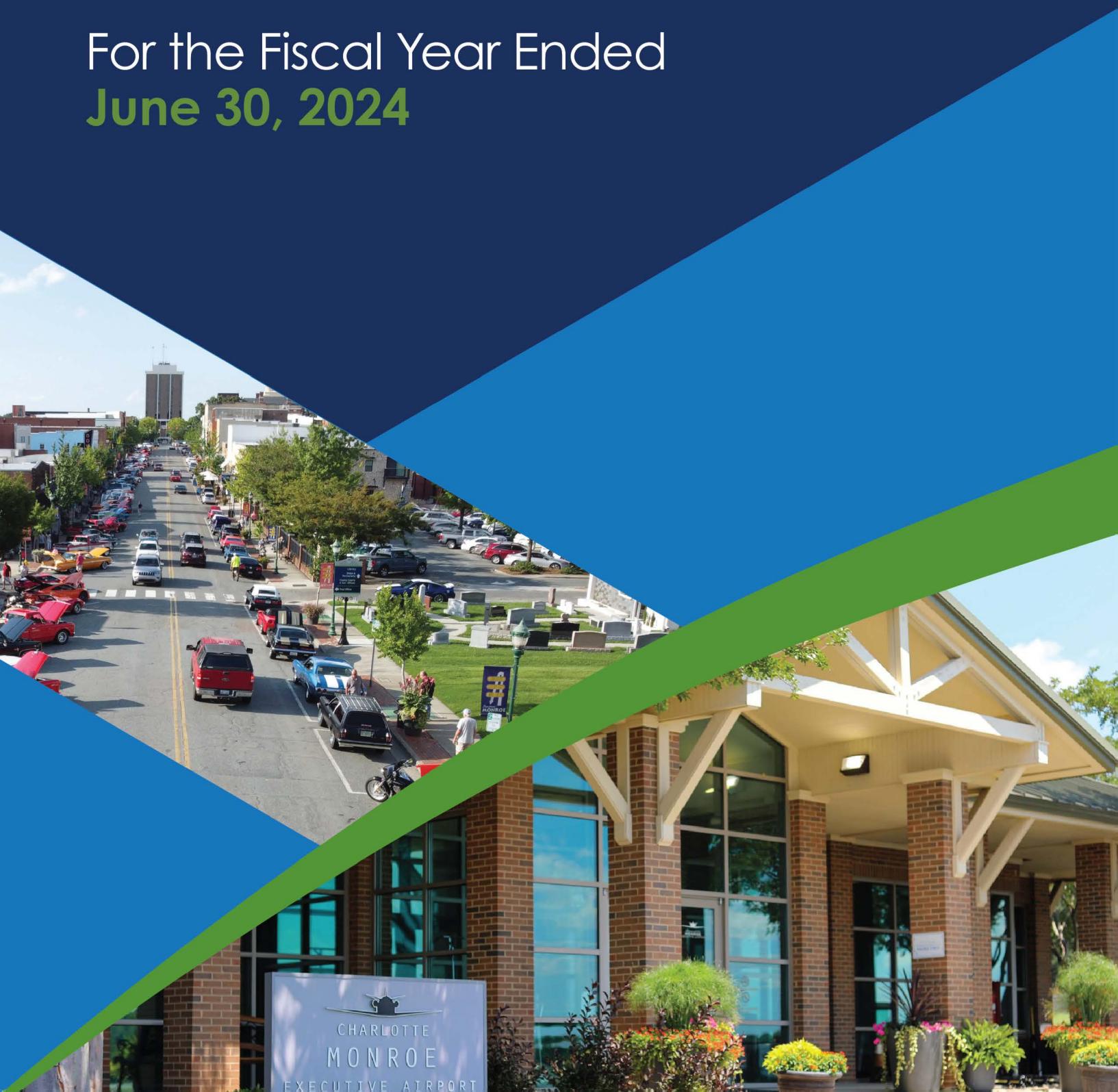


Annual Comprehensive **FINANCIAL REPORT**

For the Fiscal Year Ended
June 30, 2024



City of Monroe, North Carolina Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2024

**Prepared By
Department of Finance**

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CITY OF MONROE, NORTH CAROLINA

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Introductory Section

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- List of Principal Officials
- Organizational Chart



October 31, 2024

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

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the City of Monroe for the fiscal year ended June 30, 2024. The financial statements and supplemental schedules have been audited by the independent certified public accounting firm of Martin Starnes & Associates, CPAs, P.A. and that firm's unmodified report is presented as the first component of the Financial Section of this report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial statements have been prepared in compliance with the applicable requirements of the General Statutes of North Carolina and are consistent with the standards and guidelines recognized for governmental accounting and reporting contained in both *Audits of State and Local Governments*, the audit guide prepared by the Committee of Governmental Accounting of the American Institute of Certified Public Accountants (AICPA), and *Government Auditing Standards*, issued by the Comptroller of the United States. Among other resources used in the preparation of the ACFR, the Finance Department has given particular attention to the *Governmental Accounting, Auditing and Financial Reporting* (GAAFR) issued by the Government Finance Officers Association of the United States and Canada (GFOA) and Governmental Accounting Standards Board (GASB) pronouncements.

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

The goal of the annual independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year are free from material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation.

The City is also required to undergo an annual compliance audit on federal and state financial assistance programs in conformity with the provisions of the State Single Audit Implementation Act and the U.S.

Office of Management and Budget Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. The auditor's reports and the Schedule of Expenditures of Federal and State Awards, required as part of a single audit, are found in the *Compliance Section* of this report.

The Reporting Entity

In conformity with the standards of GASB, the City of Monroe includes all funds, agencies, boards, commissions and authorities that are controlled by or are financially dependent upon the City. Component units are legally separate entities for which the primary government is financially accountable or for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of the organization's governing body and 1) it is able to impose its will on that organization, or, 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on the primary government.

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial position, results of operations and cash flows from those of the City. The City of Monroe has included the City of Monroe ABC Board and the Monroe Tourism Development Authority as discretely presented component units. The governing members of all of these units are appointed by the City Council. Additional information on these legally separate reporting entities can be found in the Notes to the Financial Statements.

Organization of Government

The City of Monroe was established in 1844 and is located near the center of Union County in the Southern Piedmont region of North Carolina. The City is a diverse community of nearly 36,000 residents and has an incorporated area of over 32 square miles. Monroe serves as the County seat for Union County. Monroe's corporate limits are approximately seven miles southeast of Charlotte.

The City is organized under a Council-Manager form of government with a six-member City Council and Mayor serving as the governing body responsible for policy-making and establishing legislative authority. City Council members are elected on a non-partisan basis to staggered four-year terms. The Mayor is elected to serve a two-year term and is a full voting member on the City Council.

The City Council is responsible for passing ordinances, adopting the annual budget, appointing committees and appointing the City Manager, City Attorney, City Clerk and Tax Collector. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the daily operations of the government and for selecting the department heads to manage the various City departments.

The City provides numerous services for its citizens including airport operations, cultural and recreational activities, general administration, planning, zoning, economic development, community development, building inspections, code enforcement, police, fire, solid waste, cemetery management, tourism, public works, stormwater, and street maintenance. The City also provides and maintains electric, natural gas,

water and sanitary sewer utilities for the benefit of its citizens and businesses. This report includes the fiscal activities of the City in the provision of these services.

The City takes pride in the services offered to our citizens and the mission of City staff is to provide reliable, responsive, quality service to our customers at the lowest reasonable cost. We accomplish this through professional and courteous service consistent with making Monroe a vibrant and progressive community. City staff strives to be proactive in addressing the various needs of the community and adheres to the guiding principles of teamwork, customer service, respect and accountability.

The City also provides financial support to certain boards, non-governmental agencies, commissions and other government agencies to assist their efforts in serving our citizens. The funding process is managed in the Planning and Development Department's Community Development Division. The process is designed to provide fiscal and programmatic transparency and accountability in the allocation of funds and to strengthen partnership opportunities and identify gaps in services. Non-governmental agencies that received support from the City in fiscal year 2024 include: HealthQuest of Union County; Community Health Services of Union County; Union County Crisis Assistance Ministry; Union County Community Arts Council; Council on Aging in Union County; Monroe-Union County Community Development Corporation; Union County Historic Preservation Commission; Turning Point; Union County Community Action, Inc.; Community Shelter of Union County; Bridge to Recovery; Hospice of Union County; Common Heart; Angel Shoes, Inc.; Ground 40 Ministries; and, Excel Enrichment Program.

Economic Condition and Outlook

Monroe enjoyed robust capital investment among its manufacturing sector throughout fiscal year 2023-2024 despite a variety of national and global economic factors such as inflation, labor market challenges and supply chain constrictions. Despite these headwinds, fiscal year 2023-2024 saw capital investment of \$81 Million and the creation of 919 new advanced manufacturing jobs. Expansion projects included announcements from existing manufacturing companies including ATI Specialty Materials and Coca-Cola Bottling Company Consolidated. In June, Monroe announced the landing of Spain based Briol USA's only North American manufacturing facility that will be built in the Monroe Corporate Center. Briol USA's facility represents a \$30 Million investment and is anticipated to create over 100 jobs. In addition to new expansions, sizable projects announced previously continued to march forward with their construction and plans to add staff. These in-process projects include companies such as: Windsor Windows & Doors who are close to completing their \$82 Million, 570,000 SF manufacturing center in the Expressway Commerce Park @ Monroe on the City's east side. Also, in early 2024, ATI Specialty Materials dedicated their \$140 Million titanium processing operation located on the south side of the Charlotte-Monroe Executive Airport. What this shows is that Monroe's diverse mix of business sectors is a stalwart and prudent strategy to preserve the community's economic vitality despite unexpected and unprecedented challenges. Monroe has practiced this successful approach for decades.

Other sectors that are thriving include food production, life safety, pharmaceuticals and construction materials. Specific companies in Monroe that are answering record demand for their goods include: Tyson Foods; Greiner Bio-One NA; Consolidated METCo; and, ASSA ABLOY. All these companies continue to experience record sales.

Monroe maintains a small-town atmosphere and enjoys the benefits of being part of the Charlotte metropolitan region. Monroe has grown to be a significant regional employment and commercial center.

In fact, its residents make up nearly 66% of the total industrial workforce in Union County. Nearly 15% of the industrial base and 20% of the manufacturing employment is deep-rooted in aerospace, resulting in the highest geographic concentration of aerospace companies in North Carolina (North Carolina Department of Commerce). Also, Monroe's industrial base is international with ten countries represented among 20 companies.

Monroe has achieved regional, national and international recognition. Accolades include: Top Ten County for Job Creation Nationally Since 2000 – CNN/Money.com; lowest unemployment in the Charlotte Region for 24+ years – North Carolina Department of Commerce, Division of Employment Security; and, first in Aerospace Cluster in North Carolina – North Carolina Department of Commerce.

Monroe has evolved into a premier location for precision manufacturing. To continue to grow and enhance the overall economy of the area, the City and Union County have further strengthened their partnership to provide a county-wide economic development organization with the formation of an entity called the Monroe-Union County Economic Development Commission (MUCEDC). The MUCEDC is a new governmental unit in North Carolina, equally funded by the City of Monroe and Union County. The goals of the organizational work plan are to: create more job opportunities; generate additional industrial/commercial capital investment; and, better define Monroe and Union County for various target audiences.

MUCEDC will seek to accomplish these goals through broad and focused marketing methods, aggressive recruitment missions, enhanced existing industry programs and new product development. The objective is to average \$60 Million in new capital investment from both existing and new companies on an annual basis. Since 2013, there has been \$1.5 billion in capital investment announced and over 5,000 jobs created. The manufacturing jobs account for 20% of all employment in the county and generate over \$1 Billion in wages.

The continued investment among the community's existing firms, as well as newly located operations, shows that Monroe's economy is strong even when facing unparalleled trials. Monroe continues to reap the rewards of its unwavering commitment to creating a pro-business environment in which manufacturers prosper.

Major Initiatives

The City has been involved in many significant initiatives during the past fiscal year. The City Council has identified and addressed key issues that are of importance to the future of the City including utility planning for water, wastewater, electric and natural gas demands brought on by system growth. The City has developed a ten-year rate model for projecting water and wastewater expenses and electric and natural gas operations. The business models address the impact of future capital improvement projects on the City's rate structure. The goal is to achieve incremental single-digit rate increases rather than large rate increases in the year infrastructure is financed.

The Water Resources Department continues to monitor economic conditions, growth, system demands and adjust capital project initiatives to ensure projections can be accommodated. A capital reserve fund was established last fiscal year to help with long-term capital improvement costs. The water treatment and wastewater treatment master plans are completed. The Capital Improvement Plans are aligned based on master plan recommendations.

A water hydraulic modeling system was recently completed. The model will allow staff to analyze system demands, fire flows and distribution system pressure. A Critical Assets Inspection program has started with the initial inspections completed by an Engineering Consultant. The City recently purchased nine permanent flow meters to locate and quantify sources of inflow and infiltration. The flow metering data will assist staff with prioritization of infrastructure rehabilitation efforts. Such programs ensure adequate capacity for future demands.

The City continues to experience tremendous residential, commercial and industrial economic development. The development is contributing to increased revenue. There is an ongoing rate study being conducted by a consultant. The rate study identified alternative options for the rate structure to ensure long-term, financial viability. The study includes review and amendments to the System Development Fees to align with critical capital needs. Significant capacity commitments are being made to new residential developments and voluntary annexations. The City is expecting very positive future financial returns as these developments are completed.

Multiple water and wastewater projects are in the design and permitting phases based on the Water Resources Department's Capital Improvement Plan. The City recently awarded a design contract to an engineering consultant for a three-million-gallon wastewater treatment plant expansion, with construction beginning in fiscal year 2026. The target completion date is January 2029. Ongoing negotiations are occurring with Union County to expand existing interlocal agreements for wastewater and water supply capacity.

The replacement and rehabilitation of aging water and wastewater pipeline infrastructure is a key priority. Water Resources staff continues to utilize innovative trenchless technologies for these programs. As part of the Sewer Asset Management Program, staff continues to proactively rehabilitate and/or replace aging infrastructure, with an annual target of 1% of the system.

Preventative maintenance programs for all infrastructure and equipment are continuously refined, ensuring they remain assets and not liabilities. Equipment replacements at the City's water and wastewater treatment facilities are ongoing to ensure reliable and resilient performance. Staff continues to work closely with the North Carolina Department of Transportation (NCDOT) on utility coordination and infrastructure relocations for future projects in the coming years.

The City's Natural Gas Division operates and maintains a 43-mile natural gas transmission pipeline and 537 miles of natural gas distribution mains per federal regulation 49 CFR Part 192. The Natural Gas Division also operates and maintains a Liquefied Natural Gas (LNG) Peak Shaving Facility per federal regulation 49 CFR Part 193. With the installation of 570 new services, the natural gas customer count has increased to 13,450 customers. The peak gas usage day was on January's GAS Day 21 of 2024 with a volume of 18,927 MCF (18,927,000 cubic feet) on a 38.6 heating degree day (32°/10° F). The natural gas volume for the fiscal year was 3,482,956 MCF. Energy Services Utility Locators located 20,739 NC811 locate tickets that included the following utilities: natural gas; electric; and, City fiber telecommunications. The Natural Gas Division responded to 473 emergency calls with an average response time of 20.3 minutes.

The following projects were completed in fiscal year 2024: five natural gas main installations for new residential subdivisions; three natural gas main installations for additional phases to existing residential

subdivisions; one natural gas main extension to serve a new subdivision, one natural gas main relocation to allow the grading for a new subdivision, and, two new rectified anode beds for existing cathodic protection zones.

The City's Electric Division maintains 19.5 miles of 100 kV transmission lines, 302 miles of distribution lines and eight substations. The Electric Division provides electric service to 12,990 customers consisting of residential customers, small commercial and industrial customers with up to 5 MW electric loads. The peak electric load on the system saw a high of 127 MW and annual electric sales of 690,839,108 kWh.

During fiscal year 2024, the following projects were completed: installed electric facilities to seven new residential subdivisions; installed electric facilities to serve a large industrial project; replaced/retired Downtown vault switches and high voltage cables; responded to 154 electric outages with an average response time of 25.9 minutes; and, maintained 99.9897% reliability of electricity to the customers.

The City implemented a stormwater utility program on January 1, 2009 to address the Environmental Protection Agency's (EPA) National Pollutant Discharge Elimination System (NPDES) Phase II requirements and to provide a comprehensive stormwater maintenance program to improve the existing stormwater system. As part of the NPDES' requirements, the Engineering Department has developed several stormwater public education and involvement programs. These programs include classroom presentations to area students and homeowners' associations using a portable, interactive watershed model known as an EnviroScape. In addition to the classroom presentations, the Engineering Department purchased a Topobox Sand Model for the Monroe Science Center Honoring Dr. Christine Mann Darden to teach the public about properties of topography, hydrology, geomorphology and land management. Opportunities for public involvement include Adopt-a-Stream, storm drain marker installation and water monitoring programs. The Engineering Department also oversees in-house pollution prevention and good housekeeping by the various City facilities to address spill prevention, vehicle/equipment maintenance and outdoor storage of materials and wastes. As part of the NPDES' Illicit Discharge Detection and Elimination requirement, the Engineering Department has walked stream segments within the Stewarts, Bearskin, Richardson, South Fork, Crooked and East Fork Twelve Mile Creek Watersheds in an effort to identify illicit discharges. In a continued effort to identify illicit discharges within the watersheds, the Engineering Department walks all watersheds and monitors all mapped outfalls on a five-year rotating basis.

Regarding existing infrastructure, the City staffs an eight-person stormwater maintenance crew dedicated to the improvement and maintenance of the existing stormwater system. Responsibilities include repair, new construction and routine system maintenance of the stormwater infrastructure including daily street sweeping. The stormwater maintenance crew, with assistance from street maintenance crews as needed, completed over 2,000 work orders in addition to completing 13 capital improvement projects since the program began in 2009. To aid in improving water quality, construction of a new street sweeper facility started this year. When completed, a sand filter will be utilized to process sweeper truck water to reduce contaminant load in the Richardson Creek Watershed.

The Engineering Department has completed the Stormwater Master Plan study for the entire City including an environmental in-stream assessment and water quality monitoring and modeling for the Stewarts Creek, Bearskin Creek and Richardson Creek Watersheds. With a Total Maximum Daily Load (TMDL) for Richardson Creek and Stewarts Creek expected in the imminent future, the need for assessing channel stability, sediment loading, nutrient sources and other ecological stressors within the stream

corridors is vital. The Engineering Department is implementing a water quality improvement program to improve the water quality in the Stewarts Creek watershed as the first major step in Monroe's water quality improvement initiative. The results from the water sampling were used to select and evaluate suitable sites for potential stormwater control measures (SCM). The results of the SCM evaluation and siting effort will support the implementation of SCMs for the City to capture future grants as they become available.

As the designated primary reliever for the Charlotte-Douglas International Airport, the Charlotte-Monroe Executive Airport (EQY) continues to support Monroe, greater Union County and the Charlotte metropolitan area as the corporate aviation gateway. Corporate and general aviation aircraft take advantage of the facilities that include an all-weather 7,001-foot runway, Customs and Border Patrol processing along with aviation fuel/services. Throughout 2023, Charlotte-Monroe Executive Airport had an estimated 73,151 aircraft flight operations and over 112 privately-owned based aircraft which fuel the Airport's annual economic impact of \$36.0 Million in business revenue. The Charlotte-Monroe Executive Airport supports over 320 jobs with \$14.2 Million in personal income and generates \$2.66 Million in state and local taxes. The Airport is poised to start the next era of growth and development as the construction of an 18,500-square-foot hangar that will house corporate jets is set to open in September 2024. State and federal grants assist the Airport with projects that make key airfield improvements such as tree obstruction, removal and fencing, pavement rehabilitation/expansion along with the addition of an air traffic control tower. These projects will ensure that the facilities keep up with the projected future growth.

City Council is supportive of the City's public safety departments and supports their efforts in making Monroe a better community. The Police Department is committed to maintaining high standards by achieving and maintaining accreditation through the Commission on Accreditation for Law Enforcement Agencies, Inc. . The Police Department builds trust and build stronger relationships with adults and youth within the community through a variety of programs.

Since receiving the certificate of occupancy on July 8, 2023 to move into the new police headquarters, the City moved over 60,000 pieces of evidence, all operational equipment and technology. The new facility opened on August 21, 2023 and since then has hosted numerous community and training events with several organizations and law enforcement agencies across the state and region.

The Police Department partnered with Heart for Monroe and assisted with moving furniture for families that did not have some needed furniture to furnish their homes. This ranged from putting together bed frames to moving in couches and dressers. In addition, the Police Department assisted Heart for Monroe by delivering food to various communities. Officers also unloaded a tractor-trailer truck of food and supplies from Convoy of Hope and distributed the items to the community.

Community services and the Police Department Traffic Unit held two child passenger safety seat education and installation events. The Police Department Traffic Unit also held several events demonstrating how it feels to drive while impaired.

The Police Athletic League was active during this past year. The program had 180 participants between the ages of eight and 14 to learn the fundamentals of basketball and soccer from the officers. This program gives the youth involved a sense of responsibility and accomplishment.

Officers within the department have volunteered their own time to participate in or develop 58 community projects that build community relations and reach out to those in need to make the community a better place to live and work. The Community Services section held the Bridge Builder Youth Summer Camp with over 43 youth ages eight to 14 at Dickerson Recreation Center. Officers also held safety talks at summer camps and assisted with delivery and set up of beds for families in need within the City.

In January 2021, the Police Department started a violent crimes task force to address the violent crimes in the community. The task force continued to make progress during this fiscal year. The three violent crime officers have arrested 117 offenders, been assigned 39 cases and submitted 301 pieces of evidence to include 45 firearms seized. The task force validated multiple gang members and areas where gang activity is prevalent.

The Police Department works in partnership with the Secretary of State, Drug Enforcement Administration, Homeland Security and the Federal Bureau of Investigations assigning three task force officers. This is a collaborative effort to investigate violent and serious drug-related crimes that occur within the City and surrounding areas.

The Police Department has an Explorer Post. The post has 12 active member participants. Law Enforcement Career Exploring is open to young men and women ages 14 (and completed the eighth grade but not 21 years old) who have an interest in learning more about careers in the field of law enforcement. Law Enforcement Exploring provides educational training programs for young adults on the purposes, mission and objectives of law enforcement and provides career-orientation experiences, leadership opportunities and community service activities. The primary goal of the program is to help young adults choose a career path within the law enforcement community and to challenge them to become responsible citizens of their communities and the nation.

The Fire Department provides a high level of fire protection services to the residents of Monroe. The Fire Department's core services include fire suppression, emergency medical first responder, technical rescue, aircraft rescue and firefighting, technician level hazardous materials response, emergency preparedness, community risk reduction, public fire and life safety education and fire investigations.

The Fire Department Operations Division protects the community with members operating out of six strategically located fire stations. The firefighters operate four engines, one ladder, one heavy rescue, two quints, three aviation firefighting units, two brush trucks and two hazardous materials units. The Fire Marshal's Division, Training Division and Administration Division are housed in the Administrative Offices and provide various related services to citizens and department personnel.

The addition of Fire Station 6 has improved coverage in the northwest area of the City. The Fire Department received additional staffing in fiscal year 2023 for Station 6 which opened in September 2023. Station 6 is operating out of a temporary station while the permanent fire station is designed and built.

The Fire Department operates a Type II Swift Water Rescue Team and a Technician Level Hazardous Materials Response Team. Monroe provides these services county-wide through an interlocal agreement with Union County and mutual aid agreements with all Union County Volunteer Fire Departments. Monroe's Swift Water Rescue Team is also listed as a deployable asset through North Carolina Emergency Management.

The Fire Department has an active Explorer Post. The Explorer Post provides fire service career experiences to youth through a combination of classroom lessons, hands-on training and participation in community activities. The Fire Department's Fire Explorer program currently has 20 members and is open to young men and women ages 14 through 20. The Department also hosts a youth summer camp each year which is open to ages 11 to 14. The camp allows up to 40 children to gain an introduction into firefighter activities and can serve as an introduction to the fire explorer program.

The Fire Department is accredited through the Commission on Fire Accreditation International and holds an Insurance Services Office Class 1 Fire Insurance Rating, both of which reflect well on the City's professional fire operations. This low-insurance classification rating allows the City's businesses and homeowners to enjoy lower fire insurance premiums and is noteworthy not only for the City and the Fire Department, but for residents, property owners and visitors to Monroe. The Fire Department is also certified through the North Carolina Association of Rescue & EMS in areas of heavy rescue, high angle rescue, confined space rescue and water rescue.

The City continues to seek funding for roadway improvements to improve the road system network. Engineering and Planning and Development Staff continue to work through the NCDOT and the Charlotte Regional Transportation Organization (CRTPO) to improve the roadway network in Monroe.

Through the State Transportation Improvement Program (STIP), opportunities were approaching for major changes to two gateways into Monroe. Projects included: US Highway 74 widening from four lanes to six lanes from Rocky River Road to Roland Drive; US 74/US 601 interchange improvements; and, widening of US 601 to four lanes with median from US 74 to the Monroe Bypass. The City is to contribute a total of approximately \$1,024,480 toward all three projects for the installation of either an eight-foot wide sidewalk and/or a ten-foot wide multi-use path along each. The projects have been delayed and will be re-prioritized as part of the P7.0 process that will develop the CRTPO's 2026-2035 TIP. In conjunction with the intersection improvement project at US 74 and Rocky River Road, the City is contributing \$250,000 of the estimated costs of \$629,657 to incorporate the realignment of Myers Road and James Hamilton Road with Rocky River Road.

The City currently maintains just over 171 miles of roadway. Staff developed a pavement maintenance plan in 2007 that divides the streets into two categories: priority; and, local residential. The priority streets within the City are approximately 22 miles in length with various widths and provide connectivity to the State's street system and typically serve as collector streets. The local residential streets are considered to be minor streets and primarily serve the immediate neighborhoods, have minimal traffic volumes and include the remaining 149 miles of street that are currently Powell Bill eligible. The goal of the maintenance plan is to resurface all priority streets on a 15 to 20-year cycle, which correlates with the industry standard and local residential streets on longer cycle length. City Council has provided additional resurfacing funds over the last few years; however, funding is still insufficient to maintain the residential streets on an acceptable resurfacing cycle.

The City, including the Mayor and City Council and concerned citizens, would like to give Downtown its own market niche and find ways of opening new businesses in Downtown, thereby improving the business mix, attracting shoppers and residents, raising property values and sales tax revenues. Restored buildings, attractive storefronts and pedestrian-friendly walks and streets will change and reinforce the public's perception that Downtown is the "heart and soul" of Union County. Monroe is a Main Street America,

2024 Accredited and North Carolina Main Street Designated Community which uses the Main Street approach to Downtown revitalization (a comprehensive, incremental four-point approach). With proper planning and Downtown management, the City hopes to produce fundamental changes in the Downtown's economic base.

The City has had approximately \$3,100,000 in private sector and \$443,812 of public improvements in Downtown. This consisted of nine public improvement projects and one rehabilitation project. Downtown also logged approximately 1,180 hours in volunteer hours. Valued at \$27,730, volunteers assisted with events, meetings and other promotional and Downtown revitalization efforts.

The City takes great pride and shows its commitment to revitalization in the Downtown area with the continuation of major catalytic projects:

Dowd Center Theatre – The City purchased the Center Theatre in 2013 and the adjacent units in 2015. The Dowd Center Theatre renovation is currently complete and open. The Dowd Center Theatre is available for both public and private events.

Phil Bazemore Active Adult Center – The City purchased *The Enquirer-Journal* newspaper building in 2016 and has renovated this facility to serve as a new Active Adult Center. The previous Senior Center facility was too small for the demand and a lack of adequate parking created challenges. The new facility provides the same services, expanded programming and ample parking.

Monroe Social District – The City designated a Monroe Social District to allow citizens to enjoy alcoholic beverages within the Downtown area in conjunction with House Bill 890. The relevant changes allow for the creation of common areas where patrons of existing ABC permittees can freely assemble and consume purchased beverages.

Monroe Science Center Honoring Dr. Christine Mann Darden – The City purchased a building that used to be a grocery store near the Union County Public Library between Franklin and Windsor Streets. The Center is open for group reservations, birthday parties and the public. The Monroe Tourism Development Authority is using Occupancy Tax Revenue to fund the Science Center's renovation and operation.

Bobby G. Kilgore Law Enforcement Center – The previous Police Department was located in a building that was built in 1987. The Union County Department of Social Services originally utilized the building until it was purchased by the City in 2001. Since then, the building has housed Fire Administrative offices and the Police Department, but it is functionally obsolete and lacks the space that adequately serves the public. The new Police Headquarters facility provides much needed space for staff, larger evidence storage and a better functionality to secure the facility. The new Police Headquarters is located near the former Scott Aviation property across the street from City Hall. The project was completed in June 2023 and is now fully operational.

Wayfinding – All three phases of the City's wayfinding signs have been installed. Signs are located in the Downtown core encompassing parking signs and map kiosks as well as along the Highway 74 corridor.

Morgan-Windsor Alley Project – The City completed a project to convert Morgan Street into a pedestrian plaza. The goal of this project was to create an urban, public space, which combines accessibility, safety,

walkability and infrastructure improvements. This is a new pedestrian connector, ingress/egress, allowing for easier development of adjacent properties.

The Information Technology (IT) Department is continually working with all departments in the organization to bring innovative solutions to technology needs. Over the past year, the IT Department has worked to improve the resiliency and capacity of the City's technology infrastructure. Plans for the expansion of a data center have completed the design phase with a goal of completing this project in early 2025. The IT Department has also continued to make improvements to cybersecurity by implementing new hardware and software solutions to assist in the detection and mitigation of threats.

The Planning and Development Department includes Building Inspection, Code Enforcement, Community Development, Community Maintenance, Permitting and Planning Divisions. The Department's mission is to facilitate city-wide visioning in land use and transportation planning, foster inclusive community outreach, develop the framework for the desired community-wide outcomes, manage construction-related permitting processes, provide building inspections and guidance, enforce health and safety codes, promote and support housing activities, educate and ensure protection and preservation of historic and cultural resources, develop economic vitality opportunities, provide direct services for the maintenance of City-owned land and/or property and foster public private partnerships to preserve and build inclusive and sustainable communities. The Department's comprehensive approach involves government officials, business leaders, neighborhood leaders, elected officials, nonprofits, faith- based organizations and citizens in developing community goals, identifying gaps in services, deliverables, revitalization, preservation and community solutions.

Building Inspection Division: All of the City's building inspectors have certifications from the State of North Carolina and includes Level I, II and III inspectors. Twenty-five thousand nine hundred and thirty four (25,934) inspections were completed which included initial inspections, plan reviews and all additional inspections. The Building Inspection Division issues the Certificate of Occupancy (COA) on structures that have passed all permit requirements and inspections. The inspections include new building construction, additions (commercial and residential), residential home improvements (decks, garages, fences, fireplaces, pools and water heaters), plumbing system repairs, electrical system repairs or upgrades, mechanical (heating, air condition, ventilation and duct work) and/or storage buildings.

Building Inspections – July 2023 – June 2024	
Building	8,040
Electrical	5,446
Fuel	2,075
Mechanical	3,371
Plumbing	6,743
Other	259
<hr/>	
Total Annual Inspections	25,934
<hr/>	

Code Enforcement Division: The Code Enforcement Division is responsible for enforcing the health and safety codes including: minimum housing, zoning, public nuisance, graffiti, applicable parking Ordinance and homeless camp abatement. A total of 2,690 inspections were conducted and a total of 1,413 cases.

The Code Enforcement Division is responsible for enforcing the health and safety codes including: minimum housing, zoning, public nuisance, graffiti, applicable parking Ordinance and homeless camp abatement. Homeless camp abatement by workhours equaled 48.95 hours. Code Enforcement received 2,201 phone calls for case-related inquiry, complaint and/or educational outreach.

Code Enforcement Totals – July 2023 – June 2024	
Zoning Inspections, Re-inspections	17
Graffiti Inspections	1
Minimum Housing Inspections	9
Parking, Unapproved Areas	110
Public Health Nuisance	1,382
Total Annual Inspections	1,591

Community Development Division: Community Development continues to manage the City's partnership with South Piedmont Community College's (SPCC) Construction Curriculum Division in the facilitation of skill training and apprenticeship opportunities. The two programs focus on high-tech manufacturing and construction, with an emphasis on educational opportunities to gain hands-on skill training in trades that support a livable wage.

The Community Development Division is responsible for the facilitating the development of the East Village Subdivision Phases I and II. The completion of the final two lots in East Village I Subdivision resulted in the creation of two homeownership opportunities for one female head of household with two minor children and one female senior adult. The East Village II Subdivision is in the planning phase for the infrastructure design. The design will include stormwater revisions and other environmental standards and result in the development of approximately 21 workforce-housing opportunities.

Community Development, in partnership with the Union-Anson County Habitat for Humanity, has utilized the City's Urgent Repair Program benefiting 16 low-to-moderate income households that had suffered a Covid-19 hardship. Community Development continues to collaborate with the Monroe Union County Community Development Corporation (MUCCDC), a HUD Certified Counseling Agency as Fair Housing Clearinghouse designee and foster the public private partnership with MUCCDC to provide homeownership counseling and down payment assistance, foreclosure and credit counseling.

The Community Development Division manages the funding and contractual compliance for the City's outside agencies. The City continues to provide funds for gap public services for eligible non-profit agencies. Community Development represents the City on the Regional Resilience Collaborative initiative for Union County. The draft plan was submitted in June of 2024 and focuses on disaster recovery, emergency management and resiliency from a regional collaborative. Community Development serves as project lead for the National League of Cities' Good Jobs Great Cities Academy project which resulted in 16 jobs, 12 manufacturing partnerships, and 11 certified apprenticeship/job opportunities. This will continue as MonroeWorks and expand to other employers. This collaboration will work closely with Wingate University, State of NC InUnison, SPCC, Monroe Union County Economic Development Corporation, NCWorks and Centralina Workforce Development Board. Community Development serves as staff support for the Mayor's Winchester Committee, a revitalization/Brownfields initiative. The

Winchester Neighborhood is a historically significant African American/Black community located in a qualified census tract.

Community Maintenance Division: The Community Maintenance Division has two employees and provides litter removal, right-of-way maintenance and land bank undeveloped property maintenance. Accomplishments follow:

Community Maintenance Section – July 2023 – June 2024	
Total Bags	1,371
Signs	352
Tires	77
Furniture	121
Miscellaneous	1,641
Landfill Trips	93
Mowing Hours	47.5

The City of Monroe pursues grant funding to provide resources for the completion of various projects. There are currently five active grants funded through federal grants and state grants from NCDOT for the rehabilitation of the Charlotte-Monroe Executive Airport runway tree obstruction removal and fencing, apron rehabilitation, runway approach obstruction removal and for an Aviation Career Education (ACE) Academy summer camp. The projects are currently in the construction phase and grant funds totaling \$606,390 were spent on these projects in fiscal year 2024. The Airport also received Transportation Reserve Program funds in the amount of \$6 million from the Federal Aviation Administration to be used for the construction of an air traffic control tower. No funds were expended on this project in fiscal year 2024.

The Parks and Recreation Department was awarded a \$500,000 North Carolina Parks and Recreation Trust Fund (PARTF) Grant toward the development of two major projects: The Bearskin Creek Greenway Phase III and the Creft Park renovation. The project is currently in the construction phase. In addition, the Phil Bazemore Active Adult Center received funds from Centralina Area Agency of Aging and from U.S. Department of Health and Humans Services to be used for the programming needs related to senior and adult activities as well as for health promotion and disease prevention.

The Water Resources Department was awarded State and Local Fiscal Recovery funds passed down through the North Carolina Division of Water Infrastructure for a Drinking Water Pre-Construction Planning Grant in the amount of \$400,000 for the Nelson Heights Water Tank project design. All grant funds were expended on this project in fiscal year 2024 and the design for the project is expected to be completed in Fall 2024.

The City of Monroe is used as a pass-through between the North Carolina Department of Commerce and Hamilton Drywall Products for a Rural Center Authority Economic Development Grant. The awarded grant funds of \$250,000 were used to stimulate economic activity and create new jobs for the citizens. This project is expected to be finalized in October 2024.

The Fire Department was awarded a 2020 Homeland Security Grant from North Carolina Emergency Management for \$14,364 to purchase a portable connectivity device which will provide or boost internet capabilities in areas of limited coverage. Funds of \$14,364 were expended in fiscal year 2024 to purchase this device. The Fire Department was also awarded a Regional Economic Development Reserve Grant through the North Carolina State Budget and Management Office to be used for two mobile classrooms for fire training, hazardous materials and swift water rescue equipment. No expenses were paid related to this grant in fiscal year 2024.

The City was awarded \$11,326,507 in American Rescue Plan Act (ARPA) grant funding in fiscal year 2021. A portion of these funds were utilized to reimburse Police salaries in prior fiscal years. The City will obligate the remaining \$1,326,507 by December 31, 2024. The funds will be used for a Water Main Restoration project in Qualified Census Tracts that will be finalized by December 2026.

Long-Term Financial Planning and Major Initiatives

The City seeks to maintain a strong financial position. This objective requires regular long-term planning of operating and capital requirements for its major general government and enterprise programs. In doing so, the City relies on key financial policies and procedures for dealing with future events in financially responsible ways.

Annually, the City adopts a five-year Capital Improvement Program (CIP) that looks ahead to project and plan for capital needs. The program outlines each capital project, estimated cost, description and funding source. The City takes into consideration and monitors CIP needs that require additional operating costs and personnel. Using this information, the City updates its long-range business models for each of its utility functions and business-type activities. This is done to ensure that each utility will continue to be solvent in long-term projections and has adequate reserves for any upcoming capital expenditures. City Council and management are committed to budgeting and managing all resources in the most cost-effective manner.

The Planning and Development Department's Permit Division is responsible for managing the City's food truck, residential, and commercial permitting process from application through completion. The below chart provides the permit revenue and number of permits:

	FY 2022	FY 2023	FY 2024
Permits Revenue	\$2,180,513	\$1,891,540	\$2,421,121
Permits Issued	8,010	6,768	8,377

The Planning and Development Department's Planning Division is responsible for the project review for land development for all new and existing development, residential and commercial. This includes outreach, education, compliance, negotiation, outreach, mitigation and legislative processing. In addition, we serve as the historic preservation liaison and historic zoning enforcement. Planning is also the lead division for ensuring compliance as a Certified Local Government.

Planning Section – July 2023 – June 2024	
Conditional Rezoning	39

Residential Units – Single Family	5,803
Planned Unit Developments – Zoning	2
Multi-Family Apartment Units	510
Commercial Developments – Zoning	3
Townhome, Single Family	1,047
Total Residential Units	7,360

Relevant Financial Policies

The City regularly reviews revenues and expenditures throughout the fiscal year. During the course of the year, if actual revenues are expected to fall short of the budgeted amount, expenditures are reduced to ensure that a shortage of funds or a significant use of fund balance does not occur. City financial policy dictates that the current operating revenues be sufficient to support current operating expenditures.

The City administers a cash management and investment program that seeks to maximize, in order of priority, the preservation of funds, liquidity and interest earnings over its cash and investments. Cash resources of the individual funds are combined to form a pool of cash and investments. The average cash and investment pool balance during the year was \$259,512,507. Investment income includes the change in the fair value of investments. During the year, monies were invested and secured in accordance with state law.

A key financial goal of the City for many years has been the maintenance of a Fund Balance Policy in the General Fund. The City restricts the use of the greater of \$7,500,000 or 25% of the next year's original adopted budget, net of Federal and State pass-through revenues. In addition, the City has desired to appropriate a portion of fund balance resulting from positive budget variances for one-time capital expenses. City Council has the ability to accomplish this by formally assigning money for spending on specific capital projects. Other practices followed are designed to avoid the meeting of recurring expense needs with one-time revenue resources and to ensure an ongoing mix of pay-as-you-go funding of capital needs with long-term debt.

Awards and Acknowledgements

Awards. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Monroe for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the 31st consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Staff believes that the current ACFR continues to meet the Certificate of Achievement Program's requirements, and will be submitting the ACFR to the GFOA to determine its eligibility for another certificate.

The City of Monroe was one of the first 16 cities selected to join the Good Jobs, Great Cities Academy. The Academy is a partnership between the National League of Cities and the US Department of Labor to support innovative and scalable City-supported solutions that upskill and reskill workers into quality, high-demand jobs. As a member of the Academy, the City was part of a once-in-a-generation opportunity to receive in-depth technical assistance to accelerate Monroe's efforts to design, develop, and launch workforce initiatives that can promote local talent and build the local economy.

Acknowledgements. The preparation of this report is a very intensive project, and could not have been accomplished without the assistance and dedication of the Finance Department staff and other personnel from various departments who assisted in its preparation. A particular thank you goes to Assistant Finance Director Ashley Ivey who has provided valuable assistance with financial and accounting expertise this past year.

The Mayor and City Council continue to be very supportive of Staff's efforts to produce the best financial reports possible for the citizens and they provide leadership and support in maintaining the highest standards of professionalism in the fiscal management of the City. Staff appreciates Mayor and City Council's support in granting staff the time and funding to generate this document and allowing the same to be submitted to the GFOA for consideration. Lastly, staff would like to express appreciation to the independent auditing firm, Martin Starnes & Associates, CPAs, P.A., for their cooperation and assistance in these efforts.

