

CITY OF MONROE, OHIO

Independent Auditors' Report on
Internal Controls and Compliance

December 31, 2007



Mary Taylor, CPA
Auditor of State

City Council
City of Monroe
233 Main Street
Monroe, Ohio 45050

We have reviewed the *Independent Auditors' Report* of the City of Monroe, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2007 through December 31, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 17, 2008

This Page is Intentionally Left Blank.



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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

To the Honorable Mayor and Members of the City Council
City of Monroe, Ohio:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Monroe, Ohio (City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 25, 2008. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency labeled as finding 2007-1 and described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Monroe, Ohio in a separate letter dated July 25, 2008.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, and the City Council and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
July 25, 2008

CITY OF MONROE, OHIO

Schedule of Findings and Responses

Year Ended December 31, 2007

Finding 2007-1 – Audit Adjustments

During the course of our audit, we identified material misstatements in the financial statements for the year under audit that was not initially identified by the City's internal control. Throughout the year, the City maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustments were necessary to correct an error in the City's conversion process. A description of each adjustment follows:

- **Capital Assets.** The City expensed construction in progress for water line construction included in accounts payable at year-end rather than capitalizing in accordance with generally accepted accounting principles. An audit adjustment of approximately \$195,000 was necessary in the Water Fund to capitalize the construction in progress.
- **Income Taxes.** An audit adjustment was necessary to correct the City's estimate of income tax receivables as December 31, 2007 in the amount of \$367,000.

Management response: Management concurs with the finding.

CITY OF MONROE, OHIO

Schedule of Prior Audit Findings

Year Ended December 31, 2007

Finding 2006-1 – Audit Adjustments

Condition: During the course of our audit, we identified material misstatements in the financial statements that were not initially identified by the City's internal control over financial reporting. Throughout the year, the City maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustments were necessary to correct errors made during the City's conversion process.

Current Status: Partially corrected.

CITY OF MONROE, OHIO



MONROE CORRIDOR 75 PROJECT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR
ENDED DECEMBER 31, 2007

This Page is Intentionally Left Blank.

INTRODUCTORY



MONROE PARK 63 PROJECT

SECTION

CITY OF MONROE, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR
ENDED DECEMBER 31, 2007**

Prepared by:
Ms. Kacey Waggaman, Finance Director

City of Monroe, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

Table of Contents

INTRODUCTORY SECTION

Title Page.....	i
Table of Contents	ii
Letter of Transmittal.....	v
List of Principal Officials	xi
Organizational Chart	xii
Certificate of Achievement for Excellence in Financial Reporting.....	xiii

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Asset.....	13
Statement of Activities.....	14
Balance Sheet - Governmental Funds.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Statement of Net Assets - Enterprise Funds.....	21
Statement of Revenues, Expenses and Changes in Fund Net Assets - Enterprise Funds	22
Statement of Cash Flows - Enterprise Funds	23
Statement of Fiduciary Net Assets.....	25
Notes to the Basic Financial Statements	27

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	
General Fund.....	53
Fire 1989 Levy Fund.....	55
Police Law Enforcement Fund.....	56
Notes to the Required Supplementary Information	57

Table of Contents (continued)

Other Supplementary Information

Debt Service Fund:

Schedule of Revenues, Expenditures and Changes
in Fund Balance-Budget and Actual (Budgetary Basis).....60

Nonmajor Governmental Funds:

Nonmajor Governmental Fund Descriptions61
Combining Balance Sheet – Nonmajor Governmental Funds63
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Governmental Funds.....64

Special Revenue Funds:

Combining Balance Sheet – Nonmajor Special Revenue Funds66
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances– Nonmajor Special Revenue Funds 68
Schedules of Revenues, Expenditures and Changes
in Fund Balance-Budget and Actual (Budgetary Basis) -
Street Fund70
State Highway Fund71
Fire Operation and Maintenance Fund72
Fire 2000 Levy Fund73
Motor Vehicle License Fund74
DARE Grant Fund.....75
Enforcement and Education Fund76
2005 Fire Levy Fund77
2004 RIDs Fund78
2004 TIFs Fund79
Street Lighting Fund.....80
Cemetery Trust Fund.....81
Longstreet Trust Fund82
Law Enforcement Fund83
Fire Escrow Fund84
TASER Fund85
Fire Loss Fund.....86

Capital Projects Funds:

Combining Balance Sheet – Nonmajor Capital Projects Funds.....87
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds.....88
Schedules of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budgetary Basis) -
Park Improvement Fund89
Capital Improvement Fund.....90
Mayor’s Court Technology Improvement Fund.....91
Corridor I-75 Fund92

Nonmajor Enterprise Funds:

Combining Statement of Net Assets – Nonmajor Enterprise Funds93
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets – Nonmajor Enterprise Funds94
Combining Statement of Cash Flows – Nonmajor Enterprise Funds95

Table of Contents (continued)

Schedules of Revenues, Expense and Changes
in Net Assets - Budget and Actual (Budgetary Basis):

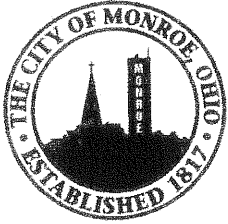
Water Fund.....	96
Sewer Fund.....	97
Stormwater Management Fund.....	98
Garbage Fund.....	99
Cemetery Fund.....	100

Fiduciary Fund:

Statement of Changes in Fiduciary Assets and Liabilities - Agency Fund.....	101
--------------------------------------------------------------------------------	-----

STATISTICAL SECTION

Statistical Section Description of Tables.....	103
Net Assets by Component - Last Four Years.....	104
Changes in Net Assets - Last Four Years.....	105
Fund Balances, Governmental Funds - Last Ten Years.....	107
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	108
Assessed Value and Actual Value of Taxable Property - Last Ten Years.....	109
Direct and Overlapping Property Tax Rates - Last Ten Years.....	110
Top Ten Principal Taxpayers – Real and Personal Property - Current and Seven Years Ago.....	111
Property Tax Levies and Collections - Last Ten Years.....	112
Income Tax Statistics - Last Five Years.....	113
Ratios of General Bonded Debt Outstanding and Legal Debt Margin – Last Ten Years.....	114
Computation of Direct and Overlapping Debt.....	115
Ratio of Net General Obligation Debt to Assessed Valuation and Net Bonded Debt per Capita – Last Ten Years.....	116
Principal Employers – Current Year and Five Years Ago.....	117
Demographic Statistics - Last Ten Years.....	118
Capital Asset Statistics by Function - Last Four Years.....	119
Operating Indicators by Function/Program - Current Year.....	120
Full-Time Equivalent City Government Employees by Function/Program – Last Eight Years.....	121



Robert E. Routson
Mayor

CITY OF MONROE

P.O. BOX 330

Monroe, OH 45050

www.monroehio.org

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

William J. Brock
City Manager

July 25, 2008

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, 2007. This report contains basic financial statements and other financial and statistical information – providing complete and full disclosure of all financial aspects of the City for 2007.

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

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

THE CITY OF MONROE

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

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

Although once strictly a farming community, the City of Monroe now has a strong industrial base. Currently, the total percentage of land area in Monroe is significantly weighted towards light and heavy industrial acreage (53% industrial and commercial). The income tax generated \$5,293,163 (budgetary basis), a \$1.4 million increase from 2006. 2007 was the first full year of income tax collections at the 1.5% rate. (The City's income tax rate increased from 1% to 1.5% in July 2006.) The City offers excellent access to the flourishing Interstate 75 corridor and holds 2,600 acres of prime green field industrial parcels ready for development with full utilities and road access.

CITY ORGANIZATION AND REPORTING ENTITY

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

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

The City is associated with the following jointly governed organizations: The Center for Local Government and the Ohio-Kentucky-Indiana Regional Council of Governments, which are presented in Note 17 to the basic financial statements. The City is also a member of the Municipal League of Ohio Worker's Compensation Group Rating Plan, an insurance purchasing pool, which is presented in Note 18 to the basic financial statements.

ECONOMIC CONDITION AND MAJOR INITIATIVES

The City of Monroe has become one of the fastest growing communities in southwest Ohio. Monroe's population is currently estimated at 11,870 people in 2007 (above the 7,133 from the 2000 census) and its land area comprises approximately 15.5 square miles of territory. Approximately 53% of Monroe's total land area is zoned for industrial and commercial uses. Monroe is located midway between downtown Cincinnati and Dayton. Monroe is served by a full interchange at Interstate 75 as well as two 4-lane state highways, SR 4 and SR 63. Monroe is also served by two major rail lines providing rail served industrial sites.

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

Vandercar Holdings is developing a 420 acre portion of the 770 acre Corridor 75 Industrial Park. Construction began in early 2008 on the first tenant, a Home Depot Rapid Deployment Center, as well as a 650,000 FT² speculative building. The Home Depot RDC is not a retail store, but rather a logistics facility that will serve up to 300 local and regional retail locations. The facility itself will be 657,000 FT² on 56 acres and will employ roughly 600 people in the Greater Cincinnati/Dayton Area. The entire Vandercar Holdings development is planned to house over 6 million FT² of warehouse/distribution facilities and could potentially create 6,000 jobs.

In May 2008, Chelsea, a division of Simon Property Group, broke ground on a 120-store outlet center (Cincinnati Premium Outlets) that will feature name-brand and designer outlet stores. The 500,000 FT² open air development will be located on 117 acres. The Cincinnati Premium Outlets is expected to open in the summer of 2009 and will create approximately 800 new jobs.

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

MAJOR INITIATIVES

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

Roadway Improvements

Monroe has State funding for 80% of an estimated \$4 million roadway widening to State Route 63 from the Interstate 75 interchange and terminating at our 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 commercial and industrial park situated at the corner of Interstate 75 and State Route 63. The project was completed in early 2008.

The State Route 63 widening project will coincide with an Ohio Department of Transportation sponsored project replacing the Interstate 75 bridge and making substantial improvements to the north and south bound ramps onto State Route 63. Construction on the bridge deck is completed. Construction on the ramps is scheduled to begin in 2009.

The City is making major improvements on Todhunter Road that will span the next few years.

The water main replacement project began in August 2007 and was completed at year end except for restoration and dirt work which will be done during the construction season of 2008. The project consisted of installing 11,755 linear feet of a 12" water main, completing 82 service connections and installing 27 fire hydrants.

In 2008, the City will begin the bridge replacement project. The City was awarded \$593,000 in grant funding from the Ohio Public Works Commission for this project. It is expected to be complete in 2009.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

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

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

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

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

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

FINANCIAL CONDITION

On August 12, 2004, the Ohio Auditor of State declared the City in a state of fiscal emergency as defined by the Ohio Revised Code. The City quickly began implementing a financial recovery plan which focused on internal controls, department operations, increasing income tax revenue and eliminating deficit fund balances. The City was able to pass a 0.50% increase on their income tax rate effective July 1, 2006, as well as eliminate all fund deficits by the end of 2006. In December, 2006, the appointed State oversight commission made a formal request of the Auditor of State to begin the process necessary to eliminate the fiscal emergency status, which includes review of the City's financial accounting and reporting policies and procedures and a five year financial forecast. The City's Fiscal Emergency Status was terminated by the Auditor of State's office on August 9, 2007.

CASH MANAGEMENT

The City Finance Director is in charge of the City's cash management program. In 2007, the City updated their cash management and investment policy. 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 2007, the City earned \$674,503 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 105 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 12 to the basic financial statements.

OTHER INFORMATION

Independent Audit

This report includes an unqualified audit report regarding the City's financial statements. Clark, Schaefer, Hackett & Co. conducted this year's audit. The Independent Auditor's Report on the basic financial statements and required supplementary information is included in the financial section of this report. The auditor's conclusions related specifically to internal controls and compliance with applicable laws and regulations are presented in a separate report, which may be obtained from the City of Monroe.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Monroe for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This is the seventh consecutive year the City has received the award.

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

Acknowledgements

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

Respectfully submitted,



City Finance Director



City Manager

City of Monroe, Ohio

List of Principal Officials

December 31, 2007

<u>OFFICE HELD</u>	<u>NAME OF OFFICIAL</u>
City Manager	William Brock
Finance Director	Kacey Waggaman
Law Director	K. Philip Callahan
Mayor	Robert Routson
Vice Mayor	Steven Tannreuther
Mayor's Court Clerk	Rebecca Rosenbalm
Police Chief	Gregory Homer
Fire Chief	Mark Neu
Tax Commissioner	Tracy Vanderman
Public Works Director	Brad Collins
Director of Development	Kevin Chesar

CITY COUNCIL MEMBERS

Tracy Shell
Robert Kelley
Suzi Rubin
Lora Stillman
Anna Hale

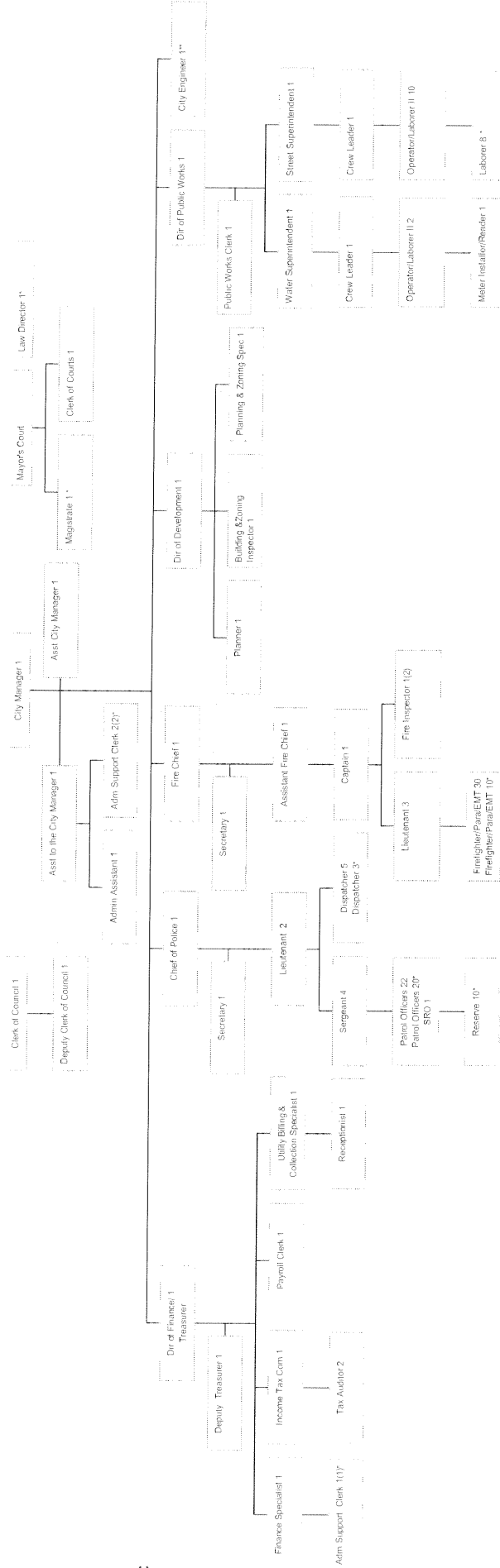
City of Monroe

Authorized (Vacant)

*Part-time

**Duties Performed by City Manager

City Council/6
Mayor 1



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, 2006

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.



Charles S. Cox

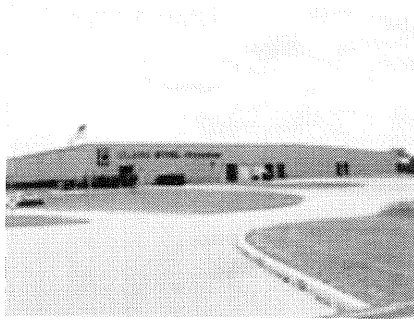
President

Jeffrey R. Emer

Executive Director

This page intentionally left blank

FINANCIAL



SUMMIT COMMERCE PARK

SECTION



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Monroe, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Ohio as of and for the year ended December 31, 2007, which collectively comprise the City of Monroe, Ohio's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Monroe, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monroe, Ohio as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2008, on our consideration of the City of Monroe, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 12 and pages 53 through 59, respectively are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
July 25, 2008

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

The discussion and analysis of the City of Monroe's financial performance provide an overall review of the City's financial activities for the year ended December 31, 2007. While the intent of this discussion and analysis is to look at the City's financial performance as a whole, readers should also review the basic financial statements to enhance their understanding of the City's fiscal performance.

Financial Highlights

Key highlights for 2007 are as follows:

- ❑ The assets of the City exceeded its liabilities at the close of the year ended December 31, 2007, by \$52,317,126 (net assets). Of this amount, \$4,143,064 is classified as unrestricted in the enterprise activities.
- ❑ The City's total net assets increased by \$2,625,535, which represents a 5.28% increase from 2006. \$481,500 of that increase was developer contributed street infrastructure.
- ❑ At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$3,611,007. Of this amount \$2,630,256 is available for spending (unreserved fund balance) on behalf of its citizens.
- ❑ At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,021,327 or a little more than 198% of total general fund expenditures.
- ❑ The other major governmental funds: Fire 1989 Levy, Police Law Enforcement, Debt Service and Capital Improvement funds had ending fund balances of \$207,190; (\$62,393); \$146,072; and (\$2,877,638), respectively. The deficit in the police law enforcement fund is due to outstanding payables at year end. The deficit in the capital improvement fund was created with the short term bond anticipation note being issued for the current year.

Using this Annual Financial Report

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

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

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

Reporting City of Monroe as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the change in those assets. This change in net assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities:

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

Reporting City of Monroe's Most Significant Funds

Fund Financial Statements

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

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

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

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

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

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

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

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

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

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

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$52,317,126 (\$46,694,337 in governmental activities and \$5,622,789 in business type activities) as of December 31, 2007. By far, the largest portion of the City's net assets (70.60%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and streets), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Table I provides a summary of the City's statement of net assets for 2007 compared to 2006.

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$14,732,737	\$12,687,699	\$4,649,784	\$5,407,391	\$19,382,521	\$18,095,090
Capital Assets	48,825,164	47,951,155	5,286,634	4,376,928	54,111,798	52,328,083
Total Assets	63,557,901	60,638,854	9,936,418	9,784,319	73,494,319	70,423,173
Long-term Liabilities	9,947,396	10,524,773	640,184	695,179	10,587,580	11,219,952
Other Liabilities	6,916,168	5,746,673	3,673,445	3,764,957	10,589,613	9,511,630
Total Liabilities	16,863,564	16,271,446	4,313,629	4,460,136	21,177,193	20,731,582
Nets Assets:						
Invested in Capital Assets, Net of Related Debt	35,459,009	34,500,283	1,479,725	314,256	36,938,734	34,814,539
Restricted	2,123,343	3,042,662	0	0	2,123,343	3,042,662
Unrestricted	9,111,985	6,824,463	4,143,064	5,009,927	13,255,049	11,834,390
Total Net Assets	\$46,694,337	\$44,367,408	\$5,622,789	\$5,324,183	\$52,317,126	\$49,691,591

An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. In the current fiscal year, this represented \$2,123,343 or 4.06% of net assets. The City's remaining unrestricted net assets were \$13,255,049 which increased by 12.00% from 2006.

The City experienced a 4.36% increase in total assets due to the developer donations of right-of-way for subdivision constructed during 2007 and the increase in income tax revenues that aided the City's increase in cash of just under \$210,000 from 2006.

