt	0	0	65,000	0	0
Debt principal retirement	0	0	(65,000)	0	0
Proceeds from sale of notes	0	1,900,000	0	0	0
Budget basis	<u>(\$162,020)</u>	<u>(\$3,576,292)</u>	<u>(\$675,319)</u>	<u>(\$43,748)</u>	<u>\$98</u>

The beginning budgetary fund balance for the debt service fund was restated by \$341,448 due to lapsing of prior year encumbrances. The restated balance is \$66,436 at December 31, 2000.

**Net Income/ Excess of Revenues Over
Expenses and Operating Transfers
Proprietary Fund Type**

GAAP Basis	\$92,553
Adjustments:	
Revenue Accruals	(14,306)
Expense Accruals	(783,300)
Encumbrances	(98,967)
Capital Outlay	(591,718)
Proceeds from sale of notes	4,500,000
Reallocation of debt service requirement	(65,000)
Debt principal retirement	(1,400,000)
Depreciation	193,755
Budget Basis	<u><u>\$1,833,017</u></u>

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Note 5 — Compliance and Accountability

Statutory Compliance

The following funds had appropriations in excess of estimated resources plus available balances for the year ended December 31, 2001:

Fund Type/Fund	Excess
Special Revenue Funds	
Street	\$828,970
State Highway	33,381
Fire Operation and Maintenance	1,286,643
Fire 2000 Levy	1,084,402
Police Law Enforcement	772,807
Street Lighting	40,750
Debt Service Fund	487,489
Enterprise Funds	
Water	418,153
Sewer	660,429
Cemetery	10,863

The following functions had expenditures plus encumbrances in excess of appropriations at the end of the fiscal year ended December 31, 2001:

Fund Type/Fund/Function	Excess
General Fund	
General Government	\$9,526
Special Revenue Funds	
Fire Levy 2000	
Principal Retirement	500,000
Interest and Fiscal Charges	56,789
Street Lighting	
Security of Persons and Property	20,032
Motor Vehicle License	
Security of Persons and Property	5,134
Debt Service Fund	
Principal Retirement	116,800
Capital Project Fund	
Park Improvement	
Capital Outlay	6,397

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Enterprise Funds	
Sewer	
Contractual Services	\$220,714
Miscellaneous	18
Garbage	
Contractual Services	248
Cemetery	
Materials and Supplies	5,813

Fund Type/Fund/Function	Excess
--------------------------------	---------------

Enterprise Funds	
Water	
Contractual Services	\$20,822
Capital Outlay	82,713
Principal Retirement	1,400,000
Interest and Fiscal Charges	46,411
Deposit Refunds	4,185

Fund Deficits

The following funds had fund balance/retained earnings deficits at December 31, 2001:

Fund Type/Fund	Fund Deficit
-----------------------	---------------------

Special Revenue Funds	
Street	\$649,684
State Highway	32,894
Fire Operation and Maintenance	1,137,804
Fire Levy 2000	1,541,984
Police Law Enforcement	572,088
Street Lighting	61,226
Debt Service Fund	28,454
Capital Projects Fund	
Park Improvement	22,152
Enterprise Fund	
Sewer	605,265

The deficits in the Street, State Highway, Fire Operation and Maintenance, Police Law Enforcement, and Street Lighting special revenue funds, debt service fund, Park Improvement capital projects fund, and Sewer enterprise fund resulted because the City expended resources from other pooled cash. The City intends to correct the deficits during the following fiscal year. The deficit in the Fire Levy 2000 special revenue fund results from the issuance of short-term debt, which is used to finance projects until bonds are issued. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

Note 6 — Deposits and Investments

Policies and Procedures

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

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligations or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bond, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this section are made only through eligible institutions; and

CITY OF MONROE

Notes to the General-Purpose Financial Statements

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."

Deposits

At year-end, the carrying amount of the City's deposits was (\$141,930) and the bank balance was \$155,043. The entire bank balance was covered by federal deposit insurance. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the City's investments be classified in categories of risk. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name, or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. The money market mutual fund and STAR Ohio investments are unclassified since they are not evidenced by securities that exist in physical or book entry form.

CITY OF MONROE
Notes to the General-Purpose Financial Statements

	Category I	Unclassified	Fair Value
STAR Ohio	\$0	\$9,759	\$9,759
City Owned Debt Issues	540,000	0	540,000
Money Market Mutual Fund	0	1,131,599	1,131,599
Total	\$540,000	\$1,141,358	\$1,681,358

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between classifications of cash and investments on the combined general-purpose financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$952,419	\$587,009
Investments:		
STAR Ohio	(9,759)	9,759
Money Market Mutual Fund	(1,131,599)	1,131,599
Certificate of Deposits	47,009	(47,009)
GASB Statement No. 3	(\$141,930)	\$1,681,358

Note 7 — Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 1997. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30th; the remainder payable by September 20th.

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

CITY OF MONROE
Notes to the General-Purpose Financial Statements

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 Tax	\$162,045,170
Tangible Personal Property	46,894,834
Public Utility Tangible Personal Property	<u>16,428,630</u>
Total	<u><u>\$225,368,634</u></u>

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .985% (9.85 mills) of assessed value.

Note 8 — Income Tax

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2001, the proceeds were allocated to the general fund. Income tax revenue for 2001 was \$2,456,779.

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Note 9 — Receivables

Receivables at December 31, 2001 consisted of property and other taxes, income taxes, utility accounts, special assessments, interest on investments, and intergovernmental receivables and shared revenues arising from entitlements. All receivables are considered fully collectible.

A summary of Due from other governments follows:

	Amount
General Fund	
Local Government Assistance	\$31,053
Inheritance tax	304,042
Permissive Tax	6,295
Total General Fund	<u>341,390</u>
Special Revenue Funds	
Street	
Gas Tax	12,219
Auto Registration Tax	3,000
Total Street Fund	<u>15,219</u>
State Highway	
Auto Registration Tax	230
Gas Tax	989
Total State Highway	<u>1,219</u>
Total Special Revenue Funds	<u>16,438</u>
Total All Funds	<u><u>\$357,828</u></u>

Note 10 — Fixed Assets

A summary of the changes in general fixed assets during the year ended December 31, 2001, were as follows:

Class	Balance December 31, 2000	Additions/ Transfers In	Deletions/ Transfers Out	Balance December 31, 2001
Land and Improvements	\$1,383,747	\$133,987	\$0	\$1,517,734
Buildings	5,055,222	1,421,280	0	6,476,502
Vehicles, Furniture and Equipment	2,974,184	533,021	0	3,507,205
Construction in Progress	253,177	1,230,435	1,396,927	86,685
Totals	<u>\$9,666,330</u>	<u>\$3,318,723</u>	<u>\$1,396,927</u>	<u>\$11,588,126</u>

CITY OF MONROE
Notes to the General-Purpose Financial Statements

A summary of the enterprise fund's fixed assets at December 31, 2001, follows:

Class	Balance December 31, 2000	Additions	Deletions	Balance December 31, 2001
Land and Improvements	\$432,762	\$96,796	\$0	\$529,558
Infrastructure	2,109,355	675,908	0	2,785,263
Buildings	514,000	0	0	514,000
Vehicles, Furniture and Equipment	1,815,648	371,073	0	2,186,721
Construction in Process	0	184,592	0	184,592
Subtotal	4,871,765	1,328,369	0	6,200,134
Accumulated depreciation	(2,115,051)	(193,755)	0	(2,308,806)
Total	<u>\$2,756,714</u>	<u>1,134,614</u>	<u>0</u>	<u>\$3,891,328</u>

Note 11 — Defined Benefit Pension Plans

Public Employees Retirement System

The City contributes to the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-8025 or 1-800-222- PERS (7377).

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The City was required to contribute 13.55 percent in 2001 (9.25 percent to fund the pension and 4.30 percent to fund health care). Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$138,356, \$67,238, \$137,117, respectively. The full amount has been contributed for 2000 and 1999. 86 percent has been contributed for 2001 with the remainder being reported as a liability within the respective funds.

Police and Firemen's Disability and Pension Fund

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

CITY OF MONROE

Notes to the General-Purpose Financial Statements

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 and 24 percent respectively for police officers and firefighters. Contributions are authorized by State statute. The City's required contributions to the Fund for the years ended December 31, 2001, 2000, and 1999 were \$149,706, \$122,713, and \$92,678, respectively. The full amount has been contributed for 2000 and 1999. 88 percent has been contributed for 2001 with the remainder being reported as a liability within the respective funds.

Note 12 — Post Employment Benefits

Public Employees Retirement System (PERS)

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001.

For 2001, benefits are advanced-funded on an actuarially determined basis. The Ohio Revised Code provides the statutory authority requiring public employees to fund postretirement health care through their contributions to PERS. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. As of December 31, 2001, the unaudited estimated net assets available for future OPEB payments were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively. At December 31, 2001, the total number of benefit recipients eligible for OPEB through PERS was 411,076. The City's actual contributions for 2001 that were used to fund OPEB were \$61,657.

Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund (Fund) provides postretirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such a person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an OPEB as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and the Fund's Board of Trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll, of which 7.5 percent of covered payroll is applied to the postemployment health care program. The total firefighter employer contribution rate is 24 percent of covered payroll. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 2000 (the latest information available) was 12,853 for police and 10,037 for firefighters. The City's actual contributions for 2001 that were used to fund postemployment benefits were \$40,408 for police and \$31,859 for fire. The Fund's total health care expenses for the year ended December 31, 2000, were \$106,106,054, which was net of member contributions of \$5,657,431.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

Note 13 — Other Employee Benefits

Compensated Absence

Accumulated Unpaid Sick Leave

City salaried employees earn sick leave at the rate of one day for each full month of employment with the City. City hourly employees earn three days of sick leave after six months of employment and an additional four days on the first of the calendar year following the six-month period. Each year the hourly employees receive seven days of sick leave. City employees can receive payment of accrued sick leave up to 240 hours after ten years with the City.

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. The City employees earn one week of vacation after six months of employment. On January 1 following the completion of the six-month probation, an additional week of vacation is earned. The employee earns two weeks for years two through nine, three weeks for years ten through nineteen and four weeks for twenty or more years. There are no maximum vacation days that can be accrued. Upon departure from City employment, an employee (or his or her estate) will be paid for unused vacation leave.

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 MacDonald Insurance Agency. Some employees share the cost of the dismemberment monthly premium with the City; the City pays the full premium on all other benefits premiums. The premium varies with employee depending on the terms of the union contract. The City provides dental insurance to all employees through MacDonald Insurance Agency.

Note 14 — Capital Leases — Lessee Disclosure

The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Fire Operation and Maintenance and Police Law Enforcement special revenue funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment and furniture and fixtures have been capitalized in the general fixed assets account group in the amount of \$642,316. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2001 totaled \$116,698 in the Fire Operation and Maintenance and Police Law Enforcement special revenue fund.

CITY OF MONROE
Notes to the General-Purpose Financial Statements

For 2001, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan, (GRP), an insurance purchasing pool (Note 22). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP.

Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Gates McDonald provides administrative, cost control and actuarial services to the GRP.

The City may withdraw from the GRP if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the GRP prior to withdrawal, and any participant leaving the GRP allows the representative of the GRP to access less experience for three years following the last year of participation.