Respectfully submitted,



Mark Watson
City Manager



Lisa Strickland
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Monroe
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Monell

Executive Director/CEO

**CITY OF MONROE,
NORTH CAROLINA**

LIST OF PRINCIPAL OFFICIALS
June 30, 2024

Elected Officials

Robert Burns
Mayor

William David Dotson
Mayor Pro Tem

Gary L. Anderson

Franco J. McGee

Surluta A. Anthony

James M. Kerr

Julie Thompson

City Administration

Mark Watson
City Manager

Richard G. Long, Jr.
City Attorney

Bridgette H. Robinson
City Clerk

Lisa Strickland
Director of Finance

Matthew C. Black
Downtown Director

Scott E. Clark
Director of Water Resources

Ronald D. Fowler
Fire Chief

J. Bryan Gilliard
Police Chief

Peter J. Hovanec
Director of Communications & Tourism

Joshua D. Hyatt
Director of Information Technology

Ryan P. Jones
Director of Parks & Recreation

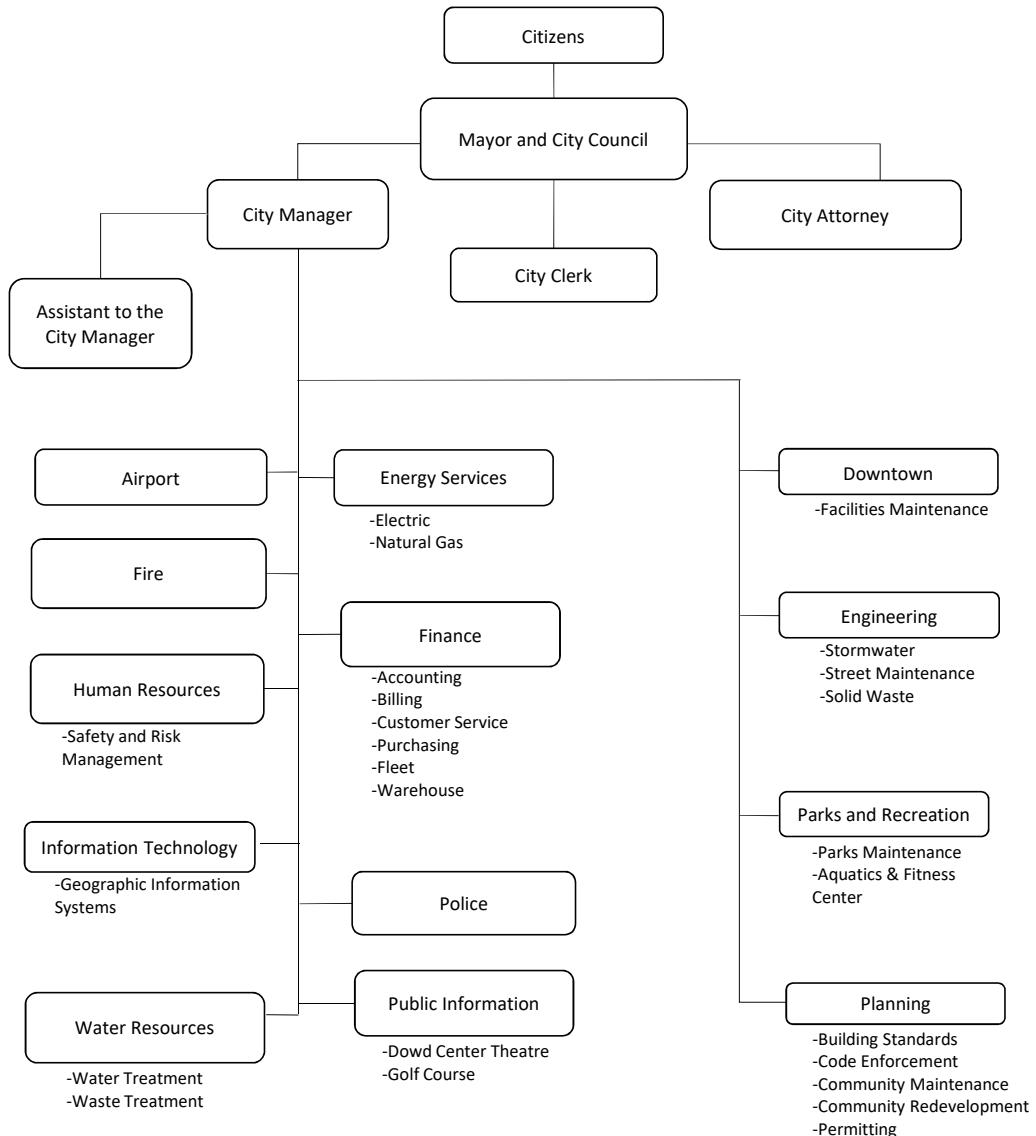
Sarah A. McAllister
Director of Engineering & Stormwater

Robert S. Miller
Director of Energy Services

Debra C. Reed
Director of Human Resources

Lisa Stiwinter
Director of Planning & Development

City of Monroe, North Carolina Organizational Chart





MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To The Honorable Mayor and
Members of the City Council
City of Monroe, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, North Carolina, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Monroe ABC Board, which represents 77%, 70% and 87%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Monroe ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the City of Monroe ABC Board and the Monroe Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, and the Local Governmental Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monroe's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of the City of Monroe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City of Monroe's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Monroe's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 31, 2024

Management's Discussion and Analysis

As management of the City of Monroe (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

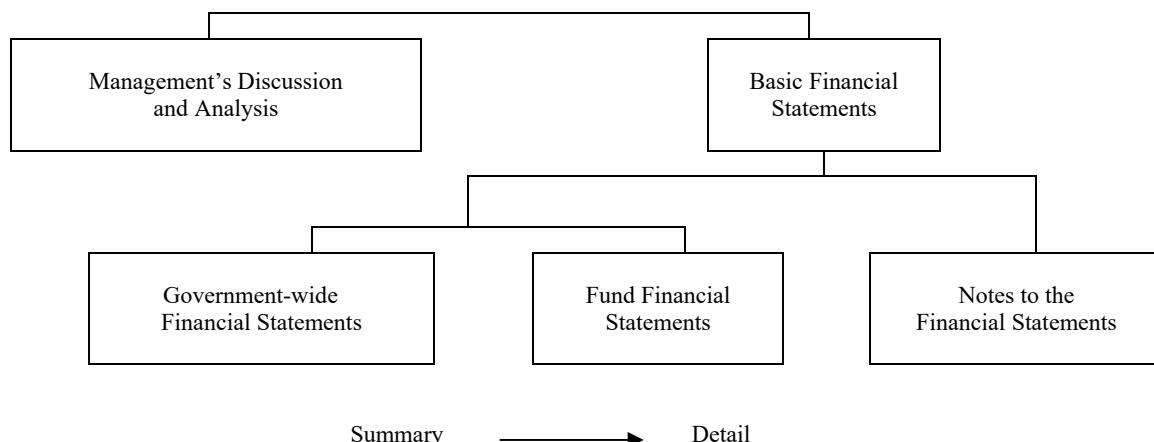
Financial Highlights

- The assets and deferred outflows of resources of the City of Monroe exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$581,200,048 (net position). Of this amount, \$197,620,176 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$43,303,651. This increase was the net of an increase in the amount of \$2,540,639 from governmental activities and an increase of \$40,763,012 for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$60,750,373, an increase of \$1,605,301 in comparison with the prior year. Approximately 38.0 percent of this total amount, or \$23,106,208, is non-spendable or restricted.
- At the end of the current fiscal year, unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the General Fund was \$26,691,951, or 56.1 percent, of total General Fund expenditures for the fiscal year.
- The City's total debt not including compensated absences, pension liability, and OPEB liability, net of retirements, decreased \$5,083,462 during the fiscal year. The elements of the decrease were debt retirements totaling \$7,401,408 and new direct placement installment purchasing obligations, lease obligations and subscription obligations issued for \$2,317,946.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Monroe's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Monroe.

Required Components of Annual Financial Report Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, parks and recreation, golf course and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water and sewer, electric, natural gas, storm water maintenance, solid waste collection, aquatics and fitness, and airport services offered by the City of Monroe. The final category is the component units. Component units are legally separate from the City, but the City exercises control over these units by appointing all or a portion of their Board members. Component units include the ABC Board and the Tourism Development Authority. These component units are also required to distribute a portion of their profits to the City.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monroe, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as North Carolina General Statutes or the City's budget ordinance. All of the funds of City of Monroe can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Monroe maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and General Capital Projects Fund which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. These other eight governmental funds are made up of two capital project funds and six special revenue funds including Community Development, Downtown Monroe, Occupancy Tax, Asset Forfeiture and the American Rescue Plan Act of 2021.

The City of Monroe adopts an annual budget for its General Fund, as required by North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The City of Monroe maintains two types of proprietary funds: enterprise and internal service. 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 and sewer, electric, natural gas, aquatics and fitness center, storm water, sanitation, and airport operations. These funds are the same as those functions shown in the business-type activities in the Statement of Activities.

Internal service funds are an accounting tool used to accumulate and allocate costs internally among various functions. The City utilizes an internal service fund for its health, worker's compensation and property and casualty insurance. Because services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been included within the governmental activities in the government-wide financial statements.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 40 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Monroe’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 108 of this report.

Interdependence with Other Entities – The City depends on financial resources flowing from, or associated with, both the Federal Government and the state of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

The following is a summary of the City’s net position for governmental and business-type activities for the current year as compared to the prior year. For more detail see the Statement of Net Position on page 18-19.

City of Monroe’s Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$72,526,625	\$69,752,287	\$238,225,307	\$215,216,212	\$310,751,932	\$284,968,499
Capital assets	110,924,942	107,839,819	344,380,101	320,577,287	455,305,043	428,417,106
Total assets	183,451,567	177,592,106	582,605,408	535,793,499	766,056,975	713,385,605
Deferred outflows of resources	21,176,341	17,973,471	11,666,325	10,590,951	32,842,666	28,564,422
Total assets and deferred outflows of resources	204,627,908	195,565,577	594,271,733	546,384,450	798,899,641	741,950,027
Long-term liabilities outstanding	82,635,020	74,742,521	87,532,549	89,009,269	170,167,569	163,751,790
Other liabilities	12,359,209	11,182,050	21,165,256	11,958,264	33,524,465	23,140,314
Total liabilities	94,994,229	85,924,571	108,697,805	100,967,533	203,692,034	186,892,104
Deferred inflows of resources	9,328,105	11,876,071	4,679,454	5,285,455	14,007,559	17,161,526
Total liabilities and deferred inflows of resources	104,322,334	97,800,642	113,377,259	106,252,988	217,699,593	204,053,630
Net position:						
Net investment in capital assets	84,454,140	81,099,501	279,319,024	251,038,466	363,773,164	332,137,967
Restricted	19,806,708	21,027,490	-	-	19,806,708	21,027,490
Unrestricted	(3,955,274)	(4,362,056)	201,575,450	189,092,996	197,620,176	184,730,940
Total net position	\$100,305,574	\$97,764,935	\$480,894,474	\$440,131,462	\$581,200,048	\$537,896,397

The assets and deferred outflows of the City of Monroe exceeded liabilities and deferred inflows by \$581,200,048 as of June 30, 2024. Of the City’s total net position \$363,773,164 (62.6%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is 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 the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City’s net position \$19,806,708 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$197,620,176 (34.0%) is unrestricted. This amount may be used at the City’s discretion in meeting its ongoing obligations to citizens and creditors.

The City's net position has increased a total of \$43,303,651, which consists of an increase in governmental activities in the amount of \$2,540,639 and an increase in business-type activities in the amount of \$40,763,012.

The biggest part of the increase to governmental activities net position was due to an increase in property tax revenues as well as an improvement in investment earnings from the prior year. The business-type activities increase in net position was due in part to an increase in charges for services in utilities related to customer growth and expansion. The Water & Sewer, Electric and Natural Gas funds saw an increase in contributed capital for infrastructure assets related to developer installed assets.

The following is a summary of the City's governmental and business-type activities for fiscal year 2024, including revenues and expenses, with a comparison to the prior year. For more detail see the Statement of Activities on page 20-21.

City of Monroe's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$17,142,475	\$14,053,707	\$124,515,821	\$123,075,095	\$141,658,296	\$137,128,802
Operating grants and contributions	2,225,179	5,953,372	1,344	-	2,226,523	5,953,372
Capital grants and contributions	49,951	408,237	1,004,953	213,140	1,054,904	621,377
General revenues:						
Property taxes, levied for a specific purpose	28,583,088	26,216,713	-	-	28,583,088	26,216,713
Sales and use tax	11,380,354	10,844,265	-	-	11,380,354	10,844,265
Utility sales taxes	3,398,666	3,351,771	-	-	3,398,666	3,351,771
Motor vehicle tax	933,425	912,690	-	-	933,425	912,690
Beer & wine and telecommunications tax	343,862	320,291	-	-	343,862	320,291
Gross receipts tax	174,572	151,392	-	-	174,572	151,392
Other	3,544,488	1,976,376	9,068,513	3,669,969	12,613,001	5,646,345
Total revenues	67,776,060	64,188,814	134,590,631	126,958,204	202,366,691	191,147,018
Expenses:						
General government	\$13,390,195	\$10,173,659	-	-	\$13,390,195	\$10,173,659
Transportation	6,956,177	6,679,528	-	-	6,956,177	6,679,528
Public safety	36,735,398	33,520,975	-	-	36,735,398	33,520,975
Culture and recreation	7,455,953	7,033,027	-	-	7,455,953	7,033,027
Economic and physical development	434,748	1,109,407	-	-	434,748	1,109,407
Interest in long-term debt	773,403	823,729	-	-	773,403	823,729
Water and sewer	-	-	7,290,619	13,023,812	7,290,619	13,023,812
Electrical	-	-	56,073,225	53,818,274	56,073,225	53,818,274
Natural Gas	-	-	14,836,486	19,116,912	14,836,486	19,116,912
Aquatics and Fitness Center	-	-	4,788,600	4,083,870	4,788,600	4,083,870
Stormwater	-	-	2,588,804	2,462,904	2,588,804	2,462,904
Solid waste	-	-	3,587,445	3,188,158	3,587,445	3,188,158
Airport	-	-	4,151,987	4,202,526	4,151,987	4,202,526
Total expenses	65,745,874	59,340,325	93,317,166	99,896,456	159,063,040	159,236,781
Change in net position before transfers	2,030,186	4,848,489	41,273,465	27,061,748	43,303,651	31,910,237
Transfers	510,453	(377,314)	(510,453)	377,314	-	-
Change in net position	2,540,639	4,471,175	40,763,012	27,439,062	43,303,651	31,910,237
Net position, beginning	97,764,935	93,293,760	440,131,462	412,692,400	537,896,397	505,986,160
Net position, ending	\$100,305,574	\$97,764,935	\$480,894,474	\$440,131,462	\$581,200,048	\$537,896,397

Governmental activities – Governmental activities increased the City of Monroe's net position by \$2,540,639. Key elements of this net increase are as follows:

- Charges for services increased by \$3,088,768 primarily due to proceeds from the sale of the former Police department building and property at 108 N. Main Street totaling \$1,505,000. Planning and zoning fees and building inspection fees also increased by approximately \$450,000 due to continued growth. The Monroe Country Club saw an increase in fee revenue of \$154,000 from increased play at the course and merchandise sales. There was also an increase in the internal service funds profit allocation to governmental activities of approximately \$690,000.
- Operating grants and contributions decreased by \$3,728,193 due largely in part to the American Rescue Plan Act grant funds that were received in the prior year for the provision of government services in public safety of \$4,288,255.
- Property taxes increased by \$2,366,375. The total assessed value increased by \$811,996,356, or 15.7%, from the prior year.
- Sales and use tax increased by \$536,089, or 4.9%.
- Other revenues increased by \$1,568,112 primarily due to a higher investment earnings rate during the year.
- General Government expenses increased by \$3,216,536 mainly due to an increase in administration expenses including severance pay and a pass through Rural Center grant. Other increases were related to an increase in capital outlay expenses for information technology improvements to expand and modernize the City's network, cyber security improvements, parking lot improvements at the Monroe Science Center lot, space needs in City Hall and Morgan-Windsor Alley improvements.
- Public Safety expenses increased by \$3,214,423 mainly due to increased personnel costs. Less vacancies and higher pay have resulted in an increased expense of nearly \$2.6 million. Other increases are related to increased expenses in operations for a new, larger law enforcement facility, increased costs of vehicle maintenance and increased capital outlay expenses.
- Economic and physical development expenses decreased by \$674,659 due to there being no further expenses related to the former component unit Monroe-Union County Economic Development Commission. In the prior year there was a transfer of capital to that newly formed entity of \$445,763. The other decrease in expense is related to approximately \$145,000 in expenses in the prior year for a Downtown Master Plan update that was completed.

Business-type activities – Business-type activities increased the City of Monroe's net position by \$40,763,012. Key elements of this net increase are as follows:

- Charges for Services increased year over year by \$1,440,726 primarily due to the net of the following items:
 - Water and Sewer sales were up by \$1,051,674. Capacity fees also increased by \$934,417.
 - Electric sales increased by \$2,672,016 due to an increase in demand.
 - Decreased natural gas sales in the amount of \$4,235,299 were primarily due to the increased cost of purchasing natural gas in fiscal year 2023 that is passed along to the customer.
 - Revenues at the Aquatics and Fitness Center increased by \$617,024 due to the continued return of customers after the pandemic and increased rates.
 - Solid Waste and Storm Water revenues have increased incrementally due to an increase in the number of customers served.
 - Revenues at the Charlotte-Monroe Executive Airport have decreased slightly from the prior year by \$133,465 but are remaining stronger than in several years prior.

- Operating expenses for Water & Sewer Fund decreased by \$5,733,193 due to reduced costs for capital outlay and a large amount of developer contributed infrastructure assets totaling \$16,468,634 this year compared to \$7,220,401 in the prior year. The value of these developer installed assets reduces operating expense of the Water and Sewer fund while increasing the asset value of the systems infrastructure.
- Operating expenses for Electric Fund increased by \$2,254,951 mainly due to increased personnel costs resulting from additional personnel and increased salaries.
- Operating expenses for Natural Gas Fund decreased by \$4,280,426 due to the net effect of increased power purchases related to the increased cost of natural gas in fiscal year 2023 and increased personnel and capital outlay costs in fiscal year 2024.

Financial Analysis of the City's Funds

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

Governmental Funds – The focus of the City of Monroe's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2024, the governmental funds of the City of Monroe reported a combined fund balance of \$60,750,373, which is an increase of \$1,605,301 from last year's total of \$59,145,072. Of the governmental funds combined ending fund balances, \$4,857,087 represents unassigned fund balance and is available for spending at the City's discretion. The remainder of fund balance is classified as follows:

- 1). Non-spendable to indicate that it is not available for spending, as it is not in spendable form (\$3,292,436);
- 2). Restricted to indicate that it is restricted to specific purposes as imposed by law (\$19,813,772);
- 3). Committed to indicate that it can only be used for a specific purpose as determined by a formal City Council action (\$10,407,831);
- 4). Assigned to indicate that it is intended to be used for a specific purpose (\$22,290,745).

More information about fund balance is available in section 1.E.12 and section VIII. in the notes to the financial statements.

The General Fund is the chief operating fund of the City of Monroe. As of June 30, 2024, the fund balance in the General Fund was \$47,557,815, an increase of \$4,976,952 in comparison with the prior year. Of the total fund balance in the General Fund, \$4,857,087 (10.2%) was unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.4% of total General Fund expenditures, while total fund balance represents 92.1% of that same amount. In addition to unassigned fund balance, \$15,839,191 is reserved by a minimum fund balance policy that has been adopted by City Council. Revenues exceeded expenditures prior to transfers and issuance of debt by \$4,835,154 due to revenue exceeding projections and savings in expenditures. Transfers of available fund balance were primarily for general capital projects, one-time capital purchases and airport debt retirement.

The General Capital Projects Fund has decreased by \$3,390,214. Funds were expended toward the completion of the Bobby G. Kilgore Law Enforcement Center, the Monroe Science Center Parking area, City computer network improvements to increase security and the Morgan-Windsor Alley improvements. Over \$17.4 million in construction costs were capitalized or transferred from construction in progress during the fiscal year related to the completion of these projects.

The Other Governmental Funds which consist of the Occupancy Tax Project Fund and a Governmental Capital Reserve Fund, special revenue funds for Community Development, Downtown Monroe, Occupancy Tax, the Police Asset Forfeiture Fund and the American Rescue Plan Act of 2021 also impact the total fund balance for governmental funds. The fund balance of \$1,280,634 is basically unchanged from last year's total of \$1,262,071.

Proprietary Funds – The City of Monroe's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The table below presents the unrestricted net position and the growth in total net position for all proprietary funds.

City of Monroe's Unrestricted Net Position
Figure 4

	Unrestricted Net Position		Change in Total Net Position	
	2024	2023	2024	2023
Water and Sewer	\$57,204,154	\$54,061,118	\$23,802,728	\$13,644,128
Electric	103,374,047	96,445,284	12,905,931	10,060,911
Natural Gas	40,016,309	38,159,291	4,920,269	3,819,746
Airport	(1,256,830)	(1,203,411)	591,688	(124,517)
Aquatics and Fitness Center	(1,273,939)	(899,150)	(2,305,119)	(382,985)
Stormwater	2,977,045	1,895,867	947,585	461,384
Solid Waste	243,360	494,051	(251,428)	(70,794)

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's major proprietary funds are water and sewer, electric, natural gas, and airport. Minor proprietary funds include Aquatics and Fitness Center, Stormwater and Solid Waste Funds.

The Water and Sewer Fund accounts for the provision of potable water and sanitary sewer service to City and non-City residents. All activities necessary for the provision of these services are accounted for in this fund, including, but not limited to administration, engineering, water distribution, sewer collection and treatment plants. As of June 30, 2024, the City of Monroe's Water and Sewer Fund reported a total net position of \$172,438,410, an increase of \$23,802,728 in comparison with the prior year. Overall operating income increased due to an increase in system development fee collections in the amount of \$934,418 and continued additions in developer installed infrastructure that reduced operating expenses in the current fiscal year. The City is experiencing significant growth which can be evidenced in receipts for system development fees and the addition of 647 water customers. A significant wastewater treatment plant expansion is anticipated to begin construction in fiscal year 2026. Design for this expansion has already begun. Annual, incremental rate increases of 3.5%, and growth of other revenues, have enabled the City to bank reserves to begin design and partially cash fund this and other projects.

The Electric Fund accounts for the provision of electric service to City and non-City residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to administration, plant and line maintenance. As of June 30, 2024, the City of Monroe's Electric Fund reported a total net position of \$184,878,781, an increase of \$12,905,931 in comparison with the prior year. Electric operating revenues increased by \$2,696,830 primarily due to increased demand and the addition of 586 new electric customers. Electric non-operating revenues increased by \$2,667,806 since last fiscal year. This increase can be attributed to an increase in investment earnings during the year with favorable rates of return on investments.

The Natural Gas Fund accounts for the provision of natural gas service to City and non-City residents. All activities necessary to the provision of these services are accounted for in this fund, including, but not limited to administration, plant and line maintenance. As of June 30, 2024, the City of Monroe's Natural Gas Fund reported total net position of \$82,741,455, an increase of \$4,920,269 in comparison with the prior year. Natural gas operating revenues were down by \$4,425,830, or 24.3%, from prior year which directly coincides with operating expenses that were down by \$4,453,713. The decrease is due to less natural gas usage and purchases in fiscal year 2024. Natural Gas non-operating revenues also increased significantly due to favorable rates of return on investments.

The Airport Fund accounts for the operation of the Charlotte-Monroe Executive Airport. As of June 30, 2024, the City of Monroe's Airport Fund reported a total net position of \$33,001,613, an increase of \$591,688 in comparison with the prior year. Fuel sales for the airport have decreased 20% or \$350,381 from the prior year.

General Fund Budgetary Highlights

During the fiscal year, the City of Monroe revised the budget on several occasions. Generally, budget amendments are either amendments made to adjust the estimates that are used to prepare the original budget ordinance once updated information is available or amendments made to recognize new funding amounts from external sources, such as federal and state grants.

Total amendments to the General Fund increased expenditures by \$8,545,716, or 15.7%. The key differences between the original budget and the final amended budget can be briefly summarized as follows:

- Funds were appropriated for prior year encumbrances in the amount of \$1,732,876 and unspent appropriations (various unspent donations, grants and incentives), \$419,640.
- Funding of \$231,658 was appropriated to cover site improvements for the construction of a storage hangar at the Charlotte-Monroe Executive Airport.
- Funding in the amount of \$750,000 was appropriated to continue to advance the Concord Avenue Area Master Plan.
- Market adjustments for police salaries were funded totaling \$441,110.
- Funds were appropriated for the purchase of new golf carts at Monroe Country Club in the amount of \$630,400
- Funding for \$255,700 was appropriated for a Regional Economic Development Grant that is to be utilized by the Fire Department for the purchase of various equipment and training grounds upgrades; for \$153,052 for a Community Development Block Grant for the purchase of a ventilation fan by the Fire Department; and for \$250,000 for a pass through grant from the North Carolina Rural Center for Hamilton Drywall Products.

Revenues exceeded final budget by \$4,338,737. This was primarily due to higher property tax revenue collections, higher building permit fee revenue collection and higher than anticipated investment earnings.

Expenditures were under budget by \$11,476,998. Expenses were down due to savings realized from vacant positions and turnover totaling approximately \$2,279,721, capital purchases \$4,807,128 and \$3,353,542 in other operating accounts. Expenditures were 81.8% of the final amended expenditure budget. \$4,270,170 was carried over to fiscal year 2025 for items that were not complete at fiscal year-end.

Capital Assets

The following is a summary of the City of Monroe's capital assets, net of depreciation for governmental and business-type activities for the current year with a comparison to the prior year. Additional information on the City of Monroe's capital assets can be found in Note III.A.6 on pages 62 - 68 of this report.

**City of Monroe's Capital Assets
(Net of Depreciation)**
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and land improvements	\$6,582,823	\$6,683,118	\$18,745,591	\$18,823,006	\$25,328,414	\$25,506,124
Buildings and improvements	55,973,618	35,138,362	53,940,839	57,058,501	109,914,457	92,196,863
Equipment	3,873,621	2,828,070	5,171,605	4,521,317	9,045,226	7,349,387
Vehicles and motorized equipment	5,540,454	4,418,891	3,404,800	2,433,546	8,945,254	6,852,437
Other intangibles	2,134,239	2,623,901	642,717	713,579	2,776,956	3,337,480
Infrastructure	35,890,220	37,165,265	251,857,947	226,987,652	287,748,167	264,152,917
Intangible right to use lease	58,304	42,228	7,586	25,971	65,890	68,199
Subscriptions	124,753	74,602	31,893	49,920	156,646	124,522
Construction in progress	746,910	18,865,382	10,577,123	9,963,795	11,324,033	28,829,177
Total	\$110,924,942	\$107,839,819	\$344,380,101	\$320,577,287	\$455,305,043	\$428,417,106

The City of Monroe's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$455,305,043 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, enterprise systems infrastructure, machinery and equipment, park facilities, and vehicles. The total increase in the City's investment in capital assets for the current fiscal year was \$26,887,937. Major capital asset events during the year included the following:

- Completion of the Bobby G. Kilgore Law Enforcement Center construction
- Completion of the Morgan-Windsor Alley improvements
- Completion of the Monroe Science Center parking lot
- Expansion and security improvements to the City computer network
- Developer installed water mains and sewer lines at Arborwood, Blue Sky Meadows, Braemer Village, Calico Ridge, Helms Pond, Medlin Forest, Secrest Commons, Secrest Landing, Stewarts Crossing, Waxhaw Landing and Windsor Windows
- Electric infrastructure improvements including installation of infrastructure to serve Secrest Commons, Willoughby Park, Arborwood, Cottage Green, Secrest Landing, Bridge to Recovery at Monroe and Blue Sky Meadows subdivisions
- Natural gas infrastructure improvements including system expansion to Calico Ridge, Cottages at Wingate, Cottage Green, Secrest Landing, Secrest Commons, Waxhaw Landing and Willoughby Park subdivisions

Construction in progress totaling \$11,324,033 has decreased from last year by \$17,505,144. The amount is the net of the completion of projects totaling \$32,058,054, retirements of \$675,813 and new projects that were added totaling \$15,228,723. Projects included in this amount are as follows:

- General – construction of the Bearskin Creek Greenway, Fire Station Number 6, and Concord Avenue Area redevelopment
- Water – Flow equalization basin, Stewart Creek pump station improvements, design of the new wastewater treatment facility and replacement of the Nelson Heights water tank
- Stormwater – storm drainage improvements and a new wash down facility
- Electric – line extensions to new subdivisions, AMI metering and work management systems and construction of a new Energy Service warehouse storage facility
- Natural Gas – AMI metering and work management systems and liquefied natural gas facility upgrades
- Airport – apron rehabilitation, runway 5-23 tree obstruction removal and fence

Debt Administration

The following is a summary of the City's long-term debt for governmental and business-type activity for the current year with a comparison to the prior year. Additional information on long-term debt can be found in note III.B.7 beginning on page 87 of this report.

City of Monroe's Outstanding Debt
Figure 6

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Install purchase obligations	\$6,050,063	\$5,197,707	\$629,937	\$727,741	\$6,680,000	\$5,925,448
Lease liabilities	34,843	41,503	7,287	20,691	42,130	62,194
Subscription liabilities	80,416	65,153	24,187	47,817	104,603	112,970
Revenue bonds	-	-	36,171,457	39,390,453	36,171,457	39,390,453
Limited Obligation Bonds	20,312,544	21,502,762	31,230,778	32,631,147	51,543,322	54,133,909
Total	\$26,477,866	\$26,807,125	\$68,063,646	\$72,817,849	\$94,541,512	\$99,624,974

As of June 30, 2024, the City of Monroe had total debt outstanding of \$94,541,512. The City's bonded debt, \$36,171,457 represents bonds secured by the combined revenues of the major business-type funds which include water and sewer, electric, natural gas, and airport. Limited Obligation Bonds totaling \$51,543,322 represent bonds that were issued for improvements to the natural gas system, the Dowd Center Theatre and Monroe Science Center. During the fiscal year, the City issued an installment purchase obligation in the amount of \$2,135,000 for the purchase of a fire truck and golf carts. The City's total debt, net of retirements, decreased \$5,083,462 during the fiscal year. The elements of the increase were debt retirements totaling \$7,401,408 and new installment purchase debt and subscription and lease liabilities issued for \$2,317,946.

The City of Monroe has an A1 bond rating from Moody's Investor Service and A+ rating from Standard & Poor's Rating Services for the Combined Enterprise Fund Revenue Bonds. The City also has an Aa3 rating from Moody's Investor Service and AA rating from Standard and Poor's Rating Services for the Limited Obligation Bonds. These ratings are indications of the sound financial condition and stable outlook of the City of Monroe.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to eight percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Monroe is \$423,026,940.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the City.

- The annual unemployment rate for City of Monroe is 3.7%, which is an increase of 0.4% from last year. This rate is the same as Union County's rate of 3.7% but lower than the state's average rate of 3.8%.
- The total tax levy increased 9.2% from fiscal year 2023 to fiscal year 2024, and the tax collection rate increased slightly from 99.18% in fiscal year 2023 to 99.38% in fiscal year 2024.
- Population increased slightly to 37,275 in 2024 from 35,894 in 2023.

Governmental Activities – The City maintained the same property tax rate of .5025 for fiscal year 2025. The economic conditions that form the foundation of the City's revenues for the upcoming year indicate some improvement in property tax, sales tax and other consumer-oriented revenues due to growth that our city is experiencing. Economic conditions have negatively affected the price of goods, materials, equipment and construction costs. The City is monitoring the increased costs and making adjustments as necessary to cover the shortfalls. City of Monroe's fiscal year 2025 operating budget (excluding capital projects) increased by approximately 5.1% with General and Governmental Funds increasing by 16.6% and business-type funds increasing by 0.6% over their current year budgets.

A major initiative in the General Fund in the new budget year was the formation of the Property Management Division. The budget included the addition of ten new positions that will provide new crews that specialize in HVAC maintenance, plumbing, electric and carpentry as well as provide a dedicated locksmith. In addition to Property Management, the fiscal year 2025 budget included funding for the addition of twenty-seven full time positions. New full-time positions include an Assistant City Manager, a Utility Billing Specialist and two Customer Service Clerks in the city's Customer Service Building to assist with the increase in utility customers, a Purchasing Assistant II, a Construction Inspector II, an Erosion Control-Construction Inspector II and two Code Enforcement Officers. Public Safety has budgeted for four additional Police Officers, three Fire Captains and three Firefighters all effective at January 1, 2025. The remaining positions are an Application Support Specialist, two Help Desk Technicians, reclassification of a part-time Recreation Coordinator to full-time, two Facilities Maintenance Workers II at the Golf Course and two Airport Line Service Technicians.

City employees continue to remain our single greatest asset. Included is funding for the City's merit program on a sliding scale based on performance of 0-2% and a 5% Cost of Living Adjustment. Also included is an increase to the City's retirement program as required by the state of 0.75% for general employees and 1.00% for law enforcement.

Maintaining existing facilities is a priority and the proposed FY 2025 budget continues to address many maintenance issues. The following upgrades are planned at the City's various recreation community centers:

- Winchester Community Center - Replacing bleachers, redesign of the sunroom, flooring, painting, repair push-bar alarm, window tint and replacing the bleachers.
- J Ray Shute Community Center – Replace flooring, window tint and gym floor
- Sutton Park Community Center – Replace flooring, window tint and gym floor
- Old Armory Community Center – Replace flooring and repair windows
- Dickerson Community Center – Replace gym floor

General up-fits and painting is planned at all of these facilities to modernize the facilities inside. The construction of outdoor Pickleball Courts, improvements at Pinedell Avenue Lake and renovation of the Pro Shop at the Golf Course is also planned.

Business-type Activities – Water and sewer rates were increased by 5% each to plan for the significant anticipated cost of future capital projects and necessary system improvements. Electric Rates were decreased 10% in order to offset the reduction in the cost of electric. Solid Waste fees were increased by \$3 per month to offset landfill increases and consumer price index increases in the contract for the hauler. Natural gas and stormwater rates remained the same.

With the extensive planning within our water, sewer, electric and natural gas services, Monroe stands alone in Union County to meet any and all residential and industrial development needs. The City has voluntarily annexed 2.27 square miles of land into the City limits over the past five years. Being ready and able to meet these needs puts Monroe in an excellent position to continue to grow our City.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director at the City of Monroe, 300 West Crowell Street, Monroe, North Carolina, 28112, visit the City's website at www.monroenc.org, or email accounting@monroenc.org for more information.

Basic Financial Statements

The Basic Financial Statements provide a summary overview of the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information at June 30, and the respective changes in financial position and cash flows, where appropriate for the year then ended.

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Fund Financial Statements
 - Proprietary Fund Financial Statements
- Notes to Financial Statements
- Required Supplementary Information

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	City of Monroe	Monroe Tourism Development Authority
				ABC Board	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 55,663,922	\$ 200,735,883	\$ 256,399,805	\$ 1,719,460	\$ 848,209
Taxes receivable	503,827	-	503,827	-	-
Accounts receivable	1,591,961	15,187,206	16,779,167	-	84,232
Leases receivable	-	131,201	131,201	-	-
Internal balances - short-term	(363,351)	363,351	-	-	-
Due from other governments	5,626,040	-	5,626,040	-	-
Due from component units	346,140	-	346,140	-	-
Inventories	479,531	13,529,348	14,008,879	321,664	33,329
Prepays	2,825,005	391,384	3,216,389	34,792	1,450
Cash and cash equivalents - restricted	5,930,890	6,000,425	11,931,315	-	-
Total current assets	72,603,965	236,338,798	308,942,763	2,075,916	967,220
Non-current assets:					
Restricted cash - customer deposits	-	679,068	679,068	-	-
Leases receivable, net of current portion	-	730,101	730,101	-	-
Note receivable	400,000	-	400,000	-	-
Total non-current assets	400,000	1,409,169	1,809,169	-	-
Internal balances - long term	(477,340)	477,340	-	-	-
Capital assets:					
Land, non-depreciable improvements, and construction in progress	7,329,733	29,322,714	36,652,447	317,013	-
Other capital assets, net of depreciation	103,595,209	315,057,387	418,652,596	653,433	-
Total capital assets	110,924,942	344,380,101	455,305,043	970,446	-
Total non-current assets	110,847,602	346,266,610	457,114,212	970,446	-
Total assets	183,451,567	582,605,408	766,056,975	3,046,362	967,220
Deferred Outflows of Resources:					
OPEB deferrals	8,641,127	3,831,631	12,472,758	-	-
Pension deferrals	12,535,214	4,832,548	17,367,762	156,138	-
Charge on debt defeasance	-	3,002,146	3,002,146	-	-
Total deferred outflows of resources	21,176,341	11,666,325	32,842,666	156,138	-
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	3,885,060	8,798,974	12,684,034	852,191	15,206
Due to primary government	-	-	-	-	26,571
Current portion of long-term liabilities	5,034,205	5,918,868	10,953,073	-	15,174
Unearned revenue	2,002	84,498	86,500	-	-
Payable from restricted assets	39,844	-	39,844	-	-
Advance from grantor	1,625,000	6,000,000	7,625,000	-	-
Property claims liability	1,760	-	1,760	-	-
Workers' compensation claims	19,440	-	19,440	-	-
Total pension liability (LEOSSA)	350,544	-	350,544	-	-
Total OPEB liability	818,451	362,916	1,181,367	-	-
Healthcare benefits claims	582,903	-	582,903	-	-
Total current liabilities	12,359,209	21,165,256	33,524,465	852,191	56,951

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	City of Monroe	Monroe Tourism Development Authority
				ABC Board	
Non-current liabilities:					
Payable from restricted assets	-	679,068	679,068	-	-
Net pension liability	17,606,517	7,799,711	25,406,228	241,875	-
Total pension liability (LEOSSA)	5,041,711	-	5,041,711	-	-
Total OPEB liability	34,686,666	15,380,698	50,067,364	-	-
Due in more than one year	25,300,126	63,673,072	88,973,198	-	-
Total non-current liabilities	82,635,020	87,532,549	170,167,569	241,875	-
Total liabilities	94,994,229	108,697,805	203,692,034	1,094,066	56,951
Deferred Inflows of Resources:					
OPEB deferrals	8,556,973	3,794,315	12,351,288	-	-
Pension deferrals	744,077	33,090	777,167	14,977	-
Leases	-	852,049	852,049	-	-
Other deferred inflows	27,055	-	27,055	-	-
Total deferred inflows of resources	9,328,105	4,679,454	14,007,559	14,977	-
Net Position:					
Net investment in capital assets	84,454,140	279,319,024	363,773,164	970,446	-
Restricted for:					
Stabilization by state statute	12,017,101	-	12,017,101	-	97,843
Public safety	2,939,521	-	2,939,521	-	-
Transportation	4,258,982	-	4,258,982	-	-
Culture and recreation	468,279	-	468,279	-	-
Occupancy tax capital projects	122,825	-	122,825	-	-
Economic development	-	-	-	216,711	-
Tourism promotion	-	-	-	-	777,647
Unrestricted	(3,955,274)	201,575,450	197,620,176	906,300	34,779
Total net position	\$ 100,305,574	\$ 480,894,474	\$ 581,200,048	\$ 2,093,457	\$ 910,269

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General government	\$ 13,390,195	\$ 5,489,128	\$ 12,143	\$ -	-
Transportation	6,956,177	601,936	1,170,095		-
Public safety	36,735,398	8,004,233	962,731		-
Culture and recreation	7,455,953	3,047,178	24,657	49,951	
Economic and physical development	434,748	-	55,553		-
Interest on long-term debt	773,403	-	-		-
Total governmental activities	<u>65,745,874</u>	<u>17,142,475</u>	<u>2,225,179</u>		<u>49,951</u>
Business-Type Activities:					
Water and sewer	7,290,619	28,146,146	-	400,000	
Electric	56,073,225	64,842,018	-		-
Natural gas	14,836,486	18,227,613	-		-
Aquatics and Fitness Center	4,788,600	4,288,432	-		-
Stormwater	2,588,804	2,996,758	-		-
Solid waste	3,587,445	3,321,770	-		-
Airport	4,151,987	2,693,084	1,344	604,953	
Total business-type activities	<u>93,317,166</u>	<u>124,515,821</u>	<u>1,344</u>		<u>1,004,953</u>
Total primary government	<u>\$ 159,063,040</u>	<u>\$ 141,658,296</u>	<u>\$ 2,226,523</u>		<u>\$ 1,054,904</u>
Component Units:					
ABC Board	\$ 7,336,317	\$ 7,335,215	\$ -	\$ -	-
Tourism Development Authority	<u>1,081,646</u>	<u>-</u>	<u>1,046,561</u>		<u>-</u>
Total component units	<u>\$ 8,417,963</u>	<u>\$ 7,335,215</u>	<u>\$ 1,046,561</u>		<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	City of Monroe ABC Board	Monroe-Union County Economic Development Commission	Monroe Tourism Development Authority
Primary Government:						
Governmental Activities:						
General government	\$ (7,888,924)	\$ -	\$ (7,888,924)			
Transportation	(5,184,146)	-	(5,184,146)			
Public safety	(27,768,434)	-	(27,768,434)			
Culture and recreation	(4,334,167)	-	(4,334,167)			
Economic and physical development	(379,195)	-	(379,195)			
Interest on long-term debt	(773,403)	-	(773,403)			
Total governmental activities	(46,328,269)	-	(46,328,269)			
Business-Type Activities:						
Water and sewer	-	21,255,527	21,255,527			
Electric	-	8,768,793	8,768,793			
Natural gas	-	3,391,127	3,391,127			
Aquatics and Fitness Center	-	(500,168)	(500,168)			
Stormwater	-	407,954	407,954			
Solid waste	-	(265,675)	(265,675)			
Airport	-	(852,606)	(852,606)			
Total business-type activities	-	32,204,952	32,204,952			
Total primary government	(46,328,269)	32,204,952	(14,123,317)			
Component Units:						
ABC Board	\$ (1,102)	\$ -	\$ -	\$ -	\$ -	\$ -
Tourism Development Authority	-	-	-	-	-	(35,085)
Total component units	(1,102)	-	-	-	-	(35,085)
General Revenues:						
Taxes:						
Property taxes, levied for general purpose	28,583,088	-	28,583,088	-	-	-
Sales and use tax	11,380,354	-	11,380,354	-	-	-
Utility sales taxes	3,398,666	-	3,398,666	-	-	-
Motor vehicle tax	933,425	-	933,425	-	-	-
Beer & wine and telecommunications taxes	343,862	-	343,862	-	-	-
Gross receipts tax	174,572	-	174,572	-	-	-
Unrestricted investment earnings (loss)	2,577,265	7,840,579	10,417,844	1	-	19,432
Interest earnings on interfund loans	-	35,982	35,982	-	-	-
Miscellaneous	967,223	1,191,952	2,159,175	1,201	-	2,600
Total general revenues	48,358,455	9,068,513	57,426,968	1,202	-	22,032
Transfers	510,453	(510,453)	-	-	-	-
Total general revenues and transfers	48,868,908	8,558,060	57,426,968	1,202	-	22,032
Change in net position	2,540,639	40,763,012	43,303,651	100	-	(13,053)
Net Position:						
Beginning of year, July 1	97,764,935	440,131,462	537,896,397	2,093,357	372,517	923,322
Change to reporting entity (discontinued CU)	-	-	-	-	(372,517)	-
Beginning of year- July 1, as adjusted or restated	97,764,935	440,131,462	537,896,397	2,093,357	-	923,322
End of year, June 30	\$ 100,305,574	\$ 480,894,474	\$ 581,200,048	\$ 2,093,457	\$ -	\$ 910,269

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 38,428,171	\$ 11,679,368	\$ 1,287,765	\$ 51,395,304
Receivables:				
Taxes	502,848	-	979	503,827
Accounts	550,113	7,451	-	557,564
Due from other governments	5,625,821	-	219	5,626,040
Due from component unit	319,569	-	26,571	346,140
Inventories	479,531	-	-	479,531
Prepays	2,812,905	-	-	2,812,905
Cash and cash equivalents - restricted	4,284,469	251,252	1,375,000	5,910,721
Total assets	<u>\$ 53,003,427</u>	<u>\$ 11,938,071</u>	<u>\$ 2,690,534</u>	<u>\$ 67,632,032</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,824,992	\$ 26,147	\$ 33,921	\$ 3,885,060
Accounts payable to be paid from restricted assets	19,675	-	-	19,675
Advance from grantor	250,000	-	1,375,000	1,625,000
Prepaid privilege license	2,002	-	-	2,002
Advances from other funds - current portion	72,047	-	-	72,047
Advances from other funds - long-term	477,340	-	-	477,340
Total liabilities	<u>\$ 4,646,056</u>	<u>26,147</u>	<u>1,408,921</u>	<u>6,081,124</u>
Deferred Inflows of Resources	<u>799,556</u>	<u>-</u>	<u>979</u>	<u>800,535</u>
Fund Balances:				
Non-spendable:				
Inventories	479,531	-	-	479,531
Prepays	2,812,905	-	-	2,812,905
Restricted:				
Stabilization by state statute	10,496,020	1,483,314	37,767	12,017,101
Public safety	2,600,147	-	345,186	2,945,333
Transportation	4,008,982	250,000	-	4,258,982
Culture and recreation	468,279	-	-	468,279
Occupancy tax capital projects	-	-	122,825	122,825
Capital projects	-	1,252	-	1,252
Committed:				
Public safety	-	-	88,502	88,502
Culture and recreation	-	-	230,473	230,473
Capital projects	-	10,177,358	-	10,177,358
Assigned:				
Minimum fund balance requirement	15,839,191	-	-	15,839,191
Airport grant acceptance	152,892	-	-	152,892
Downtown projects	1,369,993	-	-	1,369,993
Subsequent year's expenditures	4,472,788	-	-	4,472,788
Community Development	-	-	56,562	56,562
Downtown Monroe	-	-	78,300	78,300
Occupancy tax	-	-	321,019	321,019
Unassigned	4,857,087	-	-	4,857,087
Total fund balances	<u>\$ 47,557,815</u>	<u>11,911,924</u>	<u>\$ 1,280,634</u>	<u>\$ 60,750,373</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,003,427</u>	<u>\$ 11,938,071</u>	<u>\$ 2,690,534</u>	<u>\$ 67,632,032</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	Total Governmental Funds
Amounts reported for governmental activities in the Statements of Net Position are different because:	
Fund balances - total governmental funds (Exhibit 3)	\$ 60,750,373
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Gross capital assets at historical cost	\$ 210,910,697
Accumulated depreciation	<u>(99,985,755)</u> 110,924,942
Total pension liability (LEOSSA)	(5,392,255)
Note receivable from outside party	400,000
Net pension liability - LGERS	(17,606,517)
Deferred outflows of resources related to OPEB are not reported in the funds.	8,641,127
Deferred outflows of resources related to pensions are not reported in the funds.	12,535,214
Deferred inflows of resources related to OPEB are not reported in the funds.	(8,556,973)
Deferred inflows of resources related to pensions are not reported in the funds.	(744,077)
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The current assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	2,504,653
Internal service funds are used by management to charge the costs of workers' compensation to individual funds. The current assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	832,370
Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The current assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	1,373,989
Internal balance due from business-type activities to governmental activities	(291,304)
Liabilities for earned, but unavailable, revenues in fund statements	773,480
Total OPEB liability	(35,505,117)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds (Note II.A.).	<u>(30,334,331)</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 100,305,574</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Ad valorem taxes	\$ 28,516,906	\$ -	\$ 69,260	\$ 28,586,166
Other taxes and licenses	1,110,159	-	276,570	1,386,729
Unrestricted intergovernmental	15,466,451	-	-	15,466,451
Restricted intergovernmental	2,141,038	49,951	87,057	2,278,046
Sales and services	6,621,434	-	-	6,621,434
Investment earnings	2,376,815	-	107,371	2,484,186
Miscellaneous	236,250	3,058	113,450	352,758
Total revenues	56,469,053	53,009	653,708	57,175,770
Expenditures:				
Current:				
General government	7,981,595	-	-	7,981,595
Transportation	4,862,315	-	-	4,862,315
Public safety	29,203,708	-	163,407	29,367,115
Culture and recreation	6,430,047	-	-	6,430,047
Economic and physical development	-	-	403,246	403,246
Capital outlay	-	4,212,862	-	4,212,862
Debt service:				
Principal retirement	2,349,582	-	137,298	2,486,880
Interest and other charges	806,652	-	121,969	928,621
Total expenditures	51,633,899	4,212,862	825,920	56,672,681
Revenues over (under) expenditures	4,835,154	(4,159,853)	(172,212)	503,089
Other Financing Sources (Uses):				
Transfers from other funds	799,849	1,323,232	260,775	2,383,856
Transfers to other funds	(2,945,217)	(553,593)	(70,000)	(3,568,810)
Lease liability issued	61,938	-	-	61,938
Subscriptions issued	90,228	-	-	90,228
Installment purchase obligations issued	2,135,000	-	-	2,135,000
Total other financing sources (uses)	141,798	769,639	190,775	1,102,212
Net change in fund balances	4,976,952	(3,390,214)	18,563	1,605,301
Fund Balances:				
Beginning of year, July 1	42,580,863	15,302,138	1,262,071	59,145,072
End of year, June 30	\$ 47,557,815	\$ 11,911,924	\$ 1,280,634	\$ 60,750,373

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net change in fund balances - total governmental funds (Exhibit 5) \$ 1,605,301

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
depreciation exceeded capital outlays in the current period (Note II.B.). 3,085,123

Revenues in the Statement of Activities that do not provide current financial
resources are not reported as revenues in the funds.