For the liabilities, the City increased the overall debt (long term liabilities and a portion of other liabilities) burden on the City by 2.15% from the prior year mainly from the increased State Route 63 note payable. The City also increased the vendor payables just over \$330,000 from 2006 through more activity in operations and contracted work in the business type activities.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues:						
Charges for Services	\$1,498,283	\$1,765,072	\$4,412,628	\$4,424,258	\$5,910,911	\$6,189,330
Operating Grants	752,164	869,476	16	3,331	752,180	872,807
Capital Grants	805,223	2,802,248	0	0	805,223	2,802,248
General Revenues:						
Income Tax	5,602,563	3,892,969	0	0	5,602,563	3,892,969
Property Tax	2,185,091	2,544,831	0	0	2,185,091	2,544,831
Other Taxes	1,106,724	612,942	0	0	1,106,724	612,942
Unrestricted Grants and Contributions	829,847	820,158	0	0	829,847	820,158
Investment earnings	674,503	396,848	0	987	674,503	397,835
Other Revenues	100,218	128,832	0	0	100,218	128,872
Total Revenues	13,554,616	13,833,376	4,412,644	4,428,576	17,967,260	18,261,952
Program Expenses						
Security of Persons and Property	5,969,482	4,398,101	0	0	5,969,482	4,398,101
Public Health and Welfare	157,668	165,722	0	0	157,668	165,722
Leisure Time Activities	6,766	607	0	0	6,766	607
Transportation	2,208,735	1,854,390	0	0	2,208,735	1,854,390
General Government	1,675,987	1,616,468	0	0	1,675,987	1,616,468
Intergovernmental	228,317	0	0	0	228,317	
Interest and Fiscal Charges	1,003,232	479,432	0	0	1,003,232	479,432
Water	0	0	2,231,916	2,020,068	2,231,916	2,020,068
Sewer	0	0	1,168,884	1,112,972	1,168,884	1,112,972
Stormwater Management	0	0	142,651	139,484	142,651	139,484
Garbage	0	0	530,864	565,819	530,864	565,819
Cemetery	0	0	17,223	12,931	17,223	12,931
Total Expenses	11,250,187	8,514,720	4,091,538	3,851,274	15,341,725	12,365,994
Excess Before Transfers	2,304,429	5,318,656	321,106	577,302	2,625,535	5,895,958
Transfers	22,500	22,500	(22,500)	(22,500)	0	0
Change in Net Assets	2,326,929	5,341,156	298,606	554,802	2,625,535	5,895,958
Beginning Net Assets (Restated)	44,367,408	39,026,252	5,324,183	4,769,381	49,691,591	43,795,633
Ending Net Assets	\$46,694,337	\$44,367,408	\$5,622,789	\$5,324,183	\$52,317,126	\$49,691,591

Governmental Activities

The primary focus of governmental activities is in the area of security of persons and property, which represents the police, fire and EMS services of the City. For 2007, total expenses were approximately \$5.97 million, representing 53.06% of governmental activity spending yielding a reliance on general revenues to fund the program of approximately \$5.03 million after direct support to their programs.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

The City has worked very hard over the past several years to continue to increase cash balances in an effort to eliminate the fiscal emergency during 2007. During this process, the City was forced to evaluate all functionality and use within departments in prior years. For the current year, the City increased operating expenses by 32% but was still able to increase the net assets by 5.24% from 2006 mainly because of the additional income tax dollars of \$1.7 million generated by a full year of collections at 1.5% rate.

As the City was able to improve their financial situation, the fiscal emergency was eliminated. On August 9, 2007, the Ohio Auditor of State determined that the City no longer met the fiscal emergency conditions set forth in Section 118.27(A)(1),(2),(3) and (4), Revised Code. Therefore, the existence of the City of Monroe Financial Planning and Supervision Commission and its role in the operation of the City was terminated. At the time of termination, an effective financial accounting and reporting system was not fully implemented, so the Auditor of State will monitor the progress to secure full implementation within two years pursuant to Section 118.27(A)(2), Revised Code.

Business-Type Activities

The City's business-type activities include the Water, Sewer, Stormwater Management, Garbage and Cemetery functions. All the business-type activities, except the Water system, were able to report positive net revenues for the year. The water function used \$16,974 of the cash balance to cover operating expenses for the fiscal year as the City increased the materials and supplies expense by \$200,000 from 2006.

Financial Analysis of the City's Funds

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

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

As of the end of 2007, the City's governmental funds reported combined ending fund balances of \$3.61 Million. Approximately \$2.63 Million constitutes unreserved fund balance available for spending for citizens. The remainder of the balance is reserved to indicate that it has been spoken for already and not available to be spent for a variety of purposes, most notably to liquidate contracts and purchase orders from the prior year.

The General Fund is the chief operating fund of the City. As of December 31, 2007, the unreserved general fund balance was \$4.02 Million with a total fund balance of \$4.29 Million. As a measure of liquidity, it is often useful to compare these numbers to total general fund expenditures and other financing uses. Unreserved fund balance represents approximately 198% of the total expenditures.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

During 2007, the City's general fund increased by \$2.30 Million with revenues exceeding expenditures by \$5.99 Million. This is primarily due to the additional revenue generated with the increased income tax rate being collected for a full year. The City's other revenues in the general fund actually decreased by just under four percent from 2006.

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

Fund	Ending Fund Balance/ Net Assets	Percentage Change from Prior Year
Fire 1989 Levy	\$207,190	(60.95%)
Police Law Enforcement	(62,393)	(425.55%)
Debt Service	146,072	1831.40%
Capital Improvement	(2,877,638)	(64.67%)
Water	4,719,822	(0.36%)
Sewer	307,726	19.11%

The fire 1989 levy saw the ending fund balance decrease for the first time in several years due to contract required salary and benefit increases triggered by the fiscal emergency termination, the addition of new employees and equipment purchases.

The police law enforcement fund is the most consistent fund of the major funds. The fund receives a property tax levy for the employment of the City police force. The fund decreased ending fund balance by \$1.3 million for 2007. The real dollar decrease was less than what the large percentage reflects. The fund did receive a \$1.2 million transfer from General Fund to help offset the additional expenditures once the fiscal emergency was lifted and the City caught up maintenance and capital purchases that were delayed.

The debt service fund has been the critical fund for the City as it remained deficient in the past years. The City transferred \$0.83 million from the general fund income tax and property tax revenues to offset the \$0.69 million deficiency in revenues and debt service expenditures.

The capital improvement fund remains a major fund thanks in part to the issuance of short debt obligation related to the State Route 63 improvements near the Interstate 75 interchange. The City also expended \$1.79 million in capital outlay for right of way and other construction related activities.

The City's two major enterprise funds worked hand and hand with each other. The water and sewer funds both generate the vast majority of their revenue from customers whether those are monthly users or new tenants taping into the City's system. The City was able to generate an operating income in both funds by controlling the expenses and evaluating the user fee related to each system.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and the Charter of the City. The Budget is based on accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2007, the City amended its total and general fund budget several times, the most significant noted below. All recommendations for the budget came from the City Manager after consultation with individual directors and the Finance Department before submission to City Council. The City Council also approves small interdepartmental budget changes that modify line items within departments within the same fund. With the General fund mainly supporting activities such legislative and executive activities, as well as, some public safety, public health and welfare and transportation programs, the General fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

The City has no changes in original to final budget for projected revenues. The City only increased the budgeted balances in the various general fund operations by \$6,365 at the end of the fiscal year. The City's initial budgeted expenditures were close enough to the ending the actual expenditures that there was little need to modify those appropriations.

The following table summarizes the major revenue sources and expenditures from final budget to actual results for 2007:

Description	Final Budget	Actual	Change
Revenues:			
Property and Other Taxes	\$1,029,000	\$626,647	(\$402,353)
Income Taxes	6,000,000	5,293,163	(706,837)
Intergovernmental Revenue	1,033,800	711,801	(321,999)
Fines, Licenses and Permits	1,115,000	416,185	(698,815)
Other Revenues	1,745,602	989,410	(756,192)
Total Revenues	<u>10,923,402</u>	<u>8,037,206</u>	<u>(2,886,196)</u>
Expenditures:			
Security of Persons/Property	304,750	242,076	62,674
General Government	1,915,674	1,759,034	156,640
Other Expenditures	401,620	281,321	239,701
Total Expenditures	<u>2,622,044</u>	<u>2,282,431</u>	<u>339,613</u>

The City was not certain what the results of the new income tax rate would cause in income tax revenue projections with the final budget resulting in a significant variance with actual results. The City also received significantly less in license and permit fee than was anticipated as the City used prior trends to predicted what the current year collections would be for 2007.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

The City's expenditures remained under budget as continued fiscal restraint was in play during the year. The City saved about \$156,000 in administration costs by consolidating some services and having several positions vacant for extended periods during 2007. The other reductions in expenditures are explained by the City examining each functional expense and determining if the budgeted line item was necessary.

Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of December 31, 2007, amounts to \$36.94 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, equipment and machinery, and street infrastructure.

Note 8 (Capital Assets) provides capital asset activity during 2007. The City continued with limited funding for capital asset acquisition and construction. For 2007, only 15% of the increase in City assets was from developer contributions for local subdivision street infrastructure totaling \$0.48 million whereas it was a much larger percentage in prior years. For more information on the governmental and business-type capital assets see Note 8 in the notes to the financial statements.

Long-term Debt: At the end of 2007, the City had general obligation bonds outstanding of \$6.36 million in governmental activities. See Note 14 for further information on the City's long-term debt. The City did reissue \$3.18 million in revenue anticipation notes for the business-type activities. The City's general obligation debt was issued in 2003 as a combined issue consolidating individual obligations into one issue for the City to provide interest savings. For more information on the City's debt, please review Notes 14 and 15 in the notes to the financial statements.

Economic Factors affecting the City

The City of Monroe has become one of the fastest growing communities in southwest Ohio. Monroe's population is currently estimated at around 11,870 people in 2007 (above the 7,133 from the 2000 census) and its land area comprises approximately 16.1 square miles of territory. Monroe is located midway between downtown Cincinnati and Dayton. Monroe is served by a full interchange at Interstate 75 as well as two 4-lane state highways, SR 4 and SR 63. Monroe is also served by two major rail lines providing rail served industrial sites.

The City continued to see the development through building permits issued in 2006. Currently the City contains 18 approved residential subdivisions with many unbuilt dwelling units. Monroe also has 6 industrial subdivisions under development. Citywide, Monroe has approximately 3,300 acres of vacant industrial and commercially zoned land with direct access to all utilities and road frontage. In the year 2007, new construction brought the City's assessed valuation of \$323,003,135. Monroe collected over \$5,200,000 in local income tax based on an earnings tax rate of 1.5% in 2007.

CITY OF MONROE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

Monroe aggressively attracts and retains business using several different development financing mechanisms. All industrially zoned property within the City has the Rural Enterprise Zone tax incentive program and Community Reinvestment Area program in place. The City also utilizes Tax Increment Financing and special assessment financing to facilitate eligible industrial development. In 2006, Monroe approved over 108,000 sq. ft. of new commercial and industrial space while creating 318 new full time jobs.

Requests for Information

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

THE CITY OF MONROE
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 6,794,905	\$ 4,056,015	\$ 10,850,920
Investments	62,738	-	62,738
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	3,260,980	-	3,260,980
Taxes-Municipal Income	1,557,020	-	1,557,020
Accounts	117,216	593,769	710,985
Special Assessments	1,633,594	-	1,633,594
Interest	37,122	-	37,122
Due from Other Governments	748,368	-	748,368
Restricted Cash and Cash Equivalents	343,256	-	343,256
Bond Issuance Costs	177,538	-	177,538
Nondepreciable Assets:			
Land	1,327,758	563,741	1,891,499
Land Improvements	232,100	150,409	382,509
Construction in Progress	2,482,021	441,613	2,923,634
Depreciable Assets:			
Buildings and Improvements	6,491,576	514,000	7,005,576
Machinery and Equipment	3,551,996	2,032,448	5,584,444
Infrastructure : Streets	52,131,393	-	52,131,393
Infrastructure: Water Lines	-	4,178,902	4,178,902
Less: Accumulated Depreciation	(17,391,680)	(2,594,479)	(19,986,159)
 Total Assets	 63,557,901	 9,936,418	 73,494,319
Liabilities:			
Accounts Payable	329,003	30,986	359,989
Contracts Payable	148,186	297,037	445,223
Accrued Wages and Benefits	178,355	10,238	188,593
Due to Other Governments	242,490	106,380	348,870
Accrued Interest Payable	142,717	48,804	191,521
Matured Interest Payable	4,155	-	4,155
Unearned Revenue	2,371,262	-	2,371,262
Bond Anticipation Notes Payable	3,500,000	-	3,500,000
Revenue Anticipation Notes Payable	-	3,180,000	3,180,000
Long-Term Liabilities due within 1 year	645,763	52,265	698,028
Long-Term Liabilities due over 1 year	9,301,633	587,919	9,889,552
 Total Liabilities	 16,863,564	 4,313,629	 21,177,193
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	35,459,009	1,479,725	36,938,734
Restricted:			
Transportation	419,040	-	419,040
Protection of Citizens	816,472	-	816,472
Capital Improvements	660,813	-	660,813
Perpetual Care	80,946	-	80,946
Debt Service	146,072	-	146,072
Unrestricted	9,111,985	4,143,064	13,255,049
Total Net Assets	46,694,337	5,622,789	52,317,126
Total Liabilities and Net Assets	\$ 63,557,901	\$ 9,936,418	\$ 73,494,319

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Capital		Primary Government	
			Operating Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities
Total						
Governmental Activities:						
Security of Persons and Property	\$ (5,969,482)	\$ 931,465	\$ 6,210	\$ -	\$ (5,031,807)	\$ (5,031,807)
Public Health and Welfare	(157,668)	-	-	-	(157,668)	(157,668)
Leisure Time Activities	(6,766)	63,956	-	-	57,190	57,190
Transportation	(2,208,735)	100,000	594,460	505,223	(1,009,052)	(1,009,052)
General Government	(1,675,987)	402,862	-	300,000	(973,125)	(973,125)
Intergovernmental	(228,317)	-	-	-	(228,317)	(228,317)
Interest and Fiscal Charges	(1,003,232)	-	151,494	-	(851,738)	(851,738)
Total Governmental Activities	(11,250,187)	1,498,283	752,164	805,223	(8,194,517)	(8,194,517)
Business-Type Activities:						
Water	(2,231,916)	2,214,942	-	-	(16,974)	(16,974)
Sewer	(1,168,884)	1,218,250	-	-	49,366	49,366
Stormwater Management	(142,651)	255,560	-	-	112,909	112,909
Garbage	(530,864)	665,607	16	-	134,759	134,759
Cemetery	(17,223)	58,269	-	-	41,046	41,046
Total Business-Type Activities	(4,091,538)	4,412,628	16	-	321,106	321,106
Total	\$ (15,341,725)	\$ 5,910,911	\$ 752,180	\$ 805,223	(8,194,517)	(7,873,411)
General Revenues:						
Income Taxes					5,602,563	5,602,563
Property Taxes					2,185,091	2,185,091
Estate Taxes					393,517	393,517
Franchise Fee Taxes					128,534	128,534
Hotel Taxes					68,755	68,755
Payment in Lieu of Taxes					416,537	416,537
Permissive Sale Taxes					99,381	99,381
Grants and Contributions not restricted to specific programs					829,847	829,847
Unrestricted investment earnings					674,503	674,503
Miscellaneous					100,218	100,218
Net Transfers					(22,500)	(22,500)
Total General Revenues and Transfers					10,521,446	10,498,946
Changes in Net Assets					2,326,929	2,625,535
Net Assets-Beginning (Restated)					44,367,408	49,691,591
Net Assets-Ending					\$ 46,694,337	\$ 52,317,126

See accompanying notes to the basic financial statements

This page intentionally left blank

**THE CITY OF MONROE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	General	Fire 1989 Levy	Police Law Enforcement	Debt Service	Capital Improvement
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 3,891,480	\$ 318,574	\$ 92,128	\$ 138,450	\$ 508,832
Investments	-	-	-	-	-
Receivables (net of allowance for doubtful accounts):					
Taxes-Real & Personal Property	815,601	589,423	582,093	-	-
Taxes-Municipal Income	1,557,020	-	-	-	-
Accounts	32,673	78,831	525	-	4,932
Interest	37,122	-	-	-	-
Special Assessments	-	-	-	1,488,098	62,626
Due from Other Governments	345,632	14,861	17,935	-	1,707
Restricted Assets:					
Cash and Cash Equivalents	-	-	-	-	343,256
Total Assets	6,679,528	1,001,689	692,681	1,626,548	921,353
Liabilities:					
Accounts Payable	188,045	18,848	28,999	1,940	643
Contracts Payable	26,791	-	-	-	103,115
Accrued Wages and Benefits	52,759	63,331	62,265	-	-
Due to Other Governments	42,133	108,393	67,213	-	13,140
Accrued Interest Payable	-	-	-	-	117,760
Matured Interest Payable	-	-	-	4,155	-
Deferred Revenue	2,068,123	603,927	596,597	1,474,381	64,333
General Obligation Notes Payable	-	-	-	-	3,500,000
Matured Leave Payable	15,756	-	-	-	-
Total Liabilities	2,393,607	794,499	755,074	1,480,476	3,798,991
Fund Balances:					
Reserved for Encumbrances	264,594	295,663	59,711	-	-
Unreserved, reported in:					
General	4,021,327	-	-	-	-
Special Revenue (Deficit)	-	(88,473)	(122,104)	-	-
Debt Service	-	-	-	146,072	-
Capital Projects (Deficit)	-	-	-	-	(2,877,638)
Total Fund Balances (Deficit)	4,285,921	207,190	(62,393)	146,072	(2,877,638)
Total Liabilities and fund balances	\$ 6,679,528	\$ 1,001,689	\$ 692,681	\$ 1,626,548	\$ 921,353

See accompanying notes to the basic financial statements

**THE CITY OF MONROE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Amounts reported for governmental activities in the statement of net assets are different because:	
\$ 1,845,441	\$ 6,794,905		
62,738	62,738	Governmental Fund Balances at December 31, 2007	\$ 3,611,007
		Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	48,825,164
1,273,863	3,260,980		
-	1,557,020		
255	117,216	Issuance Costs associated with governmental debt are not financial resources and, therefore, are not reported in the funds.	177,538
-	37,122		
82,870	1,633,594	Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,037,225
368,233	748,368		
-	343,256		
<u>3,633,400</u>	<u>14,555,199</u>	Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(9,956,597)</u>
		Net Assets of governmental activities	<u>\$ 46,694,337</u>
90,528	329,003		
18,280	148,186		
-	178,355		
11,611	242,490		
-	117,760		
-	4,155		
1,601,126	6,408,487		
-	3,500,000		
-	15,756		
<u>1,721,545</u>	<u>10,944,192</u>		
360,783	980,751		
-	4,021,327		
1,306,166	1,095,589		
-	146,072		
<u>244,906</u>	<u>(2,632,732)</u>		
1,911,855	3,611,007		
<u>\$ 3,633,400</u>	<u>\$ 14,555,199</u>		