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

Note 16 — Long-Term Obligations

Long-term obligations at December 31, 2001, were as follows:

	Balance December 31, 2000	Increase	Decrease	Balance December 31, 2001
Special Assessment Bonds				
6.70% 1991 Waterline Extension I	\$375,000	\$0	\$25,000	\$350,000
6.61% 1998 Waterline Extension II	137,000	0	5,800	131,200
5.625% 1988 Garver Road	135,000	0	15,000	120,000
5.25% — 5.75% 1993 American Way	107,000	0	6,000	101,000
4.45% — 5.70% 2001 Limited Edition	775,000	0	20,000	755,000
TOTAL — Special Assessment Bonds	1,529,000	0	71,800	1,457,200
General Obligation Bonds (Unvoted)				
4.00% — 5.50% 1999 Various Purpose Bonds	4,910,000	0	165,000	4,745,000
Compensated Absences	15,916	12,021	0	27,937
Loans payable	50,000	0	50,000	0
Capital lease	592,602	0	116,698	475,904
TOTAL — General Long-Term Obligations	\$7,097,518	\$12,021	\$403,498	\$6,706,041

CITY OF MONROE
Notes to the General-Purpose Financial Statements

	Balance December 31, 2000	Increase	Decrease	Balance December 31, 2001
Enterprise Funds				
3.45%-6.05% 1992 Mortgage Revenue Bonds	\$1,080,000	\$0	\$65,000	\$1,015,000
5.02% 2001 Loan Payable	0	675,908	0	675,908
TOTAL Enterprise Funds	1,080,000	675,908	65,000	1,690,908
TOTAL ALL FUNDS	\$8,177,518	\$687,929	468,498	\$8,396,949

The Water Line Extension I special assessment bond was issued at an interest rate of 6.7 percent on October 1, 1991. The debt was issued for the purpose of constructing a water line extension, a sewer line extension, street improvements and a storm water control system in order to provide police and fire access and sanitary facilities.

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

The Garver Road special assessment bond was issued at an interest rate of 5.625 percent on July 5, 1988 for the purpose of improving the property along Garver Road in the City.

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

The Limited Edition special assessment bond was issued at varying interest rates from 4.45 to 5.70 percent. The debt was issued on September 15, 2000 for the purpose of making improvements around the Mount Pleasant Retirement home area.

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

The various purpose general obligation bonds were issued at varying interest rates from 4 to 5.5 percent on December 1, 1999. The bonds were issued for numerous items in the City.

The Life Squad general obligation bonds were issued at an interest rate of 4.79 percent on January 1, 1998 for the purpose of acquiring a life squad vehicle for the City.

The compensated absences will be paid from the fund from which the employees' salaries are paid. The capital lease will be paid from the fire operation and maintenance and police funds.

A loan payable was acquired at an interest rate of 5.95 percent on December 1, 1999 for the purpose of acquiring an ambulance for the City.

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

CITY OF MONROE
Notes to the General-Purpose Financial Statements

The Mortgage Revenue bonds were issued at varying interest rates from 3.45 to 6.05 percent on October 6, 1992 for the purpose of improvements to the waterworks system. The Mortgage Revenue bonds will be paid from the water fund revenues via transfers to the debt service fund.

The Loan payable was issued at an interest of 5.02% 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.

The enterprise fund's related bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for fees to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties in good condition.

As of December 31, 2001, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,442,803 for total debt and \$7,174,371 for unvoted debt. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2001 are:

Year	Special Assessments Bonds	General Obligation Bonds	Mortgage Revenue Bonds	Loans Payable	Total
2002	\$161,495	\$411,745	\$130,683	\$53,942	\$757,865
2003	157,854	414,350	131,750	53,942	757,896
2004	159,483	411,340	132,200	53,942	756,965
2005	159,679	412,923	132,325	53,942	758,869
2006	157,431	413,855	132,125	53,942	757,353
2007-11	741,115	2,065,165	645,000	269,710	3,720,990
2012-16	407,665	2,067,430	133,125	269,710	2,877,930
2017-21	257,785	1,238,850	0	242,739	1,739,374
Total	\$2,202,507	\$7,435,658	\$1,437,208	\$1,051,869	\$12,127,242

Note 17 — Defeasance of General Obligation Bonds

Effective June 1, 1982, the City entered into an Escrow Trust Agreement with First National Trust Company. The agreement provided for the deposit by the City of \$100,000 into an irrevocable trust with the bank for the payment to final maturity of outstanding General Obligation Bonds. The funds deposited, together with interest earned thereon, shall be sufficient to pay annual bond principal and semiannual interest payments, thus providing an in-substance defeasance. As of December 31, 2001, the principal remaining was \$24,205.

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Note 18 — Short-Term Obligations

A summary of the short-term note transactions for the year ended December 31, 2001, follows:

Fund Type	Balance December 31, 2000	Increase	Decrease	Balance December 31, 2001
Special Revenue	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000
Enterprise	700,000	4,500,000	1,400,000	3,800,000
Total	<u>\$2,600,000</u>	<u>\$6,400,000</u>	<u>\$3,300,000</u>	<u>\$5,700,000</u>

Short-term notes outstanding at year-end consisted of the following issues:

Issue	Principal Outstanding	Annualized Rate
<u>Special Revenue Funds</u>		
Fire Levy 2001	\$1,900,000	4.87%
<u>Enterprise Funds</u>		
Water System Improvements	1,500,000	3.52
Water System Improvements	2,300,000	2.53

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

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Note 19 — Interfund Transactions

Interfund asset and liability balances at December 31, 2001, were as follows:

	Due From Other Funds	Due To Other Funds	Interfund Receivable	Interfund Payable
General Fund	\$241,145	\$80	\$526,667	\$0
Special Revenue Funds				
Street	0	0	0	643,001
State Highway	0	0	0	36,148
Fire Operation and Maintenance	0	0	0	1,190,507
Fire 1989 Levy	0	0	470,519	0
Fire 2000 Levy	0	0	438,142	0
Police Law Enforcement	0	0	0	683,312
Motor Vehicle	0	0	230,775	0
Enforcement and Education	0	0	9,135	0
Street Lighting	0	0	0	56,141
Law Enforcement	0	0	10,481	0
Total Special Revenue Funds	0	0	1,159,052	2,609,109
Debt Service Fund	0	0	0	610,392
Capital Project Funds				
Park Improvement	0	0	0	22,152
Enterprise Funds				
Sewer	0	0	0	766,000
Water	0	240,211	2,321,934	0
Total Enterprise Funds	0	240,211	2,321,934	766,000
Agency Fund				
Mayor's Court	291	1,145	0	0
Total	\$241,436	\$241,436	\$4,007,653	\$4,007,653

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Note 20 — Segment Information

The City's enterprise funds account for the provision of water, sewer, garbage and cemetery services. Key financial information as of and for the year ended December 31, 2001, for each enterprise fund is as follows:

	Water Fund	Sewer Fund	Garbage Fund	Cemetery Fund	Total
Operating Revenues	\$1,097,565	\$1,036,128	\$279,468	\$42,371	\$2,455,532
Depreciation Expense	190,557	2,111	0	1,087	193,755
Operating Income (Loss)	(74,609)	106,535	34,081	(25,384)	40,623
Non-Operating Revenues and (Expenses)	(29,511)	(460)	(43)	0	(30,014)
Income (Loss) before Operating Transfers	(104,120)	106,075	34,038	(25,384)	10,609
Net Operating Transfers	74,400	0	0	7,544	81,944
Net Income (Loss)	(29,720)	106,075	34,038	(17,840)	92,553
Fixed Asset Additions	1,221,635	103,955	0	2,779	1,328,369
Net Working Capital	(1,485,035)	(722,249)	39,988	36,646	(2,130,650)
Total Assets	6,661,891	235,924	83,899	130,155	7,111,869
Bonds and Other Long-Term Liabilities Payable from Revenues	1,601,361	0	0	0	1,601,361
Total Fund Equity (Deficit)	772,994	(605,625)	39,988	130,094	337,451
Encumbrances at December 31, 2001	98,967	0	0	0	98,967

Note 21 — Jointly Governed Organizations

The Center for Local Governments, 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 2001. Information can be obtained from the Center by writing to Lee Meyer, Director of the Center for Local Governments, 4144 Crossgate Drive, Cincinnati, Ohio 45236.

CITY OF MONROE

Notes to the General-Purpose Financial Statements

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

OKI contracts periodically for local funds and other support with the governing board of each of the governments who are members of OKI or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented. A Board of Trustees was created for conducting the activities of the OKI. This Board consists of one elected official of each City and municipal corporation, one individual selected by each City planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member City. This Board of Trustees then selects not more than ten residents of the OKI Region. The total membership of the Board of Trustees shall not exceed 100. Any member of OKI may withdraw its membership upon written notice to OKI to be effective two years after receipt of the notice by OKI. The City paid \$3,302 during 2001. To obtain financial information, write to Barry Blank, Director of Finance and Administration of the Ohio-Kentucky-Indiana Regional Council of Governments at 801-B W. Eighth St., Suite 400, Cincinnati, Ohio, 45203.

Note 22 — Insurance Purchasing Pool

For 2001, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. In order to allocate the savings derived by formation of the GRP, and to maximize the number of participants in the GRP, the GRP's executive committee annually calculates the total savings that accrued to the GRP through its information. This savings is then compared to the overall savings percentage of the GRP. The GRP's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Gates McDonald provides administrative, cost control and actuarial services to the GRP. Each year, the City pays an enrollment fee to the GRP to cover the costs of administering the program. The City may withdraw from the GRP if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the GRP prior to withdrawal, and any participant leaving the GRP allows the representative of the GRP to assess less experience for three years following the last year of participation. The City paid \$1,180 for membership during 2001.

CITY OF MONROE
Notes to the General-Purpose Financial Statements

Note 23 — Contractual Commitments

As of December 31, 2001, the City had contractual purchase commitments as follows:

Company	Original Contract Amount	Amount Remaining on Contract
Crane Construction	\$87,900	\$8,000
Hathaway Air Systems	74,619	3,963
Performance Construction	887,400	75,594
Armel-Byrnes	116,536	114,007
Kelley and Carpenter	114,900	18,339
Trebor Electric	98,400	8,735
Dalmation Fire	20,171	671

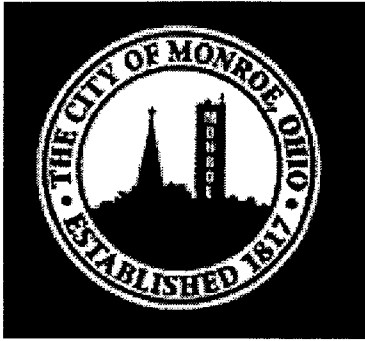
Note 24 — Contingent Liabilities

Litigation

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

Federal and State Grants

For the period January 1, 2001 to December 31, 2001, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.



FINANCIAL STATEMENTS AND SCHEDULES
OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

GENERAL FUND

To account for governmental resources which are not accounted for in any other fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter and/or the general laws of Ohio.

