



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF MOUNT VERNON
KNOX COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures.....	2
Report on Compliance and on Internal Controls Required by <i>Government Auditing Standards</i>	3
Report on Compliance with Requirements Applicable to the Major Federal Program, Internal Control over Compliance in Accordance with OMB circular A-133, and the Schedule of Federal Awards Expenditures.....	5
Schedule of Findings.....	7

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants	A-F-98-149-1 A-F-99-149-1 A-F-00-149-1 A-F-01-149-1 A-C-99-149-1 A-T-98-149-1	14.228	\$ 756,171
Total U.S. Department of Housing and Urdan Development			<u>756,171</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through Ohio Office of Criminal Justice Services:</i>			
Violence Against Women Formula Grants	WF-VA3-8123	16.588	\$ 15,000
<u>FEDERAL HIGHWAY ADMINISTRATION</u>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Grant	N049-13930	20.205	\$ 1,724,457
Total			<u><u>\$2,495,628</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF MOUNT VERNON
KNOX COUNTY**

FISCAL YEAR ENDED DECEMBER 31, 2001

NOTES TO THE FEDERAL SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City of Mount Vernon's federal award programs. The schedule has been prepared on the cash basis of accounting.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City Council
City of Mount Vernon
Knox County
40 Public Square
Mount Vernon, Ohio 43050

We have audited the general-purpose financial statements of the City of Mount Vernon, Knox County, Ohio (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 27, 2002, wherein we noted that the City implemented *Governmental Accounting Standards Board Statements No. 33 and No. 36*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

City Council
City of Mount Vernon
Knox County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

JIM PETRO
Auditor of State

June 27, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS, INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

City Council
City of Mount Vernon
Knox County
40 Public Square
Mount Vernon, Ohio 43050

Compliance

We have audited the compliance of the City of Mount Vernon, Knox County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the City as of and for the year ended December 31, 2001, and have issued our report thereon dated June 27, 2002, wherein we noted the City adopted *Governmental Accounting Standard's Board Statements No. 33 and No. 36*. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, City Council members, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



JIM PETRO
Auditor of State

June 27, 2002

**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
DECEMBER 31, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction grant – CFDA # 20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

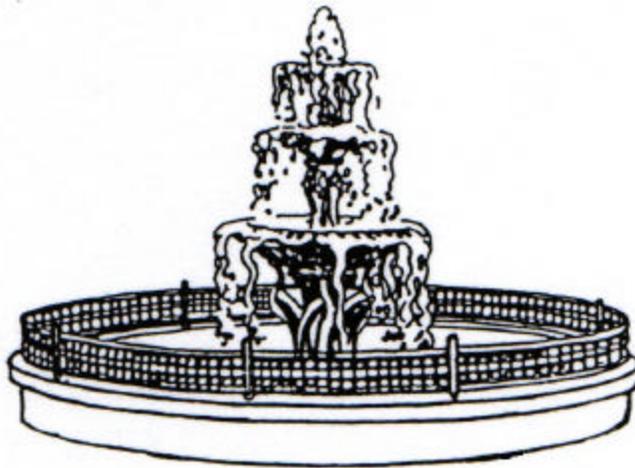
NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

THE CITY OF MOUNT VERNON, OHIO

KNOX COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

THE CITY OF MOUNT VERNON, OHIO

KNOX COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

Prepared by:
Mr. Terry Scott
City Auditor

TABLE OF CONTENTS

CITY OF MOUNT VERNON, OHIO KNOX COUNTY

I

INTRODUCTORY SECTION

A	Letter of Transmittal	v
B	List of Principal Officials	xxii
C	Organizational Chart	xxiii
D	Certificate of Achievement	xxiv

II

FINANCIAL SECTION

A	INDEPENDENT AUDITOR'S REPORT	1
B	GENERAL PURPOSE FINANCIAL STATEMENTS	
	Combined Financial Statements - Overview	
	Combined Balance Sheet All Fund Types and Account Groups	4
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds	7
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) All Governmental Fund Types	8
	Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances All Proprietary Fund Types and Nonexpendable Trust Fund	11
	Combined Statement of Cash Flows All Proprietary Fund Types and Nonexpendable Trust Fund	12
	Notes to the General Purpose Financial Statements	14