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General	Fire 1989 Levy	Police Law Enforcement	Debt Service	Capital Improvement
Revenues:					
Income Taxes	\$ 5,238,256	\$ -	\$ -	\$ -	\$ -
Property and Other Taxes	626,162	420,112	417,678	155,727	-
Payment in Lieu of Taxes	-	-	-	-	-
Intergovernmental	697,354	139,251	256,997	-	-
Charges for Services	212,918	660,830	189,720	-	21,450
Licenses and Permits	291,818	-	-	-	-
Investment Earnings	507,092	-	-	-	-
Fines and Forfeitures	123,542	-	-	-	-
Special Assessments	-	-	-	-	2,273
All Other Revenues	311,197	1,867	56,886	-	22,865
Total Revenues	8,008,339	1,222,060	921,281	155,727	46,588
Expenditures:					
Current:					
Security of Persons and Property	247,938	3,258,145	2,078,741	-	-
Public Health and Welfare	148,274	-	-	-	-
Leisure Time Activities	2,005	-	-	-	-
Transportation	116,955	-	-	-	-
General Government	1,484,360	-	-	-	-
Intergovernmental	15,351	-	-	-	-
Capital Outlay	-	-	115,823	-	1,785,018
Debt Service:					
Principal Retirement	4,599	68,379	-	510,700	-
Interest and Fiscal Charges	2,761	28,803	-	338,975	141,685
Total Expenditures	2,022,243	3,355,327	2,194,564	849,675	1,926,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,986,096	(2,133,267)	(1,273,283)	(693,948)	(1,880,115)
Other Financing Sources (Uses):					
Transfers - In	22,500	1,809,922	1,222,762	832,457	750,000
Transfers - Out	(3,704,781)	-	-	-	-
Total Other Financing Sources (Uses)	(3,682,281)	1,809,922	1,222,762	832,457	750,000
Net Change in Fund Balances	2,303,815	(323,345)	(50,521)	138,509	(1,130,115)
Fund Balances (Deficit) at Beginning of Year -Restated	1,982,106	530,535	(11,872)	7,563	(1,747,523)
Fund Balances (Deficit) at End of Year	\$ 4,285,921	\$ 207,190	\$ (62,393)	\$ 146,072	\$ (2,877,638)

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

Other Governmental Funds	Total Governmental Funds		
\$ -	\$ 5,238,256	Amounts reported in governmental activities in the statement of activities are different because:	
512,041	2,131,720	Net Change in Fund Balances - total governmental funds	\$ 345,634
416,537	416,537		
792,160	1,885,762	Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.	874,009
100,000	1,184,918		
55,406	347,224	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	540,955
167,411	674,503		
16,048	139,590	The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	582,318
70,190	72,463		
46,455	439,270	Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(15,987)
<u>2,176,248</u>	<u>12,530,243</u>	Change in net assets of governmental activities	<u>\$ 2,326,929</u>
123,800	5,708,624		
49	148,323		
-	2,005		
930,821	1,047,776		
26,660	1,511,020		
212,966	228,317		
76,571	1,977,412		
9,564	593,242		
478,166	990,390		
<u>1,858,597</u>	<u>12,207,109</u>		
317,651	323,134		
22,000	4,659,641		
(932,360)	(4,637,141)		
<u>(910,360)</u>	<u>22,500</u>		
(592,709)	345,634		
2,504,564	3,265,373		
<u>\$ 1,911,855</u>	<u>\$ 3,611,007</u>		

This page intentionally left blank

THE CITY OF MONROE
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
DECEMBER 31, 2007

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,369,674	\$ 217,968	\$ 468,373	\$ 4,056,015
Receivables (net of allowances for doubtful accounts)				
Accounts	256,760	178,135	158,874	593,769
Total Current Assets	<u>3,626,434</u>	<u>396,103</u>	<u>627,247</u>	<u>4,649,784</u>
Capital Assets:				
Nondepreciable Assets	1,155,763	-	-	1,155,763
Depreciable Assets	4,010,155	-	120,716	4,130,871
Total Capital Assets (net of accumulated depreciation)	<u>5,165,918</u>	<u>-</u>	<u>120,716</u>	<u>5,286,634</u>
Total Noncurrent Assets	<u>5,165,918</u>	<u>-</u>	<u>120,716</u>	<u>5,286,634</u>
Total Assets	<u><u>8,792,352</u></u>	<u><u>396,103</u></u>	<u><u>747,963</u></u>	<u><u>9,936,418</u></u>
Liabilities				
Current Liabilities:				
Accounts Payable	30,546	440	-	30,986
Contracts Payable	250,765	-	46,272	297,037
Accrued Wages and Benefits	10,238	-	-	10,238
Due to Other Governments	16,643	87,937	1,800	106,380
Accrued Interest Payable	48,804	-	-	48,804
Capital Leases Payable - Current	-	-	24,298	24,298
Revenue Anticipation Notes Payable	3,180,000	-	-	3,180,000
Loan Payable - Current	27,967	-	-	27,967
Total Current Liabilities	<u>3,564,963</u>	<u>88,377</u>	<u>72,370</u>	<u>3,725,710</u>
Noncurrent Liabilities:				
Compensated Absences Payable	13,275	-	-	13,275
Capital Leases Payable	-	-	80,352	80,352
Loans Payable	494,292	-	-	494,292
Total Noncurrent Liabilities	<u>507,567</u>	<u>-</u>	<u>80,352</u>	<u>587,919</u>
Total Liabilities	<u>4,072,530</u>	<u>88,377</u>	<u>152,722</u>	<u>4,313,629</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	1,463,659	-	16,066	1,479,725
Unrestricted	3,256,163	307,726	579,175	4,143,064
Total Net Assets	<u>4,719,822</u>	<u>307,726</u>	<u>595,241</u>	<u>5,622,789</u>
Total Net Assets and Liabilities	<u><u>\$ 8,792,352</u></u>	<u><u>\$ 396,103</u></u>	<u><u>\$ 747,963</u></u>	<u><u>\$ 9,936,418</u></u>

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS			Totals
	Water	Sewer	Nonmajor Enterprise Funds	
Operating Revenues:				
Charges for Services	\$ 2,193,802	\$ 1,218,233	\$ 951,779	\$ 4,363,814
Sales	-	-	26,926	26,926
Other Operating Revenues	21,140	17	747	21,904
Total Operating Revenues	2,214,942	1,218,250	979,452	4,412,644
Operating Expenses:				
Personal Services	588,076	38,033	104,802	730,911
Materials and Supplies	357,918	2,281	24,600	384,799
Contractual Services	861,974	1,126,013	545,046	2,533,033
Net Bad Debt Expense	3,345	2,557	2,857	8,759
Depreciation	226,799	-	13,413	240,212
Other Operating Expenses	6,358	-	20	6,378
Total Operating Expenses	2,044,470	1,168,884	690,738	3,904,092
Operating Income	170,472	49,366	288,714	508,552
Non-Operating Expenses:				
Interest and Fiscal Charges	(187,446)	-	-	(187,446)
Total Non-Operating Expenses	(187,446)	-	-	(187,446)
Income Before Transfers	(16,974)	49,366	288,714	321,106
Transfers Out	-	-	(22,500)	(22,500)
Total Transfers	-	-	(22,500)	(22,500)
Change in Net Assets	(16,974)	49,366	266,214	298,606
Total net assets - Beginning (Restated)	4,736,796	258,360	329,027	5,324,183
Total net assets - Ending	\$ 4,719,822	\$ 307,726	\$ 595,241	\$ 5,622,789

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 2,182,236	\$ 1,208,996	\$ 961,883	\$ 4,353,115
Cash Paid for Employee Services and Benefits	(577,219)	(37,458)	(103,801)	(718,478)
Cash Paid to Suppliers for Goods and Services	(1,055,894)	(1,127,093)	(636,086)	(2,819,073)
Other Receipts	21,140	17	4,078	25,235
Net Cash Provided by Operating Activities	<u>570,263</u>	<u>44,462</u>	<u>226,074</u>	<u>840,799</u>
Cash Flows from Noncapital Financing Activities:				
Transfers-out to Other Funds	-	-	(22,500)	(22,500)
Net Cash (Used in) NonCapital Financing Activities	<u>-</u>	<u>-</u>	<u>(22,500)</u>	<u>(22,500)</u>
Cash Flows from Capital and Related Financing Activities:				
Face Value from the Sale of Revenue Anticipation Notes	3,180,000	-	-	3,180,000
Acquisition and Construction of Capital Assets	(1,149,918)	-	-	(1,149,918)
Principal Paid on General Obligation Notes	(3,380,000)	-	-	(3,380,000)
Principal Paid on Loans and Leases Payable	(26,284)	-	(29,479)	(55,763)
Interest Paid on All Debt	(193,567)	-	-	(193,567)
Net Cash (Used in) Capital and Related Financing Activities	<u>(1,569,769)</u>	<u>-</u>	<u>(29,479)</u>	<u>(1,599,248)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(999,506)	44,462	174,095	(780,949)
Cash and Cash Equivalents at Beginning of Year	<u>4,369,180</u>	<u>173,506</u>	<u>294,278</u>	<u>4,836,964</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,369,674</u>	<u>\$ 217,968</u>	<u>\$ 468,373</u>	<u>\$ 4,056,015</u>

See accountant's compilation report

THE CITY OF MONROE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUSINESS-TYPE ACTIVITIES--ENTERPRISE FUNDS			
	Water	Sewer	Nonmajor Enterprise Funds	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 170,472	\$ 49,366	\$ 288,714	\$ 508,552
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	226,799	-	13,413	240,212
Change in Assets and Liabilities:				
(Increase) in Accounts Receivable	(6,028)	(6,680)	(13,965)	(26,673)
Decrease in Due From Other Governments	-	-	3,331	3,331
Increase (Decrease) in Accounts Payables	(13,579)	440	-	(13,139)
Increase (Decrease) in Contracts Payables	181,668	-	(66,420)	115,248
Increase in Accrued Wages and Benefits	2,525	-	-	2,525
Increase in Compensated Absences Payable	768	-	-	768
Increase in Due to Other Governments	7,638	1,336	1,001	9,975
Total Adjustments	399,791	(4,904)	(62,640)	332,247
Net Cash Provided by Operating Activities	<u>\$ 570,263</u>	<u>\$ 44,462</u>	<u>\$ 226,074</u>	<u>\$ 840,799</u>

See accompanying notes to the basic financial statements

THE CITY OF MONROE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2007

	Agency
Assets:	
Cash and Cash Equivalents in Segregated Accounts	\$ 13,624
	13,624
Liabilities:	
Due to Others	9,386
Undistributed Monies	4,238
	\$ 13,624

See accompanying notes to the basic financial statements

This page intentionally left blank

CITY OF MONROE

Notes to the Basic Financial Statements

Note 1 — Reporting Entity and Basis of Presentation

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

The Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City had no component units at December 31, 2007.

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

The City is also associated with two jointly governed organizations, The Center for Local Governments and the Ohio-Kentucky-Indiana Regional Council of Government, which are presented in Note 17 to the Basic financial statements. The City is also a member the Municipal League of Ohio Workers' Compensation Group Rating Plan, an insurance purchasing pool, which is presented in Note 18 to the basic financial statements.

Basis of Presentation – Fund Accounting

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

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

CITY OF MONROE

Notes to the Basic Financial Statements

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

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Measurement Focus Basis of Accounting and Financial Statement Presentation

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

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

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

Fund Accounting

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

Governmental Funds

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

CITY OF MONROE
Notes to the Basic Financial Statements

Enterprise Funds

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

The City reports the following major governmental funds:

General Fund

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

Fire 1989 Levy Fund

The fire 1989 levy fund accounts for property tax levied in 1989 for payment of a portion of general operating expenditures of the department and capital costs.

Police Law Enforcement

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

Debt Service Fund

The debt service fund accounts for the retirement of specific general governmental short and long term obligations. All revenues derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on bonds or loans, shall be paid in this fund.

Capital Improvement

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

The City reports the following major enterprise funds:

Water Fund

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

Sewer Fund

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

CITY OF MONROE

Notes to the Basic Financial Statements

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets using the economic resources measurement focus and accrual basis of accounting. The fiduciary fund category is split into four classifications: private purpose trust funds, pension trust funds, investment trust funds and agency funds. The City maintains a Mayor's Court agency fund, which accounts for funds that flow through the municipal court office. The City's agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

Pursuant to GASB Statement No, 20, *Accounting and Financial Reporting for Enterprise and Other Governmental Entities that Use Enterprise Fund Accounting*, the City has elected to follow FASB Statements and Interpretations issued prior to December 1, 1989, to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The City also has the option of following subsequent FASB guidance for their business-type and enterprise funds, subject to this same limitation. The City has elected not to apply those FASB Statements and Interpretations issued after November 30, 1989, to its enterprise funds.

Cash and Cash Equivalents

To improve cash management, all cash received by the City is pooled. Monies for all funds, including enterprise funds, except cash held by a trustee or fiscal agent and specific fund investments, are maintained in this pool. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the fund balance sheet and statement of net assets. Individual fund integrity is maintained through the City's records. The City's Mayor's Court has its own checking accounts for collection and distribution of court fines and forfeitures that are presented on the statement of fiduciary net assets as "Cash and cash equivalents in segregated accounts." The Capital Improvement fund maintains moneys in a restricted account per the City's agreement with the Ohio Department of Transportation improvement to State Route 63. Those monies are reported on the fund balance sheet and statement of net assets as "Restricted Cash and Cash Equivalents."

For purposes of the statement of cash flows and for presentation on the fund balance sheet and statement of net assets, investments with original maturities of three months or less and funds within the cash management pool are considered to be cash equivalents. Except for non-participating investment contracts, investments are reported at fair value, which is based on quoted market prices. Non-participating investment contracts, such as certificates of deposit, are reported at cost. During fiscal year 2007, investments were limited to U.S Governmental agency notes, STAR Ohio, money market mutual funds and certificates of deposit.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

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 2007 amounted to \$507,092, which includes \$419,233, assigned from other City funds. Interest was also credited to the Street, State Highway, Motor Vehicle License, and Cemetery Trust Special Revenue funds in the amounts of \$74,968; \$29,503; \$62,926; and \$14, respectively.

CITY OF MONROE
Notes to the Basic Financial Statements

Capital Assets and Depreciation

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

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

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

Interfund Transactions

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

Transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Transfers In” by the recipient fund and “Transfers Out” by the disbursing fund on the fund financial statements. These transfers are consolidated within the governmental and business-type activities columns, and also from the “total” column on the statement of activities.

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

Pensions

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

Compensated Absences

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

CITY OF MONROE
Notes to the Basic Financial Statements

For governmental funds, the general fund's portion of unpaid compensated absences is the amount of holidays worked that the employee earned additional leave time but was not used as of December 31, 2007. This additional leave time will be paid in 2008 under the union agreement. Matured leave payable in the fund financial statements represents the entire current portion. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations, retirements or contractual obligation. The entire liability is reported on the government-wide statement of net assets. For enterprise funds, the entire liability is reflected in the fund balance sheet.

Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. Bonds and capital leases are reported as a liability of the governmental activities on the statement of net assets.

Long-term debt and other obligations financed by enterprise funds are reported as liabilities in the appropriate enterprise funds and on the statement of net assets.

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

Obligation	Fund
Compensated Absences	Will be paid by the fund from which the employee's salary is paid.
General Obligation Bonds	Will be paid from the debt service fund.
Loans Payable	Will be paid from the water fund, which is utilizing the water tower associated with the loan.
Capital Leases Payable	Will be paid from the general, street and fire 1989 levy special revenue and stormwater management enterprise funds.
Special Assessment Bonds	Will be paid from the debt service fund.
Revenue Obligation Bonds	Will be paid from the I-75 corridor fund through payments in lieu of taxes.

Reservations of Fund Balances

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

Estimates

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

Restrictions

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

CITY OF MONROE

Notes to the Basic Financial Statements

Net Assets

Net assets represent the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net assets are remaining assets less remaining liabilities that do not meet the definition of invested in capital asset, net of related debt or restricted net assets.

Unearned/Deferred Revenues

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

Property taxes, for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenues.

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

Exchange/Non-Exchange Transactions

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

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

CITY OF MONROE

Notes to the Basic Financial Statements

Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$9,956,597) difference are as follows:

General Obligation Bonds Payable	(\$6,355,000)
General Obligation Bonds Payable – Premium	(32,607)
Special Assessment Bonds Payable	(928,900)
Revenue Bonds Payable	(2,000,000)
Accrued Interest Payable	(24,957)
Capital Leases Payable	(539,205)
Noncurrent Compensated Absences	(75,928)
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>(\$9,956,597)</u></u>

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of \$48,825,164 difference are as follows:

Capital Assets	\$66,216,844
Accumulated Depreciation	(17,391,680)
Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$48,825,164</u></u>

Another element of that reconciliation states that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$874,009 are as follows:

Current Capital Additions	\$2,246,527
Depreciation Expense	(1,372,518)
Net Adjustment - capital assets to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$874,009</u></u>

CITY OF MONROE
Notes to the Basic Financial Statements

An element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any affect of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$582,318 are as follows:

Principal paid on Long Term Debt	\$510,700
Principal reduction on Capital Leases	82,542
Current Year Amortization of Issuance Costs	(10,443)
Current Year Amortization of Long Term Debt Discount	1,918
Change in Interest Payable	(2,399)
Net Adjustment - current financial resources focus to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	\$582,318

Note 3 - Compliance and Accountability

Statutory Compliance

The following funds had appropriations in excess of estimated resources plus available balances in the original budget for the year ended December 31, 2007:

Fund Type/Fund	Excess
Major Funds:	
Police Law Enforcement	\$42,851
Capital Improvement	435,275

Fund Deficits

The following funds had fund balance deficits at December 31, 2007:

Fund Type/Fund	Fund Deficit
Major Funds:	
Police Law Enforcement	\$62,393
Capital Improvement	2,877,638

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

CITY OF MONROE
Notes to the Basic Financial Statements

Note 4 - Deposits and Investments

Policies and Procedures

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

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

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

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

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

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

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

CITY OF MONROE
Notes to the Basic Financial Statements

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

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

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

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

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

Deposits

At year-end, the carrying amount of the City's deposits was \$6,816,013 and the bank balance was \$6,879,591. \$400,000 of the City's deposits was insured by federal depository insurance. As of December 31, 2007, \$6,479,591 of the City's bank balance of \$6,879,591 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2007, the City had the following investments.

Categorized Investments	Fair Value		Credit Rating
	Under One	One to Five	
Federal Farm Credit Bureau Notes	\$0	\$250,000	S& P – AAA
Federal Home Loan Bank Notes	150,362	1,602,423	S& P – AAA
Federal Home Loan Mortgage Corporation Notes	0	602,362	S& P – AAA
Federal National Mortgage Association Notes	75,141	1,305,588	S& P – AAA
STAR Ohio	7,433	0	S& P – AAAm
Money Market Mutual Funds	461,216	0	S& P – AAAm
Total	\$694,152	\$3,760,373	

CITY OF MONROE

Notes to the Basic Financial Statements

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

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

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

Concentration of Credit Risk - The City places no limit on the amount it may invest in any one issuer. The City's has a 39.35% interest in Federal Home Loan Bank Notes, 31.00% interest in Federal National Mortgage Association Notes, 13.52% interest in Federal Home Loan Mortgage Corporation Notes, 10.35% interest in Western Asset Money Market Mutual fund and 5.61% interest in Federal Farm Credit Bureau Notes. These are the only investments of the City greater than five percent.

Note 5 - Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2007 were levied after October 1, 2006, on assessed values as of January 1, 2006, 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 2003. 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 30; the remainder is payable by September 20.

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

CITY OF MONROE

Notes to the Basic Financial Statements

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

<u>Category</u>	<u>Assessed Value</u>
Real Property Tax	\$267,694,640
Tangible Personal Property	38,248,035
Public Utility Tangible Personal Property	17,060,460
Total	<u>\$323,003,135</u>

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

Note 6 - Income Tax

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2007, the proceeds were allocated to the general fund. Income tax revenue for 2007 was \$5,238,256.

Note 7 - Receivables

Receivables at December 31, 2007, consisted of property and other taxes, income taxes, utility accounts (shown net of an allowance for uncollectible accounts), special assessments, interest on investments, and intergovernmental receivables and shared revenues arising from entitlements.