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Taxes	\$370,000	\$481,050	\$111,050
Income Taxes	2,516,000	2,393,484	(122,516)
Charges for Services	30,000	4,793	(25,207)
Fines, Licenses, and Permits	282,000	287,932	5,932
Intergovernmental	659,500	653,687	(5,813)
Interest	117,700	99,544	(18,156)
Other	91,500	95,343	3,843
Total Revenues	4,066,700	4,015,833	(50,867)
Expenditures:			
Current:			
General Government			
Council			
Personal Services	84,000	81,731	2,269
Total Clerk and Council	84,000	81,731	2,269
Mayor's Court			
Personal Services	49,020	47,264	1,756
Other	12,000	11,281	719
Total Mayor's Court	61,020	58,545	2,475
Administrative Offices			
Personal Services	213,000	212,804	196
Other	1,479,305	1,518,160	(38,855)
Total Administrative Office	1,692,305	1,730,964	(38,659)
Treasurer			
Personal Services	59,500	43,664	15,836
Total Treasurer	59,500	43,664	15,836
Income Tax Department			
Personal Services	108,000	105,547	2,453
Other	97,081	90,981	6,100
Total Income Tax Department	205,081	196,528	8,553
Total General Government	2,101,906	2,111,432	(9,526)

(continued)

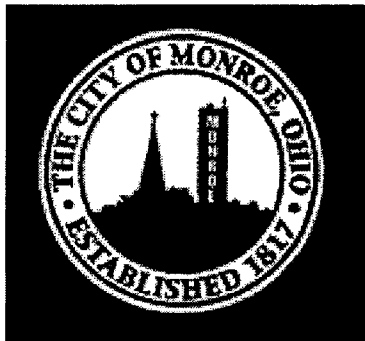
City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Security of Persons and Property			
Police Law Enforcement			
Personal Services	\$168,000	\$161,890	\$6,110
Total Police Law Enforcement	168,000	161,890	6,110
Fire Department			
Personal Services	62,000	61,317	683
Total Fire Department	62,000	61,317	683
Building Inspection			
Other	500	0	500
Total Building Inspection	500	0	500
Total Security of Persons and Property	230,500	223,207	7,293
Public Health and Welfare			
Cemetery			
Personal Services	58,000	57,190	810
Other	6,500	6,161	339
Total Cemetery	64,500	63,351	1,149
Parks			
Personal Services	71,500	70,558	942
Other	75,460	73,815	1,645
Total Parks	146,960	144,373	2,587
Total Public Health and Welfare	211,460	207,724	3,736

(continued)

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Transportation			
Transportation Administration			
Personal Services	\$385,000	\$380,411	\$4,589
Total Transportation	<u>385,000</u>	<u>380,411</u>	<u>4,589</u>
Basic Utilities			
Other	22,500	17,402	5,098
Total Basic Utilities	<u>22,500</u>	<u>17,402</u>	<u>5,098</u>
Leisure Time Activities			
Other	83,150	79,763	3,387
Total Leisure Time Activities	<u>83,150</u>	<u>79,763</u>	<u>3,387</u>
Capital Outlay	<u>260,356</u>	<u>127,309</u>	<u>133,047</u>
Total Expenditures	<u>3,294,872</u>	<u>3,147,248</u>	<u>147,624</u>
Excess of Revenues Over Expenditures	<u>771,828</u>	<u>868,585</u>	<u>96,757</u>
Other Financing Sources (Uses):			
Sale of Fixed Assets	3,500	825	(2,675)
Operating Transfers - Out	<u>(1,190,000)</u>	<u>(1,031,430)</u>	<u>158,570</u>
Total Other Financing Sources (Uses)	<u>(1,186,500)</u>	<u>(1,030,605)</u>	<u>155,895</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(414,672)	(162,020)	252,652
Fund Balance at Beginning of Year	686,006	686,006	0
Prior Year Encumbrances Appropriated	<u>133,872</u>	<u>133,872</u>	<u>0</u>
Fund Balance at End of Year	<u>\$405,206</u>	<u>\$657,858</u>	<u>\$252,652</u>



SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trust or for major capital projects) that are legally restricted to expenditure for specified purposes.

Street

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

State Highway

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

Fire Operation and Maintenance

To account for the receipt of property taxes levied to maintain the fire department and the related expenses to provide the service to the residents of the City.

Fire 1989 Levy

To account for the property tax levied in 1989 for payment of a portion of the general operating expenses of the department and capital expenditures.

Fire 2000 Levy

To account for the property tax levied in 2000 for capital improvements and acquisitions.

Police Law Enforcement

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

Motor Vehicle License

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

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.

Street Lighting

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

Law Enforcement

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

City of Monroe, Ohio
Combining Balance Sheet
All Special Revenue Funds
December 31, 2001

	Street	State Highway	Fire Operation and Maintenance	Fire 1989 Levy
Assets				
Cash and Cash Equivalents	\$0	\$2,035	\$0	\$0
Receivables:				
Property Taxes	0	0	685,942	361,523
Accounts	0	0	0	1,000
Interfund	0	0	0	470,519
Special Assessments	0	0	1,999	0
Due from Other Governments	15,219	1,219	0	0
Total Assets	\$15,219	\$3,254	\$687,941	\$833,042
Liabilities				
Accounts Payable	\$18,123	\$0	\$0	\$835
Contracts Payable	3,779	0	23,754	0
Interfund Payable	643,001	36,148	1,190,507	0
Accrued Wages and Benefits	0	0	24,496	0
Due to Other Governments	0	0	47,850	0
Deferred Revenue	0	0	539,138	222,615
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
Total Liabilities	664,903	36,148	1,825,745	223,450
Fund Equity				
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Unreserved:				
Undesignated (Deficit)	(649,684)	(32,894)	(1,137,804)	609,592
Total Fund Equity (Deficit)	(649,684)	(32,894)	(1,137,804)	609,592
Total Liabilities and Fund Equity	\$15,219	\$3,254	\$687,941	\$833,042

<u>Fire 2000 Levy</u>	<u>Police Law Enforcement</u>	<u>Motor Vehicle License</u>	<u>Enforcement and Education</u>	<u>Street Lighting</u>	<u>Law Enforcement</u>	<u>Total</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$2,035
444,326	1,188,327	0	0	0	0	2,680,118
0	20,525	0	0	0	0	21,525
438,142	0	230,775	9,135	0	10,481	1,159,052
0	0	0	0	41,711	0	43,710
0	0	0	0	0	0	16,438
<u>\$882,468</u>	<u>\$1,208,852</u>	<u>\$230,775</u>	<u>\$9,135</u>	<u>\$41,711</u>	<u>\$10,481</u>	<u>\$3,922,878</u>
\$4,467	\$9,892	\$0	\$0	\$5,085	\$0	\$38,402
41,147	0	0	0	0	0	68,680
0	683,312	0	0	56,141	0	2,609,109
0	23,015	0	0	0	0	47,511
0	44,372	0	0	0	0	92,222
444,326	1,020,349	0	0	41,711	0	2,268,139
34,512	0	0	0	0	0	34,512
1,900,000	0	0	0	0	0	1,900,000
<u>2,424,452</u>	<u>1,780,940</u>	<u>0</u>	<u>0</u>	<u>102,937</u>	<u>0</u>	<u>7,058,575</u>
0	0	185,325	0	5,000	0	190,325
<u>(1,541,984)</u>	<u>(572,088)</u>	<u>45,450</u>	<u>9,135</u>	<u>(66,226)</u>	<u>10,481</u>	<u>(3,326,022)</u>
<u>(1,541,984)</u>	<u>(572,088)</u>	<u>230,775</u>	<u>9,135</u>	<u>(61,226)</u>	<u>10,481</u>	<u>(3,135,697)</u>
<u>\$882,468</u>	<u>\$1,208,852</u>	<u>\$230,775</u>	<u>\$9,135</u>	<u>\$41,711</u>	<u>\$10,481</u>	<u>\$3,922,878</u>

City of Monroe, Ohio
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended December 31, 2001

	Street	State Highway	Fire Operation and Maintenance	Fire 1989 Levy
Revenues:				
Property and Other Taxes	\$0	\$0	\$215,229	\$492,936
Charges for Services	0	0	131,755	0
Fines, Licenses and Permits	0	0	0	0
Intergovernmental	222,581	16,572	20,823	70,500
Special Assessment	0	0	0	0
Other	1,559	0	5,004	3,545
Total Revenues	224,140	16,572	372,811	566,981
Expenditures:				
Current:				
Security of Persons and Property	0	0	1,879,076	1,069
Transportation	415,996	20,971	0	0
Capital Outlay	640,626	0	0	5,620
Debt Service:				
Principal Retirement	0	0	58,349	0
Interest and Fiscal Charges	0	0	15,083	0
Total Expenditures	1,056,622	20,971	1,952,508	6,689
Excess (Deficiency) of Revenues Over (Under) Expenditures	(832,482)	(4,399)	(1,579,697)	560,292
Other Financing Sources:				
Operating Transfers - In	165,162	4,322	388,221	0
Total Other Financing Sources	165,162	4,322	388,221	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(667,320)	(77)	(1,191,476)	560,292
Fund Balances (Deficit) at Beginning of Year - Restated	17,636	(32,817)	53,672	49,300
Fund Balances (Deficit) at End of Year	(\$649,684)	(\$32,894)	(\$1,137,804)	\$609,592

Fire 2000 Levy	Police Law Enforcement	Motor Vehicle License	Enforcement and Education	Street Lighting	Law Enforcement	Total
\$258,833	\$407,511	\$0	\$0	\$0	\$0	\$1,374,509
0	18,300	0	0	0	0	150,055
0	40,077	0	0	0	0	40,077
14,770	0	138,943	0	0	0	484,189
0	0	0	0	54,141	0	54,141
13,508	48,996	0	0	0	1,606	74,218
<u>287,111</u>	<u>514,884</u>	<u>138,943</u>	<u>0</u>	<u>54,141</u>	<u>1,606</u>	<u>2,177,189</u>
792,286	1,132,994	34,809	0	115,367	0	3,955,601
0	0	0	0	0	0	436,967
460,938	148,593	0	0	0	0	1,255,777
0	58,349	0	0	0	0	116,698
36,814	15,083	0	0	0	0	66,980
<u>1,290,038</u>	<u>1,355,019</u>	<u>34,809</u>	<u>0</u>	<u>115,367</u>	<u>0</u>	<u>5,832,023</u>
<u>(1,002,927)</u>	<u>(840,135)</u>	<u>104,134</u>	<u>0</u>	<u>(61,226)</u>	<u>1,606</u>	<u>(3,654,834)</u>
<u>56,769</u>	<u>289,375</u>	<u>95,431</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>999,280</u>
<u>56,769</u>	<u>289,375</u>	<u>95,431</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>999,280</u>
<u>(946,158)</u>	<u>(550,760)</u>	<u>199,565</u>	<u>0</u>	<u>(61,226)</u>	<u>1,606</u>	<u>(2,655,554)</u>
<u>(595,826)</u>	<u>(21,328)</u>	<u>31,210</u>	<u>9,135</u>	<u>0</u>	<u>8,875</u>	<u>(480,143)</u>
<u>(\$1,541,984)</u>	<u>(\$572,088)</u>	<u>\$230,775</u>	<u>\$9,135</u>	<u>(\$61,226)</u>	<u>\$10,481</u>	<u>(\$3,135,697)</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Street Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$200,000	\$210,957	\$10,957
Other	2,000	1,559	(441)
	<u>202,000</u>	<u>212,516</u>	<u>10,516</u>
Total Revenues			
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	35,000	33,002	1,998
Other	537,474	396,374	141,100
Capital Outlay	672,821	640,626	32,195
	<u>1,245,295</u>	<u>1,070,002</u>	<u>175,293</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,043,295)</u>	<u>(857,486)</u>	<u>185,809</u>
Other Financing Sources (Uses):			
Operating Transfers - In	165,000	165,162	162
	<u>165,000</u>	<u>165,162</u>	<u>162</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(878,295)</u>	<u>(692,324)</u>	<u>185,971</u>
Fund Balance at Beginning of Year	6,030	6,030	0
Prior Year Encumbrances Appropriated	43,295	43,295	0
	<u>49,325</u>	<u>49,325</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$828,970)</u>	<u>(\$642,999)</u>	<u>\$185,971</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
State Highway Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$27,500</u>	<u>\$18,808</u>	<u>(\$8,692)</u>
Expenditures:			
Current:			
Transportation			
State Highway Maintenance			
Other	<u>29,733</u>	<u>21,095</u>	<u>8,638</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,233)	(2,287)	(54)
Other Financing Sources:			
Operating Transfers - In	<u>5,000</u>	<u>4,322</u>	<u>(678)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	2,767	2,035	(732)
Fund Balance (Deficit) at Beginning of Year	(36,381)	(36,381)	0
Prior Year Encumbrances Appropriated	<u>233</u>	<u>233</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$33,381)</u></u>	<u><u>(\$34,113)</u></u>	<u><u>(\$732)</u></u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Fire Operation and Maintenance Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Taxes	\$86,000	\$86,367	\$367
Charges for Services	130,000	129,756	(244)
Intergovernmental	21,000	20,823	(177)
Other	5,000	5,004	4
	<u>242,000</u>	<u>241,950</u>	<u>(50)</u>
Total Revenues			
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	1,368,500	1,368,401	99
Other	570,594	557,976	12,618
	<u>1,939,094</u>	<u>1,926,377</u>	<u>12,717</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,697,094)	(1,684,427)	12,667
Other Financing Sources (Uses):			
Operating Transfers - In	422,000	388,221	(33,779)
	<u>422,000</u>	<u>388,221</u>	<u>(33,779)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,275,094)	(1,296,206)	(21,112)
Fund Balance (Deficit) at Beginning of Year	(31,643)	(31,643)	0
Prior Year Encumbrances Appropriated	20,094	20,094	0
	<u>20,094</u>	<u>20,094</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$1,286,643)</u>	<u>(\$1,307,755)</u>	<u>(\$21,112)</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Fire 1989 Levy Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Taxes	\$385,000	\$374,212	(\$10,788)
Intergovernmental	70,000	70,500	500
Other	786,500	2,545	(783,955)
Total Revenues	1,241,500	447,257	(794,243)
Expenditures:			
Current:			
Security of Persons and Property			
Other	550,000	234	549,766
Capital Outlay	72,180	5,620	66,560
Total Expenditures	622,180	5,854	616,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	619,320	441,403	(177,917)
Fund Balance at Beginning of Year	26,936	26,936	0
Prior Year Encumbrances Appropriated	2,180	2,180	0
Fund Balance at End of Year	\$648,436	\$470,519	(\$177,917)