Change in other deferred inflows (27,405)

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 has any effect on
net position in the government-wide statements. 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 (Note II.B.). 329,260

Some expenses 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.

Pension expense - LGERS	(1,789,257)
Pension expense - LEOSSA	(142,854)
Compensated absences	(212,125)
OPEB plan expense	<u>(657,230)</u> (2,801,466)

The Internal Service Fund, determined to be governmental fund type, is used
by management to charge the costs, net of investment earnings. 349,826

Change in net position of governmental activities (Exhibit 2) \$ 2,540,639

The notes to the financial statements are an integral part of this statement.



CITY OF MONROE, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance Over/Under
	Original	Final	Actual	
Revenues:				
Ad valorem taxes	\$ 27,163,835	\$ 27,163,835	\$ 28,516,906	\$ 1,353,071
Other taxes and licenses	1,029,617	1,029,617	1,110,159	80,542
Unrestricted intergovernmental	14,924,814	14,924,814	15,466,451	541,637
Restricted intergovernmental	1,643,375	2,464,682	2,141,038	(323,644)
Sales and services	4,362,714	5,799,114	6,621,434	822,320
Investment earnings	440,185	440,185	2,376,815	1,936,630
Miscellaneous	298,889	308,069	236,250	(71,819)
Total revenues	<u>49,863,429</u>	<u>52,130,316</u>	<u>56,469,053</u>	<u>4,338,737</u>
Expenditures:				
Current:				
General government	9,704,870	10,907,242	7,981,595	2,925,647
Transportation	5,072,745	7,149,155	4,862,315	2,286,840
Public safety	30,334,523	34,561,655	29,203,708	5,357,947
Culture and recreation	6,372,604	7,294,019	6,430,047	863,972
Debt service:				
Principal retirement	2,278,743	2,392,108	2,349,582	42,526
Interest and other charges	801,696	806,718	806,652	66
Total expenditures	<u>54,565,181</u>	<u>63,110,897</u>	<u>51,633,899</u>	<u>11,476,998</u>
Revenues over (under) expenditures	<u>(4,701,752)</u>	<u>(10,980,581)</u>	<u>4,835,154</u>	<u>15,815,735</u>
Other Financing Sources (Uses):				
Transfers from other funds	624,000	797,650	799,849	2,199
Transfers to other funds	(1,756,648)	(2,976,967)	(2,945,217)	31,750
Lease liability issued	-	61,938	61,938	-
Subscriptions issued	-	97,430	90,228	(7,202)
Installment purchase obligations issued	1,670,000	2,135,000	2,135,000	-
Total other financing sources (uses)	<u>537,352</u>	<u>115,051</u>	<u>141,798</u>	<u>26,747</u>
Appropriated fund balance	<u>4,164,400</u>	<u>10,865,530</u>	<u>-</u>	<u>(10,865,530)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,976,952</u>	<u>\$ 4,976,952</u>
Fund Balance:				
Beginning of year, July 1				<u>42,580,863</u>
End of year, June 30				<u>\$ 47,557,815</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Major Enterprise Funds			
	Water and Sewer	Electric	Natural Gas	Airport
Assets:				
Current assets:				
Cash and cash equivalents	\$ 62,608,950	\$ 89,810,458	\$ 41,408,665	\$ 866,318
Accounts receivable	3,034,696	9,661,717	981,837	686,346
Leases receivable	-	-	-	131,201
Advance to other funds	-	115,112	-	-
Prepaid expenses	76,269	297,848	5,331	1,620
Inventories	1,045,189	11,787,702	676,005	12,587
Cash and cash equivalents, restricted	-	-	-	6,000,425
Total current assets	<u>66,765,104</u>	<u>111,672,837</u>	<u>43,071,838</u>	<u>7,698,497</u>
Non-current assets:				
Restricted assets:				
Restricted cash - Customer deposits	96,633	418,166	164,269	-
Leases receivable, net of current portion	-	-	-	730,101
Advance to other funds	-	1,039,924	-	-
Capital assets:				
Land and other non-depreciable assets	10,596,239	5,069,505	1,959,273	10,546,539
Other capital assets, net of depreciation	122,179,821	87,509,188	71,561,969	29,177,513
Capital assets (net)	<u>132,776,060</u>	<u>92,578,693</u>	<u>73,521,242</u>	<u>39,724,052</u>
Total non-current assets	<u>132,872,693</u>	<u>94,036,783</u>	<u>73,685,511</u>	<u>40,454,153</u>
Total assets	<u>199,637,797</u>	<u>205,709,620</u>	<u>116,757,349</u>	<u>48,152,650</u>
Deferred Outflows of Resources:				
OPEB deferrals	1,611,480	703,464	356,721	298,099
Pension deferrals	2,030,614	881,506	456,495	377,788
Charge on debt defeasance	108,634	456,857	2,436,655	-
Total deferred outflows of resources	<u>3,750,728</u>	<u>2,041,827</u>	<u>3,249,871</u>	<u>675,887</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	1,208,709	5,377,784	1,059,919	713,058
Advance from grantor	-	-	-	6,000,000
Unearned revenue	-	-	-	-
Compensated absences	325,557	355,149	167,473	38,696
Advance from other funds	-	-	-	43,065
Installment purchase obligations	27,223	24,084	16,192	7,213
Lease liabilities	-	2,332	-	-
Subscription liability	-	-	-	-
Total other post-employment benefits liability	152,633	66,629	33,787	28,235
Revenue bonds payable	1,111,310	1,084,432	181,186	926,069
Limited obligation bonds payable	-	-	1,465,369	-
Total current liabilities	<u>2,825,432</u>	<u>6,910,410</u>	<u>2,923,926</u>	<u>7,756,336</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Nonmajor Enterprise Funds	Total	Governmental Activities
			Internal Service Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 6,041,492	\$ 200,735,883	\$ 4,268,618
Accounts receivable	822,610	15,187,206	1,034,397
Leases receivable	-	131,201	-
Advance to other funds	-	115,112	-
Prepaid expenses	10,316	391,384	12,100
Inventories	7,865	13,529,348	-
Cash and cash equivalents, restricted	-	6,000,425	-
Total current assets	6,882,283	236,090,559	5,315,115
Non-current assets:			
Restricted assets:			
Restricted cash - Customer deposits	-	679,068	20,169
Leases receivable, net of current portion	-	730,101	-
Advance to other funds	-	1,039,924	-
Capital assets:			
Land and other non-depreciable assets	1,151,158	29,322,714	-
Other capital assets, net of depreciation	4,628,896	315,057,387	-
Capital assets (net)	5,780,054	344,380,101	-
Total non-current assets	5,780,054	346,829,194	20,169
Total assets	12,662,337	582,919,753	5,335,284
Deferred Outflows of Resources:			
OPEB deferrals	861,867	3,831,631	-
Pension deferrals	1,086,145	4,832,548	-
Charge on debt defeasance	-	3,002,146	-
Total deferred outflows of resources	1,948,012	11,666,325	-
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	439,504	8,798,974	604,103
Advance from grantor	-	6,000,000	-
Unearned revenue	84,498	84,498	-
Compensated absences	137,081	1,023,956	-
Advance from other funds	-	43,065	-
Installment purchase obligations	25,315	100,027	-
Lease liabilities	-	2,332	-
Subscription liability	24,187	24,187	-
Total other post-employment benefits liability	81,632	362,916	-
Revenue bonds payable	-	3,302,997	-
Limited obligation bonds payable	-	1,465,369	-
Total current liabilities	792,217	21,208,321	604,103

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Major Enterprise Funds			
	Water and Sewer	Electric	Natural Gas	Airport
Non-current liabilities:				
Liabilities payable from restricted assets:				
Customer deposits	96,633	418,166	164,269	-
Net pension liability	3,277,403	1,422,751	736,781	609,748
Compensated absences	160,349	174,924	82,487	19,059
Advance from other funds	-	-	-	562,584
Installment purchase obligations	144,222	127,590	85,780	38,213
Revenue bonds payable - net unamortized premium	16,367,683	10,287,423	1,718,815	4,494,539
Limited obligation bonds payable - net unamortized premium	-	-	29,765,409	-
Lease liabilities	-	4,955	-	-
Total other post-employment benefits liability	6,468,704	2,823,800	1,431,926	1,196,613
Total non-current liabilities	<u>26,514,994</u>	<u>15,259,609</u>	<u>33,985,467</u>	<u>6,920,756</u>
Total liabilities	<u>29,340,426</u>	<u>22,170,019</u>	<u>36,909,393</u>	<u>14,677,092</u>
Deferred Inflows of Resources:				
OPEB deferrals	1,595,786	696,612	353,247	295,195
Leases	-	-	-	852,049
Pension deferrals	13,903	6,035	3,125	2,588
Total deferred inflows of resources	<u>1,609,689</u>	<u>702,647</u>	<u>356,372</u>	<u>1,149,832</u>
Net Position:				
Net investment in capital assets	115,234,256	81,504,734	42,725,146	34,258,443
Unrestricted	<u>57,204,154</u>	<u>103,374,047</u>	<u>40,016,309</u>	<u>(1,256,830)</u>
Total net position	<u><u>\$ 172,438,410</u></u>	<u><u>\$ 184,878,781</u></u>	<u><u>\$ 82,741,455</u></u>	<u><u>\$ 33,001,613</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
Non-current liabilities:			
Liabilities payable from restricted assets:			
Customer deposits	-	679,068	20,169
Net pension liability	1,753,028	7,799,711	-
Compensated absences	67,517	504,336	-
Advance from other funds	-	562,584	-
Installment purchase obligations	134,107	529,912	-
Revenue bonds payable - net unamortized premium	-	32,868,460	-
Limited obligation bonds payable - net unamortized premium	-	29,765,409	-
Lease liabilities	-	4,955	-
Total other post-employment benefits liability	3,459,655	15,380,698	-
Total non-current liabilities	5,414,307	88,095,133	20,169
Total liabilities	6,206,524	109,303,454	624,272
Deferred Inflows of Resources:			
OPEB deferrals	853,475	3,794,315	-
Leases	-	852,049	-
Pension deferrals	7,439	33,090	-
Total deferred inflows of resources	860,914	4,679,454	-
Net Position:			
Net investment in capital assets	5,596,445	279,319,024	-
Unrestricted	1,946,466	201,284,146	4,711,012
Total net position	\$ 7,542,911	480,603,170	\$ 4,711,012
Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds		291,304	
Net position of business-type activities		\$ 480,894,474	

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Enterprise Funds			
	Water and Sewer	Electric	Natural Gas	Airport
Operating Revenues:				
Charges for services	\$ 22,012,725	\$ 64,403,153	\$ 18,207,828	\$ 2,268,569
Interfund charges and employee contributions	-	-	-	-
Capacity fees	5,204,080	-	-	-
Other operating revenues	791,216	405,003	2,895	283,871
Total operating revenues	<u>28,008,021</u>	<u>64,808,156</u>	<u>18,210,723</u>	<u>2,552,440</u>
Operating Expenses:				
Distribution systems	-	9,834,002	5,731,636	-
Water filter plant	1,383,474	-	-	-
Waste treatment plant	1,012,955	-	-	-
Electric power purchases	-	43,044,325	-	-
Natural gas purchases	-	-	5,673,700	-
Aquatics and Fitness Center operations	-	-	-	-
Airport operations	-	-	-	2,914,666
Stormwater operations	-	-	-	-
Solid waste operations	-	-	-	-
Solid waste maintenance	-	-	-	-
Operating expenses	-	-	-	-
Workers' compensation claims and premiums	-	-	-	-
Health benefit claims and premiums	-	-	-	-
Property and liability claims and premiums	-	-	-	-
Depreciation and amortization	<u>4,262,381</u>	<u>2,477,095</u>	<u>1,881,933</u>	<u>1,091,707</u>
Total operating expenses	<u>6,658,810</u>	<u>55,355,422</u>	<u>13,287,269</u>	<u>4,006,373</u>
Operating income (loss)	<u>21,349,211</u>	<u>9,452,734</u>	<u>4,923,454</u>	<u>(1,453,933)</u>
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of capital assets	68,769	(224,988)	(225,883)	-
Other non-operating revenues (expenses)	6,548	1,008,905	176,499	1,344
Investment earnings	2,452,282	3,587,220	1,555,458	23,842
Interest income interfund loans	-	35,982	-	-
Lease revenue	-	-	-	134,822
Interest and other charges	<u>(631,809)</u>	<u>(492,815)</u>	<u>(1,323,334)</u>	<u>(145,614)</u>
Total non-operating revenues (expenses)	<u>1,895,790</u>	<u>3,914,304</u>	<u>182,740</u>	<u>14,394</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Nonmajor Enterprise Funds	Total	Governmental Activities
			Internal Service Funds
Operating Revenues:			
Charges for services	\$ 10,260,276	\$ 117,152,551	\$ -
Interfund charges and employee contributions	-	-	12,604,422
Capacity fees	-	5,204,080	-
Other operating revenues	321,205	1,804,190	2,524,932
Total operating revenues	<u>10,581,481</u>	<u>124,160,821</u>	<u>15,129,354</u>
Operating Expenses:			
Distribution systems	-	15,565,638	-
Water filter plant	-	1,383,474	-
Waste treatment plant	-	1,012,955	-
Electric power purchases	-	43,044,325	-
Natural gas purchases	-	5,673,700	-
Aquatics and Fitness Center operations	4,431,458	4,431,458	-
Airport operations	-	2,914,666	-
Stormwater operations	2,416,190	2,416,190	-
Solid waste operations	3,578,577	3,578,577	-
Solid waste maintenance	-	-	-
Operating expenses	-	-	744,781
Workers' compensation claims and premiums	-	-	647,044
Health benefit claims and premiums	-	-	12,445,652
Property and liability claims and premiums	-	-	924,044
Depreciation and amortization	533,088	10,246,204	-
Total operating expenses	<u>10,959,313</u>	<u>90,267,187</u>	<u>14,761,521</u>
Operating income (loss)	(377,832)	33,893,634	367,833
Non-Operating Revenues (Expenses):			
Gain (loss) on sale of capital assets	51	(382,051)	-
Other non-operating revenues (expenses)	-	1,193,296	-
Investment earnings	221,777	7,840,579	133,351
Interest income interfund loans	-	35,982	-
Lease revenue	-	134,822	-
Interest and other charges	(5,536)	(2,599,108)	-
Total non-operating revenues (expenses)	<u>216,292</u>	<u>6,223,520</u>	<u>133,351</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Enterprise Funds			
	Water and Sewer	Electric	Natural Gas	Airport
Income (loss) before capital contributions and transfers	23,245,001	13,367,038	5,106,194	(1,439,539)
Capital grants and contributions	400,000	-	-	604,953
Transfers from other funds	178,561	-	-	1,472,876
Transfers to other funds	(20,834)	(461,107)	(185,925)	(46,602)
Total transfers (to) from other funds	157,727	(461,107)	(185,925)	1,426,274
Change in net position	23,802,728	12,905,931	4,920,269	591,688
Net Position:				
Beginning of year, July 1	<u>148,635,682</u>	<u>171,972,850</u>	<u>77,821,186</u>	<u>32,409,925</u>
End of year, June 30	<u>\$ 172,438,410</u>	<u>\$ 184,878,781</u>	<u>\$ 82,741,455</u>	<u>\$ 33,001,613</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Nonmajor Enterprise Funds	Total	Governmental Activities
			Internal Service Funds
Income (loss) before capital contributions and transfers	(161,540)	40,117,154	501,184
Capital grants and contributions	-	1,004,953	-
Transfers from other funds	426,545	2,077,982	-
Transfers to other funds	(1,873,967)	(2,588,435)	-
Total transfers (to) from other funds	(1,447,422)	(510,453)	-
Change in net position	(1,608,962)	40,611,654	501,184
Net Position:			
Beginning of year, July 1	9,151,873		4,209,828
End of year, June 30	<u>\$ 7,542,911</u>		<u>\$ 4,711,012</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds change		151,358	
Change in net position of business-type activities		<u>\$ 40,763,012</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Enterprise Funds			
	Water and Sewer	Electric	Natural Gas	Airport
Cash Flows from Operating Activities:				
Cash received from customers	\$ 27,283,740	\$ 64,874,553	\$ 18,431,124	\$ 2,036,587
Cash paid for goods and services	(626,739)	(49,265,198)	(8,843,737)	(1,340,260)
Cash paid to or on behalf of employees for services	(1,064,473)	(6,075,923)	(2,337,944)	(804,586)
Other operating revenues	-	-	-	-
Net cash provided (used) by operating activities	<u>25,592,528</u>	<u>9,533,432</u>	<u>7,249,443</u>	<u>(108,259)</u>
Cash Flows from Non-Capital Financing Activities:				
Advances from other funds	-	111,932	-	-
Advances to other funds	-	-	-	(41,875)
Transfers from other funds	-	-	-	1,472,876
Transfers to other funds	(20,834)	(461,107)	(185,925)	(46,602)
Net cash provided (used) by non-capital financing activities	<u>(20,834)</u>	<u>(349,175)</u>	<u>(185,925)</u>	<u>1,384,399</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sale of capital assets	83,685	-	-	-
Advance from grantor	-	-	-	6,000,000
Acquisition and construction of capital assets	(23,731,522)	(7,776,188)	(3,753,788)	(823,825)
Capital contributions	400,000	-	-	604,953
Principal paid on bond maturities and equipment obligations	(1,028,392)	(904,229)	(1,417,361)	(913,536)
Interest paid on bond maturities and equipment obligations	(631,809)	(492,815)	(1,323,334)	(145,614)
Net cash provided (used) by capital and related financing activities	<u>(24,908,038)</u>	<u>(9,173,232)</u>	<u>(6,494,483)</u>	<u>4,721,978</u>
Cash Flows from Investing Activities:				
Earnings on investments	<u>2,452,282</u>	<u>3,623,202</u>	<u>1,555,458</u>	<u>23,842</u>
Net cash provided (used) by investing activities	<u>2,452,282</u>	<u>3,623,202</u>	<u>1,555,458</u>	<u>23,842</u>
Net increase (decrease) in cash and cash equivalents	3,115,938	3,634,227	2,124,493	6,021,960
Cash and Cash Equivalents:				
Beginning of year, July 1	<u>59,589,645</u>	<u>86,594,397</u>	<u>39,448,441</u>	<u>844,783</u>
End of year, June 30	<u>\$ 62,705,583</u>	<u>\$ 90,228,624</u>	<u>\$ 41,572,934</u>	<u>\$ 6,866,743</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Nonmajor Enterprise Funds	Total	Governmental Activities
			Internal Service Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 10,508,390	\$ 123,134,394	\$ 12,362,959
Cash paid for goods and services	(6,522,269)	(66,598,203)	(14,577,524)
Cash paid to or on behalf of employees for services	(3,560,330)	(13,843,256)	-
Other operating revenues	-	-	2,524,932
Net cash provided (used) by operating activities	<u>425,791</u>	<u>42,692,935</u>	<u>310,367</u>
Cash Flows from Non-Capital Financing Activities:			
Advances from other funds	-	111,932	-
Advances to other funds	-	(41,875)	-
Transfers from other funds	426,545	1,899,421	-
Transfers to other funds	-	(714,468)	-
Net cash provided (used) by non-capital financing activities	<u>426,545</u>	<u>1,255,010</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sale of capital assets	-	83,685	-
Advance from grantor	-	6,000,000	-
Acquisition and construction of capital assets	(337,592)	(36,422,915)	-
Capital contributions	-	1,004,953	-
Principal paid on bond maturities and equipment obligations	(54,423)	(4,317,941)	-
Interest paid on bond maturities and equipment obligations	(5,536)	(2,599,108)	-
Net cash provided (used) by capital and related financing activities	<u>(397,551)</u>	<u>(36,251,326)</u>	<u>-</u>
Cash Flows from Investing Activities:			
Earnings on investments	<u>221,777</u>	<u>7,876,561</u>	<u>133,351</u>
Net cash provided (used) by investing activities	<u>221,777</u>	<u>7,876,561</u>	<u>133,351</u>
Net increase (decrease) in cash and cash equivalents	676,562	15,573,180	443,718
Cash and Cash Equivalents:			
Beginning of year, July 1	<u>5,364,930</u>	<u>191,842,196</u>	<u>3,845,069</u>
End of year, June 30	<u>\$ 6,041,492</u>	<u>\$ 207,415,376</u>	<u>\$ 4,288,787</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Enterprise Funds			
	Water and Sewer	Electric	Natural Gas	Airport
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	<u>\$ 21,349,211</u>	<u>\$ 9,452,734</u>	<u>\$ 4,923,454</u>	<u>\$ (1,453,933)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	4,262,381	2,477,095	1,881,933	1,091,707
Non-operating revenue	8,035	1,008,905	176,499	136,166
Change in deferred outflows - pension	(153,988)	(66,848)	(34,618)	(28,649)
Change in net pension liability	483,666	209,964	108,731	89,984
Decrease deferred inflows - pension	(5,983)	(2,597)	(1,345)	(1,113)
Changes in assets and liabilities:				
Change in leases receivable	-	-	-	(388,257)
Change in accounts receivable	(751,183)	(743,310)	55,626	(647,388)
Change in inventories	(448,083)	(3,979,314)	(183,539)	65,518
Change in prepaid expenses	26,513	(269,045)	(203)	525
Change in accounts payable and accrued liabilities	593,817	1,224,885	268,977	605,048
Change in customer deposits	(7,646)	71,013	(11,520)	-
Change in deferred outflows of resources for OPEB	(394,315)	(172,132)	(87,287)	(72,942)
Change in deferred inflows of resources for leases	-	-	-	383,102
Change in deferred inflows of resources for OPEB	(410,002)	(178,979)	(90,759)	(75,845)
Change in net OPEB liability	926,884	404,615	205,177	171,459
Change in compensated absences	113,221	96,446	38,317	16,359
Total adjustments	<u>4,243,317</u>	<u>80,698</u>	<u>2,325,989</u>	<u>1,345,674</u>
Net cash provided (used) by operating activities	<u>\$ 25,592,528</u>	<u>\$ 9,533,432</u>	<u>\$ 7,249,443</u>	<u>\$ (108,259)</u>
Non-Cash Items:				
Transfer of asset	\$ 178,561	\$ -	\$ -	\$ -
Total non-cash transactions	<u>\$ 178,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Nonmajor Enterprise Funds	Total	Governmental Activities
			Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)			
	<u>\$ (377,832)</u>	<u>\$ 33,893,634</u>	<u>\$ 367,833</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	533,088	10,246,204	-
Non-operating revenue	51	1,329,656	-
Change in deferred outflows - pension	(82,365)	(366,468)	-
Change in net pension liability	258,704	1,151,049	-
Decrease deferred inflows - pension	(3,200)	(14,238)	-
Changes in assets and liabilities:			
Change in leases receivable	-	(388,257)	-
Change in accounts receivable	(88,482)	(2,174,737)	(267,999)
Change in inventories	343	(4,545,075)	-
Change in prepaid expenses	(2,518)	(244,728)	26,536
Change in accounts payable and accrued liabilities	79,142	2,771,869	183,997
Change in customer deposits	-	51,847	-
Change in deferred outflows of resources for OPEB	(210,891)	(937,567)	-
Change in deferred inflows of resources for leases	-	383,102	-
Change in deferred inflows of resources for OPEB	(219,280)	(974,865)	-
Change in net OPEB liability	495,725	2,203,860	-
Change in compensated absences	43,306	307,649	-
Total adjustments	<u>803,623</u>	<u>8,799,301</u>	<u>(57,466)</u>
Net cash provided (used) by operating activities	<u>\$ 425,791</u>	<u>\$ 42,692,935</u>	<u>\$ 310,367</u>
Non-Cash Items:			
Transfer of asset	<u>\$ 1,873,967</u>	<u>\$ 2,052,528</u>	<u>\$ -</u>
Total non-cash transactions	<u>\$ 1,873,967</u>	<u>\$ 2,052,528</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

I. Summary of Significant Accounting Policies

The accounting policies of the City of Monroe and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Monroe is a municipal corporation that is governed by an elected mayor and a six-member council. As required by generally accepted accounting principles, these financial statements present the City and its component units, legally separate entities for which the City is financially accountable. The discretely presented component units presented below are reported in a separate column in the City's financial statements in order to emphasize that they are legally separate from the City.

City of Monroe ABC Board

The members of the City of Monroe ABC Board's governing board are appointed by the City. In addition, the ABC Board is required by state statute to distribute a portion of its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at City of Monroe ABC Board, 1771 Dickerson Boulevard, Monroe, North Carolina 28110.

City of Monroe Tourism Development Authority

The members of the City of Monroe Tourism Development Authority's governing board are appointed by the Monroe City Council. The Authority is reported as a component unit because of the financial benefit relationship between the City and the Authority. The Authority which provides a financial benefit to the City, was established to receive the proceeds of the room occupancy tax levied pursuant to N.C. Session Law 2001-439. The TDA is authorized to spend these proceeds to promote travel and tourism within the City. Specifically, for the first ten years, at least two-thirds of the proceeds shall be used for tourism-related purposes including tourism-related capital expenditures. The remainder of the funds shall be used to promote travel and tourism as defined by session law. After ten years, two-thirds of the proceeds shall be expended to promote travel and tourism, and one-third expended for tourism-related purposes. The Tourism Development Authority, which has a June 30 year-end, is presented as if it were a general government fund (discrete presentation). Complete financial statements for the Authority may be obtained from the entity's administrative offices at City of Monroe Tourism Development Authority, 300 West Crowell Street, Monroe, North Carolina 28112.

B. Basis of Presentation

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The City has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities, such as investment earnings.

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, federal and state grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, culture and recreation activities, and general government services.

Capital Projects Fund. This fund is used to account for the purchase, renovation, furnishing, or construction of roadway and facility improvements.

The City reports the following nonmajor governmental funds:

Community Development. This fund is used to account for specific revenues that are restricted to fund continuing rehabilitation of housing within certain targeted areas of the City.

Downtown Monroe. This fund is used to account for specific revenues that are restricted for the purpose of downtown revitalization.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Occupancy Tax. This fund is used to account for specific revenues that are restricted for the purpose of tourism promotion.

Asset Forfeiture. This fund is used to account for specific revenues that are restricted for the purpose of public safety.

Occupancy Tax Projects. This fund is used to account for tourism related capital expenditures.

American Rescue Plan Act of 2021. This fund is used to account for specific revenues that are restricted for use under the American Rescue Plan Act of 2021.

Governmental Capital Reserve Fund. This fund is used to accumulate funds for the purpose of constructing greenways.

The City reports the following major enterprise funds:

Water and Sewer Fund. This fund is used to account for the activities associated with the production, distribution, and transmission of potable water and the activities associated with operating and maintaining the City's sewer system.

Electric Fund. This fund is used to account for the activities associated with the distribution and transmission of electricity by the City to its users.

Natural Gas Fund. This fund is used to account for the activities associated with the distribution of natural gas by the City to its users.

Airport Fund. This fund is used to account for the activities associated with the operation of the City's Airport.

The City reports the following nonmajor enterprise funds:

Aquatics and Fitness Center. This fund is used to account for the activities associated with the operation of the City's Aquatics and Fitness Center.

Stormwater Fund. This fund is used to account for the activities associated with the operation and maintenance of the City's stormwater system.

Solid Waste. This fund is used to account for the activities associated with the operation of the City's solid waste services.

The City reports the following fund types:

Internal Service Funds. Internal service funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City maintains three internal service funds: Health and Dental Fund, Workers' Compensation Fund, and the Property and Liability Fund.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-Wide and Proprietary Fund Financial Statements. The government-wide and proprietary financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of fees intended to recover the cost of connecting new or reconnecting current customers to the water and sewer system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and IT subscriptions are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Monroe because the tax is levied by Union County and then remitted to and distributed by the state. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Grant revenues, which are unearned at year-end, are recorded as unearned revenues.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for all funds except those which operate under project ordinances. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the ARP special revenue fund, capital projects funds and the enterprise capital projects funds which are consolidated with their respective operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager. The legal level of budgetary control is at the functional level for all annually budgeted funds, and any transfers of appropriations between functions require the approval of the City Council. The legal level of budgetary control is at the object level for the funds budgeted by project ordinance, and any transfers of appropriations between objects require the approval of the City Council. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. *Deposits and Investments*

All deposits of the City, the ABC Board, and the Tourism Development Authority are made in Board-designated official depositories and are secured as required by state law [G.S. 159-31]. The City, ABC Board, and the Tourism Development Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City, the ABC Board, and the Tourism Development Authority may establish time deposit accounts, such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30] authorizes the City, the ABC Board, and the Tourism Development Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the state of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT) Government Portfolio, an SEC-registered (2a-7) government money market mutual fund. It is rated AAAm by S&P and AAAmf by Moody's Investor Services and reported at fair value.

The City, the ABC Board, and the Tourism Development Authority's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The NC Capital Management Trust Government Portfolio's securities are carried at fair market value. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

In accordance with state law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. *Cash and Cash Equivalents*

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board and the Tourism Development Authority consider all highly liquid investments (including restricted assets) with a maturity of three months or less, when purchased, to be cash and cash equivalents.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3. *Restricted Assets*

Unexpended installment financing obligations received by the City are classified as restricted for the General Fund, Capital Projects Fund, and Airport Fund, because their use is completely restricted to the purpose for which the installment obligations were issued. Advance from grantor is classified as restricted cash due to grants that have been awarded and paid to the City before grant activities have commenced. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4.

Governmental Activities:

General Fund:	
Streets	\$ 4,028,657
Advance from grantor	250,000
Unexpended debt proceeds	5,812
American Rescue Plan Act of 2021:	
Advance from grantor	1,375,000
Capital Projects Fund:	
Streets	250,000
Unexpended debt proceeds	1,252
Health and Dental Fund:	
Deposits	10,169
Workers' Compensation Fund:	
Deposits	10,000
Total governmental activities	<u>5,930,890</u>

Business-Type Activities:

Water and Sewer Fund:	
Customer deposits	96,633
Electric Fund:	
Customer deposits	418,166
Natural Gas Fund:	
Customer deposits	164,269
Airport Fund:	
Advance from grantor	6,000,000
Unexpended debt proceeds	425
Total business-type activities	<u>6,679,493</u>

Total restricted cash \$ 12,610,383

4. *Ad Valorem Taxes Receivable*

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2023. As allowed by state law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

5. *Allowance for Doubtful Accounts*

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. *Lease Receivable*

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

7. *Inventories and Prepaid Items*

The inventories of the City, the ABC Board, and the Tourism Development Authority are valued at cost (first-in, first-out), which approximates market. The inventories of the City's General Fund and enterprise funds and those of the ABC Board and the Tourism Development Authority consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

8. *Capital Assets*

Capital assets are defined by the government as assets with an initial individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$5,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$100,000; furniture and equipment, \$5,000; computer software, \$5,000; and vehicles, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The City's capital assets also include certain right-to-use lease assets. The right-to-use assets arise in association with agreements where the City reports a lease (only applies when the City is the lessee) or agreements where the City reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

The right-to-use subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus payments made to the SBITA vendor before commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right-to-use subscription assets are amortized on a straight-line basis over the life of the related SBITA.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	30-50
Buildings and improvements	20-45
Dams and reservoirs	45
Plants and distribution systems	30-60
Vehicles and motorized equipment	6-12
Computer software	5
Other equipment	5-15

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Asset Class	Estimated Useful Lives
Buildings	40
Furniture/equipment	5-7
Vehicles	5

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

9. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The City has three items that meet this criterion: an unamortized loss on a bond defeasance for refunding bonds, OPEB deferrals, and pension deferrals. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then. The City has six items that meet the criterion for this category – prepaid items not yet earned, other receivables, property taxes receivable, lease deferrals, OPEB deferrals, and pension deferrals.

10. *Long-Term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. *Compensated Absences*

The vacation policy of the City provides for the accumulation of earned vacation leave, with such leave being fully vested when earned as follows:

Employees Hired before July 1, 1992

Vacation leave may be accumulated without any applicable maximum until June 30 each year. However, if the employee separates from service, payment for accumulated vacation leave shall not exceed sixty (60) days. On June 30 of each year, any employee with more than 60 days of accumulated leave shall have the excess accumulation removed so that only 60 days are carried forward to July 1 of the next fiscal year. The remaining excess amount will be converted to sick leave and added to the employee's sick leave balance.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Employees Hired after July 1, 1992

Vacation leave may be accumulated without any applicable maximum until June 30 of each year. However, if the employee separates from service, payment for accumulated vacation leave shall not exceed two times the employee's annual accrual rate (i.e. if the accrual rate is 15 days per year, the employee may only be paid for 30 days). On June 30 of each year, each employee may only carry over into the new fiscal year two times the employee's annual accrual rate. The remaining excess amount will be converted to sick leave and added to the employee's sick leave balance.

Employees of the City of Monroe ABC Board earn two weeks paid vacation each year. Employees must take vacation leave in the year earned and are not allowed to carry forward any vacation time to subsequent years.

The Tourism Development Authority had sixteen employees during the year ended June 30, 2024 and falls under the City's vacation policy.

For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's, the ABC Board's and the Tourism Development Authority's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the City, the ABC Board, nor the Tourism Development Authority has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

12. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – Portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepays – Portion of fund balance that is not an available resource because it represents certain payments to vendors applicable to future accounting periods and is, therefore, not in spendable form.

Non-spendable fund balance at June 30, 2024 is as follows:

Purpose	General Fund
Inventories	\$ 479,531
Prepays	<u>2,812,905</u>
Total	<u><u>\$ 3,292,436</u></u>

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – Portion of fund balance that is restricted by state statute [G.S. 159-8(a)]. North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by state statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepays as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Public Safety – Portion of fund balance that is restricted by revenue source for certain law enforcement operations.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Restricted for Transportation - Powell Bill – Portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Culture and Recreation – Portion of fund balance that is restricted by revenue source for culture and recreation purposes.

Restricted for Occupancy Tax Capital Projects – Portion of fund balance that is restricted by revenue source for tourism capital projects.

Restricted for Capital Projects – Portion of fund balance that is restricted by revenue source for capital projects.

Restricted fund balance at June 30, 2024 is as follows:

Purpose	Nonmajor			
	General Fund	Capital Projects	Governmental Funds	Total
Stabilization by state statute	\$ 10,496,020	\$ 1,483,314	\$ 37,767	\$ 12,017,101
Public safety	2,600,147	-	345,186	2,945,333
Transportation	4,008,982	250,000	-	4,258,982
Culture and recreation	468,279	-	-	468,279
Occupancy tax capital projects	-	-	122,825	122,825
Capital projects	-	1,252	-	1,252
Total	\$ 17,573,428	\$ 1,734,566	\$ 505,778	\$ 19,813,772

Committed Fund Balance – This classification includes amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Culture and Recreation – Portion of fund balance that is committed for use in culture and recreation.

Committed for Capital Projects – Portion of fund balance that is committed for use in various capital projects.

Committed for Public Safety – Portion of fund balance that is committed for use in certain law enforcement operations.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Committed fund balance at June 30, 2024 is as follows:

Purpose	Nonmajor		
	Capital Projects	Governmental Funds	Total
Culture and recreation	\$ -	\$ 230,473	\$ 230,473
Capital projects	10,177,358	-	10,177,358
Public safety	-	88,502	88,502
Total	\$ 10,177,358	\$ 318,975	\$ 10,496,333

Assigned Fund Balance – Portion of fund balance that the City of Monroe intends to use for specific purposes that is considered neither restricted or committed. The City Council has the responsibility for assigning fund balance by majority vote.

Minimum Fund Balance Requirement – The Monroe City Council has adopted a minimum fund balance policy.

Airport Grant Acceptance – The Monroe City Council has approved money to be spent at the Charlotte-Monroe Executive Airport to match federal and state grants during the airport expansion project.

Subsequent Year's Expenditures – The Monroe City Council has approved a budget ordinance to use fund balance as a resource in next year's budget to cover a projected excess of expected expenditures over expected revenues.

Downtown Projects – The Monroe City Council has approved an assignment to be used for various downtown projects.

Community Development – The Monroe City Council has approved an assignment to be used to fund continuing rehabilitation of housing within certain targeted areas of the City.

Downtown Monroe – The Monroe City Council has approved an assignment to be used for downtown projects related to resurfacing of parking lots and design of one-way street conversion.

Occupancy Tax – The Monroe City Council has approved an assignment to be used to fund tourism promotion.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Assigned fund balance at June 30, 2024 is as follows:

Purpose	General Fund	Nonmajor Governmental Funds	Total
Minimum fund balance requirement	\$ 15,839,191	\$ -	\$ 15,839,191
Airport grant acceptance	152,892	-	152,892
Downtown projects	1,369,993	-	1,369,993
Subsequent year's expenditures	4,472,788	-	4,472,788
Community development	-	56,562	56,562
Downtown Monroe	-	78,300	78,300
Occupancy tax	-	321,019	321,019
Total	\$ 21,834,864	\$ 455,881	\$ 22,290,745

Unassigned Fund Balance – The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that can have positive unassigned fund balance.

The City of Monroe has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-City funds, and City funds. For purposes of fund balance, classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City.

The City of Monroe has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that assigned fund balance is the greater of \$7,500,000 or 25% of the next year's original adopted budget, net of federal and state pass-through revenues. Any portion of the General Fund unassigned fund balance in excess of the \$7,500,000, or 25% minimum requirement, may be appropriated by the City Council in a subsequent fiscal year to fund capital or debt service expenditures as determined by the City Council during the budget process. If during a fiscal year an excess over the stipulated \$7,500,000 or 25% exists, the City Council may request an appropriation to fund unforeseen needs.

13. *Defined Benefit Cost-Sharing Plan*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

recognized in the period in which the contributions are due. The City of Monroe's employer contributions are recognized when due, and the City of Monroe has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

14. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

15. Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "Transfers – to other funds" in the General Fund and "Transfers – from other funds" in the Receiving Fund.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including installment purchase obligations, are not due and payable in the current period and, therefore, are not reported in the funds". The details of this \$(30,334,331) difference are as follows:

Installment purchase obligations	\$ (6,050,063)
Limited obligation bonds	(20,312,544)
Lease liabilities	(34,843)
Subscription liabilities	(80,416)
Compensated absences	<u>(3,856,465)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmenal activities</i>	<u>\$ (30,334,331)</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains 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 and reported as depreciation expense." The details of this \$3,085,123 difference are as follows:

Capital outlay	\$ 7,785,273
Assets transferred to business-type activities	1,695,406
Disposal, net book value	(897,274)
Depreciation expense	<u>(5,498,282)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 3,085,123</u>

Another element of that reconciliation is 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 has any effect on net position." The details of this \$329,260 are as follows:

Debt issued or incurred	\$ (2,135,000)
Amortization of premium	155,218
Lease liability issued	(69,122)
Subscription liabilities issued	(108,716)
Principal payments:	
Subscription liabilities payments	93,453
Lease liability payments	75,782
Installment purchase obligations & limited obligation bonds	<u>2,317,645</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 329,260</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

III. Detail on All Funds

A. Assets

1. *Deposits*

All of the deposits of the City, the ABC Board, and the Tourism Development Authority are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with agents in these units' names. Under the Pooling Method, which is a collateral pool, all securities held by the City's, the ABC Board's, or the Tourism Development Authority's uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, the ABC Board, and the Tourism Development Authority, these deposits are considered to be held by the City's, the ABC Board's, and the Tourism Development Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, the ABC Board, the Tourism Development Authority, or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City, the ABC Board, and the Tourism Development Authority under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City, the ABC Board, and the Tourism Development Authority do not have formal policies regarding custodial credit risk for deposits, but rely on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City, the ABC Board, and the Tourism Development Authority comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the City's deposits had a carrying amount of \$5,605,570 and a bank balance of \$10,608,615. Of the bank balance, \$260,590 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The City's petty cash fund totaled \$6,225.

At June 30, 2024, the ABC Board's deposits had a carrying amount of \$1,714,910 and a bank balance of \$1,870,159. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$1,370,159 was covered by collateral held under the Pooling Method. The ABC Board had an additional \$4,550 in the drawers and petty cash to cover operating needs on a daily basis.

At June 30, 2024, the Tourism Development Authority's deposits had a carrying amount of \$847,209 and a bank balance of \$847,209. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2024, the Authority's petty cash totaled \$1,000.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2. *Investments*

As of June 30, 2024, the City had the following investments and maturities:

Investment Type	Valuation Measurement Method	Book		1-3 Years	3-5 Years	5+ Years
		Value at 6/30/24	1 Year			
U.S. Government Agencies	Fair Value Level 2	\$ 228,767,266	\$ -	\$ 46,239,256	\$ 10,020,256	\$ 172,507,754
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	34,631,127	N/A	N/A	N/A	N/A
Total		\$ 263,398,393	\$ -	\$ 46,239,256	\$ 10,020,256	\$ 172,507,754

*Because the NC Capital Management Trust Government Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of Fair Value Hierarchy: *Level 1:* Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. *Level 2* debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The City has no formal policy regarding credit risk, but has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in U.S. Government Agencies (Federal Home Loan Bank and Freddie Mac) is rated AAA by Standard and Poor's and AAA by Moody's Investors Service. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard and Poor's and AAAmf by Moody's Investors Service as of June 30, 2024.