CITY OF MONROE
Notes to the Basic Financial Statements

A summary of due from other governments follows:

	Amount
MAJOR FUNDS	
General Fund	
Local Government Assistance	\$142,176
Estate tax	169,379
Homestead and Rollback	31,818
Liquor Permits	2,036
Personal Property Tax Reimbursement	223
Total General Fund	<u>345,632</u>
Fire 1989 Levy	
Homestead and Rollback	14,504
Personal Property Tax Reimbursement	357
Total Fire 1989 Levy Fund	<u>14,861</u>
Police Law Enforcement	
Homestead and Rollback	14,504
School Resource Office	3,074
Personal Property Tax Reimbursement	357
Total Police Law Enforcement Fund	<u>17,935</u>
Capital Improvement	
Recycling Grant	<u>1,707</u>
NONMAJOR FUNDS	
Special Revenue Funds	
Street	
Gas Tax	207,858
Auto Registration Tax	61,245
Total Street Fund	<u>269,103</u>
State Highway	
Gas Tax	16,853
Auto Registration Tax	4,965
Total State Highway	<u>21,818</u>
Dare Grant	
Grant Proceeds	<u>5,715</u>
2005 Fire Levy	
Homestead and Rollback	25,590
Personal Property Tax Reimbursement	285
Total 2005 Fire Levy	<u>25,875</u>
Motor Vehicle License	
Permissive Tax	<u>45,722</u>
Total All Funds	<u><u>\$748,368</u></u>

CITY OF MONROE
Notes to the Basic Financial Statements

Note 8 - Capital Assets

A summary of the changes in capital assets during the year ended December 31, 2007, follows:

	Balance 12/31/2006	Increases	Decreases	Balance 12/31/2007
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$1,327,758	\$0	\$0	\$1,327,758
Land Improvements	232,100	0	0	232,100
Construction in Progress	1,697,667	784,354	0	2,482,021
Total Capital Assets, not being depreciated	3,257,525	784,354	0	4,041,879
Capital Assets, being depreciated:				
Buildings and Building Improvements	6,491,576	0	0	6,491,576
Machinery, Equipment and Vehicles	2,571,323	980,673	0	3,551,996
Infrastructure – Streets	51,649,893	481,500	0	52,131,393
Total Capital Assets, being depreciated	60,712,792	1,462,173	0	62,174,965
Accumulated Depreciation				
Buildings and Building Improvements	(1,644,255)	(186,076)	0	(1,830,331)
Machinery, Equipment and Vehicles	(1,169,636)	(151,937)	0	(1,321,573)
Infrastructure – Streets	(13,205,271)	(1,034,505)	0	(14,239,776)
Less Accumulated Depreciation	(16,019,162)	(1,372,518)	0	(17,391,680)
Total Capital Assets, being depreciated, net	44,693,630	89,655	0	44,783,285
Governmental Activities Capital Assets, Net	\$47,951,155	\$874,009	\$0	\$48,825,164
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$563,741	\$0	\$0	\$563,741
Land Improvements	150,409	0	0	150,409
Construction in Progress	246,549	195,064	0	441,613
Total Capital Assets, not being depreciated	960,699	195,064	0	1,155,763
Capital Assets, being depreciated				
Buildings and Building Improvements	514,000	0	0	514,000
Machinery and Equipment	1,971,507	60,941	0	2,032,448
Infrastructure – Water Lines	3,284,989	893,913	0	4,178,902
Total Capital Assets, being depreciated	5,770,496	954,854	0	6,725,350
Accumulated Depreciation				
Buildings and Building Improvements	(130,687)	(12,189)	0	(142,876)
Machinery and Equipment	(896,598)	(63,825)	0	(960,423)
Infrastructure – Water Lines	(1,326,982)	(164,198)	0	(1,491,180)
Less Accumulated Depreciation	(2,354,267)	(240,212)	0	(2,594,479)
Total capital Assets, being depreciated, net	3,416,229	714,642	0	4,130,871
Business-Type Activities Capital Assets, Net	\$4,376,928	\$909,706	\$0	\$5,286,634

CITY OF MONROE
Notes to the Basic Financial Statements

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Security of Persons and Property	\$130,550
Transportation, including depreciation of general infrastructure assets	1,125,456
Leisure Time Activities	7,560
General Government	108,952
Total Depreciation Expense - governmental activities	<u>\$1,372,518</u>
Business Type Activities:	
Water	226,799
Stormwater Management	13,413
Total Depreciation Expense – business-type activities	<u>\$240,212</u>

Note 9 - Defined Benefit Pension Plans

Public Employees Retirement System

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

In 2004, OPERS expanded the retirement options for covered employees. OPERS administers three separate pension plans as described below:

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

Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2007, 2006, and 2005, were \$131,589, \$140,318, and \$127,857, respectively. The full amount has been contributed for 2006 and 2005. 90 percent has been contributed for 2007 with the remainder being reported as a liability within the respective funds.

CITY OF MONROE

Notes to the Basic Financial Statements

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.

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, 2007, 2006, and 2005, were \$405,392, 342,701, and \$316,410, respectively. The full amount has been contributed for 2006 and 2005. 97 percent has been contributed for 2007 with the remainder being reported as a liability within the respective funds.

Note 10 - Post Employment Benefits

Public Employees Retirement System (OPERS)

The Public Employees Retirement System of Ohio (OPERS) 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 OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 employer contribution rate was 13.85 percent of covered payroll; 5.00 percent was the portion that was used to fund health care from January 1 to June 30, 2007 and 6.00 percent from July 1 through December 31, 2007.

For 2007, 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 OPERS. 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, 2006, the estimated net assets available for future OPEB payments were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively. At December 31, 2007, the total number of benefit recipients eligible for OPEB through OPERS was 374,979. The City's actual contributions for 2007 that were used to fund OPEB were \$110,953.

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.

CITY OF MONROE
Notes to the Basic Financial Statements

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 6.75 percent of covered payroll is applied to the postemployment health care program. The total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll is applied to the postemployment health care program. 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, 2006. (the latest information available) was 14,120 for police and 10,563 for firefighters. The City's actual contributions for 2007 that were used to fund postemployment benefits were \$75,541 for police and \$102,020 for fire. The Fund's total health care expenses for the year ended December 31, 2006, were \$120,373,722, which was net of member contributions of \$58,532,848.

Note 11 - Other Employee Benefits

Compensated Absences

Accumulated Unpaid Sick Leave

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

Accumulated Unpaid Vacation

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 period, 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 United Healthcare. Non-union employees pay ten percent of the premium of the standard plan and one hundred percent of the premium increase, over the standard plan cost, for the buy-up plan. The City manager pays twenty percent of the health insurance premium. For union employees, the premium varies with employee depending on the terms of the union contract. The City provides dental insurance to all employees through Delta Dental.

CITY OF MONROE
Notes to the Basic Financial Statements

Note 13 - Capital Leases

The City entered into capitalized leases for a street sweeper and fire apparatus during fiscal year 2006. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. These expenditures are reported as function expenditures/expenses on the budgetary statements.

Capital assets consisting of copiers, a durapatcher, the street sweeper and fire apparatus have been capitalized on the statement of net assets in the amount of \$770,037. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was also recorded. Principal payments in fiscal year 2007 totaled \$4,599 in the general fund, \$9,564 in the street fund, \$68,379 in the Fire 1989 levy fund, and \$29,479 in the Stormwater Management fund.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business Type Activities
Asset:		
Machinery, Equipment and Vehicles	\$635,908	\$134,129
Less: Accumulated Depreciation	(30,648)	(13,413)
Total	<u>\$605,260</u>	<u>\$120,716</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2007.

Fiscal Year Ending December 31	Capital Leases Payable	
	Governmental Activities	Business Type Activities
2008	\$116,543	\$29,478
2009	116,543	29,478
2010	114,046	29,478
2011	97,182	29,478
2012	97,182	0
2013	97,182	0
Total	<u>638,678</u>	<u>117,912</u>
Less: Amount Representing Interest	(99,473)	(13,262)
Present Value of Net Minimum Lease Payments	<u>\$539,205</u>	<u>\$104,650</u>

CITY OF MONROE
Notes to the Basic Financial Statements

Note 14 –Long-Term Obligations

A summary of the changes in long-term obligations during the year ended December 31, 2007 follows:

	Balance 12/31/2006	Increase	Decrease	Balance 12/31/2007	Due within one year
Governmental Activities					
Special Assessment Bonds					
6.70% 1991 Waterline Extension I	\$205,000	\$0	\$35,000	\$170,000	\$40,000
6.61% 1998 Waterline Extension II	97,600	0	7,700	89,900	8,100
5.625% 1988 Garver Road	40,000	0	20,000	20,000	20,000
5.25% — 5.75% 1993 American Way	67,000	0	8,000	59,000	9,000
4.45% — 5.70% 2002 Limited Edition	620,000	0	30,000	590,000	35,000
TOTAL — Special Assessment Bonds	1,029,600	0	100,700	928,900	112,100
Revenue Obligation Bonds					
1999 Adjustable Rate Tax Incremental	2,000,000	0	0	2,000,000	0
General Obligation Bonds (Unvoted)					
2.00% - 5.25% 2004 VP Bonds	6,765,000	0	410,000	6,355,000	415,000
Less Deferred amounts – premium	34,525	0	1,918	32,607	1,918
TOTAL – General Obligation Bonds	6,799,525	0	411,918	6,387,607	416,918
Capital Leases Payable	621,747	0	82,542	539,205	87,350
Compensated Absences	73,901	345,835	328,052	91,684	29,395
TOTAL — Governmental Activities	10,524,773	345,835	822,512	9,947,396	645,763
Business-Type Activities					
5.02% 2004 Loan Payable	548,543	0	26,284	522,259	27,967
Capital Leases Payable	134,129	0	29,479	104,650	24,298
Compensated Absences	12,507	15,425	14,657	13,275	0
TOTAL – Business-Type Activities	695,179	15,425	70,420	640,184	52,265
TOTAL ALL ACTIVITIES	\$11,219,952	\$361,260	\$892,932	\$10,587,580	\$698,028

The Water Line Extension I special assessment bond was issued at an interest rate of 6.70 percent on October 1, 1991. The debt was issued for the purpose of constructing a water line extension, a sewer line extension, street improvements and a storm water control system in order to provide police and fire access and sanitary facilities.

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

The Garver Road special assessment bond was issued at an interest rate of 5.63 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.

CITY OF MONROE
Notes to the Basic Financial Statements

The Limited Edition special assessment bond was issued at varying interest rates from 4.45 to 5.70 percent. The debt was issued on September 15, 2002 for the purpose of making improvements around the Mount Pleasant Retirement home area.

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

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

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

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

The capital leases will be paid from the general, street, fire 1989 levy and stormwater management funds based on each fund's prorated share of the obligations. The compensated absences will be paid from the fund from which the employees' salaries are paid.

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

As of December 31, 2007, the City's legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$24,065,329 for total debt and \$7,915,172 for unvoted debt. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2007 are:

GOVERNMENTAL ACTIVITIES			
General Obligation Bonds			
Years	Principal	Interest	Total
2008	\$415,000	\$268,182	\$683,182
2009	425,000	256,770	681,770
2010	440,000	243,808	683,808
2011	465,000	228,847	693,847
2012	480,000	211,642	691,642
2013-2017	2,465,000	764,198	764,198
2018-2022	1,410,000	214,062	214,062
2023-2024	255,000	19,250	19,250
Totals	<u>\$6,355,000</u>	<u>\$2,206,759</u>	<u>\$8,561,759</u>

CITY OF MONROE
Notes to the Basic Financial Statements

GOVERNMENTAL ACTIVITIES

Special Assessment Bonds

Years	Principal	Interest	Total
2008	\$112,100	\$52,909	\$165,009
2009	92,600	45,992	138,592
2010	98,000	40,583	138,583
2011	104,400	34,722	139,122
2012	60,900	28,487	89,387
2013-2017	285,900	95,043	380,943
2018-2020	175,000	20,120	195,120
Totals	\$928,900	\$317,856	\$1,246,756

GOVERNMENTAL ACTIVITIES

Revenue Bonds

Years	Principal	Interest	Total
2008	\$0	\$0	\$0
2009	150,000	670,000	820,000
2010	155,000	65,675	220,675
2011	165,000	60,173	225,173
2012	180,000	54,315	234,315
2013-2017	1,085,000	167,383	1,252,383
2018-2019	265,000	9,408	274,408
Totals	\$2,000,000	\$1,026,954	\$3,026,954

BUSINESS-TYPE ACTIVITIES

Loans Payable

Years	Principal	Interest	Total
2008	\$27,967	\$24,553	\$52,520
2009	30,833	23,059	53,892
2010	32,452	21,489	53,941
2011	34,011	19,930	53,941
2012	35,836	18,106	53,942
2013-2017	204,091	61,284	265,375
2018-2021	157,069	9,588	166,657
Totals	\$522,259	\$177,918	\$700,177

CITY OF MONROE
Notes to the Basic Financial Statements

Note 15 - Short-Term Obligations

A summary of the short-term note transactions for the year ended December 31, 2007, follows:

Fund Type	Balance 12/31/2006	Increase	Decrease	Balance 12/31/2007
Governmental Type Activities:				
Capital Improvement	\$3,000,000	\$3,500,000	\$3,000,000	\$3,500,000
Business Type Activities:				
Water	3,380,000	3,180,000	3,380,000	3,180,000
Total	\$6,380,000	\$6,680,000	\$6,380,000	\$6,680,000

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

Issue	Principal Outstanding	Annualized Rate
<i>Capital Projects Fund</i> - State Route 63 Improvement	\$3,500,000	4.25%
<i>Enterprise Funds</i> - Water System Improvement	3,180,000	4.25%

The State Route 63 improvement note was issued to finance the City's portion of the State Route 63 widening and related interchange improvement project. The water system improvement note is generally issued in anticipation of long-term bond financing and will be refinanced until such a bond is issued. They are backed by the full faith and credit of the City and mature within one year. The City has pledged a portion of future water system revenues to repay the 2007 water system improvement bond anticipation notes set to mature on August 21, 2008. The amount of future revenues pledged is \$3,314,775, which is equal to the outstanding principal and interest obligations

Note 16 - Interfund Transactions

Interfund asset and liability balances at December 31, 2007, were as follows:

Fund	Transfers In	Transfers Out
MAJOR FUNDS		
General Fund	\$22,500	\$3,704,781
Fire 1989 Levy	1,809,922	0
Police Law Enforcement	1,222,762	0
Debt Service	832,457	0
Capital Improvement	750,000	0
Total Major Funds	4,637,641	3,704,781
NONMAJOR FUNDS		
Governmental Funds		
Fire 2000 Levy	0	275,360
Fire 2005 Levy	0	657,000
Street Lighting	22,000	0
Enterprise Funds		
Cemetery	0	22,500
Total Nonmajor Funds	22,000	954,860
Total All Funds	\$4,659,641	\$4,659,641

CITY OF MONROE
Notes to the Basic Financial Statements

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

Note 17 - Jointly Governed Organizations

The Center for Local Government, a jointly governed organization, was established to improve public service delivery by the cities, townships and villages in the Greater Cincinnati metropolitan area, especially among its member jurisdictions, through improved information exchange, cost reductions, shared resources, interjurisdictional collaboration, and new approaches to capital equipment and skills acquisition. The Board of Trustees consists of eight members made up of elected representatives from the participating governments. The City does not have any financial interest in or responsibility for the Center. The City made no financial contribution during 2007. Information can be obtained from the Center by writing to Director of the Center for Local Government, 10979 Reed Hartman Highway, Suite 239, Cincinnati, Ohio 45242.

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

OKI contracts periodically for local funds and other support with the governing board of each of the governments who are members of OKI or with such other persons as may be appropriate to provide such funds and support. The support is based on the population of the area represented. A Board of Trustees was created for conducting the activities of the OKI. This Board consists of one elected official of each City and municipal corporation, one individual selected by each City planning agency or commission and one person selected by each planning agency or commission of each municipal corporation located in each member City. This Board of Trustees then selects not more than ten residents of the OKI Region. The total membership of the Board of Trustees shall not exceed 100. Any member of OKI may withdraw its membership upon written notice to OKI to be effective two years after receipt of the notice by OKI. The City made no financial contribution during 2007. To obtain financial information, write to Director of Finance and Administration of the Ohio-Kentucky-Indiana Regional Council of Governments at 920 Pete Rose Way Suite 420, Cincinnati, Ohio, 45202.

Note 18 - Insurance Purchasing Pool

For 2007, the City participated in the 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.

CITY OF MONROE
Notes to the Basic Financial Statements

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 \$6,467 during 2007.

Note 19 - 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, 2007 to December 31, 2007, 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.

Note 20 – Fiscal Emergency Status

On August 9, 2007, the Ohio Auditor of State determined that the City no longer met the fiscal emergency conditions set forth in Section 118.27(A)(1),(2),(3) and (4), Revised Code. Therefore, the existence of the City of Monroe Financial Planning and Supervision Commission and its role in the operation of the City was terminated. At the time of termination, an effective financial accounting and reporting system was not fully implemented, so the Auditor of State will monitor the progress to secure full implementation within two years pursuant to Section 118.27(A)(2), Revised Code.

Note 21 – Change in Accounting Principle and Restatement of Net Assets/Fund Balance

During 2007, the City implemented GASB 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues." The City does have two debts that are subject to note disclosure required with the implementation of this GASB Statement. The City has an outstanding revenue bond that has pledged tax increment revenue to pay the debt service (see Note 14). The City has issued a short term note that is payable from the Water fund revenue stream (see Note 15).

In prior years, the City had significant negative cash balances. During the repayment of the interfund transactions, there was a misallocation of the loaned cash between the General and Water funds. The following are the restated balances resulting from this restatement:

	General Fund	Governmental Activities	Water Fund	Business Type Activities
December 31, 2006 Balance	\$2,217,106	\$44,602,408	\$4,501,796	\$5,089,183
Interfund Transaction	(235,000)	(235,000)	235,000	235,000
December 31, 2006 Balance – Restated	<u>\$1,982,106</u>	<u>\$44,367,408</u>	<u>\$4,736,796</u>	<u>\$5,324,183</u>

Note 22 – Subsequent Events

The City reissued \$3,500,000 in general obligation notes payable at a 3.25 percent interest on March 13, 2008. The notes are for the purpose of financing the cost of constructing improvements to the State Route 63 and related improvements. The note will be repaid from property tax revenues in debt service fund on March 12, 2009.