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Fire 2000 Levy Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Taxes	\$280,000	\$279,017	(\$983)
Intergovernmental	10,000	14,770	4,770
Other	6,500	13,508	7,008
Total Revenues	\$296,500	\$307,295	\$10,795
Expenditures:			
Current:			
Security of Persons and Property			
Other	1,188,366	1,127,097	61,269
Capital Outlay	511,418	460,938	50,480
Debt Service:			
Principal Retirement	1,400,000	1,900,000	(500,000)
Interest and Fiscal Charges	0	56,769	(56,769)
Total Expenditures	3,099,784	3,544,804	(445,020)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,803,284)	(3,237,509)	(434,225)
Other Financing Sources:			
Proceeds of Notes	0	1,900,000	1,900,000
Operating Transfers - In	0	56,769	56,769
Total Other Financing Sources	0	1,956,769	1,956,769
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2,803,284)	(1,280,740)	1,522,544
Fund Balance at Beginning of Year	519,098	519,098	0
Prior Year Encumbrances Appropriated	1,199,784	1,199,784	0
Fund Balance (Deficit) at End of Year	(\$1,084,402)	\$438,142	\$1,522,544

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Police Law Enforcement Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Taxes	\$265,000	\$264,203	(\$797)
Intergovernmental	40,000	40,077	77
Other	40,000	46,771	6,771
Total Revenues	<u>345,000</u>	<u>351,051</u>	<u>6,051</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	912,500	903,328	9,172
Other	293,832	293,720	112
Total Security of Persons and Property	<u>1,206,332</u>	<u>1,197,048</u>	<u>9,284</u>
Capital Outlay	<u>218,879</u>	<u>148,593</u>	<u>70,286</u>
Total Expenditures	<u>1,425,211</u>	<u>1,345,641</u>	<u>79,570</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,080,211)	(994,590)	85,621
Other Financing Sources:			
Operating Transfers - In	<u>285,500</u>	<u>289,375</u>	<u>3,875</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(794,711)	(705,215)	89,496
Fund Balance (Deficit) at Beginning of Year	(33,707)	(33,707)	0
Prior Year Encumbrances Appropriated	<u>55,611</u>	<u>55,611</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$772,807)</u>	<u>(\$683,311)</u>	<u>\$89,496</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Motor Vehicle License Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$145,000</u>	<u>\$138,943</u>	<u>(\$6,057)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	<u>215,000</u>	<u>220,134</u>	<u>(5,134)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,000)	(81,191)	(11,191)
Other Financing Sources:			
Operating Transfers - In	<u>95,000</u>	<u>95,431</u>	<u>431</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	25,000	14,240	(10,760)
Fund Balance at Beginning of Year	<u>31,209</u>	<u>31,209</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$56,209</u></u>	<u><u>\$45,449</u></u>	<u><u>(\$10,760)</u></u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Enforcement and Education Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses, and Permits	<u>\$100</u>	<u>\$50</u>	<u>(\$50)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(900)	50	950
Fund Balance at Beginning of Year	<u>9,085</u>	<u>9,085</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$8,185</u></u>	<u><u>\$9,135</u></u>	<u><u>\$950</u></u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Street Lighting Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Special Assessments	<u>54,500</u>	<u>54,141</u>	<u>(359)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	<u>95,250</u>	<u>115,282</u>	<u>(20,032)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,750)	(61,141)	(20,391)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$40,750)</u></u>	<u><u>(\$61,141)</u></u>	<u><u>(\$20,391)</u></u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Law Enforcement Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$1,750	\$1,606	(\$144)
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,750	1,606	(144)
Fund Balance at Beginning of Year	8,874	8,874	0
Fund Balance at End of Year	\$10,624	\$10,480	(\$144)

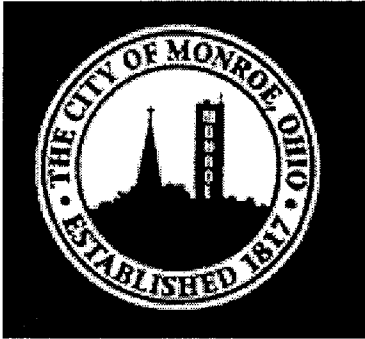
City of Monroe, Ohio
Combining Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Special Revenue Funds
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Taxes	\$1,016,000	\$1,003,799	(\$12,201)
Fines, Licenses, and Permits	100	50	(50)
Charges for Services	130,000	129,756	(244)
Intergovernmental	513,500	514,878	1,378
Special Assessments	54,500	54,141	(359)
Other	841,750	70,993	(770,757)
Total Revenues	2,555,850	1,773,617	(782,233)
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	35,000	33,002	1,998
Other	537,474	396,374	141,100
State Highway Maintenance			
Other	29,733	21,095	8,638
Total Transportation	602,207	450,471	151,736
Security of Persons and Property			
Fire Operation and Maintenance			
Personal Services	1,368,500	1,368,401	99
Other	570,594	557,976	12,618
Fire Levy			
Other	1,738,366	1,127,331	611,035
Police Law Enforcement			
Personal Services	912,500	903,328	9,172
Other	509,832	513,854	(4,022)
Street Lighting			
Other	95,250	115,282	(20,032)
Total Security of Persons and Property	5,195,042	4,586,172	608,870
Capital Outlay	1,475,298	1,255,777	219,521
Debt Service:			
Principal Retirement	1,400,000	1,900,000	(500,000)
Interest and Fiscal Charges	0	56,769	(56,769)
Total Expenditures	8,672,547	8,249,189	423,358
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(6,116,697)	(6,475,572)	(358,875)
Other Financing Sources:			
Proceeds of Notes	0	1,900,000	1,900,000
Operating Transfers - In	972,500	999,280	26,780
Total Other Financing Sources	972,500	2,899,280	1,926,780
Excess (Deficiency) of Revenues and			
Other Financing Sources			
Over (Under) Expenditures	(5,144,197)	(3,576,292)	1,567,905
Fund Balances at Beginning of Year	499,501	499,501	0
Prior Year Encumbrances Appropriated	1,321,197	1,321,197	0
Fund Balance (Deficit) at End of Year	(\$3,323,499)	(\$1,755,594)	\$1,567,905

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.



CAPITAL PROJECTS FUNDS

To account for financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Park Improvement

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

Capital Improvement

To account for monies received primarily from transfers from the General Fund. Expenditures relate to the various capital improvement projects (ie street repairs) that are not financed through special revenue 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.

**City of Monroe, Ohio
Combining Balance Sheet
All Capital Projects Funds
December 31, 2001**

	Park Improvement	Capital Improvement	Corridor I-75	Total
Assets				
Cash and Cash Equivalents	\$0	\$783	\$44,173	\$44,956
Total Assets	\$0	\$783	\$44,173	\$44,956
Liabilities				
Interfund Payable	\$22,152	\$0	\$0	\$22,152
Total Liabilities	22,152	0	0	22,152
Fund Equity				
Fund Balances:				
Reserved for Encumbrances	11,879	0	0	11,879
Unreserved:				
Undesignated (Deficit)	(34,031)	783	44,173	10,925
Total Fund Equity (Deficit)	(22,152)	783	44,173	22,804
Total Liabilities and Fund Equity	\$0	\$783	\$44,173	\$44,956

City of Monroe, Ohio
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Capital Project Funds
For the Year Ended December 31, 2001

	<u>Park Improvement</u>	<u>Capital Improvement</u>	<u>Corridor I-75</u>	<u>Total</u>
Revenues:				
Fines, Licenses and Permits	\$62,180	\$0	\$0	\$62,180
Other	500	0	0	500
Total Revenues	<u>62,680</u>	<u>0</u>	<u>0</u>	<u>62,680</u>
Expenditures:				
Capital Outlay	113,651	52,306	0	165,957
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(50,971)</u>	<u>(52,306)</u>	<u>0</u>	<u>(103,277)</u>
Other Financing Sources:				
Operating Transfers - In	26,386	45,589	0	71,975
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(24,585)</u>	<u>(6,717)</u>	<u>0</u>	<u>(31,302)</u>
Fund Balances at Beginning of Year	<u>2,433</u>	<u>7,500</u>	<u>44,173</u>	<u>54,106</u>
Fund Balances (Deficits) at End of Year	<u><u>(\$22,152)</u></u>	<u><u>\$783</u></u>	<u><u>\$44,173</u></u>	<u><u>\$22,804</u></u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Park Improvement Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses, Permits	\$97,000	\$62,480	(\$34,520)
Other	0	500	500
Total Revenues	<u>97,000</u>	<u>62,980</u>	<u>(34,020)</u>
Expenditures:			
Capital Outlay	<u>120,000</u>	<u>126,397</u>	<u>(6,397)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,000)</u>	<u>(63,417)</u>	<u>(40,417)</u>
Other Financing Sources:			
Operating Transfers - In	<u>25,000</u>	<u>26,386</u>	<u>1,386</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	2,000	(37,031)	(39,031)
Fund Balance at Beginning of Year	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$5,000</u></u>	<u><u>(\$34,031)</u></u>	<u><u>(\$39,031)</u></u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Capital Improvement Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Capital Outlay	<u>60,500</u>	<u>52,306</u>	<u>8,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,500)	(52,306)	8,194
Other Financing Sources:			
Operating Transfers - In	<u>260,000</u>	<u>45,589</u>	<u>(214,411)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	199,500	(6,717)	(206,217)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>7,500</u>	<u>7,500</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$207,000</u></u>	<u><u>\$783</u></u>	<u><u>(\$206,217)</u></u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Corridor I-75 Fund
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>44,173</u>	<u>44,173</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$44,173</u></u>	<u><u>\$44,173</u></u>	<u><u>\$0</u></u>