C	COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
	General Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	40
	Special Revenue Funds	
	Combining Balance Sheet	48
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	52
	Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
	Street Construction, Maintenance and Repair Fund	56
	State Highway Improvement Fund	57
	Permissive Auto License Tax Fund	58
	Cemeteries Fund	59
	Park Development Fund	60
	Community Development Block Grant Fund	61
	Parking Fund	62
	Law Enforcement Trust Fund	63
	Drug Enforcement Trust Fund	64
	Permissive License Registration Fund	65
	Indigent Drivers Alcohol Treatment Fund	66
	DUI - Enforcement and Education Fund	67
	Probation Services Fund	68
	Police Pension Fund	69
	Fire Pension Fund	70
	Court Computerization Fund	71
	Stop Violence Against Women (SVAW) Grant Fund	72

Debt Service Fund

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

General Bond Retirement Fund 74

Capital Projects Fund

Combining Balance Sheet 76

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances 77

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

Capital Improvement Fund 78

TIF District-Coshocton Road Fund 80

Enterprise Funds

Combining Balance Sheet 82

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings 83

Combining Statement of Cash Flows 84

Fiduciary Funds

Combining Balance Sheet 86

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Expendable Trust Funds 87

Statement of Changes in Assets and Liabilities - Agency Fund 88

General Fixed Assets Account Group

Schedule of General Fixed Assets by Source 90

Schedule of General Fixed Assets by Category 91

Schedule of Changes in General Fixed Assets by Function and Activity 92

III**STATISTICAL SECTION**

General Fund Expenditures by Function - Last Ten Years	94
General Fund Revenues By Source - Last Ten Years	95
Property Tax Levies and Collections - Last Ten Years	96
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Years	97
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	98
Special Assessment Billings and Collections - Last Ten Years	99
Computation of Legal Debt Margin	100
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded General Obligation Debt Per Capita - Last Ten Years	101
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures - Last Ten Years	102
Computation of All Direct and Overlapping Governmental Debt	103
Revenue Bond Coverage - Water and Sewer Mortgage Bonds - Last Ten Years	104
Demographic Statistics - Last Ten Years	105
Property Value and Construction Permits - Last Ten Years	106
Principal Taxpayers (Real Property Tax)	107
Principal Employers	108
Miscellaneous Statistics	109

INTRODUCTORY SECTION



City of Mount Vernon, Ohio

40 Public Square

Mount Vernon, Ohio 43050

Phone (740) 393-9523

Fax (740) 397-6595

June 27, 2002

To The Members of Council and
all Citizens of the City of
Mount Vernon, Ohio

As City Auditor, I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Mount Vernon for the fiscal year ended December 31, 2001. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Mount Vernon (the City) to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

THE REPORT:

This Comprehensive Annual Financial Report is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. *The Introductory Section* includes the table of contents, this letter of transmittal which presents the City's organization, operational structure and accomplishments, an organizational chart, a list of principal elected officials and a list of principal administrative personnel.
2. *The Financial Section* contains the City's general purpose financial statements which include explanatory notes thereto; the combining and individual fund and account group financial statements and schedules and the Report of the Independent Auditors.
3. *The Statistical Section* presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

THE REPORTING ENTITY:

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City. There were no potential component units that met the criteria imposed by GASB 14 to be included in the City's reporting entity. Therefore, the reporting entity of the City includes the following services: police protection, parks and recreation, planning, zoning, street maintenance, and other governmental services. In addition, the City owns and operates the water treatment and distribution system and the wastewater treatment and collection system, each of which is reported as an enterprise fund.

The Knox County Emergency Management Agency (EMA) is a jointly governed organization whose board is composed of seven members; one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to help insure the most effective use of resources during an emergency. The City did not appoint a majority of the members of the board of the EMA nor is the City accountable for any operating deficits of the EMA. Knox County is the fiscal agent for the EMA. The City appropriated \$6,000 for an operating grant to the EMA for 2001.

Mid Ohio Transit Authority (MOTA) is a jointly governed organization whose board is composed of four members; one county commissioner, one township representative, and one representative from the municipal corporation. These three members collectively appoint one non-elected representative from within the county. MOTA was organized to provide public transportation for the entire county. The City did not appoint a majority of the members of the Board, nor is the City accountable for any operating deficits of MOTA. The MOTA Board is responsible for the fiscal operation of MOTA. The City appropriated \$40,000 for an operating grant to MOTA for 2001.