Concentration of Credit Risk. The City's Board places no limit on the amount that the City may invest in any one issuer. Approximately 25% of the City's investments are in Federal Farm and Freddie Mac securities and 62% in Small Business Administration loan investment pools. In addition, the City had 13% of its investment portfolio in the NCCMT – government portfolio at June 30, 2024.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Custodial Credit Risk. For an investment, the custodial 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 formal policy on custodial credit risk, but management procedures are that the City shall utilize a third-party custodial agent for book entry transactions, all of which shall be held in the City's name.

3. *Note Receivable*

The City granted a promissory note in the amount of \$400,000 in July 2021 to a company for an economic development project to rehabilitate real property in the downtown area. The note allows for no interest and no payments due for seven years. The promissory note is payable in one lump sum at the end of the seven-year period in July 2028.

	<u>2024</u>
Total receivable	\$ 400,000
Less current portion	-
Total note receivable - non-current	<u>\$ 400,000</u>

Scheduled future maturities of the note receivable are as follows:

<u>Year Ending</u>	<u>Total</u>
2029	<u>\$ 400,000</u>

4. *Receivables and Allowances for Doubtful Accounts*

Receivables as of year-end for the governmental activities and the business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts receivable, net	<u>\$ 1,591,961</u>	<u>\$ 15,187,206</u>

Due from other governments for governmental activities was \$5,626,040 and consists of:

Due from other governments:

State shared revenues	\$ 3,803,251
Grants	17,899
State sales tax	1,128,276
County sales tax	417,901
Other	258,713
Total	<u>\$ 5,626,040</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The amounts presented in the Balance Sheet and the Statement of Net Position are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$ <u>26,428</u>
Downtown Monroe:	
Taxes receivable	\$ <u>50</u>

5. *Lease Receivable*

The City of Monroe's leases receivable are measured at the present value expected to be received during the lease term. Under the lease agreements, the City receives predetermined lease payments. These payments are recorded as an inflow of resources in the period the payment is received. For additional information, refer to the disclosures below.

On December 1, 2022, the City of Monroe, NC entered into a 348-month lease as Lessor for the use of Charlotte - Monroe Hangar 1 LLC. An initial lease receivable was recorded in the amount of \$278,991. As of June 30, 2024, the value of the lease receivable is \$269,388 and the value of the short-term lease receivable is \$5,879. The lessee is required to make monthly fixed payments of \$1,064. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of June 30, 2024, was \$263,759, and the City of Monroe, NC recognized lease revenue of \$9,620 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On July 1, 2021, the City of Monroe, NC entered into a 51-month lease as Lessor for the use of Harris Teeter - Hangar 3. An initial lease receivable was recorded in the amount of \$86,992. As of June 30, 2024, the value of the lease receivable is \$26,696 and the value of the short-term lease receivable is \$21,290. The lessee is required to make monthly fixed payments of \$1,656. The lease has an interest rate of 0.8900%. The value of the deferred inflow of resources as of June 30, 2024, was \$25,586, and the City of Monroe, NC recognized lease revenue of \$20,469 during the fiscal year. The lessee has 5 extension option(s), each for 60 months.

On July 1, 2021, the City of Monroe, NC entered into a 93-month lease as Lessor for the use of Aerowood Aviation LLC - Hangar 6. An initial lease receivable was recorded in the amount of \$115,689. As of June 30, 2024, the value of the lease receivable is \$198,356 and the value of the short-term lease receivable is \$41,190. The lessee is required to make monthly fixed payments of \$3,542. The lease has an interest rate of 0.7300%. The value of the deferred inflow of resources as of June 30, 2024, was \$198,194, and the City of Monroe, NC recognized lease revenue of \$41,986 during the fiscal year. The lessee has 5 extension option(s), each for 60 months.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On July 1, 2021, the City of Monroe, NC entered into a 89-month lease as Lessor for the use of Aerowood Aviation LLC - Hangar 5. An initial lease receivable was recorded in the amount of \$136,964. As of June 30, 2024, the value of the lease receivable is \$275,884 and the value of the short-term lease receivable is \$59,398. The lessee is required to make monthly fixed payments of \$3,538. The lessee is required to make monthly variable fixed in substance principal and interest payments of \$1,000. The lease has an interest rate of 0.5100%. The value of the deferred inflow of resources as of June 30, 2024, was \$274,506, and the City of Monroe, NC recognized lease revenue of \$59,621 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On July 1, 2021, the City of Monroe, NC entered into a 192 month lease as Lessor for the use of Aerocraft Hangar - 1820 Aviation Dr. An initial lease receivable was recorded in the amount of \$18,848. As of June 30, 2024, the value of the lease receivable is \$15,766 and the value of the short-term lease receivable is \$1,068. The lessee is required to make monthly fixed payments of \$115. The lease has an interest rate of 2.0700%. The value of the deferred inflow of resources as of June 30, 2024, was \$15,322, and the City of Monroe, NC recognized lease revenue of \$1,175 during the fiscal year.

On July 1, 2021, the City of Monroe, NC entered into a 389-month lease as Lessor for the use of Charlotte-Monroe Executive Airport - Cress Horne Hangar. An initial lease receivable was recorded in the amount of \$82,270. As of June 30, 2024, the value of the lease receivable is \$75,212 and the value of the short-term lease receivable is \$2,376. The lessee is required to make monthly fixed payments of \$229. The lease has an interest rate of 0.5100%. The value of the deferred inflow of resources as of June 30, 2024, was \$74,682, and the City of Monroe, NC recognized lease revenue of \$2,534 during the fiscal year. The lessee has 3 extension option(s), each for 120 months.

Business-Type Activities			
Year Ending June 30	Principal Payments	Interest Payments	Total Payments
2025	\$ 131,201	\$ 10,314	\$ 141,515
2026	117,574	9,374	126,948
2027	114,677	8,552	123,229
2028	117,255	7,715	124,970
2029	69,759	6,915	76,674
2030-2034	56,919	30,513	87,432
2035-2039	62,511	24,155	86,666
2040-2044	67,327	17,248	84,575
2045-2049	77,412	9,287	86,699
2050-2054	46,667	1,268	47,935
Total	<u>\$ 861,302</u>	<u>\$ 125,341</u>	<u>\$ 986,643</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

6. *Capital Assets*

Primary Government

Capital asset activity for the primary government for the year ended June 30, 2024 was as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
Governmental Activities:					
General Fund:					
Non-Depreciable Capital Assets:					
Land and land improvements	\$ 6,602,969	\$ -	\$ 100,295	\$ -	\$ 6,502,674
Construction in progress	18,166,596	4,212,862	281,471	(21,351,077)	746,910
Total non-depreciable capital assets	<u>24,769,565</u>	<u>4,212,862</u>	<u>381,766</u>	<u>(21,351,077)</u>	<u>7,249,584</u>
Depreciable Capital Assets:					
Buildings and improvements	44,514,232	357,642	805,470	21,459,472	65,525,876
Equipment	9,426,855	192,058	-	778,181	10,397,094
Vehicles and motorized equipment	21,306,905	2,696,189	594,788	9,300	23,417,606
Intangible right to use lease	113,833	63,377	-	-	177,210
Subscriptions	137,090	139,569	71,852	-	204,807
Other intangibles	3,627,062	-	-	92,278	3,719,340
Infrastructure	92,877,724	-	-	148,175	93,025,899
Total depreciable capital assets	<u>172,003,701</u>	<u>3,448,835</u>	<u>1,472,110</u>	<u>22,487,406</u>	<u>196,467,832</u>
Less Accumulated					
Depreciation/Amortization:					
Buildings and improvements	14,936,992	1,018,789	415,821	(559,077)	14,980,883
Equipment	6,622,882	637,067	-	-	7,259,949
Vehicles and motorized equipment	16,888,014	1,579,929	590,791	-	17,877,152
Intangible right to use lease	71,909	46,997	-	-	118,906
Subscriptions	62,488	62,143	44,577	-	80,054
Other intangibles	1,003,161	581,940	-	-	1,585,101
Infrastructure	55,712,459	1,423,220	-	-	57,135,679
Total accumulated depreciation/amortization	<u>95,297,905</u>	<u>5,350,085</u>	<u>1,051,189</u>	<u>(559,077)</u>	<u>99,037,724</u>
Total depreciable capital assets, net	<u>76,705,796</u>				<u>97,430,108</u>
General Fund capital assets, net	<u>101,475,361</u>				<u>104,679,692</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
Downtown Monroe Fund:					
Non-Depreciable Capital Assets:					
Land and land improvements	80,149	-	-	-	80,149
Total non-depreciable capital assets	<u>80,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,149</u>
Depreciable Capital Assets:					
Buildings and improvements	67,180	-	-	-	67,180
Intangible right to use lease	912	-	-	-	912
Equipment	98,071	-	-	-	98,071
Total depreciable capital assets	<u>166,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,163</u>
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	25,267	3,396	-	-	28,663
Intangible right to use lease	608	304	-	-	912
Equipment	98,071	-	-	-	98,071
Total accumulated depreciation/amortization	<u>123,946</u>	<u>3,700</u>	<u>-</u>	<u>-</u>	<u>127,646</u>
Total depreciable capital assets, net	<u>42,217</u>				<u>38,517</u>
Downtown Monroe Fund capital assets, net	<u>122,366</u>				<u>118,666</u>
Occupancy Tax Capital Project Fund:					
Non-Depreciable Capital Assets:					
Construction in progress	698,786	123,576	94,587	(727,775)	-
Total non-depreciable capital assets	<u>698,786</u>	<u>123,576</u>	<u>94,587</u>	<u>(727,775)</u>	<u>-</u>
Depreciable Capital Assets:					
Buildings and improvements	5,964,017	-	-	-	5,964,017
Equipment	255,177	-	-	727,775	982,952
Total depreciable capital assets	<u>6,219,194</u>	<u>-</u>	<u>-</u>	<u>727,775</u>	<u>6,946,969</u>
Less Accumulated Depreciation:					
Buildings and improvements	444,808	129,101	-	-	573,909
Equipment	231,080	15,396	-	-	246,476
Total accumulated depreciation	<u>675,888</u>	<u>144,497</u>	<u>-</u>	<u>-</u>	<u>820,385</u>
Total depreciable capital assets, net	<u>5,543,306</u>				<u>6,126,584</u>
Occupancy Tax Fund capital assets, net	<u>6,242,092</u>				<u>6,126,584</u>
Governmental activities capital assets, net	<u>\$ 107,839,819</u>				<u>\$ 110,924,942</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

General Fund:

General government	\$ 1,577,379
Transportation	1,592,528
Public safety	1,275,201
Culture and recreation	903,538
Economic and physical development	<u>1,439</u>
Total General Fund	<u><u>5,350,085</u></u>

Downtown Monroe Fund:

General government	<u>3,700</u>
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Occupancy Tax Fund:

Economic and physical development	<u>144,497</u>
Total governmental activities	<u><u>\$ 5,498,282</u></u>

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
Business-Type Activities:					
Water and Sewer Fund:					
Non-Depreciable Capital Assets:					
Land and land improvements	\$ 2,740,380	\$ -	\$ -	\$ 73,701	\$ 2,814,081
Construction in progress	4,648,155	4,817,608	-	(1,683,605)	7,782,158
Total non-depreciable capital assets	<u>7,388,535</u>	<u>4,817,608</u>	<u>-</u>	<u>(1,609,904)</u>	<u>10,596,239</u>
Depreciable Capital Assets:					
Buildings and improvements	41,153,217	93,224	-	1,113,888	42,360,329
Equipment	11,007,110	1,159,659	80,101	-	12,086,668
Vehicles and motorized equipment	4,376,173	355,588	278,185	-	4,453,576
Other intangibles	318,586	-	-	-	318,586
Intangible right to use lease	13,181	-	-	-	13,181
Infrastructure	108,580,643	17,305,443	-	1,233,654	127,119,740
Total depreciable capital assets	<u>165,448,910</u>	<u>18,913,914</u>	<u>358,286</u>	<u>2,347,542</u>	<u>186,352,080</u>
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	18,724,890	824,530	10,463	559,077	20,098,034
Equipment	8,286,143	895,575	54,722	-	9,126,996
Vehicles and motorized equipment	3,441,410	274,550	278,185	-	3,437,775
Other intangibles	6,903	6,373	-	-	13,276
Intangible right to use lease	8,788	4,393	-	-	13,181
Infrastructure	29,143,139	2,339,858	-	-	31,482,997
Total accumulated depreciation/amortization	<u>59,611,273</u>	<u>4,345,279</u>	<u>343,370</u>	<u>559,077</u>	<u>64,172,259</u>
Total depreciable capital assets, net	<u>105,837,637</u>				<u>122,179,821</u>
Water and Sewer Fund capital assets, net	<u>113,226,172</u>				<u>132,776,060</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	July 1, 2023	Additions	Retirements	Transfers	June 30, 2024
Electric Fund:					
Non-Depreciable Capital Assets:					
Land and land improvements	3,866,887	-	151,116	-	3,715,771
Construction in progress	2,804,612	3,283,414	73,872	(4,660,420)	1,353,734
Total non-depreciable capital assets	<u>6,671,499</u>	<u>3,283,414</u>	<u>224,988</u>	<u>(4,660,420)</u>	<u>5,069,505</u>
Depreciable Capital Assets:					
Buildings and improvements	5,610,677	-	-	-	5,610,677
Equipment	3,309,486	364,431	-	-	3,673,917
Vehicles and motorized equipment	4,336,852	646,586	-	-	4,983,438
Infrastructure	125,009,583	3,481,757	-	4,660,420	133,151,760
Intangible right to use lease	19,263	-	-	-	19,263
Other intangibles	250,173	-	-	-	250,173
Total depreciable capital assets	<u>138,536,034</u>	<u>4,492,774</u>	<u>-</u>	<u>4,660,420</u>	<u>147,689,228</u>
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	1,533,149	124,574	-	-	1,657,723
Equipment	2,064,922	135,408	-	-	2,200,330
Vehicles and motorized equipment	3,355,671	235,351	-	-	3,591,022
Infrastructure	50,382,069	2,087,050	-	-	52,469,119
Intangible right to use lease	4,922	6,751	-	-	11,673
Other intangibles	250,173	-	-	-	250,173
Total accumulated depreciation/amortization	<u>57,590,906</u>	<u>2,589,134</u>	<u>-</u>	<u>-</u>	<u>60,180,040</u>
Total depreciable capital assets, net	<u>80,945,128</u>				<u>87,509,188</u>
Electric Fund capital assets, net	<u>87,616,627</u>				<u>92,578,693</u>
Natural Gas Fund:					
Non-Depreciable Capital Assets:					
Land and land improvements	1,524,787	-	-	-	1,524,787
Construction in progress	1,990,642	2,004,235	225,883	(3,334,508)	434,486
Total non-depreciable capital assets	<u>3,515,429</u>	<u>2,004,235</u>	<u>225,883</u>	<u>(3,334,508)</u>	<u>1,959,273</u>
Depreciable Capital Assets:					
Buildings and improvements	569,484	-	-	-	569,484
Equipment	787,964	52,539	-	-	840,503
Vehicles and motorized equipment	1,379,376	674,964	34,421	-	2,019,919
Intangible right to use lease	713	-	-	-	713
Other intangibles	-	25,544	-	-	25,544
Infrastructure	89,881,878	996,506	-	3,334,508	94,212,892
Total depreciable capital assets	<u>92,619,415</u>	<u>1,749,553</u>	<u>34,421</u>	<u>3,334,508</u>	<u>97,669,055</u>
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	299,711	13,514	-	-	313,225
Equipment	591,717	48,497	-	-	640,214
Vehicles and motorized equipment	1,183,266	67,873	34,421	-	1,216,718
Intangible right to use lease	476	237	-	-	713
Other intangibles	-	2,661	-	-	2,661
Infrastructure	22,177,665	1,755,890	-	-	23,933,555
Total accumulated depreciation/amortization	<u>24,252,835</u>	<u>1,888,672</u>	<u>34,421</u>	<u>-</u>	<u>26,107,086</u>
Total depreciable capital assets, net	<u>68,366,580</u>				<u>71,561,969</u>
Natural Gas Fund capital assets, net	<u>71,882,009</u>				<u>73,521,242</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
Airport Fund:					
Non-Depreciable Capital Assets:					
Land and land improvements	9,765,358	-	-	-	9,765,358
Construction in progress	147,946	758,341	-	(125,106)	781,181
Total non-depreciable capital assets	<u>9,913,304</u>	<u>758,341</u>	<u>-</u>	<u>(125,106)</u>	<u>10,546,539</u>
Depreciable Capital Assets:					
Buildings and improvements	40,077,284	-	-	83,206	40,160,490
Equipment	620,874	65,484	-	41,900	728,258
Vehicles and motorized equipment	498,976	-	-	-	498,976
Infrastructure	5,131,517	-	-	-	5,131,517
Intangible right to use lease	5,030	-	-	-	5,030
Other intangibles	404,083	-	-	-	404,083
Total depreciable capital assets	<u>46,737,764</u>	<u>65,484</u>	<u>-</u>	<u>125,106</u>	<u>46,928,354</u>
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	14,716,029	879,189	-	-	15,595,218
Equipment	521,903	24,372	-	-	546,275
Vehicles and motorized equipment	478,606	7,190	-	-	485,796
Infrastructure	926,027	102,935	-	-	1,028,962
Intangible right to use lease	3,354	1,676	-	-	5,030
Other intangibles	2,187	87,373	-	-	89,560
Total accumulated depreciation/amortization	<u>16,648,106</u>	<u>1,102,735</u>	<u>-</u>	<u>-</u>	<u>17,750,841</u>
Total depreciable capital assets, net	<u>30,089,658</u>				<u>29,177,513</u>
Airport Fund capital assets, net	<u>40,002,962</u>				<u>39,724,052</u>
 Aquatics and Fitness Center Fund:					
Non-Depreciable Capital Assets:					
Land and land improvements	925,594	-	-	-	925,594
Depreciable Capital Assets:					
Buildings and improvements	10,657,691	138,133	-	(1,873,967)	8,921,857
Equipment	528,045	170,772	-	-	698,817
Subscriptions	72,125	-	-	-	72,125
Intangible right to use lease	15,974	-	-	-	15,974
Vehicles and motorized equipment	49,676	-	-	-	49,676
Total depreciable capital assets	<u>11,323,511</u>	<u>308,905</u>	<u>-</u>	<u>(1,873,967)</u>	<u>9,758,449</u>
Less Accumulated Depreciation/Amortization:					
Buildings and improvements	5,841,530	273,518	-	-	6,115,048
Equipment	369,164	57,233	-	-	426,397
Subscriptions	22,205	18,028	-	-	40,233
Intangible right to use lease	10,650	5,324	-	-	15,974
Vehicles and motorized equipment	49,676	-	-	-	49,676
Total accumulated depreciation/amortization	<u>6,293,225</u>	<u>354,103</u>	<u>-</u>	<u>-</u>	<u>6,647,328</u>
Total depreciable capital assets, net	<u>5,030,286</u>				<u>3,111,121</u>
 Aquatics and Fitness Center					
Fund capital assets, net	<u>5,955,880</u>				<u>4,036,715</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
Stormwater Fund:					
Non-Depreciable Capital Assets:					
Construction in progress	372,440	28,687	-	(175,563)	225,564
Total non-depreciable capital assets	<u>372,440</u>	<u>28,687</u>	<u>-</u>	<u>(175,563)</u>	<u>225,564</u>
Depreciable Capital Assets:					
Buildings and improvements	36,653	-	-	-	36,653
Equipment	162,537	-	-	-	162,537
Vehicles and motorized equipment	1,204,327	-	-	-	1,204,327
Infrastructure	1,875,034	-	-	175,563	2,050,597
Total depreciable capital assets	<u>3,278,551</u>	<u>-</u>	<u>-</u>	<u>175,563</u>	<u>3,454,114</u>
Less Accumulated Depreciation:					
Buildings and improvements	7,214	1,243	-	-	8,457
Equipment	60,850	18,033	-	-	78,883
Vehicles and motorized equipment	907,272	120,193	-	-	1,027,465
Infrastructure	862,103	31,824	-	-	893,927
Total accumulated depreciation	<u>1,837,439</u>	<u>171,293</u>	<u>-</u>	<u>-</u>	<u>2,008,732</u>
Total depreciable capital assets, net	<u>1,441,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,445,382</u>
Stormwater Fund capital assets, net	<u><u>1,813,552</u></u>				<u><u>1,670,946</u></u>
Solid Waste Fund:					
Depreciable Capital Assets:					
Other intangibles	967,361	-	-	-	967,361
Vehicles and motorized equipment	83,163	-	-	-	83,163
Buildings and improvements	143,914	-	-	-	143,914
Total depreciable capital assets	<u>1,194,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,194,438</u>
Less Accumulated Depreciation:					
Other intangibles	967,361	-	-	-	967,361
Vehicles and motorized equipment	79,096	728	-	-	79,824
Buildings and improvements	67,896	6,964	-	-	74,860
Total accumulated depreciation	<u>1,114,353</u>	<u>7,692</u>	<u>-</u>	<u>-</u>	<u>1,122,045</u>
Total depreciable capital assets, net	<u>80,085</u>				<u>72,393</u>
Solid Waste Fund capital assets, net	<u><u>80,085</u></u>				<u><u>72,393</u></u>
Business-type activities capital assets, net	<u><u>\$ 320,577,287</u></u>				<u><u>\$ 344,380,101</u></u>

Net Investment in Capital Assets

	Governmental Activities	Business-Type Activities
Capital assets	\$ 110,924,942	\$ 344,380,101
Less: Long-term debt	26,477,866	68,063,648
Add: Deferred outflows	-	3,002,146
Add: Unexpended debt proceeds	7,064	425
Net investment in capital assets	<u><u>\$ 84,454,140</u></u>	<u><u>\$ 279,319,024</u></u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Discretely Presented Component Units

Capital asset activity for the ABC Board for the year ended June 30, 2024 was as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>
Non-Depreciable Capital Assets:				
Land and land improvements	\$ 317,013	\$ -	\$ -	\$ 317,013
Construction in progress	226,812	- -	226,812	-
Total non-depreciable capital assets	<u>543,825</u>	<u>- -</u>	<u>226,812</u>	<u>317,013</u>
Depreciable Capital Assets:				
Buildings and improvements	1,083,430	229,462	- -	1,312,892
Equipment	129,028	69,298	13,107	185,219
Vehicles and motorized equipment	15,830	- -	- -	15,830
Total depreciable capital assets	<u>1,228,288</u>	<u>298,760</u>	<u>13,107</u>	<u>1,513,941</u>
Less Accumulated Depreciation:				
Buildings and improvements	685,136	36,806	- -	721,942
Equipment	109,382	19,473	6,119	122,736
Vehicles and motorized equipment	15,830	- -	- -	15,830
Total accumulated depreciation	<u>810,348</u>	<u>56,279</u>	<u>6,119</u>	<u>860,508</u>
Total depreciable capital assets, net	<u>417,940</u>			<u>653,433</u>
ABC Board capital assets, net	<u>\$ 961,765</u>			<u>\$ 970,446</u>

Capital asset activity for the Tourism Development Authority for the year ended June 30, 2024 was as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>
Capital Right-to-Use Assets:				
Right-to-use leased equipment	\$ 5,030	\$ -	\$ -	\$ 5,030
Right-to-use subscriptions	32,517	14,447	32,517	14,447
Total capital assets	<u>37,547</u>	<u>14,447</u>	<u>32,517</u>	<u>19,477</u>
Less Accumulated Amortization:				
Right-to-use leased equipment	3,354	1,676	- -	5,030
Right-to-use subscriptions	14,762	14,447	14,762	14,447
Total accumulated amortization	<u>18,116</u>	<u>16,123</u>	<u>14,762</u>	<u>19,477</u>
Capital right-to-use assets, net	<u>\$ 19,431</u>	<u>\$ (1,676)</u>	<u>\$ 17,755</u>	<u>\$ -</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

B. Liabilities

1. *Accounts Payable and Accrued Liabilities*

Payables at the government-wide level at June 30, 2024 were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General Fund	\$ 2,661,840	\$ 1,163,152	\$ 3,824,992
Capital Projects Fund	26,147	-	26,147
Nonmajor funds	31,776	2,145	33,921
Total governmental activities	<u>\$ 2,719,763</u>	<u>\$ 1,165,297</u>	<u>\$ 3,885,060</u>
Business-Type Activities:			
Enterprise funds	<u>\$ 8,438,533</u>	<u>\$ 360,441</u>	<u>\$ 8,798,974</u>

Component units' payables at June 30, 2024 were as follows:

	Salaries			
	Vendors	and Benefits	Other	Total
ABC Board	\$ 832,954	\$ 19,237	\$ -	\$ 852,191
Tourism Development Authority	<u>\$ 6,393</u>	<u>\$ 8,813</u>	<u>\$ 26,571</u>	<u>\$ 41,777</u>

2. *Pension Plan Obligations*

a. *Local Governmental Employees' Retirement System*

1. *Description*

The City of Monroe and the ABC Board are participating employers in the state-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The state's ACFR includes

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

2. Benefits Provided

LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

3. Contributions

Contribution provisions are established by G.S. 128-30 and may be amended only by the North Carolina General Assembly. Employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Monroe's contractually required contribution rate for the year ended June 30, 2024 was 14.10% of compensation for law enforcement officers and 12.85% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Monroe were \$4,851,063 for the year ended June 30, 2024.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The ABC Board's contributions to LGERS for the year ended June 30, 2024 were \$45,314.

4. Refunds of Contributions

City employees who have terminated service as a contributing member of LGERS may file an application for a refund of their contributions. Members that leave LGERS with less than five years of creditable service are only eligible to receive a refund of employee contributions and interest. By state law, refunds to members include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2024, the City reported a liability of \$25,406,228 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024, the City's proportion was 0.38360%, which was a decrease of 0.00029% from its proportion as of June 30, 2023.

For the year ended June 30, 2024, the City recognized pension expense of \$7,299,910. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,831,006	\$ 60,947
Changes of assumptions	1,079,618	-
Net difference between projected and actual earnings on pension plan investments	6,799,819	-
Changes in proportion and differences between City contributions and proportionate share of contributions	179,686	46,831
City contributions subsequent to the measurement date	4,851,063	-
Total	<u>\$ 15,741,192</u>	<u>\$ 107,778</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$4,851,063 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 3,930,084
2026	1,970,717
2027	4,594,015
2028	287,535
Thereafter	-
Total	<u><u>\$ 10,782,351</u></u>

5. Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25- 8.25 percent, including inflation & productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2022 actuarial valuation, were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Long-Term	
	Target Allocation	Expected Real Rate of Return
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation sensitive	6.0%	2.7%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

6. Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 44,015,292	\$ 25,406,228	\$ 10,085,503

8. *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the state of North Carolina.

b. *Law Enforcement Officers' Special Separation Allowance*

Plan Description. The City of Monroe administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At June 30, 2023, the Separation Allowance's membership consisted of:

Retirees receiving benefits	25
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	87
Total	112

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Summary of Significant Accounting Policies

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73:

Actuarial Assumptions. The entry age normal actuarial cost method was used in the June 30, 2023 valuation. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.25, including inflation and productivity factor
Discount rate	3.77 percent

The discount rate used to measure the TPL is the Fidelity GO 20-Bond AA index as of December 31, 2023.

Deaths Before Retirement: Pub-2010 safety employees male and female mortality tables projected generationally with MP-2019.

Deaths After Retirement (Healthy): Pub-2010 safety retirees mortality table projected generationally using MP-2019. The male and female rates are set forward 1 year and adjusted by 97% for all ages.

Deaths After Retirement (Disabled): Pub-2010 general disabled retirees mortality table projected generationally using MP-2019. The male and female rates are set back 3 years.

Contributions. The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$419,046 as benefits came due for the reporting period.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the City reported a total pension liability of \$5,392,255. The total pension liability was measured as of December 31, 2023 based on a June 30, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the City recognized pension expense of \$583,230.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,074,072	\$ 257,517
Changes of assumptions	328,024	411,872
Benefit payments and plan administrative expense made subsequent to the measurement date	224,474	-
Total	<u>\$ 1,626,570</u>	<u>\$ 669,389</u>

\$224,474 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2025.

Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending		Amount
June 30		Amount
2025	\$ 233,037	
2026	201,106	
2027	192,478	
2028	106,086	
2029	-	
Thereafter	-	
Total	<u>\$ 732,707</u>	

Sensitivity of the City's Total Pension Liability to Changes in the Discount Rate. The following presents the City's total pension liability calculated using the discount rate of 3.77%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1%	Discount	1%
	Decrease (2.77%)	Rate (3.77%)	Increase (4.77%)
Total pension liability	<u>\$ 5,791,503</u>	<u>\$ 5,392,255</u>	<u>\$ 5,028,041</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

	<u>2024</u>
Beginning balance	\$ 4,764,032
Service cost	150,343
Interest on the total pension liability	184,648
Differences between expected and actual experience in the measurement of the total pension liability	613,609
Changes of assumptions or other inputs	98,669
Benefit payments	(419,046)
Ending balance of the total pension liability	<u>\$ 5,392,255</u>

The plan currently uses mortality tables that vary by age and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the June 30, 2023 valuation were based on those used for the five-year period ending December 31, 2019 Actuarial Valuation of the North Carolina Local Governmental Employee's Retirement System.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension expense	\$ 7,299,910	\$ 583,230	\$ 7,883,140
Pension liability	25,406,228	5,392,255	30,798,483
Proportionate share of the net pension liability	0.38360%	n/a	-

Deferred of Outflows of Resources:

Differences between expected and actual experience	\$ 2,831,006	\$ 1,074,072	\$ 3,905,078
Changes of assumptions	1,079,618	328,024	1,407,642
Net difference between projected and actual earnings on plan investments	6,799,819	-	6,799,819
Changes in proportion and differences between contributions and proportionate share of contributions	179,686	-	179,686
Benefit payments and administrative costs paid subsequent to the measurement date	4,851,063	224,474	5,075,537

Deferred of Inflows of Resources:

Differences between expected and actual experience	\$ 60,947	\$ 257,517	\$ 318,464
Changes of assumptions	-	411,872	411,872
Changes in proportion and differences between contributions and proportionate share of contributions	46,831	-	46,831

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

c. *Supplemental Retirement Income Plan*

Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The state's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024, were \$823,793, which consisted of \$371,974 from the City and \$451,819 from the law enforcement officers. No amounts were forfeited.

General Employees

The City has elected to contribute to the Supplemental Retirement Income Plan for general employees as well as for law enforcement officers. Participation begins after six months of employment. The City has elected to contribute each month an amount equal to 3% of each employee's salary, the employee contribution will be matched 2% by the City, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024, were \$2,995,330 which consisted of \$1,357,434 in contributions and matching from the City, and \$1,637,896 from City employees. No amounts were forfeited.

d. *Other Post-Employment Benefits*

Healthcare Benefits

Plan Description. Under the terms of a City resolution, the City administers a single employer Health and Dental Care Plan. This plan provides post-employment healthcare and dental benefits to retirees of the City provided they participate in the North Carolina Local Governmental Employees' Retirement System and have 20 years of creditable service with the City. The amount the City pays towards these benefits is based on years of service with the City. A stand-alone financial report is not issued.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Funding Policy. Employees with 20 to 25 years of service – the City pays 50% and 75% of the cost of health and dental insurance, respectively. Employees with 30 years of service – the City pays 100% of the cost of health and dental insurance. In addition, retirees with 30 years of service receive \$5,500 of life insurance coverage.

When a retiree reaches age 65, they are transferred to the Medicare Supplement Group Plan and Part D Group Plan at the above referenced percentage of cost based on years of service. The City pays the full cost of coverage for these benefits through private insurers. At that time, any dependents covered are offered COBRA coverage.

There are no assets accumulated in a GASB-compliant trust.

Membership of the Health Care Plan consisted of the following at June 30, 2023:

Retirees and dependents receiving benefits	143
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	482
Total	<u>625</u>

Total OPEB Liability

The City's total OPEB liability of \$51,248,731 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Payroll Growth Assumption	3.25 percent
Discount rate	3.86 percent
Municipal Bond Index Rate:	
Prior Measurement Date	3.69 percent
Measurement Date	3.86 percent
Healthcare cost trend rates:	
Pre-Medicare	7.00 percent
Medicare	5.50 percent
Dental	2.50 percent

The City selected a Municipal Bond Index Rate equal to the Fidelity GO AA 20-Year Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability - beginning	<u>\$ 44,074,710</u>
Changes for the year:	
Service cost	1,695,442
Interest	1,605,778
Differences between expected and actual experience	5,266,507
Changes in assumptions or other inputs	73,571
Benefit payments	<u>(1,467,277)</u>
Net changes	7,174,021
Total OPEB liability - ending	<u>\$ 51,248,731</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.69% to 3.86%.

Mortality rates were based on the Pub 2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023 valuation were based on the North Carolina Local Governmental Employee's Retirement System (NCLGERS) experience study for the five year period January 1, 2015 through December 31, 2019.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2023 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	Current		
	1%	Discount	1%
	Decrease <u>(2.86%)</u>	Rate <u>(3.86%)</u>	Increase <u>(4.86%)</u>
Total OPEB liability	<u>\$ 59,945,948</u>	<u>\$ 51,248,731</u>	<u>\$ 44,320,620</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 43,594,989</u>	<u>\$ 51,248,731</u>	<u>\$ 61,094,842</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$2,437,173. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,824,561	\$ 1,569,103
Changes of assumptions	6,180,920	10,782,185
Benefit payments and administrative costs made subsequent to the measurement date	1,467,277	-
Total	<u>\$ 12,472,758</u>	<u>\$ 12,351,288</u>

\$1,467,277 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2025	\$ (864,047)
2026	(407,372)
2027	(28,740)
2028	354,699
2029	(817,596)
Thereafter	417,249
Total	<u>\$ (1,345,807)</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Other Employment Benefits

The City elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan and not by the City; the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

	Deferred Outflows
Charge on debt defeasance	\$ 3,002,146
OPEB deferrals	12,472,758
Pension deferrals	<u>17,367,762</u>
Total	<u><u>\$ 32,842,666</u></u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Deferred inflows of resources at year-end are comprised of the following:

	Deferred Inflows
Property taxes receivable:	
General	\$ 502,848
General - Tax gap bills	3,237
Nonmajor governmental	979
Privilege license receivable:	
General	45
Code enforcement liens receivable:	
General	266,371
Prepaid taxes, agreements, gift cards, donations, and store credits, not yet earned:	
General	27,055
Lease deferrals	852,049
OPEB deferrals	12,351,288
Pension deferrals	777,167
Total	<u><u>\$ 14,781,039</u></u>

4. *Construction and Other Significant Commitments*

Construction Commitments

The government has active construction projects as of June 30, 2024. At year-end, the government's commitments with contractors are as follows:

Projects	Spent To-Date	Remaining Commitment
Governmental:		
Capital projects	\$ 746,909	\$ 1,475,863
American Rescue Plan Grant	-	121,275
Occupancy Tax	-	8,243
Enterprise:		
Water and Sewer	7,782,158	8,826,512
Stormwater	225,564	564,437
Electric	1,353,735	1,606,732
Natural Gas	434,487	1,399,973
Airport	781,181	923,457
Total	<u><u>\$ 11,324,034</u></u>	<u><u>\$ 14,926,492</u></u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Interlocal Agreement

On December 5, 2005, the City entered into an agreement with Union County, which provided 1.99 MGD of additional water capacity to the City. Under the agreement terms, the City will pay fixed costs of approximately \$199,176 annually for 20 years beginning July 1, 2006, with one lump-sum payment of \$1,739,243, which was paid April 30, 2014. Operations and maintenance cost are paid based on a per thousand gallon rate calculated each budget year and based on actual metered consumption. This agreement term is of perpetual duration. This agreement also provides 2.65 MGD of wastewater capacity to Union County via the City WWTP to serve Union County's eastside customers.

Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2024 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Activities:

General Fund	\$ 4,270,170
Capital projects fund	1,475,863
Nonmajor funds	<u>132,252</u>
Total governmental activities	<u>\$ 5,878,285</u>

Business-Type Activities:

Water and Sewer Fund	\$ 11,974,140
Electric Fund	4,969,129
Natural Gas Fund	1,924,698
Airport Fund	1,215,703
Nonmajor funds	<u>1,483,821</u>
Total business-type activities	<u>\$ 21,567,491</u>

5. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-funded with regard to group health and workers' compensation insurance coverages. There have been no significant reductions in insurance coverage from the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred, but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Flood Insurance

The City carries flood insurance for properties located in Flood Zones B, C and X through participation in the North Carolina League of Municipalities Interlocal Risk Financing Fund of North Carolina. The City does not have properties of significant value in these Flood Zones.

Self-Funded Insurance

The City has established three internal service funds to account for self-insured risk financing. Funding of the Health Benefit Fund is based upon an analysis of historical and projected medical and dental claims paid by the third-party administrator and the availability of unrestricted net position to fund projected claims. Funding of the Workers' Compensation Fund is based upon payroll rates established by the state of North Carolina and the availability of unrestricted net position to fund projected claims. Funding of the Property and Casualty Fund is based upon experience and exposure risks associated with City operations and the availability of unrestricted net position to fund projected claims.

Group Health Insurance

Effective July 1, 2002, the City established an employee medical benefit plan to self-insure claims up to \$70,000 per year for each individual covered; claims above \$70,000 and aggregate claims exceeding 125% of expected incurred and paid claims are covered by a stop/loss insurance policy.

Workers' Compensation Insurance

The City has a self-funded workers' compensation insurance plan. Through this plan, the City has workers' compensation coverage of up to the statutory limits. The self-insurance plan has a \$650,000 retained risk per occurrence with a \$2,000,000 aggregate limit for all employees. The City also carries employer's liability coverage with a \$1,000,000 limit.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The claims payable as of June 30, 2024 are considered to be non-current liabilities. Changes in the balance of claims liabilities during the year ended June 30, 2024 are as follows:

	Health Benefit Fund	Workers' Compensation Fund	Property and Casualty Fund
Unpaid claims as of June 30, 2022	\$ 545,808	\$ 20,888	\$ 11,757
Claims and premiums paid	12,243,333	228,598	840,800
Incurred claims and premiums	(12,395,387)	(208,114)	(847,408)
Unpaid claims as of June 30, 2023	393,754	41,372	5,149
Claims and premiums paid	12,295,222	647,044	924,044
Incurred claims and premiums	(12,095,904)	(658,976)	(927,433)
Unpaid claims as of June 30, 2024	<u>\$ 593,072</u>	<u>\$ 29,440</u>	<u>\$ 1,760</u>

The City protects itself from potential loss through Travelers Property Casualty Company of America for general liability, automobile liability, public officials and law enforcement liability. The City maintains coverage of \$2,000,000 for comprehensive general liability, \$1,000,000 automobile liability, \$1,000,000 public officials and law enforcement liability and \$4,000,000 umbrella/excess liability. The City's potential loss for liability coverage is limited to the deductible amount of \$50,000 per claim for all coverage, except for umbrella/excess liability, which has a deductible of \$10,000 per claim.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Director and Deputy Finance Director are individually bonded for \$1,000,000 each. The Tax Collector is individually bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The City of Monroe ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The ABC Board has commercial property, general liability, automobile liability, workers' compensation, and employee health coverage. The ABC Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i), each Board member and the employees designated as the General Manager and Finance Officer are bonded in the amount of \$50,000 secured by a corporate surety.

The Tourism Development Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority does not carry commercial insurance to cover these risks of loss. The City's insurance coverage for these risks also covers the Authority. The Authority does not carry flood insurance. In accordance with G.S. 159-29, the Finance Officer for the Authority is individually bonded for \$150,000. All risk management activities are reported in the Authority's General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Based on available information, the Authority had no liability claims at June 30, 2024.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

6. *Claims, Judgments, and Contingent Liabilities*

The City was a defendant in various matters of litigation as of June 30, 2024. While any litigation contains an element of uncertainty, City officials believe that the outcome of any lawsuit or claim which is pending, or all of them combined, will not have a materially adverse effect on the City's financial condition or operations. In addition, there are known incidents that may result in the assertion of claims, as well as claims from unknown incidents that may be asserted for which the City could be liable for a material amount. However, since such claims have not been asserted and are not determinable or measurable, no provision for loss has been included in the financial statements. Also, City officials believe the City's insurance is adequate for the actual or pending lawsuits or claims mentioned above.

7. *Long-Term Obligations*

a. *Leases*

The City has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On August 12, 2022, the City of Monroe, NC entered into a 60-month lease as Lessee for the use of Wells Fargo Financial Services - Technocom. An initial lease liability was recorded in the amount of \$11,881. As of June 30, 2024, the value of the lease liability is \$7,287 and the value of the short-term lease liability is \$2,332. The City of Monroe, NC is required to make monthly fixed payments of \$201. The lease has an interest rate of 1.2880%. The value of the right to use asset as of June 30, 2024, is \$11,881 with accumulated amortization of \$4,290.

On July 1, 2021, the City of Monroe, NC entered into a 36-month lease as Lessee for the use of Canon Copiers - 2201 Walkup Ave. An initial lease liability was recorded in the amount of \$142,502. As of June 30, 2024, the value of the lease liability is \$291 and the value of the short-term lease liability is \$291. The City of Monroe, NC is required to make monthly fixed payments of \$4,656. The lease has an interest rate of 5.5638%. The value of the right to use asset as of June 30, 2024, is \$137,471 with accumulated amortization of \$136,033.

On July 1, 2021, the City of Monroe, NC entered into a 56-month lease as Lessee for the use of Pitney Bowes Mailing System - SendPro P100. An initial lease liability was recorded in the amount of \$20,993. As of June 30, 2024, the value of the lease liability is \$7,855 and the value of the short-term lease liability is \$4,470. The City of Monroe, NC is required to make quarterly fixed payments of \$1,134. The lease has an interest rate of 1.0600%. The value of the right to use asset as of June 30, 2024, is \$20,993 with accumulated amortization of \$15,744.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On May 1, 2023, the City of Monroe, NC entered into a 24 month lease as Lessee for the use of Station #6 Rental House. An initial lease liability was recorded in the amount of \$61,938. As of June 30, 2024, the value of the lease liability is \$26,697, and the value of the short-term lease liability is \$26,697. The City of Monroe, NC is required to make monthly fixed payments of \$2,700. The lease has an interest rate of 2.4700%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2024 is \$61,938 with accumulated amortization of \$10,323.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 31,167	\$ 369	\$ 31,536
2026	3,676	18	3,694
Total	<u><u>\$ 34,843</u></u>	<u><u>\$ 387</u></u>	<u><u>\$ 35,230</u></u>

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 2,332	\$ 80	\$ 2,412
2026	2,362	50	2,412
2027	2,393	19	2,412
2028	200	-	200
Total	<u><u>\$ 7,287</u></u>	<u><u>\$ 149</u></u>	<u><u>\$ 7,436</u></u>

b. Subscriptions

The City has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On July 1, 2022, the City of Monroe, NC entered into a 26-month subscription for the use of Customer Utility Bills Printing and Mailing Software. An initial subscription liability was recorded in the amount of \$30,564. As of June 30, 2024, the value of the subscription liability is \$0. The City of Monroe, NC is required to make annual fixed payments of \$30,660. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of June 30, 2024, is \$29,576 with accumulated amortization of \$24,647.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On July 1, 2022, the City of Monroe, NC entered into a 27-month subscription for the use of Records Mgmt Fire Reporting System. An initial subscription liability was recorded in the amount of \$12,565. As of June 30, 2024, the value of the subscription liability is \$0. The City of Monroe, NC is required to make annual fixed payments of \$12,642. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of June 30, 2024, is \$12,565 with accumulated amortization of \$9,424.