City of Monroe, Ohio
Combining Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Capital Project Funds
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses, Permits	\$97,000	\$62,480	(\$34,520)
Other	0	500	500
Total Revenues	<u>97,000</u>	<u>62,980</u>	<u>(34,020)</u>
Expenditures:			
Capital Outlay	<u>180,500</u>	<u>178,703</u>	<u>1,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(83,500)</u>	<u>(115,723)</u>	<u>(32,223)</u>
Other Financing Sources:			
Operating Transfers - In	<u>285,000</u>	<u>71,975</u>	<u>(213,025)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	201,500	(43,748)	(245,248)
Fund Balance at Beginning of Year	47,173	47,173	0
Prior Year Encumbrances Appropriated	<u>7,500</u>	<u>7,500</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$256,173</u></u>	<u><u>\$10,925</u></u>	<u><u>(\$245,248)</u></u>

ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises (a) where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Sewer

To account for the provision of sanitary sewer service to the residents and commercial users in the City.

Water

To account for the provision of water treatment and distribution to residential and commercial users in the City.

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.

City of Monroe, Ohio
Combining Balance Sheet
All Enterprise Funds
December 31, 2001

	Sewer	Water	Garbage	Cemetery	Totals
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$0	\$394,918	\$41,220	\$36,275	\$472,413
Receivables:					
Accounts	119,300	85,649	42,679	432	248,060
Interfund	0	2,321,934	0	0	2,321,934
Total Current Assets	119,300	2,802,501	83,899	36,707	3,042,407
Restricted Assets:					
Cash and Cash Equivalents	0	178,134	0	0	178,134
Fixed Assets (Net of Accumulated Depreciation)					
	116,624	3,681,256	0	93,448	3,891,328
Total Assets	\$235,924	\$6,661,891	\$83,899	\$130,155	\$7,111,869
Liabilities					
Current Liabilities:					
Accounts Payable	\$75,549	\$104,943	\$43,911	\$61	\$224,464
Interfund Payable	766,000	0	0	0	766,000
Accrued Wages and Benefits	0	3,259	0	0	3,259
Due to Other Funds	0	240,211	0	0	240,211
Due to Other Governments	0	1,089	0	0	1,089
Accrued Interest Payable	0	42,257	0	0	42,257
Notes Payable	0	3,800,000	0	0	3,800,000
Current Portion of					
Loans Payable	0	30,777	0	0	30,777
Current Portion of					
Mortgage Revenue Bonds Payable	0	65,000	0	0	65,000
Total Current Liabilities	841,549	4,287,536	43,911	61	5,173,057
Long-Term Liabilities:					
Compensated Absences Payable	0	6,230	0	0	6,230
Loans Payable (Net of Current Portion)	0	645,131	0	0	645,131
Mortgage Revenue Bonds Payable (Net of Current Portion)	0	950,000	0	0	950,000
Total Long-Term Liabilities	0	1,601,361	0	0	1,601,361
Total Liabilities	841,549	5,888,897	43,911	61	6,774,418
Fund Equity					
Contributed Capital	0	1,978,022	0	0	1,978,022
Retained Earnings:					
Reserved for Revenue Bond Replacement and Improvement	0	132,963	0	0	132,963
Reserved for Revenue Bond Future Debt Service	0	45,169	0	0	45,169
Unreserved (Deficit)	(605,625)	(1,383,160)	39,988	130,094	(1,818,703)
Total Fund Equity (Deficit)	(605,625)	772,994	39,988	130,094	337,451
Total Liabilities and Fund Equity	\$235,924	\$6,661,891	\$83,899	\$130,155	\$7,111,869

City of Monroe, Ohio
Combining Statement of Revenues, Expense and
Changes in Fund Equity
All Enterprise Funds
For the Year Ended December 31, 2001

	<u>Sewer</u>	<u>Water</u>	<u>Garbage</u>	<u>Cemetery</u>	<u>Totals</u>
<u>Operating Revenues:</u>					
Charges for Services	\$1,034,394	\$1,097,371	\$277,918	\$8,807	\$2,418,490
Sales	0	0	0	32,364	32,364
Other Operating Revenues	1,734	194	1,550	1,200	4,678
Total Operating Revenues	<u>1,036,128</u>	<u>1,097,565</u>	<u>279,468</u>	<u>42,371</u>	<u>2,455,532</u>
<u>Operating Expenses:</u>					
Personal Services	0	423,393	10,208	0	433,601
Contractual Services	927,482	414,905	235,179	12,739	1,590,305
Materials and Supplies	0	143,319	0	53,929	197,248
Depreciation	2,111	190,557	0	1,087	193,755
Total Operating Expenses	<u>929,593</u>	<u>1,172,174</u>	<u>245,387</u>	<u>67,755</u>	<u>2,414,909</u>
Operating Income (Loss)	<u>106,535</u>	<u>(74,609)</u>	<u>34,081</u>	<u>(25,384)</u>	<u>40,623</u>
<u>Non-Operating Revenues (Expenses):</u>					
Deposits Refunded	(460)	(6,065)	(43)	0	(6,568)
Interest and Fiscal Charges	0	(27,789)	0	0	(27,789)
Interest Revenue	0	4,343	0	0	4,343
Total Non-Operating Revenues (Expenses)	<u>(460)</u>	<u>(29,511)</u>	<u>(43)</u>	<u>0</u>	<u>(30,014)</u>
Income (Loss) Before Operating Transfers	106,075	(104,120)	34,038	(25,384)	10,609
Operating Transfers - In	0	74,400	0	7,544	81,944
Net Income (Loss)	106,075	(29,720)	34,038	(17,840)	92,553
Fund Equity (Deficit) at Beginning of Year	<u>(711,700)</u>	<u>802,714</u>	<u>5,950</u>	<u>147,934</u>	<u>244,898</u>
Fund Equity (Deficit) at End of Year	<u>(\$605,625)</u>	<u>\$772,994</u>	<u>\$39,988</u>	<u>\$130,094</u>	<u>\$337,451</u>

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Water Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,018,050	\$1,095,917	\$77,867
Proceeds of Notes	0	4,500,000	4,500,000
Other Operating Revenues	0	406	406
Total Revenues	1,018,050	5,596,323	4,578,273
Expenses:			
Personal Services	436,900	426,438	10,462
Contractual Services	511,385	532,207	(20,822)
Materials and Supplies	220,842	203,810	17,032
Deposits Refunded	1,500	5,685	(4,185)
Capital Outlay	305,558	388,271	(82,713)
Debt Service:			
Principal Retirement	0	1,400,000	(1,400,000)
Interest and Fiscal Charges	0	46,411	(46,411)
Total Expenses	1,476,185	3,002,822	(1,526,637)
Excess (Deficiency) of Revenues Over (Under) Expenses before Operating Transfers	(458,135)	2,593,501	3,051,636
Operating Transfers - In	25,000	9,400	(15,600)
Excess (Deficiency) of Revenues and Over (Under) Expenses and Transfers	(433,135)	2,602,901	3,036,036
Fund Equity at Beginning of Year	(6,953)	(6,953)	0
Prior Year Encumbrances Appropriated	21,935	21,935	0
Fund Equity (Deficit) at End of Year	(\$418,153)	\$2,617,883	\$3,036,036

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Sewer Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$911,750	\$1,024,620	\$112,870
Other Operating Revenues	0	1,752	1,752
Total Revenues	911,750	1,026,372	114,622
Expenses:			
Contractual Services	1,611,200	1,831,914	(220,714)
Deposits Refunded	1,000	460	540
Miscellaneous Expenses	0	18	(18)
Total Expenses	1,612,200	1,832,392	(220,192)
Excess (Deficiency) of Revenues Over (Under) Expenses	(700,450)	(806,020)	(105,570)
Fund Equity at Beginning of Year	40,021	40,021	0
Fund Equity (Deficit) at End of Year	(\$660,429)	(\$765,999)	(\$105,570)

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Garbage Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$242,940	\$275,835	\$32,895
Other Operating Revenues	0	1,550	1,550
Total Revenues	242,940	277,385	34,445
Expenses:			
Personal Services	10,327	10,327	0
Contractual Services	210,051	210,299	(248)
Deposits Refunds	50	43	7
Total Expenses	220,428	220,669	(241)
Excess (Deficiency) of Revenues Over (Under) Expenses before Operating Transfers	22,512	56,716	34,204
Operating Transfers - Out	(50)	0	50
Excess (Deficiency) of Revenues and Over (Under) Expenses and Operating Transfer	22,462	56,716	34,254
Fund Equity (Deficit) at Beginning of Year	(15,819)	(15,819)	0
Prior Year Encumbrances Appropriated	323	323	0
Fund Equity at End of Year	\$6,966	\$41,220	\$34,254

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Cemetery Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$9,000	\$8,807	(\$193)
Sales	32,300	31,932	(368)
Other Operating Revenues	1,000	1,200	200
Total Revenues	<u>42,300</u>	<u>41,939</u>	<u>(361)</u>
Expenses:			
Contractual Services	64,300	12,739	51,561
Materials and Supplies	9,018	14,831	(5,813)
Capital Outlay	45,700	42,493	3,207
Total Expenses	<u>119,018</u>	<u>70,063</u>	<u>48,955</u>
Excess (Deficiency) of Revenues Over (Under) Expenses before Operating Transfers	<u>(76,718)</u>	<u>(28,124)</u>	<u>48,594</u>
Operating Transfers - In	10,000	7,544	(2,456)
Operating Transfers - Out	(1,500)	0	1,500
Excess (Deficiency) of Revenues Over (Under) Expenses and Operating Transfers	(68,218)	(20,580)	47,638
Fund Equity at Beginning of Year	54,837	54,837	0
Prior Year Encumbrances Appropriated	<u>2,518</u>	<u>2,518</u>	<u>0</u>
Fund Equity (Deficit) at End of Year	<u>(\$10,863)</u>	<u>\$36,775</u>	<u>\$47,638</u>

City of Monroe, Ohio
Combining Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
All Enterprise Funds
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$2,181,740	\$2,405,179	\$223,439
Sales	32,300	31,932	(368)
Proceeds of Notes	0	4,500,000	4,500,000
Other Operating Revenues	1,000	4,908	3,908
Total Revenues	2,215,040	6,942,019	4,726,979
Expenses:			
Personal Services	447,227	436,765	10,462
Contractual Services	2,396,936	2,587,159	(190,223)
Materials and Supplies	229,860	218,641	11,219
Deposits Refunded	2,550	6,188	(3,638)
Capital Outlay	351,258	430,764	(79,506)
Miscellaneous Expenses	0	18	(18)
Debt Service:			
Principal Retirement	0	1,400,000	(1,400,000)
Interest and Fiscal Charges	0	46,411	(46,411)
Total Expenses	3,427,831	5,125,946	(1,698,115)
Excess (Deficiency) of Revenues Over (Under) Expenses before Operating Transfers	(1,212,791)	1,816,073	3,028,864
Operating Transfers - In	35,000	16,944	(18,056)
Operating Transfers - Out	(1,550)	0	1,550
Excess (Deficiency) of Revenues Over (Under) Expenses and Operating Transfers	(1,179,341)	1,833,017	3,012,358
Fund Equity at Beginning of Year	72,086	72,086	0
Prior Year Encumbrances Appropriated	24,776	24,776	0
Fund Equity at End of Year	(\$1,082,479)	\$1,929,879	\$3,012,358