Certain organizations share some degree of name similarity with the City; however, they constitute separate and distinct entities, not only from the City but also from each other. The City has no financial accountability for these entities. Due to their independent nature, none of these organizations' financial statements are included in this report. These organizations are as follows:

Mount Vernon City School District (the District) - The District encompasses the City of Mount Vernon as well as areas outside of the corporate boundaries. The members of the Board of Education of the District are elected by the voters within the District. The Board is a body politic and corporate, capable of suing, contracting, possessing, acquiring and disposing of real property. The Board controls its own operations and budget and the City has no ability to significantly influence operations and no accountability over the fiscal matters of the District. Therefore, the District's separate financial statements are excluded from the City's financial statements.

The Mount Vernon Public Library (the Library) - The Mount Vernon Public Library provides library services to the citizens of the City and surrounding communities. The Library is a separate entity from the City; it has a separately selected governing authority and a separate designation of management. In addition, the City has no ability to significantly influence operations and no financial accountability over the fiscal matters of the Library.

The City of Mount Vernon:

The City of Mount Vernon was founded in 1805 and was incorporated on February 22, 1830, under the laws of the State of Ohio. Mount Vernon is located in the center of the state, approximately 50 miles northeast of Columbus, Ohio, and is the county seat of Knox County. Mount Vernon operates under a statutory Mayor-Council form of government, as set forth in the Ohio Revised Code. Mount Vernon's 9.2 square mile area serves a residential population of 14,375. State highways 3, 13 and 229 and U. S. Highway 36 serve as some of the City's major transportation arteries. Mount Vernon is the birthplace of Daniel Decatur Emmett, composer of the southern classic "Dixie" and Paul Lynde, a nationally known comedian.

The Management:

The citizens of Mount Vernon elect one full-time Mayor (for a four year term), who appoints the Clerk of Council and his Administrative Assistant (combined as one full-time position) and the Safety-Service Director, who is a full-time employee. The Safety-Service Director is responsible for each of the following departments:

Police Department - The department employs a total of thirty-two individuals including both civilian employees and sworn police officers. The department is responsible for enforcing various criminal and traffic statutes as well as local parking laws.

Fire Department - The department is comprised of twenty-five firefighters, six paramedics and one executive secretary. All Fire Department services including all basic fire protection, emergency medical and rescue services are tax supported. There is no charge levied for any of the services described above.

Engineering Department - This department has a total of six engineering personnel. They are responsible for issuance of building permits, plan reviews for new construction and remodeling, insuring compliance with prevailing wage statutes and working with the Water and Wastewater Commission.

Public Building and Land and Parks Department - These two departments work very closely together under the leadership of a single department head. There is a total of five full-time employees and up to nine part-time or seasonal employees. The departments maintain all the City's buildings and grounds including all vacant land and park facilities.

Recreation and Pool Departments - These departments employ part-time and seasonal employees, only. In the summertime, forty-four people are hired to coordinate and administer organized recreational programs in the City's two major parks and to operate the two municipal swimming pools.

Street Department - The Street Department is responsible for the on-going maintenance and improvement of the City's highways, streets, alleys, storm water drainage facilities, and traffic signs and signals. The department includes ten full-time employees and five part-time or seasonal employees to help with the fall leaf pick-up program.

Cemetery Department - This department is operated with four full-time employees and four seasonal employees. The Cemetery department is responsible for the operation and maintenance of the City's cemetery, as well as the sale of burial lots.

Water Department - This department operates with ten full-time employees and fifteen shared full-time employees. The shared employees also work with the Wastewater Department. The Water Department is responsible for the treatment and distribution of potable water to the City's 6,000 customers and customers located in the Village of Gambier (approximately three miles east of Mount Vernon). All treatment plant employees are required to have a Class I operators license within two years of employment.

Wastewater Department - This department operates with twelve full-time employees and fifteen shared full-time employees as described above. The Wastewater Department is responsible for the collection and treatment of all sewerage within the City of Mount Vernon and Clinton Township (a township adjacent to the City). All plant employees are required to have a Class I operators license within two years of employment.