On October 27, 2022, the City of Monroe, NC entered into a 36-month subscription for the use of Fire Online Training & Tracking Platform. An initial subscription liability was recorded in the amount of \$24,142. As of June 30, 2024, the value of the subscription liability is \$8,044. The City of Monroe, NC is required to make annual fixed payments of \$8,711. The subscription has an interest rate of 3.3780%. The value of the right to use asset as of June 30, 2024 is \$24,142 with accumulated amortization of \$12,202.

On July 1, 2022, the City of Monroe, NC entered into a 39-month subscription for the use of MAFC POS System Software. An initial subscription liability was recorded in the amount of \$72,125. As of June 30, 2024, the value of the subscription liability is \$24,187. The City of Monroe, NC is required to make annual fixed payments of \$24,756. The subscription has an interest rate of 2.3543%. The value of the right to use asset as of June 30, 2024, is \$72,125 with accumulated amortization of \$40,233.

On August 1, 2022, the City of Monroe, NC entered into a 36-month subscription for the use of Customer Access to DebtBook. An initial subscription liability was recorded in the amount of \$30,014. As of June 30, 2024, the value of the subscription liability is \$10,503. The City of Monroe, NC is required to make annual fixed payments of \$9,750. The subscription has an interest rate of 2.3543%. The value of the right to use asset as of June 30, 2024, is \$30,014 with accumulated amortization of \$16,698. The City of Monroe, NC has 2 extension option(s), each for 12 months.

On July 1, 2022, the City of Monroe, NC entered into a 32-month subscription for the use of HR FMLA Manager Online Software. An initial subscription liability was recorded in the amount of \$1,078. As of June 30, 2024, the value of the subscription liability is \$0. The City of Monroe, NC is required to make annual fixed payments of \$663. The subscription has an interest rate of 2.3543%. The value of the right to use asset as of June 30, 2024, is \$1,078 with accumulated amortization of \$647.

On July 1, 2022, the City of Monroe, NC entered into a 24-month subscription for the use of Residential & Commercial Credit Check Software. An initial subscription liability was recorded in the amount of \$10,004. As of June 30, 2024, the value of the subscription liability is \$0. The City of Monroe, NC is required to make annual fixed payments of \$5,070. The subscription has an interest rate of 1.8503%. The value of the right to use asset as of June 30, 2024, is \$10,004 with accumulated amortization of \$6,693. The City of Monroe, NC has 1 extension option(s), each for 12 months.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On July 1, 2023, City of Monroe, NC entered into a 36 month subscription for the use of ClearGov. An initial subscription liability was recorded in the amount of \$73,955. As of June 30, 2024, the value of the subscription liability is \$48,595. City of Monroe, NC is required to make annual fixed payments of \$25,360. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of June 30, 2024 is \$81,155 with accumulated amortization of \$8,116.

On December 1, 2023, City of Monroe, NC entered into a 36 month subscription for the use of Sterling - HR. An initial subscription liability was recorded in the amount of \$16,273. As of June 30, 2024, the value of the subscription liability is \$13,274. City of Monroe, NC is required to make annual fixed payments of \$3,000. The subscription has an interest rate of 3.6310%. The value of the right to use asset as of June 30, 2024 is \$16,273 with accumulated amortization of \$1,627.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2024, were as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 49,015	\$ 2,411	\$ 51,426
2026	31,401	960	32,361
Total	\$ 80,416	\$ 3,371	\$ 83,787

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 24,187	\$ 569	\$ 24,756

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

c. Installment Purchase Obligations

The City has entered into various installment purchase obligations to acquire certain equipment and to finance building improvements:

	Governmental Funds	Enterprise Funds	<u>Total</u>
\$4,400,000 Executed September 17, 2014 with a bank, to finance the design, construction and furnishing of a fire station, requiring 20 semi-annual installments of \$220,000, plus interest at 2.1%. The fire station is pledged as collateral for the debt.	\$ 220,000	\$ -	\$ 220,000
\$1,788,000 Executed May 9, 2017 with a bank, to finance fire trucks requiring 10 annual installments ranging from \$165,000 to \$196,000, plus interest at 2.1532%. The fire trucks are pledged as collateral for the debt.	576,000	-	576,000
\$2,123,000 Executed May 8, 2018 with a bank, to finance fire trucks and street sweepers requiring 10 annual installments ranging from \$163,000 to \$266,000, plus interest at 2.74%. The fire trucks and street sweepers are pledged as collateral for the debt.	704,000	-	704,000
\$635,000 Executed May 7, 2019 with a bank, to finance a fire truck requiring 10 annual installments ranging from \$56,000 to \$71,000 plus interest at 3.0462%. The fire truck is pledged as collateral for the debt.	339,000	-	339,000
\$3,101,725 Executed June 9, 2020 with a bank, to finance a fire truck and financial software requiring 10 annual installments ranging from \$208,000 to \$248,000 plus interest at 1.991%. The fire truck is pledged as collateral for the debt.	1,320,063	629,939	1,950,002
\$825,000 Executed May 11, 2023 with a bank to finance a fire truck requiring 10 annual installments ranging from \$101,083 to \$101,920 plus interest at 4.0%. The fire truck is pledged as collateral for the debt.	756,000	-	756,000
\$1,400,000 Executed May 16, 2024 with a bank to finance a fire truck requiring 10 annual installments ranging from \$117,000 to \$167,000 plus interest at 4.3027%. The fire truck is pledged as collateral for the debt.	1,400,000	-	1,400,000
\$735,000 Executed May 16, 2024 with a bank to finance a leaf collection truck and golf cart fleet requiring 5 annual installments ranging from \$136,000 to \$159,000 plus interest at 4.3027%. The leaf collection truck is pledged as collateral for the debt.	735,000	-	735,000
Total	\$ 6,050,063	\$ 629,939	\$ 6,680,002

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The City's outstanding note from direct placements related to governmental activities of \$220,000 is secured by the fire station. Upon the failure to pay or make timely payments, the bank shall declare the unpaid portion of the outstanding principal components of the installment payments immediately due and payable. Upon default the bank shall proceed by appropriate court action and take possession of the mortgaged property.

The City's outstanding note from direct placements related to governmental activities of \$576,000 is secured by the fire trucks. Upon the failure to pay or make timely payments, the lender may declare all installment payments payable by purchaser pursuant to the agreement to be due. Upon default the lender shall proceed by appropriate court action and take possession of the property.

The City's outstanding note from direct placements related to governmental activities of \$704,000 is secured by the fire trucks and street sweepers. Upon the failure to pay or make timely payments, the lender may declare all installment payments payable by purchaser pursuant to the agreement to be due. Upon default the lender shall proceed by appropriate court action and take possession of the property.

The City's outstanding note from direct placements related to governmental activities of \$339,000 is secured by the fire truck. Upon the failure to pay or make timely payments, the lessor may retake possession of the equipment, hold the lessee liable for the difference between the rents payable and the rent paid by the lessee, and take whatever action at law that may appear necessary.

The City's outstanding note from direct placements related to governmental activities of \$1,320,063 and business-type activities of \$629,939 is secured by the fire truck. Upon default the lender shall proceed by appropriate court action and take possession of the property.

The City's outstanding note from direct placements related to governmental activities of \$756,000 is secured by the fire truck. Upon default the lender shall proceed by appropriate court action and take possession of the property.

The City's outstanding note from direct placements related to governmental activities of \$1,400,000 is secured by the fire truck. Upon default the lender shall proceed by appropriate court action and take possession of the property.

The City's outstanding note from direct placements related to governmental activities of \$735,000 is secured by the leaf collection truck and golf cart fleet. Upon default the lender shall proceed by appropriate court action and take possession of the property.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Annual debt service payments of the installment purchase obligations as of June 30, 2024 are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,174,974	\$ 189,994	\$ 100,027	\$ 12,542
2026	978,196	162,647	101,804	10,551
2027	1,009,974	133,044	104,026	8,524
2028	839,195	102,386	105,805	6,452
2029	675,972	75,064	108,027	4,346
2030-2034	1,371,752	144,586	110,250	2,195
Total	<u><u>\$ 6,050,063</u></u>	<u><u></u></u>	<u><u>\$ 629,939</u></u>	<u><u></u></u>
Total interest payments		<u><u>\$ 807,721</u></u>		<u><u>\$ 44,610</u></u>

At June 30, 2024, the City had a legal debt margin of \$423,026,940.

d. Revenue Bonds

The City also issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year-end are as follows:

Serviced by the Water and Sewer Fund, Electric Fund, Airport Fund, and Natural Gas Fund:

On August 11, 2016, the City issued \$20,660,000 in Combined Enterprise System Revenue Bonds, Series 2016 to advance refund a portion of the Series 2008A Revenue Bonds. These 17-year bonds have interest rates varying between 2% and 5%. The total shown is net of the unamortized bond premium of \$2,058,726 associated with the bonds. \$ 15,978,726

On December 21, 2017, the City issued \$12,500,000 in Combined Enterprise System Revenue Bonds, Series 2017 to fund improvements to the City's water, sewer, and airport systems. These 25-year bonds have interest rates varying between 3.125% and 5%. The total shown is net of the unamortized bond premium of \$1,277,731 associated with the bonds. 11,942,731

On December 8, 2020, the City issued \$6,560,000 in direct placement Combined Enterprise System Revenue Bonds, Series 2020A to advance refund outstanding callable maturities of the City's Combined Enterprise System Refunding Bonds, Series 2011. These 7-year bonds have an interest rate of .92%. 3,462,000

On December 8, 2020, the City issued \$6,776,000 in direct placement Combined Enterprise System Revenue Bonds, Series 2020B to advance refund outstanding maturities of the City's 2014 State of North Carolina Water Pollution Control Revolving Fund Loan. These 14-year bonds have an interest rate of 1.4%. 4,788,000

Total \$ 36,171,457

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The revenue bonds are secured by pledged water and sewer, electric, airport, and natural gas customer revenues, net of specified operating expenses to repay revenue bonds. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owed by the City under the related agreements.

The future payments of the revenue bonds as of June 30, 2024 are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2025	\$ 3,007,000	\$ 1,234,675
2026	3,087,000	1,137,107
2027	3,141,000	1,076,207
2028	3,229,000	972,339
2029	2,441,000	864,008
2030-2034	11,785,000	2,665,699
2035-2039	3,100,000	1,191,988
2040-2043	3,045,000	390,250
Total	<u>\$ 32,835,000</u>	<u>\$ 9,532,273</u>

The future payments as presented above have not been reduced by the net of unamortized bond premiums totaling \$3,336,457.

The City has been in compliance with the covenants as to rates, fees, rentals, and charges in Section 704 of the Bond Order Authorizing the Issuance of Combined Enterprise System Revenue Bonds (Bond Order) since its adoption on May 3, 1994. Section 704(a) of the Bond Order requires the debt service coverage ratio to be no less than 125% parity indebtedness and 100% of the long-term debt service requirement for subordinated indebtedness for the fiscal year.

The debt service coverage ratio calculation for the year ended June 30, 2024, is as follows:

Operating revenues	\$ 113,579,340
Operating expenses (1)	69,594,758
Operating income	43,984,582
Non-operating revenues (2)	<u>7,618,802</u>
Income available for debt service	51,603,384
Parity debt service	<u>4,251,228</u>
Debt service coverage ratio	<u>1214%</u>
Income available for debt service	51,603,384
Subordinated debt service	<u>6,844,164</u>
Debt service coverage ratio	<u>754%</u>

(1) Per rate covenants, this does not include the depreciation and amortization expense of \$9,713,116.

(2) Per rate covenants, this includes investment earnings only.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The City has pledged future water and sewer, electric, airport and natural gas customer revenues, net of specified operating expenses, to repay \$52.8 million in direct placement revenue bonds originally issued in 2008 and 2011. Proceeds from the bonds provided financing for various capital projects and refunded prior issues. The bonds are payable solely from the revenue sources of the enterprise funds noted above and are payable through 2043. Annual principal and interest payments on the bonds are expected to require less than 5% of net revenues. In the event of a default, the City agrees to pay the purchaser, on demand, interest on any and all amounts due and owed by the City under the related agreement. The total principal and interest remaining to be paid on the bonds is \$42,367,273. Principal and interest paid for the current year and total customer net revenues were \$4,251,228 and \$113.5 million, respectively.

e. *Limited Obligation Bonds*

	Governmental Funds	Enterprise Funds	Total
On April 14, 2016, the City issued \$27,045,000 in Limited Obligation Bonds (LOBS) to refund the Certificates of Participation used to finance the construction of natural gas improvements. These 23-year LOBS have interest rates varying between 2% and 5%. Although any source of funds legally available may be used, the bonds are serviced by Natural Gas system revenues. The portion of the natural gas pipeline that is located in Union County is pledged as collateral for the debt. The total is shown net of the unamortized bond premium of \$2,067,197 associated with the bonds.	\$ -	\$ 24,107,197	\$ 24,107,197
On February 28, 2018, the City issued \$8,280,000 in Limited Obligation Bonds, Series 2018 to fund improvements to the City's natural gas system. These 25-year bonds have interest rates varying between 3% and 5%. Although any source of funds legally available may be used, the bonds are serviced by Natural Gas system revenues. The portion of the natural gas pipeline that is located in Union County is pledged as collateral for the debt. The total shown is net of the unamortized bond premium of \$143,581 associated with the bonds.	-	7,123,581	7,123,581
On October 10, 2018, the City issued \$7,785,000 in Limited Obligation Bonds, Series 2018B to fund the construction of the Monroe Science Center and Center Theatre. These 20-year bonds have interest rates varying between 3% and 5%. Although any source of funds legally available may be used, the bonds are serviced from the General Fund and the Occupancy Tax Capital Project Fund. The Center Theatre is pledged as collateral for the debt. The total shown is net of the unamortized bond premium of \$308,613 associated with the bonds.	6,393,613	-	6,393,613

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
<p>On August 10, 2021, the City issued \$13,680,000 in direct placement Limited Obligation Bonds, Series 2021 to fund the construction of the Monroe Police Headquarters and Senior Center. These 20-year bonds have interest rates varying between 3% and 5%. Although any source of funds legally available may be used, the bonds are serviced from the General Fund. The Police Headquarters is pledged as collateral for the debt. The total shown is net of the unamortized bond premium of \$2,288,931 associated with the bonds.</p>			
	13,918,931	-	13,918,931
Total	<u>\$ 20,312,544</u>	<u>\$ 31,230,778</u>	<u>\$ 51,543,322</u>

In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owed by the City under the related agreements.

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,040,000	\$ 735,638	\$ 1,320,000	\$ 1,191,313
2026	1,050,000	683,638	1,385,000	1,125,313
2027	1,055,000	631,138	1,455,000	1,056,063
2028	1,060,000	578,388	1,530,000	983,313
2029	1,070,000	525,388	1,600,000	906,813
2030-2034	5,445,000	1,906,663	9,055,000	3,485,119
2035-2039	5,635,000	801,875	10,815,000	1,732,813
2040-2043	1,360,000	61,200	1,860,000	165,175
Total	<u>\$ 17,715,000</u>	<u>\$ 5,923,928</u>	<u>\$ 29,020,000</u>	<u>\$ 10,645,922</u>

The future payments presented above have not been adjusted by the net of unamortized bond premiums of \$4,808,322.

f. Advance Refunding

On August 11, 2016, the City issued Combined Enterprise System Revenue Refunding Bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to be used for future debt service payments of \$20,660,000 of revenue bonds. As a result, a portion of the Combined Enterprise System Revenue Bonds, Series 2008A are considered to be defeased and a portion of the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,212,041. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 17 years by \$3,573,013 and resulted in an economic gain of \$3,288,671. On June 30, 2024, \$15,485,000 of bonds outstanding are considered defeased.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

On April 14, 2016, the City issued Limited Obligation advance refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to be used for future debt service payments of \$26,535,000 of certificates of participation. As a result, a portion of the certificates of participation are considered to be defeased and a portion of the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,619,392. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 23 years by \$4,514,919 and resulted in an economic gain of \$4,193,750. On June 30, 2024, \$22,125,000 of bonds outstanding are considered defeased.

g. Current Refunding

On December 8, 2020, the City issued Combined Enterprise System Revenue Refunding Bonds, Series 2020A to refund the Combined Enterprise System Revenue Refunding Bonds, Series 2011. The liability for these bonds has been removed from the business-type activities column of the statement of net position. This refunding was undertaken to reduce the total debt service payments over the next 8 years by \$771,646 and resulted in an economic gain of \$711,646.

On December 8, 2020, the City issued Combined Enterprise System Revenue Refunding Bonds, Series 2020B to refund the 2014 State Revolving Fund Loan. The liability for this loan has been removed from the business-type activities column of the statement of net position. This refunding was undertaken to reduce the total debt service payments over the next 14 years by \$345,638 and resulted in an economic gain of \$305,638.

h. Changes in Long-Term Liabilities

	<u>Balance</u>				<u>Balance</u>	<u>Current</u>
	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>		<u>June 30, 2024</u>	<u>Portion of</u>
Governmental Activities:						
General and Parks and Recreation Fund:						
Direct placement installment purchasing obligations	\$ 5,136,596	\$ 1,670,000	\$ 1,274,432	\$ 5,532,164	\$ 1,080,534	
Lease liabilities	40,969	68,971	75,097	34,843	31,167	
Subscription liabilities	65,153	108,716	93,453	80,416	49,015	
Compensated absences	3,616,370	1,341,024	1,141,321	3,816,073	2,556,769	
Total pension liability (LEOSSA)	4,764,032	1,841,182	1,212,959	5,392,255	350,544	
Net pension liability (LGERS)	14,858,135	2,748,382	-	17,606,517	-	
Total OPEB liability	<u>30,424,770</u>	<u>4,952,226</u>	<u>-</u>	<u>35,376,996</u>	<u>815,498</u>	
Limited obligation bonds	15,755,000	-	900,000	14,855,000	900,000	
Less unamortized premiums	2,617,956	-	146,792	2,471,164	146,792	
Total limited obligation bonds	<u>18,372,956</u>	<u>-</u>	<u>1,046,792</u>	<u>17,326,164</u>	<u>1,046,792</u>	
Total	<u>77,278,981</u>	<u>12,730,501</u>	<u>4,844,054</u>	<u>85,165,428</u>	<u>5,930,319</u>	

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>
	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Portion of</u>
					<u>Balance</u>
Golf Course:					
Direct placement installment purchasing obligations	46,543	465,000	6,255	505,288	92,438
Lease liabilities	267	78	345	-	-
Compensated absences	27,970	29,808	17,386	40,392	27,062
Total OPEB liability	<u>110,186</u>	<u>17,935</u>	<u>-</u>	<u>128,121</u>	<u>2,953</u>
Total	<u>184,966</u>	<u>512,821</u>	<u>23,986</u>	<u>673,801</u>	<u>122,453</u>
Downtown Monroe Fund:					
Lease liabilities	267	73	340	-	-
Direct placement installment purchasing obligations	14,569	-	1,958	12,611	2,002
Total	<u>14,836</u>	<u>73</u>	<u>2,298</u>	<u>12,611</u>	<u>2,002</u>
Occupancy Tax Fund:					
Limited obligation bonds	2,995,000	-	135,000	2,860,000	140,000
Plus unamortized premiums	134,806	-	8,426	126,380	8,426
Total limited obligation bonds	<u>3,129,806</u>	<u>-</u>	<u>143,426</u>	<u>2,986,380</u>	<u>148,426</u>
Total governmental activities	<u>\$ 80,608,589</u>	<u>\$ 13,243,395</u>	<u>\$ 5,013,764</u>	<u>\$ 88,838,220</u>	<u>\$ 6,203,200</u>
Business-Type Activities:					
Water and Sewer Fund:					
Compensated absences	\$ 372,685	\$ 284,177	\$ 170,956	\$ 485,906	\$ 325,557
Lease liabilities	3,499	1,487	4,986	-	-
Net pension liability (LGERS)	2,793,737	483,666	-	3,277,403	-
Total OPEB liability	<u>5,694,453</u>	<u>926,884</u>	<u>-</u>	<u>6,621,337</u>	<u>152,633</u>
Direct placement installment purchasing obligations	<u>198,063</u>	<u>-</u>	<u>26,618</u>	<u>171,445</u>	<u>27,223</u>
Revenue bonds	17,058,849	-	996,788	16,062,061	1,016,340
Plus bond premium	1,511,902	-	94,970	1,416,932	94,970
Total revenue bonds	<u>18,570,751</u>	<u>-</u>	<u>1,091,758</u>	<u>17,478,993</u>	<u>1,111,310</u>
Total Water and Sewer Fund	<u>27,633,188</u>	<u>1,696,214</u>	<u>1,294,318</u>	<u>28,035,084</u>	<u>1,616,723</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>Balance</u>		<u>Balance</u>		<u>Current Portion of Balance</u>
	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	
Electric Fund:					
Compensated absences	433,627	331,934	235,488	530,073	355,149
Lease liabilities	11,428	1,169	5,310	7,287	2,332
Net pension liability (LGERS)	1,212,787	209,964	-	1,422,751	-
Total OPEB liability	2,485,814	404,615	-	2,890,429	66,629
Direct placement installment purchasing obligations	175,222	-	23,548	151,674	24,084
Revenue bonds	10,782,032	-	875,371	9,906,661	921,633
Plus bond premium	1,627,997	-	162,803	1,465,194	162,799
Total revenue bonds	12,410,029	-	1,038,174	11,371,855	1,084,432
Total Electric Fund	16,728,907	947,682	1,302,520	16,374,069	1,532,626
Natural Gas Fund:					
Compensated absences	211,643	121,539	83,222	249,960	167,473
Lease liabilities	189	81	270	-	-
Total OPEB liability	1,260,536	205,177	-	1,465,713	33,787
Net pension liability (LGERS)	628,050	108,731	-	736,781	-
Direct placement installment purchasing obligations	117,804	-	15,832	101,972	16,192
Limited obligation bonds	30,275,000	-	1,255,000	29,020,000	1,320,000
Plus bond premium	2,356,147	-	145,369	2,210,778	145,369
Total limited obligation bonds	32,631,147	-	1,400,369	31,230,778	1,465,369
Revenue bonds	1,801,477	-	146,259	1,655,218	153,988
Plus bond premium	271,981	-	27,198	244,783	27,198
Total revenue bonds	2,073,458	-	173,457	1,900,001	181,186
Total Natural Gas Fund	36,922,827	435,528	1,673,150	35,685,205	1,864,007
Airport Fund:					
Compensated absences	41,396	41,307	24,948	57,755	38,696
Lease liabilities	1,335	568	1,903	-	-
Net pension liability (LGERS)	519,764	89,984	-	609,748	-
Total OPEB liability	1,053,389	171,459	-	1,224,848	28,235
Direct placement installment purchasing obligations	52,479	-	7,053	45,426	7,213
Revenue bonds	6,115,640	-	904,580	5,211,060	915,040
Plus bond premium	220,575	-	11,027	209,548	11,029
Total revenue bonds	6,336,215	-	915,607	5,420,608	926,069
Total Airport Fund	8,004,578	303,318	949,511	7,358,385	1,000,213

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>Balance</u>		<u>Balance</u>		<u>Current</u>
	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Portion of</u>
Aquatics and Fitness					
Center Fund:					
Compensated absences	106,475	55,569	30,219	131,825	88,323
Lease liabilities	4,240	1,803	6,043	-	-
Subscription liabilities	47,817	-	23,630	24,187	24,187
Net pension liability (LGERS)	1,017,873	176,219	-	1,194,092	-
Total OPEB liability	2,075,919	337,896	-	2,413,815	55,642
Direct placement installment purchasing obligations	65,347	-	8,782	56,565	8,982
Total Aquatics and Fitness Center Fund	<u>3,317,671</u>	<u>571,487</u>	<u>68,674</u>	<u>3,820,484</u>	<u>177,134</u>
Stormwater Fund:					
Compensated absences	34,997	46,629	33,044	48,582	32,550
Net pension liability (LGERS)	454,794	78,736	-	533,530	-
Total OPEB liability	907,938	147,785	-	1,055,723	24,336
Direct placement installment purchasing obligations	67,063	-	9,013	58,050	9,218
Total Stormwater Fund	<u>1,464,792</u>	<u>273,150</u>	<u>42,057</u>	<u>1,695,885</u>	<u>66,104</u>
Solid Waste Fund:					
Compensated absences	19,820	14,620	10,249	24,191	16,208
Net pension liability (LGERS)	21,657	3,749	-	25,406	-
Total OPEB liability	61,705	10,044	-	71,749	1,654
Direct placement installment purchasing obligations	51,762	-	6,955	44,807	7,115
Total Solid Waste Fund	<u>154,944</u>	<u>28,413</u>	<u>17,204</u>	<u>166,153</u>	<u>24,977</u>
Total business-type activities	<u>\$ 94,226,907</u>	<u>\$ 4,255,792</u>	<u>\$ 5,347,434</u>	<u>\$ 93,135,265</u>	<u>\$ 6,281,784</u>

For governmental activities, compensated absences, and other post-employment benefit liabilities are liquidated by the General Fund. For business-type activities, compensated absences, and other post-employment benefit liabilities are liquidated by the respective business-type fund.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

C. Interfund Balances and Activity

Interfund balances at June 30, 2024 consist of the following:

Due to	General Fund	Airport Fund	Total
Electric Fund	\$ 549,387	\$ 605,649	\$ 1,155,036

The balance of \$549,387 due to the Electric fund from the General fund resulted from financing of the ATI Specialty Materials land for economic development incentives. The promissory note is for \$1,058,562 payable annually over 15 years with interest accruing at 2.84%. The current portion of this note is \$72,047 and the balance of \$477,340 is not scheduled to be collected in the subsequent year.

The balance of \$605,649 due to the Electric fund from the Airport fund resulted from financing of a bulk airplane storage hangar. The promissory note is payable in 20 equal annual installments of \$60,265 with interest accruing at 2.84%. The current portion of this note is \$43,065 and the balance of \$562,584 is not scheduled to be collected in the subsequent year.

The Internal Service Fund is consolidated into governmental activities. The adjustment related to the enterprise funds is \$(291,304).

Balances due to/from component units at June 30, 2024 consist of the following:

Due to the Primary Government:

Monroe Tourism Development Authority \$ 26,571

Monroe ABC Board \$ 319,569

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Transfers to/from other funds for the year ended June 30, 2024 consist of the following:

From the General Fund to the Airport Fund for Airport subsidy and various projects	\$ 1,328,917
From the Airport Capital Project Fund to the General Fund to close projects	46,602
From the General Fund to the Airport Capital Project Fund for various projects	143,959
From the Capital Project Fund to the General Fund for various projects and to close completed projects	127,048
From the Electric Fund to the General Fund for payment in lieu of taxes	440,274
From the Natural Gas Fund to the General Fund for payment in lieu of taxes	185,925
From the General Fund to the Downtown Monroe Fund for downtown subsidy	190,775
From the General Fund to the Capital Projects Fund for various projects	1,281,566
From the Capital Project Fund to the Stormwater Capital Project Fund for projects	426,545
From the Water and Sewer Fund to the Capital Projects Fund for various projects	20,834
From the Electric Fund to the Capital Projects Fund for various projects	20,833
From the Occupancy Tax Fund to the Occupancy Tax Capital Projects Fund for picnic shelter	70,000

IV. Jointly Governed Organizations

The City, in conjunction with eighteen other local governments, is a member of the North Carolina Municipal Power Agency Number 1 (Agency). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The nineteen members, which receive power from the Agency, have signed power sales agreements to purchase a specified share of the power generated by the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The City's purchases of power for the fiscal year ended June 30, 2024 were \$40,047,238.

Also, the City, in conjunction with nine Central North Carolina counties and sixty-six other municipalities established the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$8,337 to the Council during the fiscal year ended June 30, 2024.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

V. Joint Venture

The City has entered into a joint venture agreement with Public Service Company of North Carolina, Incorporated, a South Carolina corporation d/b/a PSNC Energy (“PSNC”). The City has installed natural gas pipeline, a control station, an emergency connector, various valves and electronic data control equipment in Iredell and Cabarrus Counties which is located in PSNC’s service area. These facilities will be “joint facilities” to be owned by the City. The City will be responsible for providing all operation, maintenance, inspection, and repair of the joint facilities. PSNC has agreed to reimburse the City for 25% of the total cost of operation and maintenance. This reimbursement is equal to PSNC’s right to 25% of the capacity in the joint facilities in Cabarrus and Iredell counties. PSNC files SCANA’s annual SEC Form 10-K with the North Carolina Utilities Commission. A full copy of this report can be obtained from the Commission’s website in Docket No. G-5, Sub 400A or on SCANA’s website at: <http://www.scana.com/en/investor-relations/financial-reports/>. In addition, PSNC’s financial statements can be found on PSNC’s website at: <http://www.psncenergy.com/en/financial-statements/>.

VI. Related Organization

The seven-member Board of the Monroe Housing Authority is appointed by the City Council and Mayor of the City of Monroe. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority. The City of Monroe is also disclosed as a related organization in the notes to the financial statements for the Monroe Housing Authority. Complete financial statements for the Housing Authority can be obtained from the Authority’s offices at Post Office Box 805, Monroe, North Carolina 28111.

VII. Related Party Transactions

The City and its discretely presented component units engaged in the following transactions during the year ended June 30, 2024:

City of Monroe ABC Board:

Payments to the City for profit distributions	\$ 343,569
Payments to the City for law enforcement	108,691
Total	<u>\$ 452,260</u>

Monroe Tourism Development Authority:

Payments of a pro-rata portion of the occupancy tax by the City to the Authority	\$ <u>829,711</u>
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Payment by the Authority to the City for the Occupancy Tax Project	\$ <u>276,570</u>
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CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

VIII. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance- General Fund	\$ 47,557,815
Less:	
Inventories	479,531
Prepays	2,812,905
Stabilization by state statute	10,496,020
Public safety	2,600,147
Culture and recreation	468,279
Powell Bill reserves	4,008,982
Minimum fund balance requirement	15,839,191
Airport grant acceptance	152,892
Downtown projects	1,369,993
Subsequent year's expenditures	<u>4,472,788</u>
Remaining fund balance	<u>\$ 4,857,087</u>

IX. Summary Disclosures of Significant Contingencies

Federal and State-Assisted Programs

The City has received proceeds from several federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies.

Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

X. Contingent Liabilities

At June 30, 2024, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

XI. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2024, the expenditures made in the City's Natural Gas Fund and Aquatic Fund exceeded appropriations made by the governing board by the following:

Natural Gas Fund:	
Transfer to General Fund	\$ 11,925
Total Natural Gas Fund	<u>\$ 11,925</u>

Aquatic Fund:	
Operations	\$ 209,052
Total Aquatic Fund	<u>\$ 209,052</u>

These over expenditures occurred because the government failed to amend its annual budget to properly budget for the salaries and benefits in the Aquatic Fund and the transfer out in the Natural Gas Fund. Management and staff will more closely evaluate future activity to ensure compliance in future years.

XII. Change to or Within the Financial Reporting Entity

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, in the fiscal year ended June 30, 2024.

The Monroe-Union County Economic Development Commission was previously reported as a discretely presented component unit. However, the City determined that the Commission does not meet the requirements for presentation as a discretely presented component unit for the fiscal year ended June 30, 2024.

The effect of this change is shown in the table below.

<u>Reporting Unit Affected by Adjustment to and Restatement of Beginning Balance</u>	<u>Component Unit</u>
	<u>Monroe-Union</u>
	<u>County</u>
	<u>Economic</u>
	<u>Development</u>
	<u>Commission</u>
July 1, 2023, as previously reported	\$ 372,517
Change to reporting entity (discontinued CU)	<u>(372,517)</u>
July 1, 2023, as adjusted or restated	\$ <u>-</u>

CITY OF MONROE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

XIII. Subsequent Events

The City received \$12,434,262 as a one-time credit of NCMPA 1 excess working capital as recommended by the NCMPA1 Rate committee and approved by the NCMPA1 Board of Commissioners and Electricities Board of Directors. This credit was applied to the August 2024 NCMPA1 wholesale power bill.

Required Supplementary Information

- Law Enforcement Officers' Special Separation Allowance Schedule of Changes in Total Pension Liability
- Law Enforcement Officers' Special Separation Allowance Schedule of Total Pension Liability as a Percentage of Covered Payroll
- Other Post-Employment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios
- Local Government Employees' Retirement System City of Monroe's Proportionate Share of Net Pension Liability (Asset) - Last Ten Fiscal Years
- Local Government Employees' Retirement System City of Monroe's Contributions - Last Ten Fiscal Years

CITY OF MONROE, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS*

Law Enforcement Officers' Special Separation Allowance				
	2024	2023	2022	2021
Beginning balance	\$ 4,764,032	\$ 4,585,539	\$ 5,026,861	\$ 4,573,806
Service cost	150,343	218,392	165,307	161,500
Interest on the total pension liability	184,648	90,451	103,132	145,057
Differences between expected and actual experience in the measurement of the total pension liability	613,609	991,772	(711,957)	-
Changes of assumptions or other inputs	98,669	(716,962)	326,478	394,929
Benefit payments	(419,046)	(405,160)	(324,282)	(248,431)
Ending balance of the total pension liability	<u>\$ 5,392,255</u>	<u>\$ 4,764,032</u>	<u>\$ 4,585,539</u>	<u>\$ 5,026,861</u>

The amounts presented for each fiscal year were determined as of the prior December 31.

*Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it comes available.

CITY OF MONROE, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS*

Law Enforcement Officers' Special Separation Allowance				
	2020	2019	2018	2017
Beginning balance	\$ 4,156,173	\$ 4,075,929	\$ 3,592,717	\$ 3,520,979
Service cost	156,038	162,022	140,123	144,779
Interest on the total pension liability	147,776	126,067	135,710	123,698
Differences between expected and actual experience in the measurement of the total pension liability	182,471	116,892	134,370	-
Changes of assumptions or other inputs	124,119	(151,784)	226,817	(84,642)
Benefit payments	(192,771)	(172,953)	(153,808)	(112,097)
Ending balance of the total pension liability	<u>\$ 4,573,806</u>	<u>\$ 4,156,173</u>	<u>\$ 4,075,929</u>	<u>\$ 3,592,717</u>

CITY OF MONROE, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED EMPLOYEE
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS***

Law Enforcement Officers' Special Separation Allowance				
	2024	2023	2022	2021
Total pension liability	\$ 5,392,255	\$ 4,764,032	\$ 4,585,539	\$ 5,026,861
Covered employee payroll	5,788,718	5,214,248	5,288,479	5,488,440
Total pension liability as a percentage of covered employee payroll	93.15%	91.37%	86.71%	91.59%

Notes to the Schedules:

The City of Monroe has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

*Pension schedules are intended to show information for ten years. Additional years' information will be displayed as it comes available.

CITY OF MONROE, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED EMPLOYEE
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST EIGHT FISCAL YEARS***

Law Enforcement Officers' Special Separation Allowance					
	2020	2019	2018	2017	
Total pension liability	\$ 4,573,806	\$ 4,156,173	\$ 4,075,929	\$ 3,592,717	
Covered employee payroll	5,488,440	5,171,410	5,106,289	4,986,204	
Total pension liability as a percentage of covered employee payroll	83.34%	80.37%	79.82%	72.05%	

CITY OF MONROE, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SEVEN FISCAL YEARS*

Other Post-Employment Benefits

	2024	2023	2022	2021
Service cost	\$ 1,695,442	\$ 2,525,725	\$ 1,770,891	\$ 1,732,600
Interest	1,605,778	1,161,386	1,128,148	1,355,967
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	5,266,507	429,802	(831,990)	-
Changes of assumptions or other inputs	73,571	(12,872,144)	1,589,512	10,254,689
Benefit payments	(1,467,277)	(1,446,039)	(855,966)	(1,219,557)
Net change in total OPEB liability	7,174,021	(10,201,270)	2,800,595	12,123,699
Total OPEB liability - beginning	44,074,710	54,275,980	51,475,385	39,351,686
Total OPEB liability - ending	\$ 51,248,731	\$ 44,074,710	\$ 54,275,980	\$ 51,475,385
Covered employee payroll	\$ 31,102,170	\$ 26,383,362	\$ 26,383,362	\$ 25,494,320
Total OPEB liability as a percentage of covered employee payroll	164.78%	167.05%	205.72%	201.91%

Notes to the Required Schedules:

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2024	3.86%
2023	3.69%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

Information is not required to be presented retroactively. This schedule will not present 10 years' worth of information until fiscal year 2027.

The City of Monroe has no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits.

CITY OF MONROE, NORTH CAROLINA**OTHER POST-EMPLOYMENT BENEFITS****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS****LAST SEVEN FISCAL YEARS*****Other Post-Employment Benefits**

	2020	2019	2018
Service cost	\$ 1,674,010	\$ 1,785,472	\$ 2,039,080
Interest	1,611,202	1,474,116	1,304,239
Changes of benefit terms	(2,085,307)	-	-
Differences between expected and actual experience	(2,651,754)	(115,643)	(201,752)
Changes of assumptions or other inputs	(330,383)	(2,557,585)	(4,544,221)
Benefit payments	<u>(564,944)</u>	<u>(585,371)</u>	<u>(455,985)</u>
Net change in total OPEB liability	(2,347,176)	989	(1,858,639)
Total OPEB liability - beginning	41,698,862	41,697,873	43,556,512
Total OPEB liability - ending	<u>\$ 39,351,686</u>	<u>\$ 41,698,862</u>	<u>\$ 41,697,873</u>
 Covered employee payroll	 \$ 25,494,320	 \$ 22,116,108	 \$ 22,116,108
Total OPEB liability as a percentage of covered employee payroll	154.35%	188.55%	188.54%

CITY OF MONROE, NORTH CAROLINA

**CITY OF MONROE'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS***

Local Governmental Employees' Retirement System					
	2024	2023	2022	2021	2020
Monroe's proportion of the net pension liability (asset) (%)	0.38360%	0.38387%	0.38801%	0.38425%	0.38521%
Monroe's proportion of the net pension liability (asset) (\$)	\$ 25,406,228	\$ 21,506,797	\$ 5,950,508	\$ 13,730,889	\$ 10,519,788
Monroe's covered payroll	\$ 33,790,293	\$ 29,452,814	\$ 28,187,749	\$ 27,454,853	\$ 26,409,947
Monroe's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.19%	73.02%	21.11%	50.01%	39.83%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

CITY OF MONROE, NORTH CAROLINA

**CITY OF MONROE'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS***

Local Governmental Employees' Retirement System					
	2019	2018	2017	2016	2015
Monroe's proportion of the net pension liability (asset) (%)	0.38665%	0.38737%	0.39039%	0.43129%	0.44081%
Monroe's proportion of the net pension liability (asset) (\$)	\$ 9,172,662	\$ 5,917,943	\$ 8,285,386	\$ 1,935,602	\$ (2,599,661)
Monroe's covered payroll	\$ 24,933,732	\$ 23,996,590	\$ 22,572,529	\$ 22,549,809	\$ 22,549,809
Monroe's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.79%	24.66%	36.71%	8.58%	(11.53%)
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

CITY OF MONROE, NORTH CAROLINA**CITY OF MONROE'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

Local Governmental Employees' Retirement System					
	2024	2023	2022	2021	2020
Contractually required contribution	\$ 4,851,063	\$ 4,162,306	\$ 3,398,074	\$ 2,913,676	\$ 2,512,465
Contributions in relation to the contractually required contribution	<u>4,851,063</u>	<u>4,162,306</u>	<u>3,398,074</u>	<u>2,913,676</u>	<u>2,512,465</u>
Contribution deficiency (excess)	<u>\$ _____ -</u>				
Monroe's covered payroll	\$ 36,968,761	\$ 33,790,293	\$ 29,452,814	\$ 28,187,749	\$ 27,454,853
Contributions as a percentage of covered payroll	13.12%	12.32%	11.54%	10.34%	9.15%

CITY OF MONROE, NORTH CAROLINA

CITY OF MONROE'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS

Local Governmental Employees' Retirement System					
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,100,061	\$ 1,920,739	\$ 1,790,488	\$ 1,586,301	\$ 1,611,462
Contributions in relation to the contractually required contribution	<u>2,100,061</u>	<u>1,920,739</u>	<u>1,790,488</u>	<u>1,586,301</u>	<u>1,611,462</u>
Contribution deficiency (excess)	<u>\$ _____ -</u>				
Monroe's covered payroll	\$ 26,409,947	\$ 24,933,732	\$ 23,996,590	\$ 23,236,408	\$ 22,572,529
Contributions as a percentage of covered payroll	7.95%	7.70%	7.46%	6.83%	7.14%



Other Supplementary Information

- General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
- Budget to Actual Comparison for Major Capital Project Fund, Nonmajor Governmental Funds, Enterprise Funds and Internal Service Funds of the Primary Government
- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy – City-Wide Levy
- Schedule of Municipal Service District Taxes Receivable
- Analysis of Current Tax Levy – Municipal Service District Levy

CITY OF MONROE, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget	Actual	Variance Over/Under
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 27,083,835	\$ 28,408,538	\$ 1,324,703
Penalties and interest	80,000	108,368	28,368
Total	<u>27,163,835</u>	<u>28,516,906</u>	<u>1,353,071</u>
Other Taxes and Licenses:			
Beer and wine and taxicab licenses	2,325	2,162	(163)
Gross receipts tax on short-term rental property	116,750	174,572	57,822
Motor vehicle tax	910,542	933,425	22,883
Total	<u>1,029,617</u>	<u>1,110,159</u>	<u>80,542</u>
Unrestricted Intergovernmental:			
Sales and use tax	11,185,458	11,380,354	194,896
Telecommunications sales tax	157,000	169,320	12,320
Utility sales tax	3,164,000	3,240,668	76,668
Video franchise fee	169,700	157,998	(11,702)
Beer and wine tax	146,000	174,542	28,542
State fire fees	2,656	-	(2,656)
ABC profit distribution	100,000	343,569	243,569
Total	<u>14,924,814</u>	<u>15,466,451</u>	<u>541,637</u>
Restricted Intergovernmental:			
Powell Bill allocation	1,040,394	1,170,095	129,701
Public safety reimbursement grants	25,459	-	(25,459)
ABC Revenue for law enforcement	88,249	108,691	20,442
Resource officer reimbursement	350,328	401,848	51,520
Fire reimbursement grants	508,625	54,364	(454,261)
Economic development grants	250,000	169,003	(80,997)
Equitable sharing of federally forfeited property	-	32,395	32,395
Parks and recreation grants	37,223	21,599	(15,624)
Campus safety officer reimbursement	164,404	170,900	6,496
Interlocal agreement - finance	-	12,143	12,143
Total	<u>2,464,682</u>	<u>2,141,038</u>	<u>(323,644)</u>
Sales and Services:			
Recreational fees	1,346,485	1,575,149	228,664
Utilities collection fees	412,420	531,552	119,132
Building permit fees	972,575	1,616,727	644,152
Cemetery revenues	62,800	39,495	(23,305)
Sale of capital assets	1,621,100	1,771,144	150,044
Rentals	141,650	104,542	(37,108)
Center Theatre sales and fees	477,631	154,354	(323,277)
Other fees	764,453	828,471	64,018
Total	<u>5,799,114</u>	<u>6,621,434</u>	<u>822,320</u>

CITY OF MONROE, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Investment Earnings	<u>440,185</u>	<u>2,376,815</u>	<u>1,936,630</u>
Miscellaneous:			
Donations	24,180	9,088	(15,092)
Other	<u>283,889</u>	<u>227,162</u>	<u>(56,727)</u>
Total	<u>308,069</u>	<u>236,250</u>	<u>(71,819)</u>
Total revenues	<u>52,130,316</u>	<u>56,469,053</u>	<u>4,338,737</u>
Expenditures:			
Current:			
General Government:			
Salaries and employee benefits	10,742,633	9,658,310	1,084,323
Operating expenditures	7,727,381	6,276,202	1,451,179
Capital outlay	452,828	297,506	155,322
Interdepartmental charges	<u>(8,015,600)</u>	<u>(8,250,423)</u>	<u>234,823</u>
Total general government	<u>10,907,242</u>	<u>7,981,595</u>	<u>2,925,647</u>
Transportation:			
Streets and highways			
Salaries and employee benefits	1,865,109	1,574,260	290,849
Operating expenditures	2,554,889	1,441,485	1,113,404
Capital outlay	3,253,199	2,570,412	682,787
Interdepartmental charges	<u>(524,042)</u>	<u>(723,842)</u>	<u>199,800</u>
Total transportation	<u>7,149,155</u>	<u>4,862,315</u>	<u>2,286,840</u>
Public Safety:			
Salaries and employee benefits	25,453,263	24,587,775	865,488
Operating expenditures	3,842,783	3,199,346	643,437
Capital outlay	<u>5,265,609</u>	<u>1,416,587</u>	<u>3,849,022</u>
Total public safety	<u>34,561,655</u>	<u>29,203,708</u>	<u>5,357,947</u>
Culture and Recreation:			
Salaries and employee benefits	3,564,180	3,370,693	193,487
Operating expenditures	2,283,658	1,877,869	405,789
Capital outlay	1,572,024	1,307,328	264,696
Interdepartmental charges	<u>(125,843)</u>	<u>(125,843)</u>	<u>-</u>
Total culture and recreation	<u>7,294,019</u>	<u>6,430,047</u>	<u>863,972</u>
Debt Service:			
Principal retirement	2,392,108	2,349,582	42,526
Interest and other charges	<u>806,718</u>	<u>806,652</u>	<u>66</u>
Total debt service	<u>3,198,826</u>	<u>3,156,234</u>	<u>42,592</u>
Total expenditures	<u>63,110,897</u>	<u>51,633,899</u>	<u>11,476,998</u>

CITY OF MONROE, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	<u>(10,980,581)</u>	<u>4,835,154</u>	<u>15,815,735</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Intrafunds s/b 0-HIDE			
Special revenue funds:			
Downtown Monroe Fund	(222,525)	(190,775)	31,750
Capital projects funds:			
Capital projects	(1,281,566)	(1,281,566)	-
Capital projects	127,048	127,048	-
Airport Capital Projects Fund	(143,959)	(143,959)	-
Airport Capital Projects Fund	46,602	46,602	-
Airport Fund	(1,328,917)	(1,328,917)	-
Natural Gas Fund	174,000	185,925	11,925
Electric Fund	450,000	440,274	(9,726)
Subscriptions issued	97,430	90,228	(7,202)
Lease liability issued	61,938	61,938	-
Installment purchase obligations issued	<u>2,135,000</u>	<u>2,135,000</u>	<u>-</u>
Total other financing sources (uses)	<u>115,051</u>	<u>141,798</u>	<u>26,747</u>
Appropriated fund balance	<u>10,865,530</u>	<u>-</u>	<u>(10,865,530)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,976,952</u>	<u>\$ 4,976,952</u>
Fund Balance:			
Beginning of year, July 1			<u>42,580,863</u>
End of year, June 30			<u>\$ 47,557,815</u>

CITY OF MONROE, NORTH CAROLINA

MAJOR - CAPITAL PROJECTS FUND

CAPITAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

					Actual		
	Project Authorization	Prior Years	Current Year	Total to Date		Variance Over/Under	
Revenues:							
Restricted intergovernmental	\$ 1,295,000	\$ 752,500	\$ 49,951	\$ 802,451	\$ (492,549)		
Miscellaneous	2,788	2,940	3,058	5,998	3,210		
Investment earnings	722	186,889	-	186,889	186,167		
Total revenues	<u>1,298,510</u>	<u>942,329</u>	<u>53,009</u>	<u>995,338</u>	<u>(303,172)</u>		
Expenditures:							
Capital outlay:							
Construction costs capitalized	33,702,269	28,991,742	3,901,652	32,893,394	808,875		
Construction in progress	23,346,508	622,108	124,799	746,907	22,599,601		
Other costs	1,197,392	172,530	186,411	358,941	838,451		
Total expenditures	<u>58,246,169</u>	<u>29,786,380</u>	<u>4,212,862</u>	<u>33,999,242</u>	<u>24,246,927</u>		
Revenues over (under) expenditures	<u>(56,947,659)</u>	<u>(28,844,051)</u>	<u>(4,159,853)</u>	<u>(33,003,904)</u>	<u>23,943,755</u>		
Other Financing Sources (Uses):							
Transfers from (to) other funds:							
Natural Gas Fund	199,411	199,411	-	199,411	-		
To General Fund	(5,126,791)	(4,999,743)	(127,048)	(5,126,791)	-		
From General Fund	29,865,411	28,535,238	1,281,565	29,816,803	(48,608)		
Parks and Recreation Fund (General Fund)	543,756	543,756	-	543,756	-		
Downtown Monroe Fund	20,229	20,229	-	20,229	-		
Occupancy Tax Capital Project Fund	3,220	3,220	-	3,220	-		
Monroe Fitness and Aquatics Center Fund	193,955	193,955	-	193,955	-		
Governmental Capital Reserve Fund	400,000	400,000	-	400,000	-		
Stormwater Fund	(426,545)	-	(426,545)	(426,545)	-		
Stormwater Fund	131,717	131,717	-	131,717	-		
Airport Fund	72,868	72,868	-	72,868	-		
Solid Waste Fund	80,565	80,565	-	80,565	-		
Workers Comp Fund	76	76	-	76	-		
Property Casualty Fund	72	72	-	72	-		
Health & Dental Fund	148	148	-	148	-		
Water & Sewer Fund	557,925	537,091	20,834	557,925	-		
Electric Fund	510,811	489,978	20,833	510,811	-		
Premium from Limited Obligation Bonds issued	2,377,121	2,377,121	-	2,377,121	-		
Limited obligation bonds issued	14,341,151	14,341,455	-	14,341,455	304		
Installment purchase obligations issued	13,202,559	1,219,032	-	1,219,032	(11,983,527)		
Total other financing sources (uses)	<u>56,947,659</u>	<u>44,146,189</u>	<u>769,639</u>	<u>44,915,828</u>	<u>(12,031,831)</u>		
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,302,138</u>	<u>(3,390,214)</u>	<u>\$ 11,911,924</u>	<u>\$ 11,911,924</u>		
Fund Balance:							
Beginning of year, July 1					15,302,138		
End of year, June 30					\$ 11,911,924		



Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes.