City of Monroe, Ohio
Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended December 31, 2001

	Sewer	Water	Garbage	Cemetery	Totals
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$1,024,620	\$1,095,917	\$275,835	\$40,739	\$2,437,111
Cash Paid for Employee Services and Benefits	0	(426,355)	(10,327)	0	(436,682)
Cash Paid to Suppliers for Goods and Services	(1,727,959)	(537,420)	(210,299)	(67,784)	(2,543,462)
Utility Deposits Received	1,734	406	1,550	1,200	4,890
Net Cash Provided by (Used for) Operating Activities	(701,605)	132,548	56,759	(25,845)	(538,143)
<u>Cash Flows from Noncapital Financing Activities:</u>					
Short Term Loan	766,000	(2,321,934)	(15,496)	0	(1,571,430)
Operating Transfers-In	0	74,400	0	7,544	81,944
Net Cash Provided by (Used for) Noncapital Financing Activities	766,000	(2,247,534)	(15,496)	7,544	(1,489,486)
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Proceeds from Sale of General Obligation Notes Payable	0	4,500,000	0	0	4,500,000
Deposits Refunded	(460)	(5,685)	(43)	0	(6,188)
Acquisition of Capital Assets	(103,955)	(487,984)	0	(2,779)	(594,718)
Interest Paid on General Obligation Notes Payable	0	(46,411)	0	0	(46,411)
Principal Paid on General Obligation Notes Payable	0	(1,400,000)	0	0	(1,400,000)
Interest Due on Mortgage Revenue Bonds Payable	0	32,500	0	0	32,500
Principal Paid on Mortgage Revenue Bonds Payable	0	(65,000)	0	0	(65,000)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(104,415)	2,527,420	(43)	(2,779)	2,420,183
<u>Cash Flows from Investing Activities:</u>					
Interest	0	4,343	0	0	4,343
Net Cash Provided By Investing Activities	0	4,343	0	0	4,343
Net Increase (Decrease) in Cash and Cash Equivalents	(40,020)	416,777	41,220	(21,080)	396,897
Cash and Cash Equivalents at Beginning of Year	40,020	156,275	0	57,355	253,650
Cash and Cash Equivalents at End of Year	\$0	\$573,052	\$41,220	\$36,275	\$650,547
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss)	\$106,535	(\$74,609)	\$34,081	(\$25,384)	\$40,623
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>					
Depreciation Expense	2,111	190,557	0	1,087	193,755
Change in Assets and Liabilities:					
(Increase) in Accounts Receivable	(9,774)	(1,454)	(2,083)	(432)	(13,743)
Decrease in Due From Other Governments	0	212	0	0	212
Increase (Decrease) in Accounts Payable	(800,477)	20,923	24,880	(1,116)	(755,790)
Increase (Decrease) in Accrued Wages and Benefits	0	319	(39)	0	280
Increase in Compensated Absences Payable	0	2,835	0	0	2,835
(Decrease) in Due to Other Governments	0	(6,446)	(80)	0	(6,526)
Increase in Due to Other Funds	0	211	0	0	211
Total Adjustments	(808,140)	207,157	22,678	(461)	(578,766)
Net Cash Provided by (Used for) Operating Activities	(\$701,605)	\$132,548	\$56,759	(\$25,845)	(\$538,143)

Schedule of Noncash Capital and Financing Activities:

At December 31, 2001, the Water Fund had a loan payable of \$675,908 related to a water tower and an accounts payable of \$57,743 that related to certain capitalized assets.

FIDUCIARY FUNDS

To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

EXPENDABLE TRUST FUND

Longstreet Trust Fund

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

Cemetery Trust Fund

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

AGENCY FUNDS

Mayor's Court

To account for the collection and distribution of court fines and forfeitures.

**CITY OF MONROE, OHIO
COMBINING BALANCE SHEET
ALL FIDUCIARY FUNDS
DECEMBER 31, 2001**

	EXPENDABLE TRUST		AGENCY	Total
	LONGSTREET TRUST	CEMETERY TRUST	MAYOR'S COURT	
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$21,864	\$0	\$21,864
Investments	1,000	44,500	0	45,500
Cash and Cash Equivalents in Segregated Accounts	0	0	4,915	4,915
Due from Other Funds	0	0	291	291
Total Assets	\$1,000	\$66,364	\$5,206	\$72,570
Liabilities:				
Due to Other Funds	\$0	\$0	\$1,145	\$1,145
Due to Other Governments	0	0	3,877	3,877
Undistributed Monies	0	0	167	167
Deposits Held and Due to Others	0	0	17	17
Total Liabilities	0	0	5,206	5,206
Fund Equity				
Fund Balance:				
Unreserved:				
Undesignated	1,000	66,364	0	67,364
Total Fund Equity	1,000	66,364	0	67,364
Total Liabilities and Fund Equity	\$1,000	\$66,364	\$5,206	\$72,570

**CITY OF MONROE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER, 31, 2001**

	<u>LONGSTREET TRUST</u>	<u>CEMETERY TRUST</u>	<u>Total</u>
Revenues:			
Interest	<u>\$0</u>	<u>\$98</u>	<u>\$98</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	98	98
Fund Balance at Beginning of Year	<u>1,000</u>	<u>66,266</u>	<u>67,266</u>
Fund Balances at End of Year	<u><u>\$1,000</u></u>	<u><u>\$66,364</u></u>	<u><u>\$67,364</u></u>

City of Monroe, Ohio
Combining Statement of Changes
in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2001

	BALANCE DECEMBER 31 2000	ADDITIONS	REDUCTIONS	BALANCE DECEMBER 31 2001
MAYOR'S COURT				
<u>Assets:</u>				
Cash and Cash Equivalents in Segregated Accounts	\$10,121	\$4,915	\$10,121	\$4,915
Due from Other Funds	0	291	0	291
Total Assets	\$10,121	\$5,206	\$10,121	\$5,206
<u>Liabilities:</u>				
Due to Other Funds	\$7,833	\$1,145	\$7,833	\$1,145
Due to Other Governments	1,589	3,877	1,589	3,877
Undistributed Monies	28	167	28	167
Deposits Held and Due to Others	671	17	671	17
Total Liabilities	\$10,121	\$5,206	\$10,121	\$5,206

City of Monroe, Ohio
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Longstreet Trust Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Total Revenue	\$0	\$0	\$0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	1,000	1,000	0
Fund Balance at End of Year	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$0</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Cemetery Trust Fund
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$100	\$98	(\$2)
Expenditures:			
Public Health Welfare			
Other	30,000	0	30,000
Excess (Deficiency) of Revenues Over (under) Expenditures	(29,900)	98	29,998
Fund Balance at Beginning of Year	66,266	66,266	0
Fund Balance at End of Year	<u>\$36,366</u>	<u>\$66,364</u>	<u>\$29,998</u>

City of Monroe, Ohio
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
All Expendable Trust Funds
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Interest	<u>\$100</u>	<u>\$98</u>	<u>(\$2)</u>
Expenditures:			
Public Health and Welfare			
Other	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Total Expenditures	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,900)	98	29,998
Fund Balance at Beginning of Year	<u>67,266</u>	<u>67,266</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$37,366</u></u>	<u><u>\$67,364</u></u>	<u><u>\$29,998</u></u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets other than those accounted for in the proprietary funds.

CITY OF MONROE, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCES
DECEMBER 31, 2001

General Fixed Assets:	
Land and Improvements	\$1,517,734
Buildings	6,476,502
Vehicles, Furniture and Equipment	3,507,205
Construction in Progress	<u>86,685</u>
Total General Fixed Assets	<u><u>\$11,588,126</u></u>

Investment in General Fixed Assets
from:

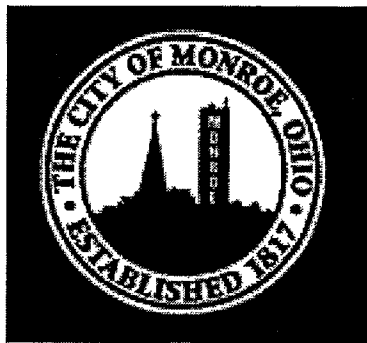
General Fund Revenues	\$1,164,064
Special Revenue Fund Revenues	7,312,752
Capital Project Fund Revenues	<u>3,111,310</u>
Total General Fixed Assets	<u><u>\$11,588,126</u></u>

CITY OF MONROE, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2001

FUNCTION AND ACTIVITY	LAND AND IMPROVEMENTS	BUILDINGS	VEHICLES, FURNITURE, AND EQUIPMENT	CONSTRUCTION IN PROGRESS	Total
GENERAL GOVERNMENT:					
Administration	\$49,277	\$1,435,046	\$82,054	\$81,492	\$1,647,869
City Hall	12,319	375,522	0	0	387,841
Municipal Court	6,160	187,761	0	0	193,921
Finance	12,319	375,522	0	0	387,841
Tax	12,319	375,522	0	0	387,841
Total General Government	92,394	2,749,373	82,054	81,492	3,005,313
SECURITY OF PERSONS AND PROPERTY:					
Police Protection	441,749	1,035,031	959,409	0	2,436,189
Fire Department	206,671	2,270,224	1,016,461	0	3,493,356
Total Security of Persons and Property	648,420	3,305,255	1,975,870	0	5,929,545
TRANSPORTATION:					
Street Department	764,292	403,562	908,162	0	2,076,016
LEISURE TIME ACTIVITIES:					
Recreation Department	12,628	18,312	541,119	5,193	577,252
TOTAL GENERAL FIXED ASSETS	\$1,517,734	\$6,476,502	\$3,507,205	\$86,685	\$11,588,126

CITY OF MONROE, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2001

<u>FUNCTION AND ACTIVITY</u>	<u>GENERAL FIXED ASSETS DECEMBER 31 2000</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>GENERAL FIXED ASSETS DECEMBER 31 2001</u>
GENERAL GOVERNMENT:				
Administration	\$1,478,281	\$169,588	\$0	\$1,647,869
City Hall	387,841	0	0	387,841
Municipal Court	193,921	0	0	193,921
Finance	387,841	0	0	387,841
Tax	387,841	0	0	387,841
Total General Government	<u>2,835,725</u>	<u>169,588</u>	<u>0</u>	<u>3,005,313</u>
SECURITY OF PERSONS AND PROPERTY:				
Police Protection	2,296,737	139,452	0	2,436,189
Fire Department	2,108,513	1,384,843	0	3,493,356
Total Security of Persons and Property	<u>4,405,250</u>	<u>1,524,295</u>	<u>0</u>	<u>5,929,545</u>
TRANSPORTATION:				
Street Department	1,883,608	192,408	0	2,076,016
LEISURE TIME ACTIVITIES:				
Recreation Department	541,747	35,505	0	577,252
TOTAL GENERAL FIXED ASSETS	<u><u>\$9,666,330</u></u>	<u><u>\$1,921,796</u></u>	<u><u>\$0</u></u>	<u><u>\$11,588,126</u></u>