The citizens of Mount Vernon elect one full-time Auditor (for a four year term), who appoints the staff of the Auditor's Office. There are two full-time employees, who in conjunction with the City Auditor, are responsible for the accounting and financial administration functions, including recording all revenues, investing idle funds, debt service management, accounts payable processing, payroll, expenditure tracking, financial records administration, budgeting and financial reporting.

The citizens of Mount Vernon elect one part-time Treasurer (for a four year term), who appoints the staff of the Income Tax Department. The Income Tax Department has three full-time employees, who are responsible for the administration and collection of the City's 1.5% earnings tax. In addition, the Income Tax Department offers direct taxpayer assistance services to all residents and businesses.

The citizens of Mount Vernon elect one full-time Law Director (for a four year term), who appoints the Law Department. The Law Department has one assistant Law Director and three full-time employees, who along with the Law Director, are responsible for writing all legislation and prosecuting all of the City's court cases.

The citizens of Mount Vernon elect one part-time President of Council, (for a two year term), who is responsible for conducting the council meetings and assigning committees of council.

The citizens of Mount Vernon elect one part-time councilperson from each of the four wards and three part-time council-at-large for a total of seven. Council members serve a two year term and are elected in odd numbered years. The City Council meets on the second and fourth Monday night of each month, in a public meeting, to hear proposed legislation and take action on various issues pending before the legislative body.

The Reporting Standards:

The City's accounts are organized as funds and account groups. Each fund and account group is a separate accounting entity with its own self-balancing set of accounts; assets, liabilities and fund equity. Following are the titles of these funds and account groups with a brief description.

Governmental Funds:

The general fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with government which are not required to be accounted for in another fund.

The special revenue funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by local legislation or state or federal statutes. During 2001, the City maintained seventeen special revenue funds.

The debt service fund is used to account for the accumulation of resources used for, and the payment of, general long-term principal, interest and related costs. During 2001, the City had one debt service fund.

The capital project funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2001, the City utilized two capital project funds.

Proprietary funds:

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

The internal service fund is used to account for the City's self-insured group health benefits program to employees and their eligible dependents. The monies paid into the Self-Insured Fund are available to pay claims and administrative costs. The City operated one internal service fund in 2001.

Fiduciary funds:

Fiduciary funds include trust and agency funds. Trust funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The City had three expendable and one nonexpendable trust fund, and one agency fund.

General fixed assets account group:

Fixed assets of the City, other than those accounted for in the proprietary funds, are accounted for in the general fixed assets account group. General fixed assets included in this report of \$12,736,774 exclude the City's infrastructure. Infrastructure fixed assets are further explained in Note one of the general purpose financial statements.

General long-term obligations account group:

All long-term debt of the City, except that accounted for in the proprietary funds, is accounted for in this account group. These obligations include bonds payable of \$40,000, the accrued vacation and sick leave benefits due to employees in non-proprietary funds payable only upon termination of employment or subsequent thereto of \$591,966. These obligations are further explained in Notes 1, 11, and 12.

Bases of Accounting:

Except for that used for budgetary purposes, the bases of accounting used by the City are in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and are consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental and expendable trust funds are accounted for using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental, expendable trust and agency funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when that related liability is incurred except for interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary funds and nonexpendable trust fund is on the flow of economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 2001 all accounting policies were applied consistently with those of 2000. Accounting policies are further explained in Note 1.

Economic Outlook

Without a doubt the year of 2001 will be recorded and rebroadcasted for many years to come as a time in history when this wonderful "land of the free" we live in came under attack. September 11, 2001 will be embossed in our memories just as many other historical dates have become. While the City of Mount Vernon was not directly impacted by this tragic event, the nation's economy as a whole certainly has been. By year end the local economic issues began to settle in, more specifically in the unemployment rate.

On the upscale side of 2001 the continued growth of residential and commercial development took place within the City of Mount Vernon. As the construction of residential housing begins to recede, it is anticipated that industrial may begin to increase. The installation of a major wastewater line was completed for the expanded industrial park area. This will provide the needed utility services for growth in this area. An existing major grocery chain began construction on a new facility that should be completed in early 2002.