REQUIRED
SUPPLEMENTARY
INFORMATION

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2007

	GENERAL FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 1,029,000	\$ 1,029,000	\$ 626,647	\$ (402,353)
Income Taxes	6,000,000	6,000,000	5,293,163	(706,837)
Charges for Services	660,000	660,000	212,918	(447,082)
Fines, Licenses, and Permits	1,115,000	1,115,000	416,185	(698,815)
Intergovernmental	1,033,800	1,033,800	711,801	(321,999)
Interest	525,000	525,000	465,013	(59,987)
Other	560,602	560,602	311,479	(249,123)
Total Revenues	10,923,402	10,923,402	8,037,206	(2,886,196)
Expenditures:				
Current:				
General Government				
Council				
Personal Services	60,000	60,000	46,953	13,047
Other	6,975	6,975	2,479	4,496
Total Clerk and Council	66,975	66,975	49,432	17,543
Mayor's Court				
Personal Services	47,145	47,145	35,265	11,880
Other	33,000	33,000	13,366	19,634
Total Mayor's Court	80,145	80,145	48,631	31,514
Administrative Offices				
Other	191,560	191,560	187,893	3,667
Total Administrative Office	191,560	191,560	187,893	3,667
Development				
Personal Services	152,855	152,855	137,807	15,048
Other	592,175	592,175	579,302	12,873
Total Development	745,030	745,030	717,109	27,921
Treasurer				
Other	227,943	227,943	213,061	14,882
Total Treasurer	227,943	227,943	213,061	14,882
Income Tax Department				
Personal Services	176,000	176,000	135,445	40,555
Other	231,343	231,343	219,124	12,219
Total Income Tax Department	407,343	407,343	354,569	52,774
City Manager's Office				
Other	196,678	196,678	188,339	8,339
Total City Manager's Office	196,678	196,678	188,339	8,339
Total General Government	1,915,674	1,915,674	1,759,034	156,640

(continued)

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2007

	GENERAL FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Security of Persons and Property				
Police Law Enforcement				
Personal Services	\$ 220,750	\$ 220,750	\$ 233,834	\$ (13,084)
Other	90,365	84,000	14,320	69,680
Total Police Law Enforcement	311,115	304,750	248,154	56,596
Total Security of Persons and Property	311,115	304,750	248,154	56,596
Public Health and Welfare				
Grounds and Facilities				
Other	200,202	200,202	145,826	54,376
Total Cemetery	200,202	200,202	145,826	54,376
Transportation				
Transportation Administration				
Personal Services	101,000	101,000	81,147	19,853
Other	52,090	52,090	39,125	12,965
Total Transportation	153,090	153,090	120,272	32,818
Intergovernmental	16,650	16,650	15,223	1,427
Capital Outlay	31,678	31,678	-	31,678
Total Expenditures	2,628,409	2,622,044	2,288,509	333,535
Excess of Revenues Over Expenditures	8,294,993	8,301,358	5,748,697	(2,552,661)
Other Financing Sources (Uses):				
Transfers - In	22,500	22,500	22,500	-
Transfers - Out	(4,996,179)	(4,996,179)	(3,704,781)	1,291,398
Total Other Financing Sources (Uses)	(4,973,679)	(4,973,679)	(3,682,281)	1,291,398
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	3,321,314	3,327,679	2,066,416	(1,261,263)
Fund Balance at Beginning of Year	1,451,916	1,451,916	1,451,916	-
Prior Year Encumbrances Appropriated	53,229	53,229	53,229	-
Fund Balance at End of Year	<u>\$ 4,826,459</u>	<u>\$ 4,832,824</u>	<u>\$ 3,571,561</u>	<u>\$ (1,261,263)</u>

See accompanying notes to the required supplementary information

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2007

	FIRE 1989 LEVY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 400,000	\$ 410,000	\$ 420,112	\$ 10,112
Charges for Services	319,200	544,200	581,999	37,799
Intergovernmental	125,000	85,000	138,894	53,894
Interest	7,500	12,000	-	(12,000)
Other	25,000	500	3,367	2,867
Total Revenues	<u>876,700</u>	<u>1,051,700</u>	<u>1,144,372</u>	<u>92,672</u>
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	2,684,456	2,684,456	2,189,088	495,368
Other	1,323,013	1,498,013	1,404,907	93,106
Total Security of Persons and Property	<u>4,007,469</u>	<u>4,182,469</u>	<u>3,593,995</u>	<u>588,474</u>
Total Expenditures	<u>4,007,469</u>	<u>4,182,469</u>	<u>3,593,995</u>	<u>588,474</u>
Deficiency of Revenues Under Expenditures	(3,130,769)	(3,130,769)	(2,449,623)	681,146
Other Financing Sources:				
Transfers In	2,493,682	2,493,682	1,809,922	(683,760)
Total Other Financing Sources	<u>2,493,682</u>	<u>2,493,682</u>	<u>1,809,922</u>	<u>(683,760)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(637,087)	(637,087)	(639,701)	(2,614)
Fund Balance at Beginning of Year	<u>659,701</u>	<u>659,701</u>	<u>659,701</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 22,614</u>	<u>\$ 22,614</u>	<u>\$ 20,000</u>	<u>\$ (2,614)</u>

See accompanying notes to the required supplementary information

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2007

	POLICE LAW ENFORCEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 397,500	\$ 396,500	\$ 417,678	\$ 21,178
Charges for Services	-	156,447	189,720	33,273
Intergovernmental	74,223	93,500	253,566	160,066
Other	75,000	160,000	57,536	(102,464)
Total Revenues	<u>546,723</u>	<u>806,447</u>	<u>918,500</u>	<u>112,053</u>
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	1,729,483	1,939,828	1,608,638	331,190
Other	608,709	555,061	509,075	45,986
Total Security of Persons and Property	<u>2,338,192</u>	<u>2,494,889</u>	<u>2,117,713</u>	<u>377,176</u>
Capital Outlay	<u>206,000</u>	<u>266,176</u>	<u>115,823</u>	<u>150,353</u>
Total Expenditures	<u>2,544,192</u>	<u>2,761,065</u>	<u>2,233,536</u>	<u>527,529</u>
Deficiency of Revenues Under Expenditures	(1,997,469)	(1,954,618)	(1,315,036)	639,582
Other Financing Sources:				
Transfers - In	<u>1,834,400</u>	<u>1,834,400</u>	<u>1,222,762</u>	<u>(611,638)</u>
Total Other Financing Sources	<u>1,834,400</u>	<u>1,834,400</u>	<u>1,222,762</u>	<u>(611,638)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(163,069)	(120,218)	(92,274)	27,944
Fund Balance at Beginning of Year	250	250	250	-
Prior Year Encumbrances Appropriated	<u>119,968</u>	<u>119,968</u>	<u>119,968</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (42,851)</u>	<u>\$ -</u>	<u>\$ 27,944</u>	<u>\$ 27,944</u>

See accompanying notes to the required supplementary information

CITY OF MONROE

Notes to the Required Supplementary Information

Note 1 - Budgetary Process

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

Tax Budget

A tax budget of estimated revenues and expenditures for all funds is submitted to the 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 2007, while the original budget column reflects amounts in the original official certificate of estimated resources.

Appropriations

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

CITY OF MONROE

Notes to the Required Supplementary Information

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

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

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

Encumbrances

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

Lapsing of Appropriations

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

Note 2 - Budget to GAAP Reconciliation

Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

CITY OF MONROE

Notes to the Required Supplementary Information

The adjustments necessary to convert the results of operations for the year ended December 31, 2007, on the GAAP basis to the budget basis for the General Fund and Major Special Revenue funds are as follows:

	<u>General</u>	<u>Fire 1989 Levy</u>	<u>Police Law Enforcement</u>
GAAP Basis	\$2,303,815	(\$323,345)	(\$50,521)
Adjustments:			
Revenue Accruals	28,867	(77,688)	(2,781)
Expenditure Accruals	45,992	59,906	25,213
Encumbrances	(312,258)	(298,574)	(64,185)
Budget basis	<u>\$2,066,416</u>	<u>(\$639,701)</u>	<u>(\$92,274)</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Fund
For the Year Ended December 31, 2007

	DEBT SERVICE FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Special Assessments	\$ 160,000	\$ 160,000	\$ 155,727	\$ (4,273)
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>155,727</u>	<u>(4,273)</u>
Expenditures:				
Debt Service:				
Principal Retirement	510,700	510,700	510,700	-
Interest and Fiscal Charges	202,397	339,427	339,034	393
Total Expenditures	<u>713,097</u>	<u>850,127</u>	<u>849,734</u>	<u>393</u>
Deficiency of Revenues Under Expenditures	(553,097)	(690,127)	(694,007)	(3,880)
Other Financing Sources:				
Transfers - In	1,190,309	1,190,309	832,457	(357,852)
Total Other Financing Sources	<u>1,190,309</u>	<u>1,190,309</u>	<u>832,457</u>	<u>(357,852)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	637,212	500,182	138,450	(361,732)
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 637,212</u>	<u>\$ 500,182</u>	<u>\$ 138,450</u>	<u>\$ (361,732)</u>

**CITY OF MONROE, OHIO
NONMAJOR FUND DESCRIPTIONS
DECEMBER 31, 2007**

GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Street

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

State Highway

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

Fire Operation and Maintenance

To account for receipts of property taxes levied to maintain the fire department and the related expenses to provide the service to the residents of the City. The City has worked on eliminating this fund during 2007 but there are some carryover balances that will be removed in 2008.

Fire 2000 Levy

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

Motor Vehicle License

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

DARE Grant

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

Enforcement and Education

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

Fire 2005 Levy

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

2004 RIDs

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

2004 TIFs

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

Street Lighting

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

Longstreet Trust Fund

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

**CITY OF MONROE, OHIO
NONMAJOR FUND DESCRIPTIONS
DECEMBER 31, 2007**

Cemetery Trust Fund

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

Law Enforcement

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

Fire Escrow Deposit

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

TASER Fund

To account for monies that are donated or received through grant proceeds for the purchase of tasers in the police department.

Fire Loss Fund

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

CAPITAL PROJECT FUNDS

Park Improvement

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

Court Technology Improvement

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

Corridor I-75

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

ENTERPRISE FUNDS

Garbage

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

Storm Water Management

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

Cemetery

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

THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 1,247,417	\$ 598,024	\$ 1,845,441
Investments	62,738	-	62,738
Receivables (net of allowance for doubtful accounts):			
Taxes-Real & Personal Property	1,180,389	93,474	1,273,863
Accounts	255	-	255
Special Assessments	82,870	-	82,870
Due from Other Governments	368,233	-	368,233
Total Assets	\$ 2,941,902	\$ 691,498	\$ 3,633,400
Liabilities:			
Accounts Payable	90,139	389	90,528
Contracts Payable	18,280	-	18,280
Due to Other Governments	11,611	-	11,611
Deferred Revenue	1,507,652	93,474	1,601,126
Total Liabilities	1,627,682	93,863	1,721,545
Fund Balances:			
Reserved for Encumbrances	8,054	352,729	360,783
Unreserved, reported in:			
Special Revenue	1,306,166	-	1,306,166
Capital Projects	-	244,906	244,906
Total Fund Balances	1,314,220	597,635	1,911,855
Total Liabilities and fund balances	\$ 2,941,902	\$ 691,498	\$ 3,633,400

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Property and Other Taxes	\$ 512,041	\$ -	\$ 512,041
Payment in Lieu of Taxes	276,144	140,393	416,537
Intergovernmental	792,160	-	792,160
Charges for Services	100,000	-	100,000
Licenses and Permits	-	55,406	55,406
Investment Earnings	167,411	-	167,411
Fines and Forfeitures	1,895	14,153	16,048
Special Assessments	70,190	-	70,190
All Other Revenues	37,905	8,550	46,455
Total Revenues	1,957,746	218,502	2,176,248
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	123,800	-	123,800
Public Health and Welfare	49	-	49
Transportation	930,821	-	930,821
General Government	26,660	-	26,660
Intergovernmental	212,966	-	212,966
Capital Outlay	-	76,571	76,571
Debt Service:			
Principal Retirement	9,564	-	9,564
Interest and Fiscal Charges	2,436	475,730	478,166
Total Expenditures	1,306,296	552,301	1,858,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	651,450	(333,799)	317,651
<u>Other Financing Sources (Uses):</u>			
Transfers - In	22,000	-	22,000
Transfers - Out	(932,360)	-	(932,360)
Total Other Financing Sources (Uses)	(910,360)	-	(910,360)
Net Change in Fund Balances	(258,910)	(333,799)	(592,709)
Fund Balances at Beginning of Year	1,573,130	931,434	2,504,564
Fund Balances at End of Year	\$ 1,314,220	\$ 597,635	\$ 1,911,855

This page intentionally left blank

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007**

	Street	State Highway	Fire Operation and Maintenance	Fire 2000 Levy	Motor Vehicle License	Dare Grant	Enforcement and Education	2005 Fire Levy
Assets:								
Equity in Pooled Cash and Investments	\$ 249,604	\$ 145,048	\$ 19,885	\$ 336,110	\$ 324,074	\$ 2,894	\$ 12,207	\$ 6,552
Investments	-	-	-	-	-	-	-	-
Receivables (net of allowance for doubtful accounts):								
Taxes-Real & Personal Property	-	-	-	-	-	-	-	736,863
Accounts	255	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Due from Other Governments	269,103	21,818	-	-	45,722	5,715	-	25,875
Total Assets	\$ 518,962	\$ 166,866	\$ 19,885	\$ 336,110	\$ 369,796	\$ 8,609	\$ 12,207	\$ 769,290
Liabilities:								
Accounts Payable	32,307	30,818	-	-	354	-	-	-
Contracts Payable	-	-	18,280	-	-	-	-	-
Due to Other Governments	9,695	-	-	-	1,916	-	-	-
Deferred Revenue	174,519	14,149	-	-	30,135	-	-	762,453
Total Liabilities	216,521	44,967	18,280	-	32,405	-	-	762,453
Fund Balances:								
Reserved for Encumbrances	6,355	550	429	-	720	-	-	-
Unreserved, reported in:								
Special Revenue	296,086	121,349	1,176	336,110	336,671	8,609	12,207	6,837
Total Fund Balances	302,441	121,899	1,605	336,110	337,391	8,609	12,207	6,837
Total Liabilities and fund balances	\$ 518,962	\$ 166,866	\$ 19,885	\$ 336,110	\$ 369,796	\$ 8,609	\$ 12,207	\$ 769,290

THE CITY OF MONROE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2007

2004 RIDs	2004 TIFs	Street Lighting	Cemetery Trust	Longstreet Trust	Law Enforcement	Fire Escrow Deposit	TASER Fund	Fire Historical Preservation	Total
\$ 62,727	\$ 451	\$ 33,543	\$ 4,062	\$ 1,115	\$ 9,227	\$ 26,660	\$ 227	\$ 13,031	\$ 1,247,417
-	-	-	62,738	-	-	-	-	-	62,738
442,845	681	-	-	-	-	-	-	-	1,180,389
-	-	-	-	-	-	-	-	-	255
-	-	82,870	-	-	-	-	-	-	82,870
-	-	-	-	-	-	-	-	-	368,233
<u>\$ 505,572</u>	<u>\$ 1,132</u>	<u>\$ 116,413</u>	<u>\$ 66,800</u>	<u>\$ 1,115</u>	<u>\$ 9,227</u>	<u>\$ 26,660</u>	<u>\$ 227</u>	<u>\$ 13,031</u>	<u>\$ 2,941,902</u>
-	-	-	-	-	-	26,660	-	-	90,139
-	-	-	-	-	-	-	-	-	18,280
-	-	-	-	-	-	-	-	-	11,611
442,845	681	82,870	-	-	-	-	-	-	1,507,652
442,845	681	82,870	-	-	-	26,660	-	-	1,627,682
-	-	-	-	-	-	-	-	-	8,054
62,727	451	33,543	66,800	1,115	9,227	-	227	13,031	1,306,166
62,727	451	33,543	66,800	1,115	9,227	-	227	13,031	1,314,220
<u>\$ 505,572</u>	<u>\$ 1,132</u>	<u>\$ 116,413</u>	<u>\$ 66,800</u>	<u>\$ 1,115</u>	<u>\$ 9,227</u>	<u>\$ 26,660</u>	<u>\$ 227</u>	<u>\$ 13,031</u>	<u>\$ 2,941,902</u>

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Street	State Highway	Fire Operation and Maintenance	Fire 2000 Levy	Motor Vehicle License	DARE Grant	Enforcement and Education	2005 Fire Levy
<u>Revenues:</u>								
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512,041
Payment in Lieu of Taxes	-	-	-	-	-	-	-	-
Intergovernmental	554,897	44,863	-	-	100,018	5,715	-	86,667
Charges for Services	100,000	-	-	-	-	-	-	-
Investment Earnings	74,968	29,503	-	-	62,926	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	495	-
Special Assessments	-	-	-	-	-	-	-	-
All Other Revenues	4,985	-	-	-	-	500	-	-
Total Revenues	734,850	74,366	-	-	162,944	6,215	495	598,708
<u>Expenditures:</u>								
Current:								
Security of Persons and Property	-	-	33,865	-	4,366	-	-	7,885
Public Health and Welfare	-	-	-	-	-	-	-	-
Transportation	881,647	49,174	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
Principal Retirement	9,564	-	-	-	-	-	-	-
Interest and Fiscal Charges	2,436	-	-	-	-	-	-	-
Total Expenditures	893,647	49,174	33,865	-	4,366	-	-	7,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	(158,797)	25,192	(33,865)	-	158,578	6,215	495	590,823
<u>Other Financing Sources (Uses):</u>								
Transfers - In	-	-	-	-	-	-	-	-
Transfers - Out	-	-	-	(275,360)	-	-	-	(657,000)
Total Other Financing Sources (Uses)	-	-	-	(275,360)	-	-	-	(657,000)
Net Change in Fund Balances	(158,797)	25,192	(33,865)	(275,360)	158,578	6,215	495	(66,177)
Fund Balances at Beginning of Year	461,238	96,707	35,470	611,470	178,813	2,394	11,712	73,014
Fund Balances at End of Year	\$ 302,441	\$ 121,899	\$ 1,605	\$ 336,110	\$ 337,391	\$ 8,609	\$ 12,207	\$ 6,837

THE CITY OF MONROE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

2004 RIDs	2004 TIFs	Street Lighting	Cemetery Trust	Longstreet Trust	Law Enforcement	Fire Escrow Deposit	TASER Fund	Fire Historical Preservation	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512,041
274,816	1,328	-	-	-	-	-	-	-	276,144
-	-	-	-	-	-	-	-	-	792,160
-	-	-	14	-	-	-	-	-	100,000
-	-	-	-	-	1,400	-	-	-	167,411
-	-	70,190	-	-	-	-	-	-	1,895
-	-	-	-	-	-	26,660	-	5,760	70,190
-	-	-	-	-	-	-	-	-	37,905
274,816	1,328	70,190	14	-	1,400	26,660	-	5,760	1,957,746
-	-	77,671	-	-	13	-	-	-	123,800
-	-	-	49	-	-	-	-	-	49
-	-	-	-	-	-	-	-	-	930,821
-	-	-	-	-	-	26,660	-	-	26,660
212,089	877	-	-	-	-	-	-	-	212,966
-	-	-	-	-	-	-	-	-	9,564
-	-	-	-	-	-	-	-	-	2,436
212,089	877	77,671	49	-	13	26,660	-	-	1,306,296
62,727	451	(7,481)	(35)	-	1,387	-	-	5,760	651,450
-	-	22,000	-	-	-	-	-	-	22,000
-	-	-	-	-	-	-	-	-	(932,360)
-	-	22,000	-	-	-	-	-	-	(910,360)
62,727	451	14,519	(35)	-	1,387	-	-	5,760	(258,910)
-	-	19,024	66,835	1,115	7,840	-	227	7,271	1,573,130
\$ 62,727	\$ 451	\$ 33,543	\$ 66,800	\$ 1,115	\$ 9,227	\$ -	\$ 227	\$ 13,031	\$ 1,314,220

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	STREET FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 530,000	\$ 530,000	\$ 548,794	\$ 18,794
Interest	75,000	75,000	74,968	(32)
Charges for Services	100,000	100,000	100,000	-
Other	105,000	105,000	4,730	(100,270)
Total Revenues	810,000	810,000	728,492	(81,508)
Expenditures:				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	575,000	584,869	495,347	89,522
Other	424,650	437,981	404,851	33,130
Total Transportation	999,650	1,022,850	900,198	122,652
Total Expenditures	999,650	1,022,850	900,198	122,652
Deficiency of Revenues				
Under Expenditures	(189,650)	(212,850)	(171,706)	41,144
Fund Balance at Beginning of Year	394,774	394,774	394,774	-
Prior Year Encumbrances Appropriated	9,650	9,650	9,650	-
Fund Balance at End of Year	\$ 214,774	\$ 191,574	\$ 232,718	\$ 41,144