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Statistical Section



CITY OF MONROE, OHIO
 GENERAL FUND EXPENDITURES BY FUNCTION
 LAST TEN YEARS

YEAR	GENERAL GOVERNMENT	SECURITY OF PERSONS AND PROPERTY	PUBLIC HEALTH AND WELFARE	TRANSPORTATION	BASIC UTILITY SERVICES	LEISURE TIME ACTIVITIES	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
1992	366,207	124,814	25,635	121,771	0	29,551	59,558	0	727,536
1993	293,575	130,822	22,880	126,668	0	28,144	26,051	0	628,140
1994	367,612	132,989	23,377	124,494	0	32,213	68,514	0	749,199
1995	603,842	136,730	25,978	145,252	0	36,511	0	0	948,313
1996	528,840	192,618	25,001	241,833	0	39,750	42,575	0	1,070,617
1997	677,859	222,580	27,281	308,707	0	61,643	5,103	0	1,303,173
1998	868,314	133,954	33,247	297,266	0	46,537	15,985	0	1,395,303
1999	1,422,643	204,290	272	303,902	0	58,477	0	24,221	2,013,805
2000	605,308	201,959	138,846	356,461	7,112	28,850	178,919	0	1,517,455
2001	1,987,587	216,608	211,458	371,035	17,402	78,362	127,309	0	3,009,761

SOURCE: City of Monroe's Finance Office

CITY OF MONROE, OHIO
 GENERAL FUND REVENUES BY SOURCE
 LAST TEN YEARS

YEAR	PROPERTY TAXES	INCOME TAXES	CHARGES FOR SERVICES	FINES, LICENSES AND PERMITS	INTER-GOVERNMENTAL	SPECIAL ASSESSMENTS	INTEREST(1)	OTHER	TOTAL
1992	\$241,882	\$0	\$958	\$79,684	\$186,201	\$0	\$0	\$93,909	\$602,634
1993	482,232	0	674	93,257	284,571	0	0	49,234	909,968
1994	241,643	966,570	64,026	54,939	230,972	0	0	44,894	1,603,044
1995	329,898	1,319,592	32,835	57,476	421,760	0	0	142,775	2,304,336
1996	389,415	1,559,035	0	135,604	576,965	0	182,069	43,338	2,886,426
1997	365,839	1,516,745	0	96,592	344,505	13,534	169,353	7,360	2,513,928
1998	463,230	1,821,890	3,415	177,980	465,343	0	172,772	37,657	3,142,287
1999	528,031	2,168,042	40,132	61,522	488,985	0	70,137	39,638	3,396,487
2000	580,235	2,085,001	77,529	267,022	546,719	0	302,755	124,301	3,983,562
2001	659,086	2,456,779	4,793	295,225	813,921	0	99,544	95,654	4,425,002

SOURCE: City of Monroe's Finance Office

(1) The City had previously recorded interest revenue as other revenue before 1996

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
1992	\$628,187	\$597,681	\$20,712	\$618,393	98.44%	\$24,430	3.89%
1993	748,336	724,168	41,404	765,572	102.30%	7,194	0.96%
1994	817,103	803,050	8,125	811,175	99.27%	11,396	1.39%
1995	856,862	841,092	21,763	862,855	100.70%	5,403	0.63%
1996	868,452	809,386	20,704	830,090	95.58%	43,765	5.04%
1997	964,737	917,724	22,278	940,002	97.44%	68,500	7.10%
1998	964,738	942,953	19,631	962,584	99.78%	70,654	7.32%
1999	1,028,258	983,837	20,448	1,004,285	97.67%	94,627	9.20%
2000	1,109,108	1,069,616	21,983	1,091,599	98.42%	112,135	10.11%
2001	2,052,000	2,220,467	32,054	2,252,521	109.77%	120,440	5.87%

SOURCE: Butler County Auditor's Office

CITY OF MONROE, OHIO
 ASSESSED VALUATION AND ESTIMATED
 ACTUAL VALUES OF TAXABLE PROPERTY
 LAST TEN YEARS

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITY		PERSONAL		TOTAL		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	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1992	\$55,857,760	\$159,593,600	\$16,277,901	\$65,111,604	\$34,180,070	\$38,840,989	\$106,315,731	\$263,546,193		40.34%	
1993	73,347,560	209,564,457	17,068,941	68,275,764	35,328,620	40,146,159	125,745,121	317,986,380		39.54%	
1994	80,496,740	229,990,686	16,462,248	65,848,992	35,099,740	39,886,068	132,058,728	335,725,746		39.34%	
1995	86,472,170	247,063,343	24,401,527	97,606,108	27,600,730	31,364,466	138,474,427	376,033,917		36.82%	
1996	103,626,960	296,077,029	32,197,072	128,788,288	28,103,550	31,935,852	163,927,582	456,801,169		35.89%	
1997	106,770,630	305,058,943	31,678,926	126,715,704	27,282,150	31,002,443	165,731,706	462,777,090		35.81%	
1998	112,994,990	322,842,829	37,461,497	149,845,988	27,695,250	31,471,875	178,151,737	504,160,692		35.34%	
1999	134,954,330	385,583,800	43,318,762	173,275,048	27,683,980	31,459,068	205,957,072	590,317,916		34.89%	
2000	139,839,110	399,540,314	41,865,628	167,462,512	25,840,540	29,364,250	207,545,278	596,367,076		34.80%	
2001	162,045,170	462,986,200	46,894,834	187,579,336	16,428,630	18,668,898	225,368,634	669,234,434		33.68%	

SOURCE: Butler County Auditor's Office

**CITY OF MONROE, OHIO
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS**

<u>YEAR</u>	<u>CITY OF MONROE</u>	<u>BUTLER COUNTY</u>	<u>SCHOOL DISTRICT</u>	<u>OTHER (2)</u>
	<u>OPERATING</u>	<u>OPERATING</u>	<u>OPERATING</u>	<u>OPERATING</u>
1992	\$7.85	\$7.45	\$49.24	\$2.57
1993	7.85	7.44	48.14	2.57
1994	7.85	7.45	51.74	2.53
1995	7.85	7.44	50.14	2.52
1996	7.85	8.44	56.24	2.52
1997	7.85	8.45	56.14	2.52
1998	7.85	8.44	56.14	2.52
1999	7.85	8.45	56.14	2.52
2000	7.85	8.45	56.14	2.52
2001	9.85	8.75	61.88	2.52

SOURCE: City of Monroe's Operating Budget

SOURCE: Butler County Auditor's Office

(1) Other includes Lemon Township and Butler County Joint Vocational School

**CITY OF MONROE, OHIO
 PRINCIPAL TAXPAYERS
 DECEMBER 31, 2001**

	TAXPAYER	2001 REAL PROPERTY ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION REAL PROPERTY
1.	Cincinnati Gas and Electric	\$22,748,690	10.09%
2.	Worthington Steel	15,732,300	6.98
3.	Dayton Technologies	8,205,270	3.64
4.	EPHS Investments	3,419,420	1.52
5.	Ohio Presbyterian	2,535,350	1.12
6.	Duke Realty	2,512,740	1.11
7.	Xerox Corporation	2,304,900	1.02
8.	Mount Pleasant Retirement Home	2,097,160	0.93
9.	Sulzer Escher Wyess Incorporated	2,049,760	0.91
10.	Dayton Power and Light	1,719,690	0.76

SOURCE: Butler County Auditor's Office

**CITY OF MONROE, OHIO
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN YEARS**

<u>COLLECTION YEAR</u>	<u>BILLED</u>	<u>AMOUNT COLLECTED</u>	<u>PERCENT COLLECTED</u>
1992	\$116,267	\$117,314	100.90%
1993	95,275	121,596	127.63%
1994	134,685	119,972	89.08%
1995	130,682	118,611	90.76%
1996	119,151	118,257	99.25%
1997	125,021	125,924	100.72%
1998	131,689	131,464	99.83%
1999	128,595	127,048	98.80%
2000	126,139	130,974	103.83%
2001	196,135	191,362	97.57%

SOURCE: Billed column was obtained from the Butler County Auditor's Office.

**CITY OF MONROE, OHIO
 COMPUTATION OF OVERALL LEGAL DEBT MARGIN
 VOTED AND UNVOTED DEBT LIMIT (10 1/2%)
 DECEMBER 31, 2001**

ASSESSED VALUE		<u>\$225,368,634</u>
TOTAL DEBT LIMIT-10 1/2% OF ASSESSED VALUATION		\$23,663,707
TOTAL DEBT OUTSTANDING AT DECEMBER 31, 2001	8,369,012	
LESS: EXEMPT DEBT GENERAL OBLIGATION BONDS ISSUED IN ANTICIPATION OF THE COLLECTION OF SPECIAL ASSESSMENTS	(1,457,200)	
MORTGAGE REVENUE BONDS TO BE PAID BY ENTERPRISE FUND REVENUE	(1,015,000)	
GENERAL OBLIGATION NOTES TO BE PAID BY ENTERPRISE FUND REVENUES	<u>(675,908)</u>	
TOTAL	5,220,904	
(1) LESS: BOND RETIREMENT FUND BALANCE	<u>0</u>	
NET SUBJECT TO 10 1/2% LIMITATION		<u>5,220,904</u>
LEGAL DEBT MARGIN WITHIN 10 1/2% LIMITATION		<u>\$18,442,803</u>

(1) BOND RETIREMENT FUND BALANCE DOES NOT INCLUDE AMOUNT AVAILABLE FOR SPECIAL ASSESSMENTS

**CITY OF MONROE, OHIO
 COMPUTATION OF UNVOTED LEGAL DEBT MARGIN
 UNVOTED DEBT LIMIT (5 1/2%)
 DECEMBER 31, 2001**

ASSESSED VALUE		<u>\$225,368,634</u>
TOTAL DEBT LIMIT- 5 1/2% OF ASSESSED VALUATION		\$12,395,275
TOTAL DEBT OUTSTANDING AT DECEMBER 31, 2001	8,369,012	
LESS: EXEMPT DEBT GENERAL OBLIGATION BONDS ISSUED IN ANTICIPATION OF THE COLLECTION OF SPECIAL ASSESSMENTS	(1,457,200)	
MORTGAGE REVENUE BONDS TO BE PAID BY ENTERPRISE FUND REVENUE	(1,015,000)	
GENERAL OBLIGATION NOTES TO BE PAID ENTERPRISE FUND REVENUES	(675,908)	

TOTAL	5,220,904	
(1) LESS: BOND RETIREMENT FUND BALANCE	0	

NET SUBJECT TO 5 1/2% LIMITATION		5,220,904

		<u>\$7,174,371</u>
		=====

(1) BOND RETIREMENT FUND BALANCE DOES NOT INCLUDE AMOUNT AVAILABLE FOR SPECIAL ASSESSMENTS

**CITY OF MONROE, OHIO
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS**

YEAR	POPULATION	ASSESSED VALUE	GROSS BONDED DEBT (1)	DEBT SERVICE BALANCE(2)	DEBT PAYABLE FROM ENTERPRISE REVENUES	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION	NET BONDED DEBT PER CAPITA
1992	4,375	\$106,315,731	NA	NA	\$1,480,000	\$1,480,000	1.39%	338
1993	4,375	125,745,121	NA	NA	1,440,000	1,440,000	1.15%	329
1994	4,375	132,058,728	NA	NA	1,395,000	1,395,000	1.06%	319
1995	4,375	138,474,427	NA	NA	1,345,000	1,345,000	0.97%	307
1996	4,375	163,927,582	NA	39,062	1,305,000	1,344,062	0.82%	307
1997	4,375	165,731,706	NA	36,715	1,250,000	1,286,715	0.78%	294
1998	4,375	178,151,737	67,800	731,973	1,195,000	1,994,773	1.12%	456
1999	4,375	205,957,072	3,025,600	654,476	1,840,000	5,520,076	2.68%	1,262
2000	7,133	207,545,278	4,910,000	632,481	1,780,000	7,322,481	3.53%	1,027
2001	7,133	225,368,634	4,745,000	N/A	1,690,908	6,435,908	2.86%	902

SOURCE: Population figures are taken from the 1990 and 2000 Census.