Community Development - This fund is used to account for specific revenues that are restricted to fund continuing rehabilitation of housing within certain targeted areas of the City.

Downtown Monroe - This fund is used to account for specific revenues that are restricted for the purpose of downtown revitalization.

Occupancy Tax - This fund is used to account for specific revenues that are restricted for the purpose of tourism promotion.

Asset Forfeiture - This fund is used to account for specific revenues that are restricted for the purpose of public safety.

American Rescue Plan Act of 2021 - This fund is used to account for specific revenues that are restricted to the American Rescue Plan Act of 2021.

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Occupancy Tax Projects - This fund is used to account for tourism related capital expenditures.

Capital Reserve Funds

Capital Reserve Funds account for financial resources to be accumulated and used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Governmental Capital Reserve - This fund is used to accumulate funds for the purpose of constructing greenways.

CITY OF MONROE, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds						
	Community Development	Downtown Monroe	Occupancy Tax	Asset Forfeiture	American Rescue Plan Act of 2021	Total	
Assets:							
Cash and cash equivalents	\$ 56,562	\$ 86,185	\$ 349,789	\$ 345,186	\$ 88,502	\$ 926,224	
Taxes receivable	-	979	-	-	-	979	
Due from other governments	-	219	-	-	-	219	
Due from component unit	-	-	26,571	-	-	26,571	
Cash and cash equivalents - restricted	-	-	-	-	1,375,000	1,375,000	
Total assets	<u>\$ 56,562</u>	<u>\$ 87,383</u>	<u>\$ 376,360</u>	<u>\$ 345,186</u>	<u>\$ 1,463,502</u>	<u>\$ 2,328,993</u>	
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 5,151	\$ 28,770	\$ -	\$ -	\$ 33,921	
Advance from grantor	-	-	-	-	1,375,000	1,375,000	
Total liabilities	<u>-</u>	<u>5,151</u>	<u>28,770</u>	<u>-</u>	<u>1,375,000</u>	<u>1,408,921</u>	
Deferred Inflows of Resources	<u>-</u>	<u>979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>979</u>	
Fund Balances:							
Non-spendable:							
Restricted:							
Stabilization by state statute	-	2,953	26,571	-	-	29,524	
Public safety	-	-	-	345,186	-	345,186	
Occupancy tax capital projects	-	-	-	-	-	-	
Committed:							
Public safety	-	-	-	-	88,502	88,502	
Culture and recreation	-	-	-	-	-	-	
Assigned	<u>56,562</u>	<u>78,300</u>	<u>321,019</u>	<u>-</u>	<u>-</u>	<u>455,881</u>	
Total fund balances	<u>56,562</u>	<u>81,253</u>	<u>347,590</u>	<u>345,186</u>	<u>88,502</u>	<u>919,093</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,562</u>	<u>\$ 87,383</u>	<u>\$ 376,360</u>	<u>\$ 345,186</u>	<u>\$ 1,463,502</u>	<u>\$ 2,328,993</u>	

CITY OF MONROE, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Capital Project Funds			Total	
	Occupancy Tax Projects	Governmental Capital Reserve	Total	Nonmajor Governmental Funds	
Assets:					
Cash and cash equivalents	\$ 131,068	\$ 230,473	\$ 361,541	\$ 1,287,765	
Taxes receivable	-	-	-	979	
Due from other governments	-	-	-	219	
Due from component unit	-	-	-	26,571	
Cash and cash equivalents - restricted	-	-	-	1,375,000	
Total assets	<u>\$ 131,068</u>	<u>\$ 230,473</u>	<u>\$ 361,541</u>	<u>\$ 2,690,534</u>	
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 33,921	
Advance from grantor	-	-	-	1,375,000	
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,408,921</u>	
Deferred Inflows of Resources					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>979</u>	
Fund Balances:					
Non-spendable:					
Restricted:					
Stabilization by state statute	8,243	-	8,243	37,767	
Public safety	-	-	-	345,186	
Occupancy tax capital projects	122,825	-	122,825	122,825	
Committed:					
Public safety	-	-	-	88,502	
Culture and recreation	-	230,473	230,473	230,473	
Assigned	-	-	-	455,881	
Total fund balances	<u>131,068</u>	<u>230,473</u>	<u>361,541</u>	<u>1,280,634</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 131,068</u>	<u>\$ 230,473</u>	<u>\$ 361,541</u>	<u>\$ 2,690,534</u>	

CITY OF MONROE, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds					
	Community Development	Downtown Monroe	Occupancy Tax	Asset Forfeiture	American Rescue Plan Act of 2021	Total
Revenues:						
Ad valorem taxes	\$ -	\$ 69,260	\$ -	\$ -	\$ -	\$ 69,260
Other taxes and licenses	-	-	276,570	-	-	276,570
Restricted intergovernmental	-	-	-	87,057	-	87,057
Miscellaneous	-	950	112,500	-	-	113,450
Investment earnings	-	-	17,674	16,727	57,266	91,667
Total revenues	-	70,210	406,744	103,784	57,266	638,004
Expenditures:						
Current:						
Public safety	-	-	-	163,407	-	163,407
Economic and physical development:						
Administration	-	279,670	-	-	-	279,670
Tourism	-	-	-	-	-	-
Debt service:						
Principal	-	2,298	135,000	-	-	137,298
Interest	-	304	121,665	-	-	121,969
Total expenditures	-	282,272	256,665	163,407	-	702,344
Revenues over (under) expenditures	-	(212,062)	150,079	(59,623)	57,266	(64,340)
Other Financing Sources (Uses):						
Transfers from (to) other funds	-	190,775	(70,000)	-	-	120,775
Total other financing sources (uses)	-	190,775	(70,000)	-	-	120,775
Net change in fund balances	-	(21,287)	80,079	(59,623)	57,266	56,435
Fund Balances:						
Beginning of year, July 1	56,562	102,540	267,511	404,809	31,236	862,658
End of year, June 30	\$ 56,562	\$ 81,253	\$ 347,590	\$ 345,186	\$ 88,502	\$ 919,093

CITY OF MONROE, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Capital Project Funds			Total Nonmajor Governmental Funds
	Occupancy Tax Projects	Governmental Capital Reserve	Total	
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 69,260
Other taxes and licenses	-	-	-	276,570
Restricted intergovernmental	-	-	-	87,057
Miscellaneous	-	-	-	113,450
Investment earnings	6,686	9,018	15,704	107,371
Total revenues	6,686	9,018	15,704	653,708
Expenditures:				
Current:				
Public safety	-	-	-	163,407
Economic and physical development:				
Administration	-	-	-	279,670
Tourism	123,576	-	123,576	123,576
Debt service:				
Principal	-	-	-	137,298
Interest	-	-	-	121,969
Total expenditures	123,576	-	123,576	825,920
Revenues over (under) expenditures	(116,890)	9,018	(107,872)	(172,212)
Other Financing Sources (Uses):				
Transfers from (to) other funds	70,000	-	70,000	190,775
Total other financing sources (uses)	70,000	-	70,000	190,775
Net change in fund balances	(46,890)	9,018	(37,872)	18,563
Fund Balances:				
Beginning of year, July 1	177,958	221,455	399,413	1,262,071
End of year, June 30	\$ 131,068	\$ 230,473	\$ 361,541	\$ 1,280,634

CITY OF MONROE, NORTH CAROLINA

SPECIAL REVENUE FUND

COMMUNITY DEVELOPMENT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Over/Under
Net change in fund balance	\$ _____	\$ _____	\$ _____
Fund Balance:			
Beginning of year, July 1		56,562	
End of year, June 30	\$ _____	56,562	

CITY OF MONROE, NORTH CAROLINA

SPECIAL REVENUE FUND

DOWNTOWN MONROE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 68,222	\$ 69,260	\$ 1,038
Miscellaneous	950	950	-
Total	<u>69,172</u>	<u>70,210</u>	<u>1,038</u>
Expenditures:			
Current:			
Economic and physical development:			
Administration	<u>353,413</u>	<u>279,670</u>	<u>73,743</u>
Total	<u>353,413</u>	<u>279,670</u>	<u>73,743</u>
Debt service:			
Principal retirement	2,304	2,298	6
Interest and other charges	304	304	-
Total	<u>2,608</u>	<u>2,602</u>	<u>6</u>
Total expenditures	<u>356,021</u>	<u>282,272</u>	<u>73,749</u>
Revenues over (under) expenditures	<u>(286,849)</u>	<u>(212,062)</u>	<u>74,787</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
General Fund	<u>222,525</u>	<u>190,775</u>	<u>(31,750)</u>
Total other financing sources (uses)	<u>222,525</u>	<u>190,775</u>	<u>(31,750)</u>
Appropriated fund balance	<u>64,324</u>	<u>-</u>	<u>(64,324)</u>
Net change in fund balance	<u>\$ -</u>	<u>(21,287)</u>	<u>\$ (21,287)</u>
Fund Balance:			
Beginning of year, July 1			<u>102,540</u>
End of year, June 30		<u>\$ 81,253</u>	

CITY OF MONROE, NORTH CAROLINA

SPECIAL REVENUE FUND

OCCUPANCY TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Over/Under
Revenues:			
Occupancy tax revenue	\$ 213,723	\$ 276,570	\$ 62,847
Miscellaneous	-	112,500	112,500
Investment earnings	7,060	17,674	10,614
Total	<u>220,783</u>	<u>406,744</u>	<u>185,961</u>
Expenditures:			
Debt service:			
Principal retirement	135,000	135,000	-
Interest and other charges	121,665	121,665	-
Total expenditures	<u>256,665</u>	<u>256,665</u>	<u>-</u>
Revenues over (under) expenditures	<u>(35,882)</u>	<u>150,079</u>	<u>185,961</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Occupancy Tax Capital Projects	(70,000)	(70,000)	-
Total other financing sources (uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Appropriated fund balance	<u>105,882</u>	<u>-</u>	<u>(105,882)</u>
Net change in fund balance	<u>\$ -</u>	<u>80,079</u>	<u>\$ 80,079</u>
Fund Balance:			
Beginning of year, July 1		<u>267,511</u>	
End of year, June 30	<u>\$ -</u>	<u>347,590</u>	

CITY OF MONROE, NORTH CAROLINA

**SPECIAL REVENUE FUND
ASSET FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental revenue	\$ -	\$ 87,057	\$ 87,057
Investment earnings	<u>-</u>	<u>16,727</u>	<u>16,727</u>
Total	<u>-</u>	<u>103,784</u>	<u>103,784</u>
Expenditures:			
Current:			
Public safety:			
Operating expenditures	<u>403,630</u>	<u>163,407</u>	<u>240,223</u>
Total expenditures	<u>403,630</u>	<u>163,407</u>	<u>240,223</u>
Revenues over (under) expenditures	(403,630)	(59,623)	344,007
Other Financing Sources (Uses):			
Appropriated fund balance	<u>403,630</u>	<u>-</u>	<u>(403,630)</u>
Net change in fund balance	<u>\$ -</u>	<u>(59,623)</u>	<u>\$ (59,623)</u>
Fund Balance:			
Beginning of year, July 1			<u>404,809</u>
End of year, June 30		<u>\$ 345,186</u>	

CITY OF MONROE, NORTH CAROLINA

SPECIAL REVENUE FUND

AMERICAN RESCUE PLAN ACT OF 2021

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

				Actual		
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under	
Revenues:						
Restricted intergovernmental revenue	\$ 11,326,507	\$ 9,951,507	\$ -	\$ 9,951,507	\$ (1,375,000)	
Investment earnings	75,804	31,768	57,266	89,034	13,230	
Total revenues	<u>11,402,311</u>	<u>9,983,275</u>	<u>57,266</u>	<u>10,040,541</u>	<u>(1,361,770)</u>	
Expenditures:						
Current:						
Construction in progress	1,450,272	-	-	-	1,450,272	
Total expenditures	<u>1,450,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,450,272</u>	
Revenues over (under) expenditures	<u>9,952,039</u>	<u>9,983,275</u>	<u>57,266</u>	<u>10,040,541</u>	<u>88,502</u>	
Other Financing Sources (Uses):						
Transfers from (to) other funds:						
From General Fund	48,493	48,493	-	48,493	-	
To General Fund	(10,000,532)	(10,000,532)	-	(10,000,532)	-	
Total other financing sources (uses)	<u>(9,952,039)</u>	<u>(9,952,039)</u>	<u>-</u>	<u>(9,952,039)</u>	<u>-</u>	
Net change in fund balance	<u>\$ -</u>	<u>\$ 31,236</u>	<u>57,266</u>	<u>\$ 88,502</u>	<u>\$ 88,502</u>	
Fund Balance:						
Beginning of year, July 1				<u>31,236</u>		
End of year, June 30				<u>\$ 88,502</u>		

CITY OF MONROE, NORTH CAROLINA

CAPITAL PROJECT FUND

OCCUPANCY TAX CAPITAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

				Actual	
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Donation	521,014	446,033	- -	446,033	(74,981)
Investment earnings	- -	82,627	6,686	89,313	89,313
Total revenues	<u>621,014</u>	<u>628,660</u>	<u>6,686</u>	<u>635,346</u>	<u>14,332</u>
Expenditures:					
Current:					
Construction costs capitalized	5,706,344	5,695,984	28,989	5,724,973	(18,629)
Construction in progress	135,000	- -	- -	- -	135,000
Other costs	117,439	22,852	94,587	117,439	- -
Total expenditures	<u>5,958,783</u>	<u>5,718,836</u>	<u>123,576</u>	<u>5,842,412</u>	<u>116,371</u>
Revenues over (under) expenditures	<u>(5,337,769)</u>	<u>(5,090,176)</u>	<u>(116,890)</u>	<u>(5,207,066)</u>	<u>130,703</u>
Other Financing Sources (Uses):					
Transfer from Occupancy Tax Fund	1,777,443	1,707,443	70,000	1,777,443	- -
Proceeds from Limited Obligation Bonds	<u>3,560,326</u>	<u>3,560,691</u>	<u>- -</u>	<u>3,560,691</u>	<u>365</u>
Total	<u>5,337,769</u>	<u>5,268,134</u>	<u>70,000</u>	<u>5,338,134</u>	<u>365</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 177,958</u>	<u>(46,890)</u>	<u>\$ 131,068</u>	<u>\$ 131,068</u>
Fund Balance:					
Beginning of year, July 1				<u>177,958</u>	
End of year, June 30				<u>\$ 131,068</u>	

CITY OF MONROE, NORTH CAROLINA

CAPITAL PROJECT FUND GOVERNMENTAL CAPITAL RESERVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 9,018	\$ 9,018
Net change in fund balance	\$ -	9,018	\$ 9,018
Fund Balance:			
Beginning of year, July 1		221,455	
End of year, June 30		\$ 230,473	

Enterprise Funds

Water and Sewer Fund - This fund is used to account for the activities associated with the production, distribution, and transmission of potable water and operating and maintaining the City's sanitary sewer system.

Electric Fund - This fund is used to account for the activities associated with the distribution and transmission of electricity by the City to its users.

Natural Gas Fund – This fund is used to account for the activities associated with the distribution of natural gas by the City to its users.

Airport Fund – This fund is used to account for the activities associated with the operation of the City's Airport.

Aquatics and Fitness Center Fund – This fund is used to account for the activities associated with the operation of the City's Aquatics and Fitness Center.

Stormwater Fund – This fund is used to account for the activities associated with the operation of the City's stormwater system.

Solid Waste Fund – This fund is used to account for the activities associated with the operation of the City's solid waste services.

Capital Projects Funds

Water and Sewer Capital Projects - This fund is used to account for the acquisition or construction of major capital items of the City's water and sewer system.

Electric Capital Projects - This fund is used to account for the acquisition or construction of major capital items of the City's electric system.

Natural Gas Capital Projects - This fund is used to account for the acquisition or construction of major capital items of the City's natural gas system.

Airport Capital Projects - This fund is used to account for the acquisition or construction of major capital items of the City's Airport.

Stormwater Capital Projects - This fund is used to account for the acquisition or construction of major capital items of the City's stormwater system.

Capital Reserve Funds

Water and Sewer Capital Reserve - This fund is used to accumulate funds for the purpose of future capital needs in the water and sewer system.

CITY OF MONROE, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales	\$ 9,914,911	\$ 9,729,111	\$ (185,800)
Sewer charges	11,493,514	11,484,398	(9,116)
Water and sewer taps	102,804	183,047	80,243
Capacity fees	5,140,728	5,204,080	63,352
County waste water charges	507,941	616,169	108,228
Total	27,159,898	27,216,805	56,907
Other operating revenues	347,740	791,216	443,476
Total operating revenues	<u>27,507,638</u>	<u>28,008,021</u>	<u>500,383</u>
Non-operating revenues:			
Other non-operating revenues	85,621	90,233	4,612
Investment earnings	1,028,627	1,822,243	793,616
Total non-operating revenues	1,114,248	1,912,476	798,228
Total revenues	<u>28,621,886</u>	<u>29,920,497</u>	<u>1,298,611</u>
Other Financing Sources (Uses):			
Transfers from other funds:			
Water & Sewer Capital Project Fund	209,629	209,629	-
Total other financing sources (uses)	<u>209,629</u>	<u>209,629</u>	<u>-</u>
Appropriated fund balance	6,419,409	-	(6,419,409)
Total revenues and other financing sources (uses)	<u>\$ 35,250,924</u>	<u>\$ 30,130,126</u>	<u>\$ (5,120,798)</u>

CITY OF MONROE, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Distribution system:			
Salaries and employee benefits	\$ 4,599,768	\$ 4,041,944	\$ 557,824
Repairs and maintenance	2,945,727	1,912,120	1,033,607
Operating expenditures	4,958,108	4,638,229	319,879
Total	<u>12,503,603</u>	<u>10,592,293</u>	<u>1,911,310</u>
Water filter plant:			
Salaries and employee benefits	1,320,570	1,160,067	160,503
Operating expenditures	4,278,893	3,541,457	737,436
Total	<u>5,599,463</u>	<u>4,701,524</u>	<u>897,939</u>
Waste treatment plant:			
Salaries and employee benefits	1,473,984	1,269,670	204,314
Operating expenditures	2,303,705	1,742,093	561,612
Total	<u>3,777,689</u>	<u>3,011,763</u>	<u>765,926</u>
Debt service:			
Principal retirement	1,028,394	1,028,392	2
Interest and other charges	631,820	631,809	11
Total	<u>1,660,214</u>	<u>1,660,201</u>	<u>13</u>
Capital outlay	<u>4,174,003</u>	<u>2,445,280</u>	<u>1,728,723</u>
Total expenditures	<u>27,714,972</u>	<u>22,411,061</u>	<u>5,303,911</u>
Other Financing Sources (Uses):			
Transfers:			
Water and Sewer Capital Reserve Fund	(5,140,728)	(5,204,080)	(63,352)
Capital Projects Fund	(20,834)	(20,834)	-
Water and Sewer Capital Projects Fund	(2,374,390)	(2,374,390)	-
Total other financing sources (uses)	<u>(7,535,952)</u>	<u>(7,599,304)</u>	<u>(63,352)</u>
Total expenditures and other financing sources (uses)	<u>\$ 35,250,924</u>	<u>\$ 30,010,365</u>	<u>\$ 5,240,559</u>

CITY OF MONROE, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

**Reconciliation from Budgetary Basis (Modified Accrual)
to Full Accrual:**

Total revenues and other financing sources (uses)	\$ 30,130,126
Total expenditures and other financing sources (uses)	<u>30,010,365</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>119,761</u>
Reconciling items:	
Debt principal	1,028,392
Net revenue from capital reserve consolidation	630,040
Net revenue from capital projects consolidation	400,000
Capital outlay	2,445,280
Capital items not charged to capital outlay	16,468,634
Asset transfer	178,561
Disposal of capital asset	(14,916)
Project transfers - intrafund	7,368,841
Change in compensated absences	(113,221)
Change in OPEB liability	(926,884)
Change in deferred outflows of resources - OPEB	394,315
Change in deferred inflows of resources - OPEB	410,002
Change in deferred outflows of resources - pensions	153,988
Increase in net pension liability	(483,666)
Change in deferred inflows of resources - pensions	5,983
Depreciation and amortization	<u>(4,262,382)</u>
Total reconciling items	<u>23,682,967</u>
Change in net position	\$ <u>23,802,728</u>

CITY OF MONROE, NORTH CAROLINA

**WATER AND SEWER CAPITAL PROJECTS FUNDS
CAPITAL RESERVE
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget	Actual	Variance Over/Under
Revenues:			
Investment earnings	\$ -	\$ 630,040	\$ 630,040
Total revenues	<u>-</u>	<u>630,040</u>	<u>630,040</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Transfer to Water and Sewer Capital Project Fund	(7,250,000)	(2,170,755)	5,079,245
Transfer from Water and Sewer Fund	<u>7,250,000</u>	<u>5,204,080</u>	<u>(2,045,920)</u>
Total other financing sources (uses)	<u>-</u>	<u>3,033,325</u>	<u>3,033,325</u>
Net change in fund balance	<u>\$ -</u>	<u>3,663,365</u>	<u>\$ 3,663,365</u>
Fund Balance:			
Beginning of year, July 1		<u>13,911,669</u>	
End of year, June 30		<u>\$ 17,575,034</u>	

CITY OF MONROE, NORTH CAROLINA

**WATER AND SEWER CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	Actual				
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental	\$ 400,000	\$ 268,286	\$ 400,000	\$ 668,286	\$ 268,286
Investment earnings	-	1,927	-	1,927	1,927
Miscellaneous	-	1,300	-	1,300	1,300
Total revenues	<u>400,000</u>	<u>271,513</u>	<u>400,000</u>	<u>671,513</u>	<u>271,513</u>
Expenditures:					
Construction costs capitalized	6,786,907	5,335,292	1,639,161	6,974,453	(187,546)
Construction in progress	29,315,121	4,603,711	3,178,447	7,782,158	21,532,963
Other costs	2,131	2,131	-	2,131	-
Total expenditures	<u>36,104,159</u>	<u>9,941,134</u>	<u>4,817,608</u>	<u>14,758,742</u>	<u>21,345,417</u>
Revenues over (under) expenditures	<u>(35,704,159)</u>	<u>(9,669,621)</u>	<u>(4,417,608)</u>	<u>(14,087,229)</u>	<u>21,616,930</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
To Water and Sewer Fund	(467,300)	(257,671)	(209,629)	(467,300)	-
From Water and Sewer Fund	18,259,241	15,929,295	2,374,390	18,303,685	44,444
From Water and Sewer Capital Reserve	17,912,218	15,741,463	2,170,755	17,912,218	-
Total other financing sources (uses)	<u>35,704,159</u>	<u>31,413,087</u>	<u>4,335,516</u>	<u>35,748,603</u>	<u>44,444</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 21,743,466</u>	<u>\$ (82,092)</u>	<u>\$ 21,661,374</u>	<u>\$ 21,661,374</u>

CITY OF MONROE, NORTH CAROLINA**ELECTRIC FUND****SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Electric power sales	\$ 63,306,284	\$ 61,936,337	\$ (1,369,947)
Sales tax	2,614,647	2,466,816	(147,831)
Total	65,920,931	64,403,153	(1,517,778)
Other operating revenues	283,098	405,003	121,905
Total operating revenues	66,204,029	64,808,156	(1,395,873)
Non-operating revenues:			
Other non-operating revenues	132,470	1,008,905	876,435
Investment earnings	1,689,577	3,125,244	1,435,667
Total non-operating revenues	1,822,047	4,134,149	2,312,102
Total revenues	68,026,076	68,942,305	916,229
Interest income from other funds:			
General Fund	17,592	17,592	-
Airport Fund	18,390	18,390	-
Total	35,982	35,982	-
Total revenues	68,062,058	68,978,287	916,229
Other Financing Sources (Uses):			
Appropriated fund balance	66,450	-	(66,450)
Total other financing sources (uses)	66,450	-	(66,450)
Total revenues and other financing sources (uses)	\$ 68,128,508	\$ 68,978,287	\$ 849,779

CITY OF MONROE, NORTH CAROLINA**ELECTRIC FUND****SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Operations:			
Salaries and employee benefits	\$ 6,641,324	\$ 6,299,428	\$ 341,896
Operating expenditures	<u>7,704,285</u>	<u>6,725,862</u>	<u>978,423</u>
Total	<u>14,345,609</u>	<u>13,025,290</u>	<u>1,320,319</u>
Electric power purchases	<u>46,743,837</u>	<u>43,044,325</u>	<u>3,699,512</u>
Debt service:			
Principal retirement	904,940	904,229	711
Interest and other charges	<u>492,838</u>	<u>492,815</u>	<u>23</u>
Total	<u>1,397,778</u>	<u>1,397,044</u>	<u>734</u>
Capital outlay	<u>2,795,451</u>	<u>1,011,017</u>	<u>1,784,434</u>
Total expenditures	<u>65,282,675</u>	<u>58,477,676</u>	<u>6,804,999</u>
Other Financing Sources (Uses):			
Transfers (to) other funds:			
To Electric Capital Projects Fund	(2,375,000)	(2,375,000)	-
General Fund	(450,000)	(440,274)	9,726
Capital projects	<u>(20,833)</u>	<u>(20,833)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,845,833)</u>	<u>(2,836,107)</u>	<u>9,726</u>
Total expenditures and other financing sources (uses)	<u>\$ 68,128,508</u>	<u>\$ 61,313,783</u>	<u>\$ 6,814,725</u>

CITY OF MONROE, NORTH CAROLINA

ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

**Reconciliation from Budgetary Basis (Modified Accrual)
to Full Accrual:**

Total revenues and other financing sources (uses)	\$ 68,978,287
Total expenditures and other financing sources (uses)	<u>61,313,783</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>7,664,504</u>
Reconciling items:	
Debt principal	904,229
Capital outlay	1,011,017
Capital items not charged to capital outlay	3,481,757
Disposal of capital asset	(224,988)
Project transfers - intrafund	2,375,000
Net revenue from capital projects consolidation	461,976
Change in compensated absences	(96,446)
Change in OPEB liability	(404,615)
Change in deferred outflows of resources - OPEB	172,132
Change in deferred inflows of resources - OPEB	178,979
Change in deferred outflows of resources - pensions	66,848
Increase in net pension liability	(209,964)
Change in deferred inflows of resources - pensions	2,597
Depreciation and amortization	<u>(2,477,095)</u>
Total reconciling items	<u>5,241,427</u>
Change in net position	<u>\$ 12,905,931</u>

CITY OF MONROE, NORTH CAROLINA

**ELECTRIC CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Power agency funding	\$ 27,132,412	\$ 26,909,646	\$ -	\$ 26,909,646	\$ (222,766)
Investment earnings	-	701,363	461,976	1,163,339	1,163,339
Total revenues	<u>27,132,412</u>	<u>27,611,009</u>	<u>461,976</u>	<u>28,072,985</u>	<u>940,573</u>
Expenditures:					
Construction costs capitalized	21,454,933	8,981,907	2,232,642	11,214,549	10,240,384
Construction in progress	16,548,543	302,965	1,050,772	1,353,737	15,194,806
Other costs	11,135,251	603,516	-	603,516	10,531,735
Total expenditures	<u>49,138,727</u>	<u>9,888,388</u>	<u>3,283,414</u>	<u>13,171,802</u>	<u>35,966,925</u>
Revenues over (under) expenditures	<u>(22,006,315)</u>	<u>17,722,621</u>	<u>(2,821,438)</u>	<u>14,901,183</u>	<u>36,907,498</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
From Electric Fund	21,556,315	19,181,311	2,375,000	21,556,311	(4)
Water and Sewer Fund	100,000	100,000	-	100,000	-
Natural Gas Fund	350,000	350,000	-	350,000	-
Total other financing sources (uses)	<u>22,006,315</u>	<u>19,631,311</u>	<u>2,375,000</u>	<u>22,006,311</u>	<u>(4)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 37,353,932</u>	<u>\$ (446,438)</u>	<u>\$ 36,907,494</u>	<u>\$ 36,907,494</u>

CITY OF MONROE, NORTH CAROLINA**NATURAL GAS FUND****SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Natural gas sales	\$ 27,876,421	\$ 18,207,828	\$ (9,668,593)
Other operating revenues	-	2,895	2,895
Total operating revenues	<u>27,876,421</u>	<u>18,210,723</u>	<u>(9,665,698)</u>
Non-operating revenues:			
Other non-operating revenues	81,835	176,499	94,664
Investment earnings	847,233	1,555,458	708,225
Total non-operating revenues	<u>929,068</u>	<u>1,731,957</u>	<u>802,889</u>
Total revenues	<u>28,805,489</u>	<u>19,942,680</u>	<u>(8,862,809)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	4,831,513	-	(4,831,513)
Total other financing sources (uses)	<u>4,831,513</u>	<u>-</u>	<u>(4,831,513)</u>
Total revenues and other financing sources (uses)	<u>\$ 33,637,002</u>	<u>\$ 19,942,680</u>	<u>\$ (13,694,322)</u>
Expenditures:			
Operations:			
Salaries and employee benefits	\$ 2,944,980	\$ 2,486,019	\$ 458,961
Operating expenditures	4,509,033	4,103,907	405,126
Total	<u>7,454,013</u>	<u>6,589,926</u>	<u>864,087</u>
Natural gas purchases	<u>17,960,342</u>	<u>5,673,700</u>	<u>12,286,642</u>
Debt service:			
Principal retirement	1,417,362	1,417,361	1
Interest and other charges	1,323,338	1,323,334	4
Total	<u>2,740,700</u>	<u>2,740,695</u>	<u>5</u>
Capital outlay	<u>1,347,947</u>	<u>753,047</u>	<u>594,900</u>
Total expenditures	<u>29,503,002</u>	<u>15,757,368</u>	<u>13,745,634</u>

CITY OF MONROE, NORTH CAROLINA

NATURAL GAS FUND**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers to other funds:			
General Fund	(174,000)	(185,925)	(11,925)
Natural Gas Capital Project Fund	(3,960,000)	(3,960,000)	-
Total other financing sources (uses)	<u>(4,134,000)</u>	<u>(4,145,925)</u>	<u>(11,925)</u>
Total expenditures and other financing sources (uses)	<u>\$ 33,637,002</u>	<u>\$ 19,903,293</u>	<u>\$ 13,733,709</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Total revenues and other financing sources (uses)			\$ 19,942,680
Total expenditures and other financing sources (uses)			<u>19,903,293</u>
Revenues and other financing sources over (under) expenditures and other financing uses			<u>39,387</u>
Reconciling items:			
Debt principal			1,417,361
Capital outlay			753,047
Capital items not charged to capital outlay			1,097,627
Capital outlay not capitalized			(101,121)
Disposal of capital asset			(225,883)
Project transfers - intrafund			3,960,000
Change in compensated absences			(38,317)
Change in deferred outflows of resources - OPEB			87,287
Change in deferred inflows of resources - OPEB			90,759
Change in OPEB liability			(205,177)
Change in deferred outflows of resources - pensions			34,618
Change in net pension liability			(108,731)
Change in deferred inflows of resources - pensions			1,345
Depreciation and amortization			<u>(1,881,933)</u>
Total reconciling items			<u>4,880,882</u>
Change in net position			<u>\$ 4,920,269</u>

CITY OF MONROE, NORTH CAROLINA

NATURAL GAS CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Miscellaneous	\$ -	\$ 724	\$ -	\$ 724	\$ 724
Total revenues		724		724	724
Expenditures:					
Construction costs capitalized	10,992,680	7,311,323	1,847,165	9,158,488	1,834,192
Construction in progress	9,208,275	375,755	58,731	434,486	8,773,789
Other costs	910,000	376,405	98,339	474,744	435,256
Total expenditures	21,110,955	8,063,483	2,004,235	10,067,718	11,043,237
Revenues over (under) expenditures	(21,110,955)	(8,062,759)	(2,004,235)	(10,066,994)	11,043,961
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
From Natural Gas Fund	21,110,955	17,150,955	3,960,000	21,110,955	-
Total other financing sources (uses)	21,110,955	17,150,955	3,960,000	21,110,955	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 9,088,196	\$ 1,955,765	\$ 11,043,961	\$ 11,043,961

CITY OF MONROE, NORTH CAROLINA**AIRPORT FUND****SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Leases	\$ 602,539	\$ 507,919	\$ (94,620)
Customs	10,905	8,200	(2,705)
Sales of fuel	<u>2,852,006</u>	<u>1,752,450</u>	<u>(1,099,556)</u>
Total	<u>3,465,450</u>	<u>2,268,569</u>	<u>(1,196,881)</u>
Other operating revenues	<u>241,920</u>	<u>283,871</u>	<u>41,951</u>
Total operating revenues	<u>3,707,370</u>	<u>2,552,440</u>	<u>(1,154,930)</u>
Non-operating revenues:			
ACE Camp grant	-	1,344	1,344
Lease revenue	128,210	134,822	6,612
Investment earnings	<u>6,132</u>	<u>1,549</u>	<u>(4,583)</u>
Total non-operating revenues	<u>134,342</u>	<u>137,715</u>	<u>3,373</u>
Total revenues	<u>3,841,712</u>	<u>2,690,155</u>	<u>(1,151,557)</u>
Other Financing Sources:			
Appropriated fund balance	20,287	-	(20,287)
Transfers from other funds:			
General Fund	<u>1,328,917</u>	<u>1,328,917</u>	<u>-</u>
Total other financing sources	<u>1,349,204</u>	<u>1,328,917</u>	<u>(20,287)</u>
Total revenues and other financing sources	<u>\$ 5,190,916</u>	<u>\$ 4,019,072</u>	<u>\$ (1,171,844)</u>
Expenditures:			
Operations:			
Salaries and employee benefits	\$ 933,411	\$ 911,721	\$ 21,690
Operating expenditures	<u>2,504,778</u>	<u>1,945,096</u>	<u>559,682</u>
Total	<u>3,438,189</u>	<u>2,856,817</u>	<u>581,372</u>
Debt service:			
Principal retirement	955,413	913,536	41,877
Interest and other charges	<u>147,325</u>	<u>145,614</u>	<u>1,711</u>
Total	<u>1,102,738</u>	<u>1,059,150</u>	<u>43,588</u>

CITY OF MONROE, NORTH CAROLINA

AIRPORT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Over/Under
Capital outlay	425,836	65,484	360,352
Contingency	224,153	-	224,153
Total expenditures	\$ 5,190,916	\$ 3,981,451	\$ 1,209,465

Reconciliation from Budgetary Basis (Modified Accrual)

to Full Accrual:

Total revenues and other financing sources (uses)	\$ 4,019,072
Total expenditures	<u>3,981,451</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>37,621</u>
Reconciling items:	
Debt principal	913,536
Capital outlay	65,484
Capital items not charged to capital outlay	41,404
Net revenue from capital projects consolidation	627,246
Transfer from General Fund	143,959
Transfer to General Fund	(46,602)
Change in compensated absences	(16,359)
Change in OPEB liability	(171,459)
Change in deferred outflows of resources - OPEB	72,942
Change in deferred inflows of resources - OPEB	75,845
Change in deferred outflows of resources - pensions	28,649
Increase in net pension liability	(89,984)
Change in deferred inflows of resources - pensions	1,113
Depreciation and amortization	<u>(1,091,707)</u>
Total reconciling items	<u>554,067</u>
Change in net position	\$ 591,688

CITY OF MONROE, NORTH CAROLINA

**AIRPORT CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	Actual				
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental	\$ 7,934,767	\$ 549,138	\$ 604,953	\$ 1,154,091	\$ (6,780,676)
Investment earnings	-	83,731	22,293	106,024	106,024
Miscellaneous	-	6,000	-	6,000	6,000
Total revenues	7,934,767	638,869	627,246	1,266,115	(6,668,652)
Expenditures:					
Construction costs capitalized	4,468,021	4,414,677	83,702	4,498,379	(30,358)
Construction in progress	7,705,505	147,946	633,235	781,181	6,924,324
Total expenditures	12,173,526	4,562,623	716,937	5,279,560	6,893,966
Revenues over (under) expenditures	(4,238,759)	(3,923,754)	(89,691)	(4,013,445)	225,314
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
From General Fund	2,011,111	1,867,152	143,959	2,011,111	-
To General Fund	(46,602)	-	(46,602)	(46,602)	-
Proceeds from revenue bonds	2,274,250	2,274,250	-	2,274,250	-
Total other financing sources (uses)	4,238,759	4,141,402	97,357	4,238,759	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 217,648	\$ 7,666	\$ 225,314	\$ 225,314

CITY OF MONROE, NORTH CAROLINA

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2024

	Aquatics and Fitness Center Fund	Stormwater Fund	Solid Waste Fund	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$ 1,902,545	\$ 3,973,064	\$ 165,883	\$ 6,041,492
Accounts receivable	10,378	338,993	473,239	822,610
Prepaid expenses	2,679	6,905	732	10,316
Inventories	7,865	-	-	7,865
Total current assets	<u>1,923,467</u>	<u>4,318,962</u>	<u>639,854</u>	<u>6,882,283</u>
Non-current assets:				
Capital assets:				
Land and other non-depreciable assets	925,594	225,564	-	1,151,158
Other capital assets, net of depreciation	<u>3,111,121</u>	<u>1,445,382</u>	<u>72,393</u>	<u>4,628,896</u>
Total non-current assets	<u>4,036,715</u>	<u>1,670,946</u>	<u>72,393</u>	<u>5,780,054</u>
Total assets	<u>5,960,182</u>	<u>5,989,908</u>	<u>712,247</u>	<u>12,662,337</u>
Deferred Outflows of Resources:				
OPEB deferrals	587,467	256,939	17,461	861,867
Pension deferrals	<u>739,839</u>	<u>330,565</u>	<u>15,741</u>	<u>1,086,145</u>
Total deferred outflows of resources	<u>1,327,306</u>	<u>587,504</u>	<u>33,202</u>	<u>1,948,012</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	113,670	34,885	290,949	439,504
Unearned revenue	84,498	-	-	84,498
Compensated absences	88,323	32,550	16,208	137,081
Subscription liability	24,187	-	-	24,187
Total other post-employment benefits liability	<u>55,642</u>	<u>24,336</u>	<u>1,654</u>	<u>81,632</u>
Installment purchase obligations	<u>8,982</u>	<u>9,218</u>	<u>7,115</u>	<u>25,315</u>
Total current liabilities	<u>375,302</u>	<u>100,989</u>	<u>315,926</u>	<u>792,217</u>
Non-current liabilities:				
Net pension liability	1,194,092	533,530	25,406	1,753,028
Compensated absences	43,502	16,032	7,983	67,517
Installment purchase obligations	47,583	48,832	37,692	134,107
Total other post-employment benefits liability	<u>2,358,173</u>	<u>1,031,387</u>	<u>70,095</u>	<u>3,459,655</u>
Total non-current liabilities	<u>3,643,350</u>	<u>1,629,781</u>	<u>141,176</u>	<u>5,414,307</u>
Total liabilities	<u>4,018,652</u>	<u>1,730,770</u>	<u>457,102</u>	<u>6,206,524</u>