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	STATE HIGHWAY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 40,000	\$ 42,715	\$ 2,715
Interest	2,000	7,000	29,503	22,503
Total Revenues	<u>32,000</u>	<u>47,000</u>	<u>72,218</u>	<u>25,218</u>
Expenditures:				
Current:				
Transportation				
State Highway Maintenance				
Other	<u>52,050</u>	<u>52,050</u>	<u>38,210</u>	<u>13,840</u>
Total State Highway Maintenance	<u>52,050</u>	<u>52,050</u>	<u>38,210</u>	<u>13,840</u>
Total Expenditures	<u>52,050</u>	<u>52,050</u>	<u>38,210</u>	<u>13,840</u>
Deficiency of Revenues				
Under Expenditures	(20,050)	(5,050)	34,008	39,058
Fund Balance at Beginning of Year	87,559	87,559	87,559	-
Prior Year Encumbrances Appropriated	<u>4,050</u>	<u>4,050</u>	<u>4,050</u>	-
Fund Balance at End of Year	<u><u>\$ 71,559</u></u>	<u><u>\$ 86,559</u></u>	<u><u>\$ 125,617</u></u>	<u><u>\$ 39,058</u></u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	FIRE OPERATION AND MAINTENANCE FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	-	-	4,893	(4,893)
Other	11,040	11,040	14,650	(3,610)
Total Security of Persons and Property	11,040	11,040	19,543	(8,503)
Capital Outlay	28,388	28,388	18,709	9,679
Total Expenditures	39,428	39,428	38,252	1,176
Deficiency of Revenues Under Expenditures	(39,428)	(39,428)	(38,252)	1,176
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	39,428	39,428	39,428	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,176</u>	<u>\$ 1,176</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	FIRE 2000 LEVY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Deficiency of Revenues Under Expenditures	-	-	-	-
Other Financing Uses: Transfers Out	(275,360)	(275,360)	(275,360)	-
Total Other Financing Uses	(275,360)	(275,360)	(275,360)	-
Deficiency of Revenues Under Expenditures and Other Financing Uses	(275,360)	(275,360)	(275,360)	-
Fund Balance at Beginning of Year	611,470	611,470	611,470	-
Fund Balance at End of Year	\$ 336,110	\$ 336,110	\$ 336,110	\$ -

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	MOTOR VEHICLE LICENSE FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 92,431	\$ (27,569)
Interest	60,000	60,000	62,926	2,926
Total Revenues	180,000	180,000	155,357	(24,643)
Expenditures:				
Current:				
Security of Persons and Property				
Other	100,000	102,033	2,816	99,217
Total Security of Persons and Property	100,000	102,033	2,816	99,217
Total Expenditures	100,000	102,033	2,816	99,217
Excess of Revenues Over Expenditures	80,000	77,967	152,541	74,574
Other Financing Uses:				
Transfers - Out	(200,000)	(200,000)	-	200,000
Total Other Financing Uses	(200,000)	(200,000)	-	200,000
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(120,000)	(122,033)	152,541	274,574
Fund Balance at Beginning of Year	168,779	168,779	168,779	-
Prior Year Encumbrances Appropriated	2,033	2,033	2,033	-
Fund Balance at End of Year	\$ 50,812	\$ 48,779	\$ 323,353	\$ 274,574

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	DARE GRANT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Other	\$ -	\$ 500	\$ 500	\$ -
Total Revenues	-	500	500	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	500	500	-
Fund Balance at Beginning of Year	2,394	2,394	2,394	-
Fund Balance at End of Year	<u>\$ 2,394</u>	<u>\$ 2,894</u>	<u>\$ 2,894</u>	<u>\$ -</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	ENFORCEMENT AND EDUCATION FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines, Licenses, and Permits	\$ 500	\$ 500	\$ 495	\$ (5)
Total Revenues	500	500	495	(5)
Expenditures:				
Current:				
Security of Persons and Property				
Other	1,000	-	-	-
Total Security of Persons and Property	1,000	-	-	-
Total Expenditures	1,000	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	500	495	(5)
Fund Balance at Beginning of Year	11,712	11,712	11,712	-
Fund Balance at End of Year	<u>\$ 11,212</u>	<u>\$ 12,212</u>	<u>\$ 12,207</u>	<u>\$ (5)</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	2005 FIRE LEVY FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 595,000	\$ 595,000	\$ 512,041	\$ (82,959)
Intergovernmental	72,000	72,000	86,382	14,382
Total Revenues	667,000	667,000	598,423	(68,577)
Expenditures:				
Current:				
Security of Persons and Property				
Other	10,000	10,000	7,885	2,115
Total Security of Persons and Property	10,000	10,000	7,885	2,115
Total Expenditures	10,000	10,000	7,885	2,115
Excess of Revenues Over Expenditures	657,000	657,000	590,538	(66,462)
Other Financing (Sources) Uses:				
Transfers - In	2,916,742	-	-	-
Transfers - Out	(600,000)	(657,000)	(657,000)	-
Total Other Financing Sources (Uses)	2,316,742	(657,000)	(657,000)	-
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures and Other Financing Uses	2,973,742	-	(66,462)	(66,462)
Fund Balance at Beginning of Year	73,014	73,014	73,014	-
Fund Balance at End of Year	\$ 3,046,756	\$ 73,014	\$ 6,552	\$ (66,462)

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	2004 RIDs			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ -	\$ 274,800	\$ 274,816	\$ 16
Total Revenues	-	274,800	274,816	16
Expenditures:				
Intergovernmental	-	213,000	212,089	911
Total Expenditures	-	213,000	212,089	911
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	61,800	62,727	927
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance (Deficit) at End of Year	\$ -	\$ 61,800	\$ 62,727	\$ 927

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	2004 TIFs			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ -	\$ 1,300	\$ 1,328	\$ 28
Total Revenues	-	1,300	1,328	28
Expenditures:				
Intergovernmental	-	900	877	23
Total Expenditures	-	900	877	23
Excess of Revenues Over Expenditures	-	400	451	51
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ 400	\$ 451	\$ 51

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	STREET LIGHTING FUND			Variance Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Special Assessments	\$ 73,000	\$ 73,000	\$ 70,190	\$ (2,810)
Total Revenues	73,000	73,000	70,190	(2,810)
Expenditures:				
Current:				
Security of Persons and Property				
Other	95,000	95,000	86,083	8,917
Total Security of Persons and Property	95,000	95,000	86,083	8,917
Total Expenditures	95,000	95,000	86,083	8,917
Deficiency of Revenues Under Expenditures	(22,000)	(22,000)	(15,893)	6,107
Other Financing Sources:				
Transfers - In	22,000	22,000	22,000	-
Excess of Revenues and Other Financing Sources Over Expenditures	-	-	6,107	6,107
Fund Balance at Beginning of Year	27,436	27,436	27,436	-
Fund Balance at End of Year	\$ 27,436	\$ 27,436	\$ 33,543	\$ 6,107

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	CEMETERY TRUST FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 14	\$ 14
Total Revenues	-	-	14	14
Expenditures:				
Current:				
Public Health Welfare				
Other	-	-	49	(49)
Total Expenditures	-	-	49	(49)
Deficiency of Revenues Under Expenditures	-	-	(35)	(35)
Fund Balance at Beginning of Year	66,836	66,836	66,836	-
Fund Balance at End of Year	<u>\$ 66,836</u>	<u>\$ 66,836</u>	<u>\$ 66,801</u>	<u>\$ (35)</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	LONGSTREET TRUST FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance at Beginning of Year	1,115	1,115	1,115	-
Fund Balance at End of Year	\$ 1,115	\$ 1,115	\$ 1,115	\$ -

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	LAW ENFORCEMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Fines, licenses, and permits	\$ -	\$ -	\$ 1,400	\$ 1,400
Total Revenues	-	-	1,400	1,400
Expenditures:				
Current:				
Security of Persons and Property				
Other	-	1,000	13	987
Total Security of Persons and Property	-	1,000	13	987
Total Expenditures	-	1,000	13	987
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,000)	1,387	2,387
Fund Balance at Beginning of Year	7,838	7,838	7,838	-
Fund Balance at End of Year	<u>\$ 7,838</u>	<u>\$ 6,838</u>	<u>\$ 9,225</u>	<u>\$ 2,387</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	FIRE ESCROW FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Other	\$ -	\$ 26,660	\$ 26,660	\$ -
Total Revenues	-	26,660	26,660	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	26,660	26,660	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ 26,660	\$ 26,660	\$ -

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	TASER FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance at Beginning of Year	227	227	227	-
Fund Balance at End of Year	<u>\$ 227</u>	<u>\$ 227</u>	<u>\$ 227</u>	<u>\$ -</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	FIRE LOSS FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 5,760	\$ 5,760
Total Revenues	-	-	5,760	5,760
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	5,760	5,760
Fund Balance at Beginning of Year	7,271	7,271	7,271	-
Fund Balance at End of Year	<u>\$ 7,271</u>	<u>\$ 7,271</u>	<u>\$ 13,031</u>	<u>\$ 5,760</u>

**THE CITY OF MONROE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2007**

	Park Improvement	Court Technology Improvement	Corridor I - 75	Total
Assets:				
Equity in Pooled Cash and Investments	\$ 554,930	\$ 11,325	\$ 31,769	\$ 598,024
Receivables (net of allowance for doubtful accounts):				
Taxes-Real & Personal Property	-	-	93,474	93,474
Total Assets	\$ 554,930	\$ 11,325	\$ 125,243	\$ 691,498
Liabilities:				
Accounts Payable	389	-	-	389
Deferred Revenue	-	-	93,474	93,474
Total Liabilities	389	-	93,474	93,863
Fund Balances:				
Reserved for Encumbrances	352,729	-	-	352,729
Unreserved, reported in:				
Capital Projects	201,812	11,325	31,769	244,906
Total Fund Balances	554,541	11,325	31,769	597,635
Total Liabilities and Fund Balances	\$ 554,930	\$ 11,325	\$ 125,243	\$ 691,498

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Park Improvement	Court Technology Improvement	Corridor I - 75	Total Governmental Funds
<u>Revenues:</u>				
Payment in Lieu of Taxes	\$ -	\$ -	\$ 140,393	\$140,393
Licenses and Permits	55,406	-	-	55,406
Fines and Forfeitures	-	14,153	-	14,153
All Other Revenues	8,550	-	-	8,550
Total Revenues	<u>63,956</u>	<u>14,153</u>	<u>140,393</u>	<u>218,502</u>
<u>Expenditures:</u>				
Capital Outlay	66,323	10,248	-	76,571
Debt Service:				
Interest and Fiscal Charges	-	-	475,730	475,730
Total Expenditures	<u>66,323</u>	<u>10,248</u>	<u>475,730</u>	<u>552,301</u>
Change in Net Assets	(2,367)	3,905	(335,337)	(333,799)
Fund Balances at Beginning of Year	556,908	7,420	367,106	931,434
Fund Balances at End of Year	<u>\$ 554,541</u>	<u>\$ 11,325</u>	<u>\$ 31,769</u>	<u>\$ 597,635</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	PARK IMPROVEMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Fines, Licenses, and Permits	\$ 135,000	\$ 85,000	\$ 55,406	\$ (29,594)
Other	-	-	8,550	8,550
Total Revenues	135,000	85,000	63,956	(21,044)
Expenditures:				
Capital Outlay	305,000	456,019	442,646	13,373
Total Expenditures	305,000	456,019	442,646	13,373
Deficiency of Revenues Under Expenditures	(170,000)	(371,019)	(378,690)	(7,671)
Fund Balance at Beginning of Year	550,272	550,272	550,272	-
Prior Year Encumbrances Appropriated	30,619	30,619	30,619	-
Fund Balance at End of Year	<u>\$ 410,891</u>	<u>\$ 209,872</u>	<u>\$ 202,201</u>	<u>\$ (7,671)</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Major Governmental Funds
For the Year Ended December 31, 2007

	CAPITAL IMPROVEMENT FUND			
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 450,000	\$ 500,000	\$ -	\$ (500,000)
Charges for Services	-	-	21,450	
Special Assessments	-	-	2,273	
Other	-	-	4,528	4,528
Total Revenues	450,000	500,000	28,251	(495,472)
Expenditures:				
Capital Outlay	3,189,865	3,200,000	1,860,368	1,339,632
Debt Service:				
Principal Retirement	3,000,000	3,000,000	3,000,000	-
Interest and Fiscal Charges	144,760	144,760	144,760	-
Total Expenditures	6,334,625	6,344,760	5,005,128	1,339,632
Deficiency of Revenues Under Expenditures	(5,884,625)	(5,844,760)	(4,976,877)	844,160
Other Financing Sources:				
Other Financing Sources	-	-	13,405	13,405
Face Value from Sale of Notes	4,000,000	3,500,000	3,500,000	-
Transfers - In	-	950,000	750,000	(200,000)
Total Other Financing Sources	4,000,000	4,450,000	4,263,405	(186,595)
Deficiency of Revenues and Other Financing Sources Under Expenditures	(1,884,625)	(1,394,760)	(713,472)	657,565
Fund Balance at Beginning of Year	1,449,350	1,449,350	1,449,350	-
Fund Balance (Deficit) at End of Year	<u>\$ (435,275)</u>	<u>\$ 54,590</u>	<u>\$ 735,878</u>	<u>\$ 657,565</u>

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	MAYOR'S COURT TECHNOLOGY IMPROVEMENT FUND			Variance Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ -	\$ 10,000	\$ 14,153	
Total Revenues	-	10,000	14,153	-
Expenditures:				
Capital Outlay	-	12,000	10,248	1,752
Total Expenditures	-	12,000	10,248	1,752
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,000)	3,905	1,752
Fund Balance at Beginning of Year	7,420	7,420	7,420	-
Fund Balance at End of Year	\$ 7,420	\$ 5,420	\$ 11,325	\$ 1,752

City of Monroe, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	CORRIDOR I-75 FUND			
	Budget Original	Final	Actual	Variance Positive (Negative)
Revenues:				
Payment in Lieu of Taxes	\$ 67,000	\$ 108,625	\$ 140,393	\$ 31,768
Total Revenues	67,000	108,625	140,393	31,768
Expenditures:				
Debt Service				
Interest and Fiscal Charges		475,731	475,730	1
Total Expenditures	-	475,731	475,730	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,000	(367,106)	(335,337)	31,769
Fund Balance at Beginning of Year	367,106	367,106	367,106	-
Fund Balance at End of Year	\$ 434,106	\$ -	\$ 31,769	\$ 31,769

THE CITY OF MONROE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2007

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 237,361	\$ 181,730	\$ 49,282	\$ 468,373
Receivables (net of allowances for doubtful accounts)				
Accounts	40,527	116,147	2,200	158,874
Total Current Assets	<u>277,888</u>	<u>297,877</u>	<u>51,482</u>	<u>627,247</u>
Capital Assets:				
Property, Plant and Equipment	134,129	-	-	134,129
Less: Accumulated Depreciation	(13,413)	-	-	(13,413)
Total Capital Assets (net of accumulated depreciation)	<u>120,716</u>	<u>-</u>	<u>-</u>	<u>120,716</u>
Total Noncurrent Assets	<u>120,716</u>	<u>-</u>	<u>-</u>	<u>120,716</u>
Total Assets	<u>\$ 398,604</u>	<u>\$ 297,877</u>	<u>\$ 51,482</u>	<u>\$ 747,963</u>
Liabilities				
Current Liabilities:				
Contracts Payable	\$ 1,394	\$ 44,878	\$ -	\$ 46,272
Due to Other Governments	929	871	-	1,800
Capital Lease Payable - Current	24,298	-	-	24,298
Total Current Liabilities	<u>26,621</u>	<u>45,749</u>	<u>-</u>	<u>72,370</u>
Noncurrent Liabilities:				
Capital Lease Payable	80,352	-	-	80,352
Total Noncurrent Liabilities	<u>80,352</u>	<u>-</u>	<u>-</u>	<u>80,352</u>
Total Liabilities	<u>106,973</u>	<u>45,749</u>	<u>-</u>	<u>152,722</u>
Net Assets				
Invested in capital assets, net of related debt	16,066	-	-	16,066
Unrestricted	275,565	252,128	51,482	579,175
Total Net Assets	<u>291,631</u>	<u>252,128</u>	<u>51,482</u>	<u>595,241</u>
Total Net Assets and Liabilities	<u>\$ 398,604</u>	<u>\$ 297,877</u>	<u>\$ 51,482</u>	<u>\$ 747,963</u>

THE CITY OF MONROE
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
<u>Operating Revenues:</u>				
Charges for Services	\$ 255,529	\$ 665,607	\$ 30,643	\$ 951,779
Sales	-	-	26,926	26,926
Other Operating Revenues	31	16	700	747
	255,560	665,623	58,269	979,452
<u>Operating Expenses:</u>				
Personal Services	70,775	34,027	-	104,802
Materials and Supplies	21,004	-	3,596	24,600
Contractual Services	36,828	494,591	13,627	545,046
Bad Debt Expense	631	2,226	-	2,857
Depreciation	13,413	-	-	13,413
Other Operating Expenses	-	20	-	20
	142,651	530,864	17,223	690,738
Operating Income	112,909	134,759	41,046	288,714
<u>Transfers:</u>				
Transfers Out	-	-	(22,500)	(22,500)
	-	-	(22,500)	(22,500)
Change in Net Assets	112,909	134,759	18,546	266,214
Total Net Assets - Beginning	178,722	117,369	32,936	329,027
Total Net Assets - Ending	\$ 291,631	\$ 252,128	\$ 51,482	\$ 595,241

THE CITY OF MONROE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Stormwater Management	Garbage	Cemetery	Totals
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 252,849	\$ 653,041	\$ 55,993	\$ 961,883
Cash Paid for Employee Services and Benefits	(70,379)	(33,422)	-	(103,801)
Cash Paid to Suppliers for Goods and Services	(85,916)	(532,947)	(17,223)	(636,086)
Other Receipts	31	3,347	700	4,078
Net Cash Provided by Operating Activities	96,585	90,019	39,470	226,074
Cash Flows from Noncapital Financing Activities:				
Transfers-out to Other Funds	-	-	(22,500)	(22,500)
Net Cash Used for Noncapital Financing Activities	-	-	(22,500)	(22,500)
Cash Flows from Capital and Related Financing Activities:				
Principal Paid on Leases	(29,479)	-	-	(29,479)
Net Cash Used for Capital and Related Financing Activities	(29,479)	-	-	(29,479)
Net Increase in Cash and Cash Equivalents	67,106	90,019	16,970	174,095
Cash and Cash Equivalents at Beginning of Year	170,255	91,711	32,312	294,278
Cash and Cash Equivalents at End of Year	\$ 237,361	\$ 181,730	\$ 49,282	\$ 468,373
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 112,909	\$ 134,759	\$ 41,046	\$ 288,714
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	13,413	-	-	13,413
Change in Assets and Liabilities:				
(Increase) in Accounts Receivable	(2,049)	(10,340)	(1,576)	(13,965)
Decrease in Due from Other Governments	-	3,331	-	3,331
(Decrease) in Contracts Payables	(28,084)	(38,336)	-	(66,420)
Increase in Due to Other Governments	396	605	-	1,001
Total Adjustments	(16,324)	(44,740)	(1,576)	(62,640)
Net Cash Provided by Operating Activities	\$ 96,585	\$ 90,019	\$ 39,470	\$ 226,074