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

(2) Before 1996, the City had no Debt Service Fund or Debt Payable from Property Taxes

CITY OF MONROE, OHIO
RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN YEARS

YEAR	DEBT PRINCIPAL (1)	DEBT INTEREST	TOTAL DEBT SERVICE	GENERAL FUND EXPENDITURES	RATIO OF DEBT PRINCIPAL AND INTEREST TO GENERAL FUND EXPENDITURES
1992	NA	NA	\$0	\$727,536	0.00%
1993	NA	NA	0	628,140	0.00
1994	NA	NA	0	749,199	0.00
1995	NA	NA	0	948,313	0.00
1996	NA	NA	0	1,070,617	0.00
1997	NA	NA	0	1,303,173	0.00
1998	45,000	54,527	99,527	1,395,303	7.13
1999	45,200	90,844	136,044	2,013,805	6.76
2000	245,600	262,663	508,263	1,517,455	33.49
2001	286,800	415,605	702,405	3,009,761	23.34

SOURCE: City of Monroe's Finance Office

(1) Includes only general obligation bonded debt payable from property taxes.

Note: The City did not issues bonded debt payable from property taxes until 1998

**CITY OF MONROE, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2001**

JURISDICTION	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO CITY OF MONROE	AMOUNT APPLICABLE TO CITY OF MONROE
CITY OF MONROE	\$4,745,000	100.00%	\$4,745,000
BUTLER COUNTY	15,460,000	0.00%	0

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

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

SOURCE: Butler County Auditor's Office

**CITY OF MONROE, OHIO
REVENUE BOND COVERAGE
WATER FUND
LAST TEN YEARS**

YEAR	OPERATING REVENUES	OPERATING EXPENSES (1)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			TOTAL COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1992							
1993							
1994							
1995							
1996	\$1,680,796	\$1,863,738	(\$182,942)				
1997	1,693,610	1,671,530	22,080				
1998	788,353	550,488	237,865	55,000	78,878	133,878	1.78
1999	937,661	581,756	355,905	55,000	75,693	130,693	2.72
2000	860,884	697,245	163,640	60,000	72,938	132,938	1.23
2001	1,097,565	981,617	115,948	65,000	69,518	134,518	0.86

SOURCE: City of Monroe's Finance Office

(1) Operating Expenses less Depreciation Expense

**CITY OF MONROE, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

YEAR	POPULATION (1)	SCHOOL ENROLLMENT (2)	UNEMPLOYMENT RATE BUTLER COUNTY (3)
1992	4,375	9,685	6.6%
1993	4,375	9,828	6.5
1994	4,375	9,895	5.4
1995	4,375	9,935	4.2
1996	4,375	9,780	3.6
1997	4,375	9,816	3.7
1998	4,375	9,656	3.3
1999	4,375	9,466	3.0
2000	7,133	9,260	2.3
2001	7,133	1,466	2.6

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

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

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

**CITY OF MONROE, OHIO
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE
LAST TEN YEARS**

YEAR	RESIDENTIAL CONSTRUCTION (1)		COMMERCIAL CONSTRUCTION (1)		COUNTY BANK DEPOSITS (2)	REAL PROPERTY VALUE		
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE		RESIDENTIAL/ AGRICULTURAL	INDUSTRIAL/ COMMERCIAL	EXEMPT
1992	38	\$2,660,000	N/A	N/A	\$904,381,000	\$159,593,600	\$65,111,604	\$38,840,989
1993	24	1,728,000	N/A	N/A	724,213,000	209,564,457	68,275,764	40,146,159
1994	26	1,872,000	N/A	N/A	711,686,000	229,990,686	65,848,992	39,886,068
1995	54	4,018,558	11	3,361,676	737,683,000	247,063,343	97,606,108	31,364,466
1996	62	5,212,279	16	5,782,888	800,556,000	296,077,029	128,788,288	31,935,852
1997	73	6,810,170	25	10,846,158	783,398,000	305,058,943	126,715,704	31,002,443
1998	67	6,918,480	23	11,317,246	815,435,000	322,842,829	149,845,988	31,471,875
1999	144	13,462,960	6	1,482,000	913,169,000	385,583,800	173,275,048	31,459,068
2000	153	15,500,000	17	16,380,585	1,152,810,000	399,540,314	167,462,512	29,364,256
2001	193	20,646,402	7	3,379,500	1,136,994,000	462,986,200	187,579,336	16,428,630

(1) SOURCE: City of Monroe Building Department
(2) SOURCE: Federal Reserve Bank of Cleveland (note: dollar amounts are in thousands)

**CITY OF MONROE, OHIO
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2001**

DATE OF INCORPORATION	1907
CITY STATUS	1995
FORM OF GOVERNMENT	CHARTER - MANAGER/COUNCIL
AREA (SQUARE MILES)	9,793
POLICE PROTECTION	
NUMBER OF STATIONS	1
NUMBER OF POLICEMEN AND OFFICERS	35
EDUCATION (K-12) (PUBLIC ONLY)	
ADMINISTRATION BUILDINGS	1
BUS GARAGE	1
ATTENDANCE CENTERS	2
NUMBER OF CLASSROOMS	82
NUMBER OF TEACHERS	99
NUMBER OF STUDENTS	1,466
MUNICIPAL WATER DEPARTMENT	
MILES OF WATER MAINS	58
SEWERS	
MILES OF SANITARY SEWERS	58
BUILDING PERMITS ISSUED IN 2001	200
EMPLOYEES	
FULL-TIME	76
PART-TIME	32
FIRE	15
POLICE	17

SOURCE: Various departments within the City of Monroe

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Independent Accountants' Report on Compliance and Internal Control Over Financial Reporting Based on the Audit of the Financial Statements in Accordance with *Government Auditing Standards*

The Mayor and City Council
City of Monroe, Ohio
Monroe, Ohio

We have audited the general purpose financial statements of the City of Monroe (City) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 4, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Exhibit A as items #01-1 through #01-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Exhibit A as items #01-4 and #01-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

**Solutions
for
Success**

However, of the reportable conditions described above, we consider item #01-05 to be a material weakness. We also noted other matters involving the internal control over financial reporting and its operation that we have reported to the City's management in a separate letter dated June 4, 2002.

This report is intended solely for the information and use of the governing body and management and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

June 4, 2002

#01-1

Ohio Revised Code Section 5705.39 prohibits a City from appropriating amounts in excess of estimated resources plus available balances. The following were in excess for the year:

Fund Type/Fund	Excess
Special Revenue Funds	
Street	\$ 828,970
State Highway	33,381
Fire Operation and Maintenance	1,286,643
Fire 2000 Levy	1,084,402
Police Law Enforcement	772,807
Street Lighting	40,750
Debt Service Fund	487,489
Enterprise Funds	
Water	418,153
Sewer	660,429
Cemetery	10,863

#01-2

Ohio Revised Code Section 5704.41(B) prohibits a City from having expenditures plus encumbrances in excess of appropriations at the end of the fiscal year. The following funds had expenditures plus encumbrances in excess of appropriations at the end of the year:

Fund Type/Fund/Function	Excess
General Fund	
General Government	\$ 9,526
Special Revenue Funds	
Fire Levy 2000	
Principal Retirement	500,000
Interest and Fiscal Charges	56,769
Street Lighting	
Security of Persons and Property	20,032
Motor Vehicle License	
Security of Persons and Property	5,134
Debt Service Fund	
Principal Retirement	116,800

Capital Projects Fund

Park Improvement	
Capital Outlay	6,397

Enterprise Funds

Sewer	
Contractual Services	220,714
Miscellaneous	18
Water	
Contractual Services	20,822
Capital Outlay	82,713
Principal Retirement	1,400,000
Interest and Fiscal Charges	46,411
Deposits Refunded	4,185
Garbage	
Contractual Services	248
Cemetery	
Materials and Supplies	5,813

#01-3

Ohio Revised Code Section 5705.10 prohibits a City from operating a fund with a deficit balance. The following funds had deficit balances for the year:

Fund Type/Fund	Fund Deficit
Special Revenue Fund	
Street	\$ 642,999
State Highway	34,113
Fire Operation and Maintenance	1,307,755
Police Law Enforcement	683,311
Street Lighting	61,141
Debt Service Fund	608,883
Capital Projects Fund	
Park Improvement	34,031
Enterprise Fund	
Sewer	765,999

Amounts from other funds were used to cover the deficits identified.

#01-4 Bank Reconciliation

Bank reconciliations are an important internal control used by management to ensure that all cash transactions are recorded in the accounting records in a timely manner. To be effective, they need to be performed upon receipt of the bank statement by someone independent of cash receipts and disbursements. Reconciling items need to be investigated and adjustments made to the accounting records when necessary. Management should review the reconciliations to ensure their completion. This procedure is a crucial function in the City's internal control.

During our audit procedures, we noted that no monthly bank reconciliations for 2002 had been prepared. These duties are the responsibility of the Finance Department.

We recommend that bank accounts be reconciled on a timely basis, every month. All reconciling items should be investigated for accuracy. Timely reconciliations will help safeguard the City's assets and result in more accurate financial reporting.

#01-5 Segregation of Duties

Segregation of accounting duties is an essential element of effective internal controls, involving the separation of custody of assets from related recording of transactions. Currently, the Mayor's Court Clerk receives payments in cash and checks, as well as records the receipt of these payments. Additionally, the Mayor's Court Clerk is responsible for reconciling the cash receipts to the bank statements. The Mayor's Court Clerk accounting duties conflict since she is responsible for the custody of assets, recording of the related transaction and the monitoring of accounting transactions. Also, the Tax Department Clerk receives payments and is responsible for recording the payment. This also represents a conflict in accounting duties.

Segregation of conflicting duties within the City's Mayor's Court and Tax Department is difficult because of the limited number of personnel. However, there are compensating controls management could implement to reduce the possibility of errors or irregularities going undetected in the normal course of business. We encourage you to limit, to the extent possible, performance of incompatible duties by individuals in these departments. Consider implementing the following changes to improve controls:

- Where review procedures have been implemented to reduce the risk from lack of segregation (i.e., having the secretary/treasurer and the bookkeeper review each other's work), demonstrate written evidence of this review process, either directly on the item being reviewed or on a daily review log.
- Limit access to actual cash deposits by the employee posting cash receipts to the general ledger by having that employee use a cash receipts listing for posting rather than handling daily reports.
- Require employees to take vacations and require other personnel to be cross-trained and able to assume daily responsibilities of absent employees.
- Have the Finance Director review the monthly financial statements and related account reconciliations for unusual transactions/balances and/or unreconciled amounts.



STATE OF OHIO
OFFICE OF THE AUDITOR

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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 29, 2002**