CITY OF MONROE, NORTH CAROLINA

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2024

	Aquatics and Fitness Center Fund	Stormwater Fund	Solid Waste Fund	Total
Deferred Inflows of Resources:				
OPEB deferrals	581,746	254,437	17,292	853,475
Pension deferrals	5,066	2,264	109	7,439
Total deferred inflows of resources	<u>586,812</u>	<u>256,701</u>	<u>17,401</u>	<u>860,914</u>
Net Position:				
Net investment in capital assets	3,955,963	1,612,896	27,586	5,596,445
Unrestricted	<u>(1,273,939)</u>	<u>2,977,045</u>	<u>243,360</u>	<u>1,946,466</u>
Total net position	<u>\$ 2,682,024</u>	<u>\$ 4,589,941</u>	<u>\$ 270,946</u>	<u>\$ 7,542,911</u>

CITY OF MONROE, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES,

AND CHANGES IN FUND NET POSITION

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Aquatics and Fitness Center Fund	Stormwater Fund	Solid Waste Fund	Total
Operating Revenues:				
Charges for services	\$ 4,078,395	\$ 2,888,978	\$ 3,292,903	\$ 10,260,276
Other operating revenues	196,635	97,050	27,520	321,205
Total operating revenues	<u>4,275,030</u>	<u>2,986,028</u>	<u>3,320,423</u>	<u>10,581,481</u>
Operating Expenses:				
Distribution systems				
Aquatics and Fitness Center operations	4,431,458	-	-	4,431,458
Stormwater operations	-	2,416,190	-	2,416,190
Solid waste operations	-	-	3,578,577	3,578,577
Depreciation and amortization	354,103	171,293	7,692	533,088
Total operating expenses	<u>4,785,561</u>	<u>2,587,483</u>	<u>3,586,269</u>	<u>10,959,313</u>
Operating income (loss)	<u>(510,531)</u>	<u>398,545</u>	<u>(265,846)</u>	<u>(377,832)</u>
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of capital assets	-	51	-	51
Investment earnings	82,418	123,765	15,594	221,777
Interest and other charges	(3,039)	(1,321)	(1,176)	(5,536)
Total non-operating revenues (expenses)	<u>79,379</u>	<u>122,495</u>	<u>14,418</u>	<u>216,292</u>
Income (loss) before transfers	<u>(431,152)</u>	<u>521,040</u>	<u>(251,428)</u>	<u>(161,540)</u>
Transfers from other funds	-	426,545	-	426,545
Transfers to other funds	(1,873,967)	-	-	(1,873,967)
Total transfers (to) from other funds	<u>(1,873,967)</u>	<u>426,545</u>	<u>-</u>	<u>(1,447,422)</u>
Change in net position	(2,305,119)	947,585	(251,428)	(1,608,962)
Net Position:				
Beginning of year, July 1	<u>4,987,143</u>	<u>3,642,356</u>	<u>522,374</u>	<u>9,151,873</u>
End of year, June 30	<u>\$ 2,682,024</u>	<u>\$ 4,589,941</u>	<u>\$ 270,946</u>	<u>\$ 7,542,911</u>

CITY OF MONROE, NORTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Aquatics and Fitness Center Fund	Stormwater Fund	Solid Waste Fund	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 4,290,156	\$ 2,960,855	\$ 3,257,379	\$ 10,508,390
Cash paid for goods and services	(1,897,557)	(1,327,332)	(3,297,380)	(6,522,269)
Cash paid to or on behalf of employees for services	(2,355,531)	(997,798)	(207,001)	(3,560,330)
Net cash provided (used) by operating activities	<u>37,068</u>	<u>635,725</u>	<u>(247,002)</u>	<u>425,791</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds	-	426,545	-	426,545
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>426,545</u>	<u>-</u>	<u>426,545</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(308,905)	(28,687)	-	(337,592)
Principal paid on bond maturities and equipment obligations	(38,455)	(9,013)	(6,955)	(54,423)
Interest paid on bond maturities and equipment obligations	(3,039)	(1,321)	(1,176)	(5,536)
Net cash provided (used) by capital and related financing activities	<u>(350,399)</u>	<u>(39,021)</u>	<u>(8,131)</u>	<u>(397,551)</u>
Cash Flows from Investing Activities:				
Earnings on investments	82,418	123,765	15,594	221,777
Net cash provided (used) by investing activities	<u>82,418</u>	<u>123,765</u>	<u>15,594</u>	<u>221,777</u>
Net increase (decrease) in cash and cash equivalents	(230,913)	1,147,014	(239,539)	676,562
Cash and Cash Equivalents:				
Beginning of year, July 1	<u>2,133,458</u>	<u>2,826,050</u>	<u>405,422</u>	<u>5,364,930</u>
End of year, June 30	<u>\$ 1,902,545</u>	<u>\$ 3,973,064</u>	<u>\$ 165,883</u>	<u>\$ 6,041,492</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	<u>\$ (510,531)</u>	<u>\$ 398,545</u>	<u>\$ (265,846)</u>	<u>\$ (377,832)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	354,103	171,293	7,692	533,088
Non operating revenues	-	51	-	51
Changes in assets and liabilities:				
Increase deferred outflows - pension	(56,104)	(25,068)	(1,193)	(82,365)
Increase in net pension liability	176,219	78,736	3,749	258,704
Decrease deferred inflows - pension	(2,180)	(974)	(46)	(3,200)
(Increase) decrease in accounts receivable	(1,026)	(24,214)	(63,242)	(88,482)
(Increase) decrease in inventories	343	-	-	343
(Increase) decrease in prepaid expenses	(1,706)	(1,010)	198	(2,518)
Increase (decrease) in accounts payable and accrued liabilities	7,918	5,238	65,986	79,142
(Increase) decrease in deferred outflows of resources for OPEB	(143,748)	(62,871)	(4,272)	(210,891)
Increase (decrease) in deferred inflows of resources for OPEB	(149,466)	(65,371)	(4,443)	(219,280)
Increase (decrease) in net OPEB liability	337,896	147,785	10,044	495,725
Increase (decrease) in compensated absences	25,350	13,585	4,371	43,306
Total adjustments	<u>547,599</u>	<u>237,180</u>	<u>18,844</u>	<u>803,623</u>
Net cash provided (used) by operating activities	<u>\$ 37,068</u>	<u>\$ 635,725</u>	<u>\$ (247,002)</u>	<u>\$ 425,791</u>
Non-Cash Transactions:				
Transfer of asset	<u>\$ 1,873,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,873,967</u>

CITY OF MONROE, NORTH CAROLINA

AQUATICS AND FITNESS CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Recreational fees	\$ 3,908,565	\$ 4,078,395	\$ 169,830
Other operating revenues	115,200	196,635	81,435
Total operating revenues	<u>4,023,765</u>	<u>4,275,030</u>	<u>251,265</u>
Non-operating revenues:			
Other non-operating revenues	3,790	-	(3,790)
Investment earnings	48,336	82,418	34,082
Total non-operating revenues	<u>52,126</u>	<u>82,418</u>	<u>30,292</u>
Total revenues	<u>4,075,891</u>	<u>4,357,448</u>	<u>281,557</u>
Other Financing Sources (Uses):			
Appropriated fund balance	347,156	-	(347,156)
Total other financing sources (uses)	<u>347,156</u>	<u>-</u>	<u>(347,156)</u>
Total revenues and other financing sources (uses)	<u>\$ 4,423,047</u>	<u>\$ 4,357,448</u>	<u>\$ (65,599)</u>
Expenditures:			
Operations:			
Salaries and employee benefits	\$ 2,306,028	\$ 2,708,883	\$ (402,855)
Operating expenditures	1,728,411	1,534,608	193,803
Total	<u>4,034,439</u>	<u>4,243,491</u>	<u>(209,052)</u>
Debt service:			
Principal retirement	38,460	38,455	5
Interest and other charges	3,094	3,039	55
Total	<u>41,554</u>	<u>41,494</u>	<u>60</u>
Capital outlay	<u>347,054</u>	<u>308,905</u>	<u>38,149</u>
Total expenditures	<u>\$ 4,423,047</u>	<u>\$ 4,593,890</u>	<u>\$ (170,843)</u>

CITY OF MONROE, NORTH CAROLINA

**AQUATICS AND FITNESS CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024**

**Reconciliation from Budgetary Basis (Modified Accrual)
to Full Accrual:**

Total revenues and other financing sources (uses)	\$ 4,357,448
Total expenditures	<u>4,593,890</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(236,442)</u>
Reconciling items:	
Capital outlay	308,905
Debt principal	38,455
Transfer of asset	(1,873,967)
Change in compensated absences	(25,350)
Change in deferred outflows of resources - OPEB	143,748
Change in deferred inflows of resources - OPEB	149,466
Change in OPEB liability	(337,896)
Change in deferred outflows of resources - pensions	56,104
Increase in net pension liability	(176,219)
Change in deferred inflows of resources - pensions	2,180
Depreciation and amortization	<u>(354,103)</u>
Total reconciling items	<u>(2,068,677)</u>
Change in net position	<u>\$ (2,305,119)</u>

CITY OF MONROE, NORTH CAROLINA

STORMWATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Charges for services:			
Stormwater receipts	\$ 2,793,093	\$ 2,888,978	\$ 95,885
Other operating revenues	83,450	97,050	13,600
Total operating revenues	<u>2,876,543</u>	<u>2,986,028</u>	<u>109,485</u>
Non-operating revenues:			
Other non-operating revenues	-	51	51
Investment earnings	57,025	123,765	66,740
Total non-operating revenues	<u>57,025</u>	<u>123,816</u>	<u>66,791</u>
Total revenues	<u>2,933,568</u>	<u>3,109,844</u>	<u>176,276</u>
Other Financing Sources (Uses):			
Appropriated fund balance	787,092	-	787,092
Total other financing sources (uses)	<u>787,092</u>	<u>-</u>	<u>787,092</u>
Total revenues and other financing sources (uses)	<u>\$ 3,720,660</u>	<u>\$ 3,109,844</u>	<u>\$ 963,368</u>
Expenditures:			
Operations:			
Salaries and employee benefits	\$ 1,264,614	\$ 1,085,407	\$ 179,207
Operating expenditures	1,460,712	1,244,961	215,751
Total	<u>2,725,326</u>	<u>2,330,368</u>	<u>394,958</u>
Debt service:			
Principal retirement	9,013	9,013	-
Interest and other charges	1,321	1,321	-
Total	<u>10,334</u>	<u>10,334</u>	<u>-</u>
Capital outlay	<u>695,000</u>	<u>-</u>	<u>695,000</u>
Total expenditures	<u>3,430,660</u>	<u>2,340,702</u>	<u>1,089,958</u>
Other Financing Sources (Uses):			
Transfers from(to) other funds:			
Intrafund - Stormwater Capital Project Fund	(290,000)	(290,000)	-
Total other financing sources (uses)	<u>(290,000)</u>	<u>(290,000)</u>	<u>-</u>
Total expenditures and other financing sources (uses)	<u>\$ 3,720,660</u>	<u>\$ 2,630,702</u>	<u>\$ 1,089,958</u>

CITY OF MONROE, NORTH CAROLINA

STORMWATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

**Reconciliation from Budgetary Basis (Modified Accrual)
 to Full Accrual:**

Total revenues and other financing sources (uses)	\$ 3,109,844
Total expenditures and other financing sources (uses)	<u>2,630,702</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>479,142</u>
Reconciling items:	
Debt principal	9,013
Transfers - General Capital Projects Fund	426,545
Intrafund transfers - Stormwater Capital Project Fund	290,000
Change in compensated absences	(13,585)
Change in deferred outflows of resources - OPEB	62,871
Change in deferred inflows of resources - OPEB	65,371
Change in OPEB liability	(147,785)
Change in deferred outflows of resources - pensions	25,068
Increase in net pension liability	(78,736)
Change in deferred inflows of resources - pensions	974
Depreciation and amortization	<u>(171,293)</u>
Total reconciling items	<u>468,443</u>
Change in net position	<u>\$ 947,585</u>

CITY OF MONROE, NORTH CAROLINA

STORMWATER MANAGEMENT CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Actual				
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Construction costs capitalized	\$ 175,563	\$ 175,563	\$ -	\$ 175,563	\$ -
Construction in progress	1,886,302	196,877	28,687	225,564	1,660,738
Total expenditures	<u>2,061,865</u>	<u>372,440</u>	<u>28,687</u>	<u>401,127</u>	<u>1,660,738</u>
Revenues over (under) expenditures	<u>(2,061,865)</u>	<u>(372,440)</u>	<u>(28,687)</u>	<u>(401,127)</u>	<u>1,660,738</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Stormwater Fund	1,506,000	1,216,000	290,000	1,506,000	-
General Capital Projects Fund	555,865	129,320	426,545	555,865	-
Total other financing sources (uses)	<u>2,061,865</u>	<u>1,345,320</u>	<u>716,545</u>	<u>2,061,865</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 972,880</u>	<u>\$ 687,858</u>	<u>\$ 1,660,738</u>	<u>\$ 1,660,738</u>

CITY OF MONROE, NORTH CAROLINA

SOLID WASTE FUND
SCHEDE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Over/Under
Revenues:			
Operating revenues:			
Charges for services:			
Refuse collection fees	\$ 3,152,196	\$ 3,292,903	\$ 140,707
Total	<u>3,152,196</u>	<u>3,292,903</u>	<u>140,707</u>
Other operating revenues	32,627	27,520	(5,107)
Total operating revenues	<u>3,184,823</u>	<u>3,320,423</u>	<u>135,600</u>
Non-operating revenues:			
Investment earnings	12,491	15,594	3,103
Total non-operating revenues	<u>12,491</u>	<u>15,594</u>	<u>3,103</u>
Total revenues	<u>3,197,314</u>	<u>3,336,017</u>	<u>138,703</u>
Other Financing Sources (Uses):			
Appropriated net position	378,491	-	378,491
Total other financing sources (uses)	<u>378,491</u>	<u>-</u>	<u>378,491</u>
Total revenues and other financing sources (uses)	<u>\$ 3,575,805</u>	<u>\$ 3,336,017</u>	<u>\$ 517,194</u>
Expenditures:			
Operations:			
Salaries and employee benefits	\$ 219,937	\$ 215,315	\$ 4,622
Operating expenditures	<u>3,347,892</u>	<u>3,355,052</u>	<u>(7,160)</u>
Total	<u>3,567,829</u>	<u>3,570,367</u>	<u>(2,538)</u>
Debt service:			
Principal retirement	7,976	6,955	1,021
Interest and other charges	-	1,176	(1,176)
Total	<u>7,976</u>	<u>8,131</u>	<u>(155)</u>
Total expenditures	<u>\$ 3,575,805</u>	<u>\$ 3,578,498</u>	<u>\$ (2,693)</u>

CITY OF MONROE, NORTH CAROLINA

SOLID WASTE FUND
SCHEDELO OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

**Reconciliation from Budgetary Basis (Modified Accrual)
 to Full Accrual:**

Total revenues and other financing sources (uses)	\$ 3,336,017
Total expenditures	<u>3,578,498</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(242,481)</u>
Reconciling items:	
Debt principal	6,955
Depreciation	(7,692)
Change in compensated absences	(4,371)
Change in OPEB liability	(10,044)
Change in deferred outflows of resources - OPEB	4,272
Change in deferred inflows of resources - OPEB	4,443
Change in deferred outflows of resources - pensions	1,193
Increase in net pension liability	(3,749)
Change in deferred inflows of resources - pensions	<u>46</u>
Total reconciling items	<u>(8,947)</u>
Change in net position	<u>\$ (251,428)</u>



Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City maintains three internal service funds.

- Health and Dental Fund
- Workers' Compensation Fund
- Property and Liability Fund

CITY OF MONROE, NORTH CAROLINA

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2024

	Health and Dental Fund	Workers' Compensation Fund	Property and Liability Fund	Total
Assets:				
Current assets:				
Cash and investments	\$ 2,053,742	\$ 839,710	\$ 1,375,166	\$ 4,268,618
Accounts receivable (net)	1,033,814	-	583	1,034,397
Prepays	-	12,100	-	12,100
Total current assets	<u>3,087,556</u>	<u>851,810</u>	<u>1,375,749</u>	<u>5,315,115</u>
Non-current assets:				
Restricted assets:				
Deposits	10,169	10,000	-	20,169
Total non-current assets	<u>10,169</u>	<u>10,000</u>	<u>-</u>	<u>20,169</u>
Total assets	<u>3,097,725</u>	<u>861,810</u>	<u>1,375,749</u>	<u>5,335,284</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	582,903	19,440	1,760	604,103
Total current liabilities	<u>582,903</u>	<u>19,440</u>	<u>1,760</u>	<u>604,103</u>
Non-current liabilities:				
Liabilities payable from restricted assets:				
Deposits	10,169	10,000	-	20,169
Total non-current liabilities	<u>10,169</u>	<u>10,000</u>	<u>-</u>	<u>20,169</u>
Total liabilities	<u>593,072</u>	<u>29,440</u>	<u>1,760</u>	<u>624,272</u>
Net Position:				
Unrestricted	\$ 2,504,653	\$ 832,370	\$ 1,373,989	\$ 4,711,012

CITY OF MONROE, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Health and Dental Fund	Workers' Compensation Fund	Property and Liability Fund	Total
Operating Revenues:				
Interfund charges and employee contributions	\$ 10,854,127	\$ -	\$ 1,156,353	\$ 12,010,480
Receipts for interfund charges	-	593,942	-	593,942
Other operating revenue	2,404,188	-	120,744	2,524,932
Total operating revenues	13,258,315	593,942	1,277,097	15,129,354
Operating Expenses:				
Operating expenses	497,894	139,184	107,703	744,781
Workers' compensation claims and premiums	-	647,044	-	647,044
Health care clinic	132,001	-	-	132,001
Insurance	18,429	-	-	18,429
Health benefit claims and premiums	12,295,222	-	-	12,295,222
Property and liability claims and premiums	-	-	924,044	924,044
Total operating expenses	12,943,546	786,228	1,031,747	14,761,521
Operating income (loss)	314,769	(192,286)	245,350	367,833
Non-Operating Revenues:				
Investment earnings	59,133	41,708	32,510	133,351
Total non-operating revenues	59,133	41,708	32,510	133,351
Change in net position	373,902	(150,578)	277,860	501,184
Net Position:				
Beginning of year, July 1	2,130,751	982,948	1,096,129	4,209,828
End of year, June 30	\$ 2,504,653	\$ 832,370	\$ 1,373,989	\$ 4,711,012

CITY OF MONROE, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Health and Dental Fund	Workers' Compensation Fund	Property and Liability Fund	Total
Cash Flows from Operating Activities:				
Cash received for services	\$ 10,612,664	\$ -	\$ 1,156,353	\$ 11,769,017
Other operating revenue	2,404,188	-	120,744	2,524,932
Receipts for interfund charges	-	593,942	-	593,942
Cash paid for goods and services	(12,744,228)	(798,160)	(1,035,136)	(14,577,524)
Net cash provided (used) by operating activities	<u>272,624</u>	<u>(204,218)</u>	<u>241,961</u>	<u>310,367</u>
Cash Flows from Investing Activities:				
Investment earnings	59,133	41,708	32,510	133,351
Net cash provided (used) by investing activities	<u>59,133</u>	<u>41,708</u>	<u>32,510</u>	<u>133,351</u>
Net increase (decrease) in cash and cash equivalents	331,757	(162,510)	274,471	443,718
Cash and Cash Equivalents:				
Beginning of year, July 1	<u>1,732,154</u>	<u>1,012,220</u>	<u>1,100,695</u>	<u>3,845,069</u>
End of year, June 30	<u>\$ 2,063,911</u>	<u>\$ 849,710</u>	<u>\$ 1,375,166</u>	<u>\$ 4,288,787</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	<u>\$ 314,769</u>	<u>\$ (192,286)</u>	<u>\$ 245,350</u>	<u>\$ 367,833</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities				
(Increase) decrease in accounts receivable	(267,999)	-	-	(267,999)
(Increase) decrease in prepaid expenses	26,536	-	-	26,536
Increase (decrease) in accounts payable and accrued liabilities	199,318	(11,932)	(3,389)	183,997
Total adjustments	<u>(42,145)</u>	<u>(11,932)</u>	<u>(3,389)</u>	<u>(57,466)</u>
Net cash provided (used) by operating activities	<u>\$ 272,624</u>	<u>\$ (204,218)</u>	<u>\$ 241,961</u>	<u>\$ 310,367</u>

CITY OF MONROE, NORTH CAROLINA

HEALTH AND DENTAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2024

	Financial Plan	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Interfund charges and employee contributions	\$ 9,599,009	\$ 10,854,127	\$ 1,255,118
Other operating revenue	2,684,190	2,404,188	(280,002)
Total operating revenues	<u>12,283,199</u>	<u>13,258,315</u>	<u>975,116</u>
Non-operating revenues:			
Investment earnings	57,025	59,133	2,108
Total non-operating revenues	<u>57,025</u>	<u>59,133</u>	<u>2,108</u>
Total revenues	<u>12,340,224</u>	<u>13,317,448</u>	<u>977,224</u>
Expenditures:			
Operating expenditures:			
Other operating expenses	482,128	497,894	(15,766)
Healthcare clinic	159,182	132,001	27,181
Insurance	18,673	18,429	244
Health benefit claims and premiums	<u>11,681,910</u>	<u>12,295,222</u>	<u>(613,312)</u>
Total operating expenditures	<u>12,341,893</u>	<u>12,943,546</u>	<u>(601,653)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	1,669	-	1,669
Total other financing sources (uses)	<u>1,669</u>	<u>-</u>	<u>1,669</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 373,902</u>	<u>\$ 373,902</u>

CITY OF MONROE, NORTH CAROLINA

WORKERS' COMPENSATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	Financial Plan	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Interfund charges	\$ 450,000	\$ 593,942	\$ 143,942
Total operating revenues	<u>450,000</u>	<u>593,942</u>	<u>143,942</u>
Non-operating revenues:			
Investment earnings	18,465	41,708	23,243
Total non-operating revenues	<u>18,465</u>	<u>41,708</u>	<u>23,243</u>
Total revenues	<u>468,465</u>	<u>635,650</u>	<u>167,185</u>
Expenditures:			
Operating expenditures:			
Other operating expenses	139,221	139,184	37
Workers' compensation claims and premiums paid	325,421	647,044	(321,623)
Contingency	3,823	-	3,823
Total expenditures	<u>468,465</u>	<u>786,228</u>	<u>(317,763)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (150,578)</u>	<u>\$ (150,578)</u>

CITY OF MONROE, NORTH CAROLINA

PROPERTY AND LIABILITY FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2024

	Financial Plan	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Interfund charges and employee contributions	\$ 1,158,256	\$ 1,156,353	\$ (1,903)
Other operating revenue	20,003	120,744	100,741
Total operating revenues	<u>1,178,259</u>	<u>1,277,097</u>	<u>98,838</u>
Non-operating revenues:			
Investment earnings	11,948	32,510	20,562
Total non-operating revenues	<u>11,948</u>	<u>32,510</u>	<u>20,562</u>
Total revenues	<u>1,190,207</u>	<u>1,309,607</u>	<u>119,400</u>
Expenditures:			
Operating expenditures:			
Other operating expenses	107,759	107,703	56
Property and liability claims and premiums	1,093,823	924,044	169,779
Total expenditures	<u>1,201,582</u>	<u>1,031,747</u>	<u>169,835</u>
Other Financing Sources (Uses):			
Appropriated fund balance	11,375	-	(11,375)
Total other financing sources (uses)	<u>11,375</u>	<u>-</u>	<u>(11,375)</u>
Revenues over (under) expenditures	\$ -	\$ 277,860	\$ 277,860

CITY OF MONROE, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2024

Fiscal Year	Uncollected		Collections And Credits	Uncollected Balance
	Balance June 30, 2023	Additions		
2023 - 2024	\$ -	\$ 28,455,432	\$ 28,279,690	\$ 175,742
2022 - 2023	\$ 214,074	-	88,831	\$ 125,243
2021 - 2022	\$ 66,157	-	23,321	\$ 42,836
2020 - 2021	\$ 40,547	-	9,508	\$ 31,039
2019 - 2020	\$ 31,134	13,948	7,078	\$ 38,004
2018 - 2019	\$ 28,092	-	4,027	\$ 24,065
2017 - 2018	\$ 35,006	-	2,866	\$ 32,140
2016 - 2017	\$ 20,067	-	2,713	\$ 17,354
2015 - 2016	\$ 20,794	-	1,987	\$ 18,807
2014 - 2015	\$ 26,740	-	2,694	\$ 24,046
2013 - 2014	\$ 45,350	-	45,350	\$ -
Total	<u>\$ 527,961</u>	<u>\$ 28,469,380</u>	<u>\$ 28,468,065</u>	<u>\$ 529,276</u>

Less: Allowance for uncollectible ad valorem taxes receivable	<u>26,428</u>
Ad valorem taxes receivable	<u>\$ 502,848</u>

Reconcilement with Revenues:

Ad valorem taxes - General Fund	General Fund
	\$ 28,516,906
Amounts written off per Statute of Limitations	(45,350)
Refunds, releases of prior years' taxes	(111,859)
Interest and advertising cost recovery	<u>108,368</u>
Total collections and credits	<u>\$ 28,468,065</u>

CITY OF MONROE, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY
CITY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2024**

	Total Levy				
	City-Wide		Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	Total Levy
	Property Valuation	Rate			
Original Levy:					
Property taxed at current year's rate	\$ 5,404,569,183	\$ 0.5025	\$ 27,289,156	\$ 25,594,786	\$ 1,694,370
Registered motor vehicles taxed at prior year's rate	434,347,998		488,709	-	488,709
Total	5,838,917,181		27,777,865	25,594,786	2,183,079
Public Utility Allocation	87,041,248	0.5025	437,405	437,405	-
Discoveries	61,274,322	0.5025	360,578	360,578	-
Releases	(6,975,931)	0.5025	(120,416)	(120,416)	-
Total property valuation	<u>\$ 5,980,256,820</u>				
Net Levy			28,455,432	26,272,353	2,183,079
Uncollected taxes at June 30, 2024			(175,742)	(175,742)	-
Current Year's Taxes Collected			<u>\$ 28,279,690</u>	<u>\$ 26,096,611</u>	<u>\$ 2,183,079</u>
Current Levy Collection Percentage			<u>99.38%</u>	<u>99.33%</u>	<u>100.00%</u>
Secondary Market Disclosures:					
	Property Valuation	Rate	Levy		
Assessed Valuation:					
Assessment Ratio ¹	100%				
Real property	\$ 3,896,652,305				
Personal property	1,221,617,134				
Public Service Companies ²	87,041,248				
GAP	<u>3,409,938</u>				
	5,208,720,625	0.5025	\$ 26,272,353		
Motor Vehicle Property	<u>771,536,195</u>	0.5025	<u>2,183,079</u>		
'Total levy (includes discoveries, releases, and abatements) ³	<u>\$ 5,980,256,820</u>		<u>\$ 28,455,432</u>		
Distribution of levy:					
General Fund			<u>\$ 28,455,432</u>		

¹Percentage of appraised value has been established by statute.

²Valuation of railroads, telephone companies and other utilities as determined

by the North Carolina Property Tax Commission.

³The levy includes interest and penalties.

CITY OF MONROE, NORTH CAROLINA

SCHEDULE OF MUNICIPAL SERVICE DISTRICT TAXES RECEIVABLE
JUNE 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections And Credits	Uncollected Balance June 30, 2024
2023 - 2024	\$ -	\$ 69,046	\$ 68,916	\$ 130
2022 - 2023	2	-	2	-
2021 - 2022	2	-	-	2
2020 - 2021	60	-	-	60
2019 - 2020	181	-	-	181
2018 - 2019	218	-	-	218
2017 - 2018	51	-	-	51
2016 - 2017	72	-	-	72
2015 - 2016	51	-	-	51
2014 - 2015	264	-	-	264
2013 - 2014	661	-	661	-
Total	\$ 1,562	\$ 69,046	\$ 69,579	\$ 1,029

Less: Allowance for uncollectible ad valorem taxes receivable	50
Ad valorem taxes receivable	\$ 979

Reconcilement with Revenues:

Ad valorem taxes - Downtown Monroe Fund	\$ 69,260
Amounts written off per Statute of Limitations	(661)
Refunds, releases of prior years' taxes	639
Interest and advertising cost recovery	341
Total collections and credits	\$ 69,579

CITY OF MONROE, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY
MUNICIPAL SERVICE DISTRICT LEVY
FOR THE YEAR ENDED JUNE 30, 2024**

	City-Wide			Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:						
Property taxed at current year's rate	\$ 30,906,467	\$ 0.195	\$ 60,355	\$ 58,599	\$ 1,756	
Registered motor vehicles taxed at prior year's rate	<u>363,749</u>		<u>709</u>	<u>-</u>	<u>709</u>	
Total	<u>31,270,216</u>		<u>61,064</u>	<u>58,599</u>	<u>2,465</u>	
Public Utility Allocation	4,096,615	0.195	7,988	7,988		-
Discoveries	6,241	0.195	-	-	-	-
Releases	<u>(1,590)</u>	0.195	<u>(6)</u>	<u>(6)</u>	<u>-</u>	
Total property valuation	<u><u>\$ 35,371,482</u></u>					
Net Levy			69,046	66,581	2,465	
Uncollected taxes at June 30, 2024			<u>(130)</u>	<u>(130)</u>	<u>-</u>	
Current Year's Taxes Collected			<u><u>\$ 68,916</u></u>	<u><u>\$ 66,451</u></u>	<u><u>\$ 2,465</u></u>	
Current Levy Collection Percentage			<u><u>99.81%</u></u>	<u><u>99.80%</u></u>	<u><u>100.00%</u></u>	
Secondary Market Disclosures:						
	Property Valuation	Rate	Levy			
Assessed Valuation:						
Assessment Ratio ¹	100%					
Real property	\$ 26,859,755					
Personal property	3,151,015					
Public Service Companies ²	<u>4,096,615</u>					
Motor Vehicle Property	<u>34,107,385</u>	0.195	\$ 66,581			
Total levy (includes discoveries, releases, and abatements) ³	<u><u>1,264,097</u></u>	0.195	<u><u>2,465</u></u>			
Municipal Service District - Downtown Monroe Fund	<u><u>\$ 35,371,482</u></u>		<u><u>\$ 69,046</u></u>			
Distribution of levy:			<u><u>\$ 69,046</u></u>			

¹Percentage of appraised value has been established by statute.

²Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³The levy includes interest and penalties.



Statistical Section

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

	Page
Financial Trends – These tables contain trend information to help the reader understand how the City's financial performance and well being have been changed over time.....	178
Revenue Capacity – These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.....	188
Debt Capacity – These tables 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.....	194
Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.....	201
Operation Information – These tables contain service and infrastructure 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.....	204

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports to the relevant year.

CITY OF MONROE, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 69,134	\$ 68,979	\$ 68,341	\$ 69,530	\$ 71,002
Restricted	10,499	7,385	9,813	9,654	16,587
Unrestricted	<u>14,429</u>	<u>19,993</u>	<u>13,434</u>	<u>(7,850)</u>	<u>(12,946)</u>
Total governmental activities net position	<u><u>\$ 94,062</u></u>	<u><u>\$ 96,357</u></u>	<u><u>\$ 91,588</u></u>	<u><u>\$ 71,334</u></u>	<u><u>\$ 74,643</u></u>
Business-type activities					
Net investment in capital assets	\$ 172,159	\$ 177,673	\$ 193,967	\$ 200,306	\$ 214,144
Unrestricted	106,769	117,605	116,067	111,837	125,987
Total business-type activities net position	<u><u>\$ 278,928</u></u>	<u><u>\$ 295,278</u></u>	<u><u>\$ 310,034</u></u>	<u><u>\$ 312,143</u></u>	<u><u>\$ 340,131</u></u>
Primary government					
Net investment in capital assets	\$ 241,293	\$ 246,652	\$ 262,308	\$ 269,836	\$ 285,146
Restricted	10,499	7,385	9,813	9,654	16,587
Unrestricted	<u>121,198</u>	<u>137,598</u>	<u>129,501</u>	<u>103,987</u>	<u>113,041</u>
Total primary government net position	<u><u>\$ 372,990</u></u>	<u><u>\$ 391,635</u></u>	<u><u>\$ 401,622</u></u>	<u><u>\$ 383,477</u></u>	<u><u>\$ 414,774</u></u>

Notes:

The classification of restricted net position amounts is discussed in the notes to the financial statements section I.E.13.

CITY OF MONROE, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2020	2021	2022	2023	2024
Governmental activities					
Net investment in capital assets	\$ 72,231	\$ 74,681	\$ 80,216	\$ 81,099	\$ 84,454
Restricted	14,882	15,706	31,642	21,028	19,807
Unrestricted	<u>(9,096)</u>	<u>(8,008)</u>	<u>(18,564)</u>	<u>(4,362)</u>	<u>(3,955)</u>
Total governmental activities net position	<u><u>\$ 78,017</u></u>	<u><u>\$ 82,379</u></u>	<u><u>\$ 93,294</u></u>	<u><u>\$ 97,765</u></u>	<u><u>\$ 100,306</u></u>
Business-type activities					
Net investment in capital assets	\$ 221,098	\$ 232,653	\$ 235,241	\$ 251,038	\$ 279,319
Unrestricted	<u>147,461</u>	<u>159,227</u>	<u>177,451</u>	<u>189,093</u>	<u>201,575</u>
Total business-type activities net position	<u><u>\$ 368,559</u></u>	<u><u>\$ 391,880</u></u>	<u><u>\$ 412,692</u></u>	<u><u>\$ 440,131</u></u>	<u><u>\$ 480,894</u></u>
Primary government					
Net investment in capital assets	\$ 293,329	\$ 307,334	\$ 315,457	\$ 332,137	\$ 363,773
Restricted	14,882	15,706	31,642	21,028	19,807
Unrestricted	<u>138,365</u>	<u>151,219</u>	<u>158,887</u>	<u>184,731</u>	<u>197,620</u>
Total primary government net position	<u><u>\$ 446,576</u></u>	<u><u>\$ 474,259</u></u>	<u><u>\$ 505,986</u></u>	<u><u>\$ 537,896</u></u>	<u><u>\$ 581,200</u></u>

CITY OF MONROE, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
EXPENSES					
Governmental activities:					
General government	\$ 4,929	\$ 7,646	\$ 5,232	\$ 4,933	\$ 3,461
Transportation	5,207	5,215	5,307	5,758	4,780
Public safety	21,069	19,675	23,693	25,300	27,086
Culture and recreation	5,541	5,389	5,910	5,153	8,743
Economic and physical development	1,134	2,070	1,063	1,338	1,075
Interest on long-term debt	186	200	227	200	469
Total governmental activities expenses	<u>38,066</u>	<u>40,195</u>	<u>41,432</u>	<u>42,682</u>	<u>45,614</u>
Business-type activities:					
Water and sewer	10,360	12,281	13,274	12,339	9,975
Electric	60,881	58,078	60,175	60,764	58,254
Natural gas	13,790	13,595	12,229	14,105	14,015
Aquatics and Fitness Center	3,652	3,818	3,849	4,082	4,056
Stormwater	1,838	1,879	1,976	2,084	2,052
Solid Waste	2,178	2,303	2,511	2,348	2,350
Airport	3,405	3,328	3,498	3,706	3,697
Total business-type activities expenses	<u>96,104</u>	<u>95,282</u>	<u>97,512</u>	<u>99,428</u>	<u>94,399</u>
Total primary government expenses	<u><u>\$ 134,170</u></u>	<u><u>\$ 135,477</u></u>	<u><u>\$ 138,944</u></u>	<u><u>\$ 142,110</u></u>	<u><u>\$ 140,013</u></u>
PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
General government	\$ 2,141	\$ 2,374	\$ 2,203	\$ 2,212	\$ 2,297
Transportation	359	375	350	327	371
Public safety	4,050	4,589	4,161	3,973	4,489
Culture and recreation	1,638	1,734	1,728	1,691	1,787
Economic and physical development	-	-	-	-	-
Operating grants and contributions:					
General government	75	-	-	-	-
Transportation	972	972	963	964	957
Public safety	497	318	560	707	894
Culture and recreation	193	193	212	202	206
Economic and physical development	528	547	432	408	412
Capital grants and contributions:					
General government	-	-	-	-	-
Transportation	196	165	208	1,179	103
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	100	-
Economic and physical development	-	-	-	-	10
	<u><u>\$ 10,649</u></u>	<u><u>\$ 11,267</u></u>	<u><u>\$ 10,817</u></u>	<u><u>\$ 11,763</u></u>	<u><u>\$ 11,526</u></u>

CITY OF MONROE, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2020	2021	2022	2023	2024
EXPENSES					
Governmental activities:					
General government	\$ 6,397	\$ 7,377	\$ 9,257	\$ 10,174	\$ 13,390
Transportation	4,097	6,677	3,937	6,679	6,956
Public safety	31,068	28,495	29,100	33,521	36,735
Culture and recreation	3,081	4,945	5,770	7,033	7,456
Economic and physical development	454	1,156	1,550	1,109	435
Interest on long-term debt	501	505	1,089	824	774
Total governmental activities expenses	<u>45,598</u>	<u>49,155</u>	<u>50,703</u>	<u>59,340</u>	<u>65,746</u>
Business-type activities:					
Water and sewer	13,583	11,122	9,886	13,024	7,291
Electric	56,545	55,176	57,866	53,818	56,073
Natural gas	11,821	12,807	16,768	19,117	14,836
Aquatics and Fitness Center	3,620	3,044	3,385	4,084	4,789
Stormwater	1,987	2,273	2,465	2,463	2,589
Solid Waste	2,628	2,833	3,003	3,188	3,587
Airport	3,625	3,732	4,207	4,203	4,152
Total business-type activities expenses	<u>93,809</u>	<u>90,987</u>	<u>97,580</u>	<u>99,897</u>	<u>93,317</u>
Total primary government expenses	<u><u>\$ 139,407</u></u>	<u><u>\$ 140,142</u></u>	<u><u>\$ 148,283</u></u>	<u><u>\$ 159,237</u></u>	<u><u>\$ 159,063</u></u>
PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
General government	\$ 2,445	\$ 2,062	\$ 3,195	\$ 3,368	\$ 5,489
Transportation	403	449	468	563	602
Public safety	4,630	5,636	6,602	7,305	8,004
Culture and recreation	1,776	2,164	2,504	2,818	3,047
Economic and physical development	-	-	-	-	-
Operating grants and contributions:					
General government	-	-	-	9	12
Transportation	955	892	1,051	1,040	1,170
Public safety	1,864	783	7,194	4,896	963
Culture and recreation	170	164	4	9	25
Economic and physical development	416	420	424	-	56
Capital grants and contributions:					
General government	-	-	-	-	-
Transportation	192	542	760	328	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	20	81	50
Economic and physical development	-	-	-	-	-
	<u><u>\$ 12,851</u></u>	<u><u>\$ 13,112</u></u>	<u><u>\$ 22,222</u></u>	<u><u>\$ 20,417</u></u>	<u><u>\$ 19,418</u></u>

CITY OF MONROE, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
Business-type activities:					
Charge for services:					
Water and sewer	16,155	16,743	17,671	17,228	18,671
Electric	65,732	62,607	65,606	63,853	63,757
Natural gas	18,053	14,485	15,569	18,101	18,323
Aquatics and Fitness Center	3,712	4,013	4,097	4,065	4,089
Stormwater	2,099	2,158	2,211	2,257	2,333
Solid Waste	2,169	2,312	2,411	2,416	2,434
Airport	1,927	1,600	1,654	1,944	1,912
Operating grants and contributions:					
Airport	-	-	-	-	-
Capital grants and contributions:					
Water and sewer	-	280	-	6	127
Electric	-	-	-	10	346
Natural gas	-	62	174	-	68
Stormwater	-	-	-	-	1
Solid Waste	-	1	-	-	-
Airport	139	2,174	2,699	90	891
Total business-type activities program revenues	109,986	106,435	112,092	109,970	112,952
Total primary government revenues	<u>\$ 120,635</u>	<u>\$ 117,702</u>	<u>\$ 122,909</u>	<u>\$ 121,733</u>	<u>\$ 124,478</u>
NET (EXPENSE) REVENUE					
Governmental activities	\$ (27,417)	\$ (28,928)	\$ (30,615)	\$ (30,919)	\$ (34,088)
Business-type activities	13,882	11,153	14,580	10,542	18,553
Total primary government net (expense) revenue	<u>\$ (13,535)</u>	<u>\$ (17,775)</u>	<u>\$ (16,035)</u>	<u>\$ (20,377)</u>	<u>\$ (15,535)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
Taxes:					
Property taxes, levied for general purpose	\$ 19,375	\$ 19,605	\$ 20,176	\$ 21,078	\$ 22,358
Sales and use tax	5,428	5,249	6,196	6,215	6,654
Utility sales taxes	2,813	2,905	3,128	3,078	3,118
Motor vehicle tax	143	140	678	842	834
Beer & wine and telecommunications tax	568	496	490	463	444
Gross receipts tax	68	77	98	104	112
Other licenses and fees	879	-	-	-	-
Unrestricted investment earnings	680	1,946	(723)	(616)	3,418
Miscellaneous	1,095	580	631	744	1,375
Transfers	(1,267)	225	(1,845)	(1,279)	(916)
Total governmental activities	<u>\$ 29,782</u>	<u>\$ 31,223</u>	<u>\$ 28,829</u>	<u>\$ 30,629</u>	<u>\$ 37,397</u>
Business-type activities:					
Unrestricted investment earnings	1,735	5,144	(2,072)	(1,398)	8,003
Interest earnings on interfund loans	64	39	81	75	68
Miscellaneous	192	238	323	466	448
Transfers	1,267	(225)	1,845	1,279	916
Total business-type activities	<u>\$ 3,258</u>	<u>\$ 5,196</u>	<u>\$ 177</u>	<u>\$ 422</u>	<u>\$ 9,435</u>
Total primary government	<u>\$ 33,040</u>	<u>\$ 36,419</u>	<u>\$ 29,006</u>	<u>\$ 31,051</u>	<u>\$ 46,832</u>
CHANGE IN NET POSITION					
Governmental activities	\$ 2,365	\$ 2,295	\$ (1,786)	\$ (290)	\$ 3,309
Business-type activities	<u>17,140</u>	<u>16,349</u>	<u>14,757</u>	<u>10,964</u>	<u>27,988</u>
Total primary government	<u>\$ 19,505</u>	<u>\$ 18,644</u>	<u>\$ 12,971</u>	<u>\$ 10,674</u>	<u>\$ 31,297</u>

Notes:

Per GASB, revenues for internal service funds are allocated between business type and governmental type activities

CITY OF MONROE, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2020	2021	2022	2023	2024
Business-type activities:					
Charge for services:					
Water and sewer	18,617	19,474	22,997	25,863	28,146
Electric	60,846	56,602	60,937	62,118	64,842
Natural gas	15,043	16,430	20,457	22,640	18,228
Aquatics and Fitness Center	3,011	1,647	2,976	3,671	4,288
Stormwater	2,288	2,533	2,784	2,846	2,997
Solid Waste	2,573	2,712	2,909	3,110	3,322
Airport	1,792	2,022	2,874	2,827	2,693
Operating grants and contributions:					
Airport	69	-	82	-	1
Capital grants and contributions:					
Water and sewer	399	43	1	81	400
Electric	8,866	12,451	-	-	-
Natural gas	6	1	-	-	-
Stormwater	-	-	-	40	-
Solid Waste	-	-	-	-	-
Airport	1,419	1,542	577	91	605
Total business-type activities program revenues	<u>114,929</u>	<u>115,457</u>	<u>116,594</u>	<u>123,287</u>	<u>125,522</u>
Total primary government revenues	<u>\$ 127,780</u>	<u>\$ 128,569</u>	<u>\$ 138,816</u>	<u>\$ 143,704</u>	<u>\$ 144,940</u>
NET (EXPENSE) REVENUE					
Governmental activities	\$ (32,747)	\$ (36,043)	\$ (28,481)	\$ (38,923)	\$ (46,328)
Business-type activities	21,120	24,470	19,014	23,390	32,205
Total primary government net (expense) revenue	<u>\$ (11,627)</u>	<u>\$ (11,573)</u>	<u>\$ (9,467)</u>	<u>\$ (15,533)</u>	<u>\$ (14,123)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
Taxes:					
Property taxes, levied for general purpose	\$ 23,156	\$ 23,749	\$ 24,554	\$ 26,217	\$ 28,583
Sales and use tax	8,112	9,425	10,624	10,844	11,380
Utility sales taxes	3,184	3,122	3,108	3,352	3,399
Motor vehicle tax	838	884	870	913	933
Beer & wine and telecommunications tax	376	379	311	320	344
Gross receipts tax	102	115	133	151	175
Other licenses and fees	-	-	-	-	-
Unrestricted investment earnings	1,227	31	(975)	1,084	2,577
Miscellaneous	1,549	1,892	1,234	892	967
Transfers	<u>(2,423)</u>	<u>808</u>	<u>(463)</u>	<u>(377)</u>	<u>510</u>
Total governmental activities	<u>36,121</u>	<u>40,405</u>	<u>39,396</u>	<u>43,396</u>	<u>48,868</u>
Business-type activities:					
Unrestricted investment earnings	3,848	(888)	311	2,803	7,841
Interest earnings on interfund loans	61	54	46	39	36
Miscellaneous	976	493	978	828	1,192
Transfers	<u>2,423</u>	<u>(808)</u>	<u>463</u>	<u>377</u>	<u>(510)</u>
Total business-type activities	<u>7,308</u>	<u>(1,149)</u>	<u>1,798</u>	<u>4,047</u>	<u>8,559</u>
Total primary government	<u>\$ 43,429</u>	<u>\$ 39,256</u>	<u>\$ 41,194</u>	<u>\$ 47,443</u>	<u>\$ 57,427</u>
CHANGE IN NET POSITION					
Governmental activities	\$ 3,374	\$ 4,362	\$ 10,915	\$ 4,473	\$ 2,540
Business-type activities	<u>28,428</u>	<u>23,321</u>	<u>20,812</u>	<u>27,437</u>	<u>40,764</u>
Total primary government	<u>\$ 31,802</u>	<u>\$ 27,683</u>	<u>\$ 31,727</u>	<u>\$ 31,910</u>	<u>\$ 43,304</u>

CITY OF MONROE, NORTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 282	\$ 901	\$ 1,094	\$ 827	\$ 856
Restricted	4,951	5,846	7,554	7,989	8,879
Assigned	13,763	18,885	13,521	14,508	15,543
Unassigned	8,067	4,337	5,152	5,239	8,169
Total General Fund	<u>\$ 27,063</u>	<u>\$ 29,969</u>	<u>\$ 27,321</u>	<u>\$ 28,563</u>	<u>\$ 33,447</u>
All Other Governmental Funds					
Nonspendable	\$ 1	\$ 11	\$ 1	\$ 4	\$ -
Restricted	5,548	1,705	2,857	2,399	10,966
Committed	996	1,690	3,843	4,107	213
Assigned	113	192	199	117	495
Unassigned	(46)	-	-	-	-
Total all other governmental funds	<u>\$ 6,612</u>	<u>\$ 3,598</u>	<u>\$ 6,900</u>	<u>\$ 6,627</u>	<u>\$ 11,674</u>

Notes:

The classification of fund balance amounts is discussed in the notes to the financial statements section I.E.13.