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Water Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 2,400,000	\$ 2,400,000	\$ 2,199,412	\$ (200,588)
Premium from Sale of Notes	-	-	12,211	12,211
Face Value from Sale of Notes	3,400,000	3,400,000	3,180,000	(220,000)
Other Operating Revenues	-	-	8,929	8,929
Total Revenues	5,800,000	5,800,000	5,400,552	(399,448)
Expenses:				
Personal Services	740,375	740,375	577,219	163,156
Contractual Services	1,398,176	1,398,176	1,084,627	313,549
Materials and Supplies	299,500	299,500	194,613	104,887
Deposits Refunded	17,180	17,180	17,176	4
Other Operating Expenses	9,000	9,000	6,358	2,642
Capital Outlay	1,718,585	1,743,585	1,322,275	421,310
Debt Service:				
Principal Retirement	3,406,615	3,406,615	3,406,284	331
Interest and Fiscal Charges	193,568	193,568	193,567	1
Total Expenses	7,782,999	7,807,999	6,802,119	1,005,880
Change in Fund Equity	(1,982,999)	(2,007,999)	(1,401,567)	606,432
Fund Equity at Beginning of Year	4,266,801	4,266,801	4,266,801	-
Prior Year Encumbrances Appropriated	102,379	102,379	102,379	-
Fund Equity at End of Year	\$ 2,386,181	\$ 2,361,181	\$ 2,967,613	\$ 606,432

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Sewer Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 1,300,000	\$ 1,300,000	\$ 1,209,700	\$ (90,300)
Other Operating Revenues	-	-	17	17
Total Revenues	1,300,000	1,300,000	1,209,717	(90,283)
Expenses:				
Personal Services	50,000	50,000	37,458	12,542
Contractual Services	1,340,000	1,340,000	1,125,252	214,748
Materials and Supplies	10,000	10,000	2,331	7,669
Deposits Refunded	1,000	1,000	704	296
Total Expenses	1,401,000	1,401,000	1,165,745	235,255
Change in Fund Equity	(101,000)	(101,000)	43,972	144,972
Fund Equity at Beginning of Year	173,507	173,507	173,507	-
Fund Equity at End of Year	\$ 72,507	\$ 72,507	\$ 217,479	\$ 144,972

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Stormwater Management Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 200,000	\$ 275,000	\$ 252,855	\$ (22,145)
Other Operating Revenues	-	-	31	31
Total Revenues	<u>200,000</u>	<u>275,000</u>	<u>252,886</u>	<u>(22,114)</u>
Expenses:				
Personal Services	91,000	91,000	70,379	20,621
Contractual Services	40,000	40,000	49,419	(9,419)
Materials and Supplies	72,000	72,000	63,757	8,243
Other Operating Expenses	53,021	53,021	-	53,021
Deposits Refunded	1,000	1,000	6	994
Capital Outlay	19,979	49,479	45,689	3,790
Total Expenses	<u>277,000</u>	<u>306,500</u>	<u>229,250</u>	<u>77,250</u>
Change in Fund Equity	(77,000)	(31,500)	23,636	55,136
Fund Equity at Beginning of Year	<u>170,255</u>	<u>170,255</u>	<u>170,255</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 93,255</u>	<u>\$ 138,755</u>	<u>\$ 193,891</u>	<u>\$ 55,136</u>

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Garbage Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 620,000	\$ 620,000	\$ 653,083	\$ 33,083
Other Operating Revenues	-	-	3,347	3,347
Total Revenues	<u>620,000</u>	<u>620,000</u>	<u>656,430</u>	<u>36,430</u>
Expenses:				
Personal Services	35,500	35,500	33,422	2,078
Contractual Services	583,500	583,500	532,927	50,573
Other Operating Expenses	20	20	20	-
Deposits Refunded	980	980	42	938
Total Expenses	<u>620,000</u>	<u>620,000</u>	<u>566,411</u>	<u>53,589</u>
Change in Fund Equity	-	-	90,019	90,019
Fund Equity at Beginning of Year	<u>91,711</u>	<u>91,711</u>	<u>91,711</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 91,711</u>	<u>\$ 91,711</u>	<u>\$ 181,730</u>	<u>\$ 90,019</u>

City of Monroe, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budgetary Basis)
Cemetery Fund
For the Year Ended December 31, 2007

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 20,000	\$ 20,000	\$ 30,643	\$ 10,643
Sales	5,000	20,000	25,750	5,750
Other Operating Revenues	-	-	700	700
Total Revenues	25,000	40,000	57,093	17,093
Expenses:				
Contractual Services	20,000	20,000	13,627	6,373
Materials and Supplies	5,000	5,000	3,596	1,404
Deposits Refunded	1,000	1,000	400	600
Total Expenses	26,000	26,000	17,623	8,377
Excess (Deficiency) of Revenues Over (Under) Expenses before Transfers	(1,000)	14,000	39,470	25,470
Transfers - Out	(22,500)	(22,500)	(22,500)	-
Total Transfers	(22,500)	(22,500)	(22,500)	-
Change in Fund Equity	(23,500)	(8,500)	16,970	25,470
Fund Equity at Beginning of Year	32,312	32,312	32,312	-
Fund Equity at End of Year	\$ 8,812	\$ 23,812	\$ 49,282	\$ 25,470

THE CITY OF MONROE
STATEMENT OF CHANGE IN FIDUCIARY
ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Balance December 31, 2006	Additions	Deletions	Balance December 31, 2007
<u>Assets:</u>				
Cash and Cash Equivalents	\$13,480	\$13,624	\$13,480	\$13,624
Total Assets	\$13,480	\$13,624	\$13,480	\$13,624
<u>Liabilities:</u>				
Accounts Payable	\$9,509	\$0	\$9,509	\$0
Due to Other Governments	0	9,386	0	9,386
Due to Others	2,168	4,238	2,168	4,238
Undistributed Monies	1,803	0	1,803	0
Total Liabilities	\$13,480	\$13,624	\$13,480	\$13,624

This page intentionally left blank

STATISTICAL



MONROE COMMERCE CENTER



MIAMI VALLEY INDUSTRIAL PARK

SECTION

CITY OF MONROE, OHIO
STATISTICAL SECTION DESCRIPTIONS
DECEMBER 31, 2007

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and situation have changed over time.	104-108
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and income tax.	109-113
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	114-116
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within in which the City's financial activities takes place.	117-118
Operating Information	
These schedules contain operational data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	119-121

CITY OF MONROE, OHIO

Net Assets by Component

Last Four Years

(accrual basis of accounting)

	2007	2006	2005	2004
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$35,459,009	\$34,500,283	\$36,129,538	\$31,947,148
Restricted	2,123,343	3,042,662	2,691,443	1,826,135
Unrestricted (Deficit)	9,111,985	6,824,463	(1,013,088)	(3,292,253)
<i>Total Governmental Activities Net Assets</i>	<u>46,694,337</u>	<u>44,367,408</u>	<u>37,807,893</u>	<u>30,481,030</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	1,479,725	314,256	(587,825)	(812,502)
Unrestricted	4,143,064	5,009,927	5,122,206	3,734,030
<i>Total Business-Type Activities Net Assets</i>	<u>5,622,789</u>	<u>5,324,183</u>	<u>4,534,381</u>	<u>2,921,528</u>
Primary government				
Invested in Capital Assets, Net of Related Debt	36,938,734	34,814,539	35,100,684	31,134,646
Restricted	2,123,343	3,042,662	2,691,443	1,826,135
Unrestricted	13,255,049	11,834,390	1,469,125	441,777
<i>Total Primary Government Net Assets</i>	<u>\$52,317,126</u>	<u>\$49,691,591</u>	<u>\$39,261,252</u>	<u>\$33,402,558</u>

Source: City financial records

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

CITY OF MONROE, OHIO

Changes in Net Assets

Last Four Years

(accrual basis of accounting)

	2007	2006	2005	2004
Program Revenues				
Governmental Activities:				
Charges for Services:				
Security of Persons and Property	\$ 931,465	\$ 868,901	\$ 639,503	\$ 750,807
Leisure Time Activities	63,956	151,261	180,810	220,320
Transportation	100,000	0	0	0
General Government	402,862	744,910	726,831	444,834
Operating Grants and Contributions	752,164	869,476	564,110	609,432
Capital Grants and Contributions*	805,223	2,802,248	7,069,000	5,268,350
<i>Total Governmental Activities Program Revenues</i>	<u>3,055,670</u>	<u>5,436,796</u>	<u>9,180,254</u>	<u>7,293,743</u>
Business-Type Activities:				
Charges for Services:				
Water	2,214,942	2,379,490	2,478,159	2,125,254
Sewer	1,218,250	1,153,178	1,162,147	1,087,713
Stormwater Management	255,560	236,089	151,470	171,658
Garbage	665,607	626,929	415,125	378,350
Cemetery	58,269	28,572	44,682	42,609
Operating Grants and Contributions	16	3,331	115,056	241,365
Capital Grants and Contributions	0	0	0	749,045
<i>Total Business-Type Activities Program Revenues</i>	<u>4,412,644</u>	<u>4,427,589</u>	<u>4,366,639</u>	<u>4,795,994</u>
<i>Total Primary Government Program Revenues</i>	<u>7,468,314</u>	<u>9,864,385</u>	<u>13,546,893</u>	<u>12,089,737</u>
Expenses				
Governmental Activities:				
Security of Persons and Property	5,969,482	4,398,101	4,540,694	4,486,282
Public Health Services	157,668	165,722	108,616	53,679
Leisure Time Activities	6,766	607	7,560	10,968
Transportation	2,208,735	1,854,390	1,759,235	1,522,048
General Government	1,675,987	1,616,468	1,806,973	1,358,457
Intergovernmental	228,317	0	0	0
Interest and Fiscal Charges	1,003,232	479,432	375,973	384,403
<i>Total Governmental Activities Expenses</i>	<u>11,250,187</u>	<u>8,514,720</u>	<u>8,599,051</u>	<u>7,815,837</u>
Business-Type Activities:				
Water	2,231,916	2,020,068	1,674,742	1,372,394
Sewer	1,168,884	1,112,972	1,073,010	1,190,572
Stormwater Management	142,651	139,484	46,082	89,250
Garbage	530,864	565,819	398,179	341,895
Cemetery	17,223	12,931	31,255	110,633
<i>Total Business-Type Activities Expenses</i>	<u>4,091,538</u>	<u>3,851,274</u>	<u>3,223,268</u>	<u>3,104,744</u>
<i>Total Primary Government Expenses</i>	<u>\$ 15,341,725</u>	<u>\$ 12,365,994</u>	<u>\$ 11,822,319</u>	<u>\$ 10,920,581</u>

CITY OF MONROE, OHIO
Changes in Net Assets (continued)
Last Four Years
(accrual basis of accounting)

	2007	2006	2005	2004
Net (Expense)/Revenue				
Governmental Activities	\$ (8,194,517)	\$ (3,077,924)	\$ 581,203	\$ (522,094)
Business-Type Activities	321,106	576,315	1,143,371	1,691,250
<i>Total Primary Government Net Expense</i>	<u>\$ (7,873,411)</u>	<u>\$ (2,501,609)</u>	<u>\$ 1,724,574</u>	<u>\$ 1,169,156</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Income Taxes	\$ 5,602,563	\$ 3,892,969	\$ 3,345,238	\$ 2,791,808
Property Taxes	2,185,091	2,544,831	2,361,985	2,661,305
Estate Taxes	393,517	254,576	230,709	34,616
Franchise Fee Taxes	128,534	119,311	90,056	120,177
Hotel Taxes	68,755	82,372	95,149	58,931
Payment in Lieu of Taxes	416,537	70,878	65,573	66,472
Premissive Sales Taxes	99,381	85,805	91,646	83,815
Grants and Entitlements not Restricted to Specific Programs	829,847	820,158	536,684	592,552
Investment Earnings	674,503	396,848	180,184	38,624
Miscellaneous	100,218	128,832	216,968	51,899
Transfers	22,500	22,500	(468,532)	363,844
<i>Total Governmental Activities</i>	<u>10,521,446</u>	<u>8,419,080</u>	<u>6,745,660</u>	<u>6,864,043</u>
Business-Type Activities:				
Investment Earnings	0	987	950	0
Transfers	(22,500)	(22,500)	468,532	(363,844)
<i>Total Business-Type Activities</i>	<u>(22,500)</u>	<u>(21,513)</u>	<u>469,482</u>	<u>(363,844)</u>
<i>Total Primary Government</i>	<u>10,498,946</u>	<u>8,397,567</u>	<u>7,215,142</u>	<u>6,500,199</u>
Change in Net Assets				
Governmental Activities	2,326,929	5,341,156	7,326,863	6,341,949
Business-Type Activities	298,606	554,802	1,612,853	1,327,406
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 2,625,535</u>	<u>\$ 5,895,958</u>	<u>\$ 8,939,716</u>	<u>\$ 7,669,355</u>

* In 2004, the City received \$5,112,900 in donated infrastructure.
In 2005, the City received \$7,069,000 in donated infrastructure.
In 2006, the City received \$2,945,025 in donated infrastructure.
In 2007, the City received \$481,500 in donated infrastructure.

Source: City financial records

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

CITY OF MONROE, OHIO

Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	\$264,594	\$51,762	\$4,800	\$6,583	\$0	\$0	\$58,365	\$118,050	\$54,921	\$77,999
Unreserved	4,021,327	1,930,344	1,146,500	1,405,223	1,341,495	1,607,403	1,597,105	1,123,629	1,766,773	2,328,390
<i>Total General Fund</i>	<u>4,285,921</u>	<u>1,982,106</u>	<u>1,151,300</u>	<u>1,411,806</u>	<u>1,341,495</u>	<u>1,607,403</u>	<u>1,655,470</u>	<u>1,241,679</u>	<u>1,821,694</u>	<u>2,606,389</u>
All Other Governmental Funds										
Reserved	716,157	762,925	1,961	21,713	0	0	202,204	1,296,427	199,828	1,247,072
Undesignated, Reported in:										
Special Revenue funds	1,095,589	1,336,376	1,582,971	29,242	(1,560,947)	(3,415,678)	(3,258,658)	(1,779,784)	480,429	(187,499)
Debt Service funds	146,072	7,563	(1,375,241)	(831,250)	(1,089,058)	(661,327)	(28,454)	627,481	568,217	685,709
Capital Projects funds	(2,632,732)	(823,597)	629,222	529,165	253,789	72,980	10,925	46,606	(604,177)	(5,003,301)
<i>Total All Other Governmental Funds</i>	<u>(674,914)</u>	<u>1,283,267</u>	<u>838,913</u>	<u>(251,130)</u>	<u>(2,396,216)</u>	<u>(4,004,025)</u>	<u>(3,073,983)</u>	<u>190,730</u>	<u>644,297</u>	<u>(3,258,019)</u>
<i>Total Governmental Funds</i>	<u>\$3,611,007</u>	<u>\$3,265,373</u>	<u>\$1,990,213</u>	<u>\$1,160,676</u>	<u>(\$1,054,721)</u>	<u>(\$2,396,622)</u>	<u>(\$1,418,513)</u>	<u>\$1,432,409</u>	<u>\$2,465,991</u>	<u>(\$651,630)</u>

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

Source: City financial records

CITY OF MONROE, OHIO

Changes in Fund Balances, Governmental Funds
Last Ten Years

(modified accrual basis of accounting)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenues										
Income Taxes	\$5,238,256	\$3,909,004	\$3,345,238	\$2,791,808	\$2,891,413	\$2,341,842	\$2,456,779	\$2,085,001	\$2,168,042	\$1,821,890
Property and Other Taxes	2,131,720	2,197,086	2,425,332	2,793,454	1,098,020	1,301,347	2,114,226	1,634,291	1,512,377	1,385,205
Payment in Lieu of Taxes	416,537	70,878	0	0	0	0	0	0	0	0
Intergovernmental	1,885,762	1,702,514	1,139,297	1,281,055	1,690,446	1,639,891	1,298,110	856,883	853,176	795,949
Charges for Services	1,184,918	1,081,891	706,307	685,024	429,184	345,398	154,848	122,531	40,132	3,415
Licenses and Permits	347,224	718,573	798,943	616,013	852,123	819,011	397,482	444,092	112,872	200,967
Investment Earnings	674,503	396,848	180,184	38,657	8,732	13,160	100,886	308,143	136,769	198,120
Fines and Forfeitures	139,590	112,789	71,580	62,073	0	0	0	0	0	0
Special Assessments	72,463	210,722	197,673	203,396	244,479	195,976	135,505	130,974	121,889	137,813
Miscellaneous	439,270	125,345	241,688	75,900	127,709	537,484	170,372	187,987	427,448	220,661
Total Revenues	12,530,243	10,525,650	9,106,242	8,545,378	7,342,106	7,194,109	6,828,208	5,769,902	5,352,705	4,764,020
Expenditures										
Current										
Security of Persons and Property	5,708,624	4,366,684	4,415,942	4,279,918	3,690,212	3,988,629	4,172,209	4,261,368	2,943,531	2,438,484
Public Health and Welfare	148,323	165,722	108,616	53,679	196,073	52,541	211,458	138,936	2,079	33,335
Transportation	1,047,776	608,078	597,737	595,673	696,325	629,758	808,002	719,173	994,807	1,180,075
General Government	1,511,020	1,503,590	1,614,230	1,315,218	1,308,932	1,902,881	1,987,587	605,308	1,422,643	868,314
Leisure Time Activities	2,005	607	0	0	2,936	91,163	78,362	28,850	58,477	46,537
Basic Utility Services	0	0	0	0	0	15,302	17,402	7,112	0	0
Intergovernmental	228,317	22,721	17,876	10,811	0	0	0	0	0	0
Capital Outlay	1,977,412	1,945,597	273,949	108,156	676,750	983,672	1,549,043	2,241,541	1,336,158	2,168,982
Debt service:										
Principal Retirement	593,242	518,412	485,148	83,700	5,004,913	370,490	403,498	341,814	77,400	77,200
Interest and Fiscal Charges	990,390	483,450	371,295	457,722	997,457	819,483	482,585	474,871	531,941	776,813
Total Expenditures	12,207,109	9,614,861	7,884,793	6,904,877	12,573,598	8,853,919	9,710,146	8,818,973	7,367,036	7,589,740
Excess of Revenues Over (Under) Expenditures	323,134	910,789	1,221,449	1,640,501	(5,231,492)	(1,659,810)	(2,881,938)	(3,049,071)	(2,014,331)	(2,825,720)
Other Financing Sources (Uses)										
Sale of Capital Assets	0	17,584	0	211,052	0	12,384	825	9,152	0	1,868
Proceeds from Lease Purchase	0	559,287	76,620	0	0	0	0	642,316	0	0
Agreement/Inception of Capital Lease	0	0	0	0	7,565,000	0	0	775,000	5,170,000	0
Face Value from the Sale of Bonds	4,659,641	4,719,513	2,772,370	1,640,614	2,532,932	4,268,105	1,071,255	4,744,697	2,886,044	1,368,307
Transfers In	(4,657,141)	(4,697,013)	(3,240,902)	(1,276,770)	(2,546,932)	(3,598,788)	(1,153,199)	(4,307,033)	(2,923,092)	(1,380,307)
Transfers Out										
Total Other Financing Sources (Uses)	22,500	599,371	(391,912)	574,896	7,551,000	681,701	(81,119)	1,864,132	5,132,952	(10,132)
Net Change in Fund Balances	\$345,634	\$1,510,160	\$829,537	\$2,215,397	\$2,319,508	(\$978,109)	(\$2,963,057)	(\$1,184,939)	\$3,118,621	(\$2,835,852)
Debt Service as a Percentage of Noncapital Expenditures	17.9%	14.8%	12.7%	8.7%	101.8%	17.8%	12.2%	14.2%	11.2%	18.7%

* The City converted to GASB 34 for the 2004 fiscal year. Information prior to 2004 is reported under the old method. Information prior to 1998 was not available

(a) In 2003, the City refunded general obligation bonds and retired general obligations notes related to the City Building and Firehouse, respectively.

CITY OF MONROE, OHIO

Assessed Value and Actual Value of Taxable Property
Last Ten Years

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITY PERSONAL		TOTAL		TOTAL DIRECT RATE APPLIED	PERCENTAGE OF ASSESSED VALUE TO ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
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	\$ 9.17	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	\$ 9.17	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	\$ 11.17	34.80%
2001	164,645,170	464,700,486	46,894,834	187,579,336	16,428,630	18,668,898	227,968,634	670,948,720	\$ 11.17	33.98%
2002	197,975,700	565,644,857	42,906,468	171,625,872	17,056,970	19,382,920	257,939,138	756,653,649	\$ 11.17	34.09%
2003	208,560,150	595,886,143	39,576,788	158,307,152	16,634,540	18,902,886	264,771,478	773,096,181	\$ 11.17	34.25%
2004	203,857,670	582,450,485	39,277,088	157,108,352	16,612,830	18,878,215	259,747,588	758,437,052	\$ 11.17	34.25%
2005	205,833,010	588,094,314	34,843,584	139,374,336	16,172,430	18,377,761	256,849,024	745,846,411	\$ 11.17	34.44%
2006	232,771,170	665,060,486	37,698,431	150,793,724	16,295,740	18,517,886	286,765,341	834,372,096	\$ 11.17	34.37%
2007	267,694,640	764,841,829	38,248,035	152,992,140	17,060,460	19,386,886	323,003,135	937,220,855	\$ 9.32	34.46%

SOURCE: Butler County Auditor's Office

Note: Includes Butler and Warren County Information

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

COLLECTION YEAR	CITY OF MONROE OPERATING	BUTLER COUNTY OPERATING	SCHOOL DISTRICT OPERATING	OTHER (1) OPERATING
1998	\$9.17	\$8.44	\$36.56	\$1.93
1999	9.17	8.45	35.33	1.93
2000	11.17	8.45	34.98	1.93
2001	11.17	8.75	43.36	1.93
2002	11.17	8.75	41.88	1.93
2003	11.17	8.75	40.68	1.93
2004	11.17	8.74	40.68	1.93
2005	11.17	8.74	40.68	1.93
2006	11.17	9.44	40.32	1.93
2007	9.32	10.95	44.87	1.93

SOURCE: City of Monroe's Operating Budget

SOURCE: Butler County Auditor's Office

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

CITY OF MONROE, OHIO

Top Ten Principal Taxpayers
Real and Personal Property

Current Year and Seven Years Ago

Name of Taxpayer	2007			2000		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Ohio Inc.	\$ 16,144,340	1	5.00%	\$ 2,535,350	3	1.22%
Ohio Presbyterian Reserve at Monroe	4,451,560	2	1.38%	1,894,190	7	0.91%
Dayton Technologies	3,410,430	3	1.06%	3,041,960	2	1.47%
Worthington Steel	3,373,090	4	1.04%	3,419,420	1	1.65%
EPHS Investments LLC	3,105,010	5	0.96%	2,512,740	4	0.00%
Monroe Crossings, Inc.	2,782,620	6	0.86%			1.21%
Duke Realty Ohio	2,779,420	7	0.86%			
K.P. Properties of Ohio LLC	2,492,130	8	0.77%			
Clark Cincinnati Inc.	2,150,570	9	0.67%			
Mount Pleasant Nursing Home	2,009,640	10	0.62%			
Sulzer EscherWyess, Inc.				2,097,160	5	1.01%
Drees, Inc.				2,049,760	6	0.99%
Teazak, Inc.				1,179,810	8	0.57%
Crystal Partners LLC				1,146,150	9	0.55%
Total	\$ 42,698,810		13.22%	\$ 20,986,790	10	0.53%
Total Assessed Valuation	\$ 323,003,135			\$ 207,545,278		9.58%

Source: Butler County Auditor's Office

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

CITY OF MONROE, OHIO

Property Tax Levies and Collections
Last Ten Years

COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS		DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENTAGE OF TOTAL TAX COLLECTIONS TO TAX LEVY		ACCUMULATED OUTSTANDING DELINQUENT TAXES	PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY
		TAX COLLECTIONS	\$			PERCENTAGE	\$		
1998	\$ 964,738	\$ 942,953	\$ 19,631	\$ 19,631	\$ 962,584	99.78%	\$ 70,654	7.32%	
1999	1,028,258	983,837	20,448	20,448	1,004,285	97.67%	94,627	9.20%	
2000	1,109,108	1,069,616	21,983	21,983	1,091,599	98.42%	112,155	10.11%	
2001	2,052,000	2,220,467	32,054	32,054	2,252,521	109.77%	120,440	5.87%	
2002	2,040,591	1,898,174	87,200	87,200	1,985,374	97.29%	175,657	8.61%	
2003	2,172,608	1,830,899	68,594	68,594	1,950,276	89.77%	475,777	21.90%	
2004	2,043,265	1,944,437	69,575	69,575	2,014,012	98.57%	505,030	24.72%	
2005	2,183,502	2,075,690	143,904	143,904	2,014,012	92.24%	468,939	21.48%	
2006	2,424,899	2,236,846	138,056	138,056	2,374,902	97.94%	518,936	21.40%	
2007	2,162,034	1,844,390	39,791	39,791	1,884,181	87.15%	796,789	36.85%	

SOURCE: Butler County Auditor's Office

Note: Includes only Butler County Information

CITY OF MONROE, OHIO

Income Tax Statistics

Last Five Years

Income Averages For Monroe Tax Years 2002-2006					
Tax Year	Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2006	0-19,999	2,219	43.20 %	\$9,215,144	4.55 %
2006	20,000-49,999	1,091	21.24	38,001,898	18.78
2006	50,000-74,999	841	16.37	52,286,762	25.83
2006	75,000-99,999	589	11.47	50,983,070	25.19
2006	Over 100,000	435	8.47	69,147,741	34.16
	Total	5,175	100.74	219,634,615	
2005	0-19,999	2,240	43.61 %	\$7,846,745	3.88 %
2005	20,000-49,999	1,040	20.25	36,560,483	18.06
2005	50,000-74,999	860	16.74	53,688,280	26.53
2005	75,000-99,999	616	11.99	53,032,287	26.20
2005	Over 100,000	381	7.42	51,277,174	25.33
	Total	5,137	100.00	202,404,969	
2004	0-19,999	1,977	42.10 %	10,953,775	5.97 %
2004	20,000-49,999	1,029	21.91	35,880,194	19.57
2004	50,000-74,999	822	17.50	50,351,862	27.46
2004	75,000-99,999	532	11.33	44,811,999	24.44
2004	Over 100,000	336	7.16	41,355,775	22.56
	Total	4,696		183,353,605	
2003	0-19,999	1,952	43.40	10,359,191	6.30
2003	20,000-49,999	969	21.54	32,780,136	19.94
2003	50,000-74,999	808	17.96	47,784,144	29.06
2003	75,000-99,999	492	10.94	40,591,990	24.69
2003	Over 100,000	277	6.16	32,897,200	20.01
	Total	4,498		164,412,661	
2002	0-19,999	1,749	42.54	9,481,211	6.35
2002	20,000-49,999	969	23.57	31,133,933	20.86
2002	50,000-74,999	721	17.54	43,533,899	29.17
2002	75,000-99,999	430	10.46	36,082,535	24.18
2002	Over 100,000	242	5.89	28,989,805	19.43
	Total	4,111		149,221,383	

Source: The City income tax department.

Note - The information is not available for current year and can't be determined before 2002

CITY OF MONROE, OHIO

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Bonded Debt Outstanding:										
General Obligation Notes/Bonds	\$9,855,000	\$6,765,000	\$7,170,000	\$7,565,000	\$7,565,000	\$6,275,000	\$6,645,000	\$6,810,000	\$5,843,600	\$5,671,600
Special Assessment Bonds	928,900	1,029,600	1,130,000	1,302,700	1,302,700	1,380,100	1,457,200	1,529,000	800,500	845,700
Enterprise Loans/Notes Payable	3,702,259	3,928,543	4,891,323	5,282,195	5,282,195	5,520,131	5,490,908	1,780,000	1,840,000	1,895,000
Revenue Obligation Bonds	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	0	0	0
Total	16,486,159	13,723,143	15,191,323	16,149,895	16,149,895	15,175,231	15,593,108	10,119,000	8,484,100	8,412,300
Percentage of Estimated Actual Property Value	5.10%	4.79%	5.91%	6.22%	6.10%	5.88%	6.84%	4.88%	4.12%	4.72%
Total Debt Per Capita	2,311	1,924	2,130	2,264	2,264	2,127	2,186	1,419	1,939	1,923
Less:										
Special Assessment Bonds	(928,900)	(1,029,600)	(1,130,000)	(1,302,700)	(1,302,700)	(1,380,100)	(1,457,200)	(1,529,000)	(800,500)	(845,700)
Enterprise Loans/Notes Payable	(3,702,259)	(3,928,543)	(4,891,323)	(5,282,195)	(5,282,195)	(5,520,131)	(5,490,908)	(1,780,000)	(1,840,000)	(1,895,000)
Revenue Obligation Bonds	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	0	0	0
Total Net Debt Applicable to Debt Limit	9,855,000	6,765,000	7,170,000	7,565,000	7,565,000	6,275,000	6,645,000	6,810,000	5,843,600	5,671,600
Overall Legal Debt Limit	33,915,329	30,110,361	26,969,148	27,273,497	27,801,005	27,083,609	23,936,707	21,792,254	21,625,493	18,705,932
10 1/2% of Assessed Valuation	\$24,060,329	\$23,345,361	\$19,799,148	\$19,708,497	\$20,236,005	\$20,808,609	\$17,291,707	\$14,982,254	\$15,781,893	\$13,034,332
Legal Debt Margin Within 10 1/2% Limitations	70.94%	77.53%	73.41%	72.26%	72.79%	76.83%	72.24%	68.75%	72.98%	69.68%
Legal Debt Margin as a Percentage of the Debt Limit										
Unvoted Debt Limitation	\$17,765,172	\$15,772,094	\$14,126,696	\$14,286,117	\$14,562,431	\$14,186,653	\$12,538,275	\$11,414,990	\$11,327,639	\$9,798,346
5 1/2% of Assessed Valuation	16,486,159	13,723,143	15,191,323	16,149,895	16,149,895	15,175,231	15,593,108	10,119,000	8,484,100	8,412,300
Total Debt Approved by Council	(928,900)	(1,029,600)	(1,130,000)	(1,302,700)	(1,302,700)	(1,380,100)	(1,457,200)	(1,529,000)	(800,500)	(845,700)
Special Assessment Bonds	(3,702,259)	(3,928,543)	(4,891,323)	(5,282,195)	(5,282,195)	(5,520,131)	(5,490,908)	(1,780,000)	(1,840,000)	(1,895,000)
Enterprise Loans/Notes Payable	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	0	0	0
Revenue Obligation Bonds	9,855,000	6,765,000	7,170,000	7,565,000	7,565,000	6,275,000	6,645,000	6,810,000	5,843,600	5,671,600
Net Debt Within 5 1/2% Limitations	\$7,910,172	\$9,007,094	\$6,956,696	\$6,721,117	\$6,997,431	\$7,911,653	\$5,893,275	\$4,604,990	\$5,484,039	\$4,126,746
Unvoted Legal Debt Margin Within 5 1/2% Limitations	44.53%	57.11%	49.25%	47.05%	48.05%	55.77%	47.00%	40.34%	48.41%	42.12%
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation										

Source: City Financial Records

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

CITY OF MONROE, OHIO
 Computation of Direct and Overlapping Debt
 December 31, 2007

JURISDICTION	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO CITY OF MONROE (2)	AMOUNT APPLICABLE TO CITY OF MONROE
City of Monroe	\$ 6,355,000	100.00%	\$ 6,355,000
Butler County	60,045,000	3.42%	2,053,539

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

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

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

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

CITY OF MONROE, OHIO

Ratio of Net General Obligation Debt
to Assessed Valuation and Net Bonded Debt per Capita
Last Ten Years

YEAR	POPULATION	ASSESSED VALUE	PERSONAL INCOME (1)	GROSS BONDED DEBT (2)	DEBT SERVICE BALANCE	DEBT PAYABLE FROM ENTERPRISE REVENUES	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION	NET BONDED DEBT PER CAPITA
1998	4,375	\$ 178,151,737	Not Available	\$ 67,800	\$ 731,973	\$ 1,195,000	\$ 1,994,773	1.12%	\$ 456
1999	4,375	205,957,072	Not Available	3,025,600	654,476	1,840,000	5,520,076	2.68%	1,262
2000	7,133	207,545,278	Not Available	4,910,000	N/A	1,780,000	6,690,000	3.22%	938
2001	7,133	227,968,634	Not Available	4,745,000	N/A	1,690,908	6,435,908	2.82%	902
2002	7,133	257,939,138	149,221,383	4,575,000	N/A	1,595,131	6,170,131	2.39%	865
2003	7,133	264,771,478	164,412,661	7,565,000	N/A	622,195	8,187,195	3.09%	1,148
2004	7,133	259,747,588	183,353,605	7,565,000	N/A	599,259	8,164,259	3.14%	1,145
2005	7,133	256,849,024	202,404,969	7,170,000	N/A	575,157	7,745,157	3.02%	1,086
2006	7,133	256,849,024	219,634,615	6,765,000	7,563	548,543	7,313,543	2.85%	1,025
2007	7,133	323,003,135	230,616,346	6,355,000	146,072	522,259	6,877,259	2.13%	964

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

(1) From the City's tax department for taxable income. Information for the City is not available before 2002
Information for 2007 is estimated to increase at 5.00 percent.

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

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

CITY OF MONROE, OHIO
Principal Employers
Current Year and Five Years Ago

2007		
Employer	Employees	Percentage of Total City Employment
CM Temporary	1,525	6.31 %
I Force	477	1.97
Minute Men	357	1.48
Monroe Local School District	332	1.37
Duke Energy	261	1.08
Hawthorne Glen	203	0.84
West Chester Holding	163	0.67
Arkay Plastic	158	0.65
Superior Tech	139	0.58
Berns Greenhouse	127	0.53
Total	<u>3,742</u>	<u>15.48 %</u>
Total City Employees	<u>24,166</u>	

2002		
Employer	Employees	Percentage of Total City Employment
Precision Packaging	468	3.94%
Ohio Presbyterian Retirement	388	3.27%
Kohl's Department Stores	357	3.00%
Deceuninck North America LLC*	353	2.97%
Monroe Local Schools	315	2.65%
Xerox Corporation	255	2.15%
Worthington Industries	217	1.83%
West Chester Holdings	146	1.23%
Clark Cincinnati	139	1.17%
Baker Concrete Construction	95	0.80%
Total	<u>2,733</u>	23.00%
Total City Employees	<u>11,883</u>	

Source: Department of Income Tax

Note: The information is only available back to 2002.

* Was Dayton Technologies Inc. in 2002

CITY OF MONROE, OHIO

Demographic Statistics
Last Ten Years

YEAR	POPULATION (1)	SCHOOL ENROLLMENT (2)	UNEMPLOYMENT RATE BUTLER COUNTY (3)	COUNTY BANK DEPOSITS
1998	4,375	9,656	3.3%	\$ 815,435,000
1999	4,375	9,466	3.0	913,169,000
2000	7,133	9,260	2.3	1,152,810,000
2001	7,133	1,466	2.6	1,136,994,000
2002	7,133	1,381	3.7	1,257,078,000
2003	7,133	1,245	4.0	1,355,739,000
2004	7,133	1,506	4.9	1,466,791,000
2005	7,133	1,685	5.0	3,053,270,000
2006	7,133	1,855	4.8	2,920,714,000
2007	7,133	2,022	4.9	3,017,034,000

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

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

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
CAPITAL ASSETS DEPRECIATION				
Governmental Activities:				
Security of Persons and Property	\$ 130,550	\$ 139,050	\$ 134,523	\$ 204,604
Leisure Time Activities	7,560	-	7,560	10,968
Transportation	90,951	57,439	64,629	926,375
General Government	108,952	105,866	125,361	138,616
Total Governmental Activities	<u>338,013</u>	<u>302,355</u>	<u>332,073</u>	<u>1,280,563</u>
Business-Type Activities:				
Water	226,799	241,086	229,797	232,066
Stormwater Management	13,413	-	-	-
Total Business-Type Activities	<u>240,212</u>	<u>241,086</u>	<u>229,797</u>	<u>232,066</u>
Total	<u>\$ 578,225</u>	<u>\$ 543,441</u>	<u>\$ 561,870</u>	<u>\$ 1,512,629</u>

Source: City of Monroe, Finance Department

* The City converted to GASB 34 for the 2004 fiscal year.

Information prior to 2004 is not reported since it was not calculated

CITY OF MONROE, OHIO
 Operating Indicators by Function/Program
 Current Fiscal Year

Function/program	2007
General Government	
Construction Permits Issued	356
Estimated Value of Construction	\$48,200,000
Economic Development Projects approved (square feet)	7+ million
Utility Bills mailed	54,388
Purchase Orders Issued	
Police	
Total Incidents	14,825
Number of Citations issued	2,204
Misdemeanor & Felony Arrests	1,536
DUI Arrests	73
Alcohol Compliance Checks	2
Detective Investigated Cases	207
Hours of Patrol Time	28,275
K-9 Hours of Patrol Time	2,200
K-9 searches/tracks/building checks	60+
Calls for Service	14,825
Fire	
Emergency responses	550
Fire hydrant inspections	668
Training Hours	3,252
Number of times dispatched	2,219
Community Training Programs (number of attendees)	138
Public Service	
Snow removal (man hours)	1,366
Leaf pick-up (man hours)	960
Curbs replaced (linear feet)	2,000
Drive aprons replaced (square yards)	600
Truckloads of leaves picked-up	200
Tons of snow melting salt used	1,856
Number of snow events	11
Cemetery burials	48
Water meter installations	160
Fire hydrant installations	7

Sources: City Department Year End Reports

CITY OF MONROE, OHIO

Full-Time Equivalent City Government Employees by Function/Program
Last Eight Years

<u>Function/program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Government:								
Council	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Mayor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	2.0	2.0	2.0	1.5	1.5	2.0	2.0	2.0
Law	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Purchasing/Adm. Services	7.5	6.5	5.0	5.0	4.5	5.0	8.0	6.0
Planning	2.0	2.0	2.0	0.5	1.5	2.0	2.0	2.5
Police	30.0	29.0	29.0	29.5	31.0	29.0	30.0	29.5
Fire	32.0	30.0	32.5	31.5	32.5	31.5	32.5	32.5
Engineering	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Utilities:								
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Service	4.0	4.0	4.0	4.0	4.0	5.0	5.0	4.0
Service:								
Administration	3.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Street Maintenance	9.0	9.0	8.0	7.0	7.0	8.0	11.0	8.5
Cemetery	1.0	1.0	1.0	1.0	1.0	2.0	1.0	1.0
Clerk of Courts	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.0
Totals:	<u>100.0</u>	<u>95.0</u>	<u>93.0</u>	<u>89.5</u>	<u>93.0</u>	<u>95.5</u>	<u>102.5</u>	<u>97.0</u>

Source: City of Monroe, Finance Department

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

*Data before 2000 was not available

This page intentionally left blank



Mary Taylor, CPA
Auditor of State

CITY OF MONROE

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2008**