CITY OF MONROE, NORTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ 579	\$ 449	\$ 724	\$ 2,141	\$ 3,293
Restricted	10,831	8,635	13,879	15,340	17,573
Assigned	16,727	18,378	19,347	19,275	21,835
Unassigned	7,877	11,183	2,483	5,824	4,857
Total General Fund	<u>\$ 36,014</u>	<u>\$ 38,645</u>	<u>\$ 36,433</u>	<u>\$ 42,580</u>	<u>\$ 47,558</u>
All Other Governmental Funds					
Nonspendable	\$ 1	\$ -	\$ -	\$ -	\$ -
Restricted	5,663	7,678	26,467	5,689	2,240
Committed	737	1,327	223	10,474	10,496
Assigned	510	56	346	402	456
Unassigned	-	(20)	-	-	-
Total all other governmental funds	<u>\$ 6,911</u>	<u>\$ 9,041</u>	<u>\$ 27,036</u>	<u>\$ 16,565</u>	<u>\$ 13,192</u>

CITY OF MONROE, NORTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
REVENUES					
Ad valorem taxes	\$ 19,409	\$ 19,744	\$ 20,285	\$ 21,208	\$ 22,451
Other taxes and licenses	1,087	219	778	949	948
Unrestricted intergovernmental	8,967	8,839	9,987	9,991	10,433
Restricted intergovernmental	2,461	2,194	2,375	3,551	2,571
Sales and services	1,944	2,469	2,282	2,521	2,529
Investment earnings	646	1,842	(669)	(578)	3,236
Miscellaneous	989	395	461	525	1,170
Total revenues	<u>35,503</u>	<u>35,702</u>	<u>35,499</u>	<u>38,167</u>	<u>43,338</u>
EXPENDITURES					
General government	1,729	888	2,913	2,882	627
Transportation	1,957	2,400	2,346	2,610	2,243
Public safety	16,250	14,599	17,430	18,121	18,055
Culture and recreation	4,127	4,084	3,655	3,006	4,258
Economic and physical development	2,864	5,157	2,684	2,848	6,133
Capital outlay	4,158	7,483	4,335	6,654	8,373
Debt service:					
Principal retirement	1,193	1,248	1,198	1,213	1,166
Interest and other charges	186	199	227	200	489
Total expenditures	<u>32,464</u>	<u>36,058</u>	<u>34,788</u>	<u>37,534</u>	<u>41,344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,039</u>	<u>(356)</u>	<u>711</u>	<u>633</u>	<u>1,994</u>
OTHER FINANCING SOURCES (USES)					
Transfers from (to) others	(1,267)	249	(1,845)	(1,279)	(916)
Lease liability issued	-	-	-	-	-
Subscriptions issued	-	-	-	-	-
Limited obligation bonds issued, including premiums	-	-	-	-	8,217
Installment purchase obligations issued	<u>4,476</u>	<u>-</u>	<u>1,788</u>	<u>1,614</u>	<u>635</u>
Total other financing sources (uses)	<u>3,209</u>	<u>249</u>	<u>(57)</u>	<u>335</u>	<u>7,936</u>
Net change in fund balances	<u>\$ 6,248</u>	<u>\$ (107)</u>	<u>\$ 654</u>	<u>\$ 968</u>	<u>\$ 9,930</u>
Debt service as a percentage of noncapital expenditures	4.87%	5.06%	4.68%	4.58%	5.02%

CITY OF MONROE, NORTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands of dollars)

	FISCAL YEAR				
	2020	2021	2022	2023	2024
REVENUES					
Ad valorem taxes	\$ 23,200	\$ 23,840	\$ 24,572	\$ 26,174	\$ 28,586
Other taxes and licenses	943	1,001	1,247	1,340	1,387
Unrestricted intergovernmental	11,887	13,203	14,344	14,664	15,466
Restricted intergovernmental	2,688	3,644	8,836	6,652	2,278
Sales and services	2,224	3,021	4,552	4,304	6,621
Investment earnings	1,162	40	(986)	1,063	2,484
Miscellaneous	1,341	1,617	934	474	353
Total revenues	<u>43,445</u>	<u>46,366</u>	<u>53,499</u>	<u>54,671</u>	<u>57,175</u>
EXPENDITURES					
General government	4,992	5,286	6,864	6,742	7,860
Transportation	1,852	3,678	1,439	4,423	4,619
Public safety	20,040	20,742	22,305	24,634	27,605
Culture and recreation	3,706	3,135	3,998	5,019	5,109
Economic and physical development	849	319	1,372	895	278
Capital outlay	12,914	7,234	14,300	14,500	7,785
Debt service:					
Principal retirement	1,225	1,508	2,238	2,357	2,487
Interest and other charges	342	525	1,244	979	929
Total expenditures	<u>45,920</u>	<u>42,427</u>	<u>53,760</u>	<u>59,549</u>	<u>56,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,475)</u>	<u>3,939</u>	<u>(261)</u>	<u>(4,878)</u>	<u>503</u>
OTHER FINANCING SOURCES (USES)					
Transfers from (to) others	(1,839)	821	(444)	(427)	(1,185)
Lease liability issued	-	-	116	3	62
Subscriptions issued	-	-	-	137	90
Limited obligation bonds issued, including premiums	-	-	16,373	-	-
Installment purchase obligations issued	<u>2,119</u>	<u>-</u>	<u>-</u>	<u>841</u>	<u>2,135</u>
Total other financing sources (uses)	<u>280</u>	<u>821</u>	<u>16,045</u>	<u>554</u>	<u>1,102</u>
Net change in fund balances	<u>\$ (2,195)</u>	<u>\$ 4,760</u>	<u>\$ 15,784</u>	<u>\$ (4,324)</u>	<u>\$ 1,605</u>
Debt service as a percentage of noncapital expenditures	4.75%	5.78%	8.82%	7.41%	6.99%

CITY OF MONROE, NORTH CAROLINA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Real Property		Personal Property		Public Service Companies	Total Assessed Value	Total Direct Tax Rate
	Commercial	Residential	Motor Vehicle	Other			
2015	\$ 1,156,965	\$ 1,347,344	\$ 277,624	\$ 661,619	\$ 61,545	\$ 3,505,097	\$ 0.5495
2016	1,122,222	1,223,096	303,873	667,684	62,807	3,379,682	0.5780
2017	1,127,552	1,244,699	275,945	703,452	63,375	3,415,023	0.5624
2018	1,153,295	1,268,456	287,062	807,840	65,122	3,581,775	0.5861
2019	1,220,489	1,247,839	278,709	812,945	63,608	3,623,590	0.6142
2020	1,246,040	1,239,672	296,009	925,102	56,066	3,762,889	0.6161
2021	1,274,626	1,252,856	330,926	941,632	71,542	3,871,582	0.6156
2022	1,466,369	2,016,158	353,697	918,750	88,214	4,843,188	0.5054
2023	1,437,727	2,165,604	403,414	1,104,070	92,111	5,202,926	0.5019
2024	1,538,077	2,385,435	772,800	1,228,178	91,138	6,015,628	0.4742

Notes:

(1) A county-wide property revaluation was done in 2015 and 2021 and is reflected in the fiscal year 2016 and 2022 assessed values, respectively.
This valuation is required by law to be done at least every 8 years, but may be done more often.

(2) Property is assessed at actual value; therefore, the assessed value is equal to actual value.
Tax Rates are per \$100 of assessed value.

Sources:

Union County Tax Assessor's Office and North Carolina Property Tax Commission.

CITY OF MONROE, NORTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(rate per \$100 of assessed value)

Fiscal Year	City of Monroe				Overlapping Rate		Total Direct and Overlapping Rates	
	General Fund		Municipal Service District		Total Weighted Average Rate⁽¹⁾		Union County	Union County
	Basic Rate	Basic Rate	Basic Rate	Basic Rate	Basic Rate	Basic Rate	Basic Rate	Basic Rate
2015	\$ 0.5550		\$ 0.2000		\$ 0.5495		\$ 0.7614	\$ 1.3109
2016	0.5863		0.2190		0.5780		0.7765	1.3545
2017	0.5863		0.2190		0.5624		0.7665	1.3289
2018	0.5863		0.2190		0.5861		0.7810	1.3671
2019	0.6163		0.2190		0.6142		0.7309	1.3451
2020	0.6163		0.2190		0.6161		0.7309	1.3470
2021	0.6163		0.2190		0.6156		0.7309	1.3465
2022	0.5025		0.1950		0.5054		0.5880	1.0934
2023	0.5025		0.1950		0.5019		0.5880	1.0899
2024	0.5025		0.1950		0.4742		0.5880	1.0622

Notes:

(1) Total City tax rate is a weighted average of all types of City of Monroe tax rates.
 Union County rate is a direct rate.

Source:

Union County, Tax Assessment Division

CITY OF MONROE, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(in thousands of dollars)

Taxpayer	2015			2024		
	Taxable Assessed Value		Rank	Percentage of Total Taxable Assessed Value		Percentage of Total Taxable Assessed Value
	Value	Rank	Value	Rank	Value	Value
ATI Specialty Materials (Allvac)	\$ 215,332	1	6.2%	\$ 321,433	1	5.3%
Charlotte Pipe & Foundry Co.	104,570	2	3.0%	211,520	2	3.5%
Goulston Technologies	-	-	-	74,730	3	1.2%
Consolidated Metco, Inc.	22,969	8	0.7%	74,523	4	1.2%
Tyson Farms, Inc. (Tyson Foods, Inc.)	41,236	3	1.2%	70,158	5	1.2%
Greiner Bio-One	29,578	5	0.9%	65,712	6	1.1%
Scott Technologies	23,390	9	0.7%	39,941	7	0.7%
Glenmark Pharmaceuticals	-	-	-	38,155	8	0.6%
O'Neil Digital Solutions, LLC	-	-	-	37,626	9	0.6%
Yale Security (Assa Abloy - Door Security)	24,639	7	0.7%	34,921	10	0.6%
Inland American Monroe Poplin	27,050	6	0.8%	-	-	-
Monroe Mall (Madison)	20,925	10	0.6%	-	-	-
Turbomeca	27,229	4	0.8%	-	-	-
Total	\$ 536,918		15.6%	\$ 968,719		16.0%

Source:

City of Monroe Tax System



CITY OF MONROE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Taxes Levied for the Fiscal Year	Public Utility Allocation	Discoveries	Abatements	Taxes Levied for the Fiscal Year (Adjusted)
2015	\$ 18,915	\$ 336	\$ 66	\$ 57	\$ 19,260
2016	19,279	363	69	178	19,533
2017	19,581	367	133	103	19,978
2018	20,338	377	315	35	20,995
2019	21,843	387	111	85	22,256
2020	22,386	341	568	110	23,185
2021	23,282	429	201	80	23,832
2022	23,859	432	335	149	24,477
2023	25,596	451	102	36	26,113
2024	27,839	445	360	120	28,524

Source:
City of Monroe Tax System

CITY OF MONROE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2015	\$ 18,888	98.07%	\$ 348	\$ 19,236	99.88%
2016	19,270	98.65	244	19,514	99.90
2017	19,752	98.86	209	19,961	99.91
2018	20,806	99.10	157	20,963	99.85
2019	22,080	99.20	152	22,232	99.89
2020	22,995	99.18	154	23,149	99.84
2021	23,686	99.39	115	23,801	99.87
2022	24,328	99.39	106	24,434	99.82
2023	25,899	99.18	89	25,988	99.52
2024	28,348	99.38	-	28,348	99.38

CITY OF MONROE, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-type Activities		
	Installment Purchase Obligations	Limited Obligation Bonds	Lease Liability	Subscription Liability		Limited Obligation Bonds	Revenue Bonds	State Revolving Loans
2015	\$ 7,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,001	\$ 9,470
2016	6,357	-	-	-	-	30,215	38,528	8,718
2017	6,947	-	-	-	-	29,887	37,251	8,179
2018	7,349	-	-	-	-	38,163	48,553	7,698
2019	6,818	8,196	-	-	-	37,768	45,324	7,217
2020	7,931	7,841	-	-	-	36,552	42,696	6,735
2021	6,758	7,485	-	-	-	35,297	46,232	-
2022	5,572	22,688	79,045	-	-	33,992	42,849	-
2023	(2)	5,198	21,503	41,503	65,153	32,631	39,390	-
2024	(2)	6,050	20,313	34,843	80,416	31,231	36,171	-

Notes:

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

- (1) Personal income and population data are on the Demographic and Economic Statistics table. These ratios are calculated using personal income and population for prior calendar year. Calendar year 2022 and 2023 personal income not available to calculate fiscal year 2023 and 2024.
- (2) Personal income not available for 2023 and 2024.

CITY OF MONROE, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
 (dollars in thousands, except per capita)

Fiscal Year	Business-type Activities			Installment Purchase Obligations	Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	Lease Liability	Subscription Liability					
2015	\$ -	\$ -		\$ 29,569	\$ 87,645	\$ 2,575	0.90%
2016	-	-		2,404	86,222	2,512	0.82
2017	-	-		1,530	83,794	2,413	0.73
2018	-	-		1,289	103,052	2,941	0.85
2019	-	-		413	105,736	2,993	0.83
2020	-	-		1,325	103,080	2,909	0.74
2021	-	-		1,131	96,903	2,791	0.62
2022	27,797	-		932	212,875	6,129	0.63
2023	20,691	47,817		728	274,614	7,651	-
2024	7,287	24,187		630	241,128	6,469	-

CITY OF MONROE, NORTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024
(in thousands of dollars)

Governmental Unit	Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
Union County, overlapping debt	\$ 464,990	15.0%	\$ 69,689
Total direct debt	<u>141,622</u>	100%	<u>141,622</u>
Total direct and overlapping debt	<u>\$ 606,612</u>		<u>\$ 211,311</u>

Notes:

- (1) Includes governmental activities debt only.
- (2) Determined by ratio of assessed value of property subject to taxation in Union County (\$40,138,619,953) and City of Monroe (\$6,015,628,301).

Source:

Union County Administrative Services Finance Division



CITY OF MONROE, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(in thousands of dollars)

	FISCAL YEAR				
	2015	2016	2017	2018	2019
Debt limit (8% of assessed value)	\$ 280,408	\$ 270,375	\$ 284,215	\$ 286,542	\$ 289,887
Total net debt applicable to limit	37,175	38,976	38,364	46,801	53,195
Legal debt margin	\$ 243,233	\$ 231,399	\$ 245,851	\$ 239,741	\$ 236,692
Total net debt applicable to the limit as a percentage of debt limit	13.26%	14.42%	13.50%	16.33%	18.35%

Note:

NC Statute GS 159-55 limits the City's debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the City's net debt outstanding applicable to the limit, and represents the City's legal borrowing authority.

CITY OF MONROE, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(in thousands of dollars)

	FISCAL YEAR				
	2020	2021	2022	2023	2024
Debt limit (8% of assessed value)	\$ 301,031	\$ 309,727	\$ 387,455	\$ 416,234	\$ 481,250
Total net debt applicable to limit	53,649	50,672	63,183	60,059	58,223
Legal debt margin	\$ 247,382	\$ 259,055	\$ 324,272	\$ 356,175	\$ 423,027
Total net debt applicable to the limit as a percentage of debt limit	17.82%	16.36%	16.31%	14.43%	12.10%

CITY OF MONROE, NORTH CAROLINA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Operating Revenues	Less Operating Expenses (1)	Operating Income	Nonoperating Revenues (2)	Income Available for Debt Service	Debt Service		Coverage
						Principal	Interest	
2015	\$ 101,194	\$ 77,381	\$ 23,813	\$ 1,679	\$ 25,493	\$ 3,386	\$ 2,158	460%
2016	95,008	76,367	18,641	4,957	23,597	3,107	1,994	463
2017	100,293	77,953	22,340	(1,984)	20,356	3,009	1,324	470
2018	101,170	79,604	21,566	(1,327)	20,239	3,056	1,719	424
2019	102,683	73,926	28,757	7,632	36,389	3,346	2,082	670
2020	96,437	73,507	22,930	3,675	26,605	2,756	1,956	565
2021	94,441	70,871	23,570	(860)	22,710	2,838	1,856	484
2022	107,133	75,406	31,727	301	32,028	3,087	1,476	702
2023	113,421	78,454	34,967	2,723	37,690	3,163	1,386	829
2024	113,579	69,595	43,984	7,619	51,603	2,923	1,328	1,214

Notes:

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

(1) Per rate covenants, this does not include the annual depreciation and amortization expense.

(2) Per rate covenants, this includes investment earnings only.

CITY OF MONROE, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(City) Population (2)	(County) Personal Income (thousands of dollars) (3)	(County) Per Capita Personal Income (3)	(County) Public School Enrollment (4)	(County) Unemployment Rate (5)
2015	34,032	\$ 9,726,903	\$ 43,669	42,035	5.10%
2016	34,323	10,479,508	46,246	42,552	4.50
2017	34,725	11,486,771	49,648	41,541	3.70
2018	35,034	12,108,123	51,326	41,509	3.70
2019	35,330	12,812,641	53,417	41,372	3.90
2020	35,432	13,895,901	56,820	41,451	6.10
2021	34,715	15,539,167	63,777	39,923	4.00
2022	34,734	16,847,280	67,641	40,257	3.50
2023 (1)	35,894	-	-	41,210	3.10
2024 (1)	37,275	-	-	41,345	3.60

Note:

(1) Personal income not available for 2023 and 2024.

Sources:

(2) North Carolina Office of State Budget and Management
 (3) US Department of Commerce - Bureau of Economic Analysis
 (4) Union County Public Schools
 (5) Employment Security Commission of North Carolina

CITY OF MONROE, NORTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Employees	2015		2024	
		Percentage of Total City Employment (1)	Employees	Percentage of Total City Employment (2)	Employees
ATI Specialty Materials	1,400	8.4%	2,000	10.8%	
Tyson Foods	1,600	9.6%	1,400	7.6%	
Atrium (formerly Carolinas Medical Center-Union)	1,400	8.4%	1,400	7.6%	
Union County	906	5.5%	1,352	7.3%	
3M - Scott Safety	550	3.3%	650	3.5%	
Charlotte Pipe	600	3.6%	640	3.5%	
City of Monroe	448	2.7%	564	3.0%	
Greiner Bio-One	300	1.8%	450	2.4%	
Wal-Mart Stores, Inc.	400	2.4%	400	2.2%	
Windsor Windows	-	0.0%	350	1.9%	
Circor (formerly IMO Industries)	300	1.8%	300	1.6%	
Collins Aerospace (formerly UTC Aerospace)	-	0.0%	250	1.4%	
Total	7,904	47.5%	9,756	52.8%	

Notes:

- (1) Percentage of total city employment based on North Carolina Employment Security Commission labor force estimate of 16,589 as of June 30, 2015.
- (2) Percentage of total city employment based on North Carolina Employment Security Commission labor force estimate of 18,494 as of June 30, 2024.

Source:

Monroe - Union County Economic Development Commission

CITY OF MONROE, NORTH CAROLINA
CONSTRUCTION INFORMATION
LAST TEN YEARS
(in thousands of dollars)

Fiscal Year	Non-Residential		Residential (1)	
	Number of Permits	Value of Permits	Number of Permits	Value of Permits
2015	127	\$ 33,105,651	241	\$ 13,210,150
2016	212	150,064,502 (2)	284	25,921,890
2017	117	39,677,101	251	18,479,618
2018	114	96,256,468 (2)	224	14,695,332
2019	168	147,102,550 (2)	148	13,805,184
2020	172	27,426,384	246	21,295,243
2021	179	26,750,570	574 (3)	55,394,012
2022	202	139,162,893 (2)	1,284 (3)	119,213,566
2023	174	133,997,109 (2)	889 (3)	100,993,729
2024	218	110,009,199 (2)	1,208 (3)	159,084,594

Notes:

- (1) Includes new residential dwellings (each residential unit in a multi-family requires a separate permit).
- (2) Several large non-residential projects were issued permits in 2016, 2018, 2019, 2022, 2023 and 2024.
- (3) The City has experienced the highest volume of residential permits since the City began issuing permits in 2001.

Source:

City Planning Department

CITY OF MONROE, NORTH CAROLINA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	FISCAL YEAR				
	2015	2016	2017	2018	2019
General Government:					
Administration (1)	29	28	30	30	29
Planning and zoning/Community development	7	7	8	8	8
Engineering	9	9	9	9	9
Utility/tax billing and collection	19	19	19	19	19
Purchasing/Fleet/Warehouse	9	9	9	9	9
Transportation	19	19	19	19	19
Police (2)	99	99	99	103	104
Fire (3)	80	81	81	81	84
Building standards and code enforcement (4)	7	7	8	8	8
Culture and recreation (1)	37	38	38	37	37
Water and sewer:					
Distribution system (7)	34	35	35	35	35
Water filter plant (7)	12	12	12	12	12
Waste treatment plant	14	14	15	15	15
Stormwater	11	11	11	11	12
Electric (5), (7)	29	31	32	32	34
Natural gas (5), (7)	14	15	15	18	18
Solid Waste (4)	1	1	1	3	3
Aquatics and Fitness Center	11	11	11	11	11
Airport (6)	7	7	7	7	7
Total	448	453	459	467	473

Note:

- (1) In 2020, the City Facilities Maintenance division was brought under Administration from Culture & Recreation. In 2023, Monroe-Union County Economic Development Commission was formed and staff was no longer employed by the City.
- (2) In 2018, four additional police officers were added through funding from a COPS Hiring grant; in 2022, six additional police officers were added.
- (3) In 2019, three full time firefighters were added through funding from a SAFER grant; in 2022, three full time fire captains were added. In 2023, 9 additional firefighter positions were added for Fire Station 6.
- (4) In 2018, two full time positions were added to Solid Waste for Community Maintenance; in 2020 the equivalent of 2 positions was allocated to Solid Waste Administration. In 2023, Community Maintenance was moved to general government.
- (5) In 2023, positions were added for safety and training coordinators, lineman, apprentices, administrative assistants, engineering techs, utility locator, gas technicians, and a gas operations superintendent.
- (6) In 2023, two full time customer service staff and two full time line service technicians were added and part-time pooled positions were eliminated.
- (7) In 2024, positions were added for administrative assistants, construction inspector, general manager of operations, systems engineer, civil engineer, field supervisor, operators, GIS technician, line superintendent and records management specialist.

Source:

City of Monroe payroll system.

CITY OF MONROE, NORTH CAROLINA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	FISCAL YEAR				
	2020	2021	2022	2023	2024
General Government:					
Administration (1)	38	38	42	41	43
Planning and zoning/Community development	8	8	11	13	14
Engineering	9	9	10	10	10
Utility/tax billing and collection	19	19	21	21	21
Purchasing/Fleet/Warehouse	9	9	10	10	10
Transportation	19	19	19	19	19
Police (2)	105	105	111	111	111
Fire (3)	84	84	87	96	96
Building standards and code enforcement (4)	8	8	9	11	12
Culture and recreation (1)	32	32	33	34	36
Water and sewer:					
Distribution system (7)	36	37	37	38	46
Water filter plant (7)	12	12	12	12	13
Waste treatment plant	15	15	15	15	16
Stormwater	12	13	14	14	14
Electric (5), (7)	34	35	35	44	48
Natural gas (5), (7)	20	20	21	27	28
Solid Waste (4)	5	5	5	3	3
Aquatics and Fitness Center	11	13	13	13	13
Airport (6)	7	7	7	11	11
Total	483	488	512	543	564

**CITY OF MONROE, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(if available or unless otherwise noted)**

Page 1 of 2

Function	FISCAL YEAR				
	2015	2016	2017	2018	2019
Transportation:					
Street reclamation (tons) (1)	2,400	2,272	1,229	1,023	197
Street repair (tons)	710	532	272	398	311
Utility repair (tons)	406	381	417	928	787
Sidewalk repair (cubic yards concrete)	323	137	166	96	130
Pipe repair and replacement (linear feet)	853	1,129	1,938	2,737	1,653
Police:					
Physical arrests (calendar year)	2,336	2,158	2,494	2,487	2,525
Parking violations (calendar year)	2,395	2,181	2,625	2,951	2,905
Traffic violations (calendar year)	5,565	5,056	4,800	5,994	6,560
Fire:					
Calls for service (calendar year)	6,269	6,170	7,049	6,920	7,065
Fire code inspections (calendar year)	1,185	2,267	2,105	1,726	1,351
Civilian fire injuries (calendar year)	4	2	3	6	2
Building standards & code enforcement:					
Building permits issued	3,740	4,416	4,250	3,666	3,367
Building inspections	8,475	9,865	8,659	8,915	9,447
Code enforcement inspections	1,687	2,994	3,091	2,560	4,029
Environmental protection:					
Solid waste collected (annual tonnage)	9,576	9,218	9,696	9,735	9,435
Recyclables collected (annual tonnage)	2,015	1,912	1,870	1,897	2,258
Culture and recreation:					
Rounds of golf played (calendar year)	33,035	36,717	36,381	33,858	34,229
Aquatics and fitness center members (2)	20,377	20,778	21,526	21,625	21,593
Youth athletic program participants (calendar year)	456	428	379	501	491
Water:					
Average daily production (millions of gallons per day) (3)	6.6	6.5	6.6	6.2	6.1
Maximum daily production (millions of gallons per day)	9.3	9.1	8.2	9.1	8.2
Customers	11,971	12,217	12,355	12,533	12,596
Gallons Billed (in thousands)	1,889,153	1,856,038	1,935,186	1,938,273	1,922,676
Sewer:					
Average daily treatment (millions of gallons per day)	6.9	7.3	6.1	5.4	7.9
Customers	10,363	10,631	10,754	10,921	10,981
Gallons Billed (in thousands)	2,248,645	2,268,665	2,208,168	2,218,285	2,550,976
Electric:					
Sales (megawatt hours)	710,133	669,778	711,165	718,185	706,091
Customers	11,785	11,916	12,005	12,071	12,154
Natural gas:					
Sales/deliveries (thousand cubic feet)	3,261,440	3,067,350	3,083,560	3,438,140	3,412,220
Customers	10,795	11,033	11,236	11,374	11,486
Airport:					
Fuel sales (thousands of gallons)	326	290	382	350	325
Based aircraft	102	82	83	115	107

Notes:

- (1) Street reclamation crew was pulled to work on utility cuts during fiscal years 2019 through 2023 resulting in the decrease in those years.
- (2) During 2020, COVID-19 and a related Governor's executive order prohibited fitness centers from being open for several months. This caused membership to drop for June 30, 2020. Memberships have not returned to pre-COVID-19 trends due to continued concerns by patrons, but are improving.
- (3) Due to replacement of large water lines within the distribution system and construction at the water treatment facility, the City utilized the Union County contracted supply more to offset system demand. Also, a leak detection contractor was utilized to assist with locating several large leaks resulting in less volume being pumped once repairs were made.

Sources:

Various City departments.

CITY OF MONROE, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
 (if available or unless otherwise noted)

Page 2 of 2

Function	FISCAL YEAR				
	2020	2021	2022	2023	2024
Transportation:					
Street reclamation (tons) (1)	-	183	-	138	583
Street repair (tons)	814	228	355	663	1,519
Utility repair (tons)	645	703	823	804	1,108
Sidewalk repair (cubic yards concrete)	158	173	68	131	191
Pipe repair and replacement (linear feet)	2,305	2,912	2,244	1,845	1,431
Police:					
Physical arrests (calendar year)	2,485	2,291	2,145	2,035	-
Parking violations (calendar year)	2,237	2,242	3,134	1,470	-
Traffic violations (calendar year)	6,485	5,445	4,993	5,049	-
Fire:					
Calls for service (calendar year)	5,675	7,519	7,605	7,715	-
Fire code inspections (calendar year)	884	1,325	2,333	1,115	-
Civilian fire injuries (calendar year)	2	1	2	2	-
Building standards & code enforcement:					
Building permits issued	3,622	4,476	7,891	6,768	8,290
Building inspections	11,063	11,106	20,741	23,753	25,934
Code enforcement inspections	4,138	3,114	2,630	3,419	2,690
Environmental protection:					
Solid waste collected (annual tonnage)	9,991	11,417	10,800	11,073	11,618
Recyclables collected (annual tonnage)	2,220	2,440	2,090	2,279	2,539
Culture and recreation:					
Rounds of golf played (calendar year)	41,733	40,778	42,398	43,149	-
Aquatics and fitness center members (2)	17,430	12,892	15,748	15,665	17,056
Youth athletic program participants (calendar year)	297	764	818	768	-
Water:					
Average daily production (millions of gallons per day) (3)	6.7	6.2	6.4	5.6	6.2
Maximum daily production (millions of gallons per day)	8.5	8.2	7.9	7.5	7.9
Customers	12,788	13,073	13,765	14,086	15,114
Gallons Billed (in thousands)	1,893,497	1,819,449	1,991,615	2,044,095	2,072,959
Sewer:					
Average daily treatment (millions of gallons per day)	7.1	6.7	5.7	6.5	6.9
Customers	11,115	11,376	11,930	11,938	12,831
Gallons Billed (in thousands)	2,340,080	2,175,436	2,052,793	1,935,931	2,287,199
Electric:					
Sales (megawatt hours)	667,632	582,590	648,916	679,661	695,375
Customers	12,181	12,311	12,564	13,230	13,951
Natural gas:					
Sales/deliveries (thousand cubic feet)	3,137,320	2,756,370	3,090,800	3,309,961	3,482,956
Customers	11,625	11,879	12,189	12,638	13,201
Airport:					
Fuel sales (thousands of gallons)	315	345	442	392	344
Based aircraft	99	110	112	116	100

CITY OF MONROE, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
 (unless otherwise noted)

Function	FISCAL YEAR				
	2015	2016	2017	2018	2019
Transportation:					
Municipal Boundary (square miles)	29.63	29.63	29.63	30.05	30.34
Streets (miles)	170	170	170	170	170
Sidewalks (miles)	64	64	64	65	65
Curb and gutter (miles)	131	131	131	132	133
Stormwater (miles)	36	36	36	36	36
Bridges (square feet)	15,884	15,884	15,884	15,884	15,884
Speed humps/cushions (each)	336	343	355	358	372
Public safety:					
Police stations	1	1	1	1	1
Patrol vehicles	92	92	96	96	96
Fire stations	5	5	5	5	5
Fire apparatus (line and reserve)	15	18	18	18	18
Culture and recreation:					
Acreage (city limits)	552	552	552	554	555
Aquatics and Fitness Center	1	1	1	1	1
Playgrounds (1)	8	8	9	9	9
Gymnasiums	4	4	4	4	4
Basketball courts	11	11	11	11	11
Tennis courts (2)	8	8	6	6	6
Playing fields (baseball/soccer/football) (3)	20	20	20	20	20
Swimming pools	3	3	3	3	3
Splash Pad (4)	-	-	-	-	-
Outdoor Fitness Station (4)	-	-	-	-	-
Dog Park (4)	-	-	-	-	-
Golf course	1	1	1	1	1
Driving range	1	1	1	1	1
Greenway (miles)	2.0	2.0	3.1	4.3	4.3
Theatre (5)	-	-	-	-	-
Water:					
Water mains (miles)	291	291	292	293	293
Treatment capacity (millions of gallons per day) (6)	12.99	12.99	12.99	12.99	12.99
Sewer:					
Sanitary sewers (miles)	295	295	295	295	294
Treatment capacity (millions of gallons per day)	10.4	10.4	10.4	10.4	10.4
Electric:					
Substations (7)	7	7	7	7	7
Lines (miles per calendar year)	289	291	293	294	295
Natural gas:					
Lines (miles per calendar year)	464	468	473	477	486
Airport:					
Runway (feet)	7,000	7,000	7,000	7,000	7,000
Hangars (square feet) (8)	87,603	87,603	87,603	87,603	97,603

Notes:

- (1) In 2017, a new playground was added at the Dickerson Center.
- (2) In 2017, tennis courts at Sutton Park were replaced with a covered shelter.
- (3) In 2021, 3 soccer fields at Monroe Middle School were no longer maintained by the City.
- (4) In 2023, the City added a Splash Pad and an outdoor fitness station with cornhole boards and table tennis at Belk Tonawanda Park. A Dog Park was added at Sunset Park in 2023 also.
- (5) In 2021, the Dowd Center Theatre was capitalized by the City.
- (6) In 2014, additional water supply became available via a water supply agreement with Union County. The agreement provides a guaranteed 1.99 MGD of water supply to the City, and the agreement term is in perpetuity, or 99 years if perpetuity is challenged. This water supply is delivered from the Catawba River WTP (CRWTP) which is co-owned by Union County and Lancaster County, South Carolina. The 1.99 MGD represents a 5.53% interest in the CRWTP.
- (7) In 2014, as part of the electric systems ongoing work to retire old 4KV facilities, two 4KV substations were retired. In 2022 a new substation, SAF II, was installed at a new ATI Metals facility.
- (8) In addition to City owned hangars, there are three private hangars on airport property. These private hangar leases will expire in February 2026, July 2037 and November 2053. In 2019, a 10,000 square foot City owned hangar was completed and in 2020, a new 14,400 square foot City owned hangar was completed and are both currently being leased.

Sources:

Various City departments.

CITY OF MONROE, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
 (unless otherwise noted)

Function	FISCAL YEAR				
	2020	2021	2022	2023	2024
Transportation:					
Municipal Boundary (square miles)	30.49	31.07	31.81	32.14	32.76
Streets (miles)	171	171	171	171	171
Sidewalks (miles)	65	65	67	68	68
Curb and gutter (miles)	133	133	133	133	135
Stormwater (miles)	37	37	37	37	37
Bridges (square feet)	15,884	15,884	15,884	15,884	15,884
Speed humps/cushions (each)	374	381	381	381	387
Public safety:					
Police stations	1	1	1	1	1
Patrol vehicles	96	96	98	98	100
Fire stations	5	5	5	5	6
Fire apparatus (line and reserve)	19	19	19	19	22
Culture and recreation:					
Acreage (city limits)	555	555	555	564	564
Aquatics and Fitness Center	1	1	1	1	1
Playgrounds (1)	9	9	9	9	9
Gymnasiums	4	4	4	4	4
Basketball courts	14	14	14	14	14
Tennis courts (2)	6	6	6	6	6
Playing fields (baseball/soccer/football) (3)	20	17	17	17	17
Swimming pools	3	3	3	3	3
Splash Pad (4)	-	-	-	1	1
Outdoor Fitness Station (4)	-	-	-	1	1
Dog Park (4)	-	-	-	1	1
Golf course	1	1	1	1	1
Driving range	1	1	1	1	1
Greenway (miles)	4.8	5.3	5.3	5.3	5.3
Theatre (5)	-	1	1	1	1
Water:					
Water mains (miles)	294	296	301	309	327
Treatment capacity (millions of gallons per day) (6)	12.99	12.99	12.99	12.99	12.99
Sewer:					
Sanitary sewers (miles)	297	299	304	310	318
Treatment capacity (millions of gallons per day)	10.4	10.4	10.4	10.4	10.4
Electric:					
Substations (7)	7	7	8	8	8
Lines (miles per calendar year)	298	304	307	308	-
Natural gas:					
Lines (miles per calendar year)	500	502	514	530	-
Airport:					
Runway (feet)	7,000	7,000	7,000	7,000	7,000
Hangars (square feet) (8)	112,003	112,003	112,003	112,003	112,003



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& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management 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*

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Monroe, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 31, 2024. Our report includes a reference to other auditors who audited the financial statements of the City of Monroe ABC Board, as described in our report on the City of Monroe's financial statements. The financial statements of the City of Monroe ABC Board and the Monroe Tourism Development Authority were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the City of Monroe ABC Board or the Monroe Tourism Development Authority or that are reported separately by those auditors who audited the financial statements of the City of Monroe ABC Board.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Monroe's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 31, 2024

MARTIN ♦ STARNES

& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report on Compliance for Each Major State Program; Report on Internal Control over Compliance Required by the Uniform Guidance; and the State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Monroe, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of Monroe, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Monroe's major state programs for the year ended June 30, 2024. The City of Monroe's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, the City of Monroe complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Monroe and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City of Monroe's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Monroe's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Monroe's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Monroe's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Monroe's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Monroe's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City of Monroe's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will

not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 31, 2024

CITY OF MONROE, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Non-compliance material to financial statements noted? No

State Awards

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major state programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major state programs:

Program Name

State Aid to Airports

Auditee qualified as low-risk auditee? Yes

2. Financial Statement Findings

None reported.

3. State Award Findings and Questioned Costs

None reported.

CITY OF MONROE, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

None reported.

CITY OF MONROE, NORTH CAROLINA**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Pass-Through to Subrecipients	Local Expenditures
Federal Grants:						
Cash Programs:						
U.S. Department of Justice:						
Direct Programs:						
Offices, Boards and Divisions						
Equitable Sharing Program	16.922		\$ 158,074	\$ -	\$ -	\$ -
U.S. Department of Homeland Security:						
Passed through N.C. Department of Public Safety						
Emergency Management:						
Homeland Security Grant Program (HSGP)	97.067	EMW-2020-SS-00023	14,364	-	-	-
U.S. Department of Treasury:						
State and Local Fiscal Recovery Funds:						
Passed through N.C. Department of Environmental Quality						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SRP-D-ARP-0313	400,000	-	-	-
Drug Enforcement Administration:						
Equitable Sharing Program	21.016		5,333	-	-	-
U.S. Department of Health and Human Services						
Passed through N.C. Department of Aging and Adult Services						
Passed through Centralina Area Agency on Aging:						
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90HDRC0007-01-00	1,394	-	-	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	23/24 AABCT3PH	2,045	-	-	300
Aging Cluster						
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	23/24 AANCT3SS	15,197	-	-	2,000
Total Aging Cluster			15,197	-	-	2,000
U.S. Department of Transportation:						
Passed through N.C. Department of Transportation:						
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	36237.17.17.1	16,451	-	-	-
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	36244.24.9.3	1,344	-	-	-
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	36237.17.20.1	39,351	-	-	-
Total assistance - Federal Programs			653,553	-	-	2,300
State Grants:						
Cash Assistance:						
N.C. Department of Transportation:						
Powell Bill			-	643,252	-	-
State Aid to Airports - Airport Apron Rehabilitation	36244.24.8.1		-	3,481	-	-
State Aid to Airports- Runway 5-23 Airport Tree Obstruction Removal and Fencing	36244.24.9.1		-	546,578	-	-
N.C. Division of Parks and Recreation:						
N.C. Parks and Recreation Trust Fund (PARTF)	2023-1072		-	7,451	-	7,451

CITY OF MONROE, NORTH CAROLINA**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Pass-Through to Subrecipients	Local Expenditures
N.C Department of Commerce						
NC Rural Center Authority Economic Development Grant - Hamilton Drywall Project	2021-023-3201-2587			169,003		
N.C Department of Insurance						
OSFM/BCBS Summer Fire Camp				5,700		
N.C. Division of Aging and Adult Services:						
Passed through Centralina Area Agency on Aging						
Senior Center General Purpose Grant				1,829		970
Total assistance - State Programs				1,377,294		8,421
Total assistance			\$ 653,553	\$ 1,377,294	\$ -	\$ 10,721

Notes to the Schedule of Expenditures of Federal and State Awards:**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of the City of Monroe under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the City of Monroe, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the City of Monroe.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Monroe has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



Our Vision

The Finance Department strives to provide quality services and cost-effective financial practices with both accuracy and transparency, thus ensuring the continued growth and economic success of the City of Monroe, its citizens and surrounding communities.



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