Annexation continues to occur on an annual basis. The city welcomes this addition as it increases tax base and generates additional revenues in several areas. With this increase, however comes the need to provide services to additional citizens and businesses. The city's labor force has remained rather constant over the past years, however, as growth in size occurs, so does the need for personnel to continue provided the services our citizens expect. The City has taken an active approach to additional personnel. This year, three additional police officers, and three additional firefighters were hired. As resources become available, consideration is being made to expand personnel in other departments.

The new 86 acre nature's park was officially opened to the public this year. Foundation Park was a former gravel pit which includes two large lakes and an abundant amount of natural grasslands and trees. In the upcoming years, this park will be developed as a nature trail park, with emphasis towards retaining all the natural undergrowth that currently exists. Trails, shelter houses, and picnic areas will be added. The two lakes are well stocked for fishing, however recreational swimming will be strictly prohibited. There will be no charge to the public for use of the park, as it is taxpayer supported.

In early 2001, the new water plant became operational and the entire water supply source is being produced from this new state of the art facility. Plans for demolition of the old facility will be completed early next year, and bidding will take place sometime during the summer of 2002.

Coshocton Road widening and improvements project was started in the last quarter of the year. The estimate for this project has been set at \$4.7 million dollars. The State of Ohio (ODOT) has confirmed their financial support of \$1.3 million dollars towards this project. Ohio Public Works (known as Issue II) has confirmed their financial support of \$415,000 towards this project and the State Infrastructure Bank (SIB, a division of Ohio Economic Development) has provided a loan for the remaining amount. This major state route is located on the east side of town, in the commercial district and will be under construction for approximately eighteen months. Phase two of this project covers drainage improvements that will be bid and construction begun in the new year. Estimated cost of the drainage improvements is approximately \$1 million dollars.

Continued design plans for South Main Street roadway improvements are still ongoing however, the State of Ohio (ODOT) is undertaking an evaluation of the project, therefore delaying the construction in the new year. Roadway widening and improvements to Mount Vernon Avenue intersection are the major item to be performed. The State of Ohio has confirmed their financial support in the amount of \$1 million dollars towards this project.

A waterline was extended along Avlon Road to provide water to the Mount Vernon Development Center (a State operated facility) this year. By extending this line, it will provide water to a major customer for the water operations.

In the coming year, bidding will be held for the renovations that will take place at the former Peoples Bank, located adjacent to City Hall. In 2000, the City purchased this facility with the intentions to relocate the city income tax department and the customer service and billing division of the utility system. The transformation is expected to be fully completed during 2002. Notes issued to finance the project are expected to be converted to bonds in the upcoming year.

The upcoming year will involve several transportation issues. The State of Ohio (ODOT) will be resurfacing state routes that pass through the city and City Council will continue to address the community's concerns regarding brick streets. Brick streets are a proud heritage of this colonial city and the maintenance and upkeep have been side stepped for several years. Ongoing discussion has taken place during this year regarding which brick streets will be maintained as brick and which ones will be resurfaced with asphalt. In 2002, a decision will be made regarding this major issue. One can be assured input from the community will take place during the decision making process.

Thanks to the foresight of City management, coupled with the cooperation of the City's department heads, the growth in the local economy resulted in a favorable impact on the City's ability to provide quality services to the public. The Engineering Department issued two hundred fourteen building permits in 2001 and two hundred three in 2000, an increase of eleven permits.

Employee Relations:

The City of Mount Vernon completed the second year of a three year contract with the City's three unions. All union contracts were effective January 1, 2000, through December 31, 2002, with annual raises on January 1st of each year. The first, the Dan Emmett Chapter of the Ohio Civil Service Employees Association, Local 11/American Federation of State, County and Municipal Employees, AFL-CIO, which consists of fifty-three members from the public service departments (Engineering, Public Building and Land, Parks, Street, Cemetery, Water and Wastewater). The second is the Ohio Association of Professional Firefighters, The Mount Vernon Firefighters and Paramedics Local 3712 which consists of twenty-four members of the fire department. The final bargaining unit is the Kokosing Chapter of the Fraternal Order of Police, Ohio Labor Council, Inc. which consists of twenty-four members of the police department. The remaining departments along with all the department heads are not represented by any union.

The City continues to experience a good working relationship with these three unions for the betterment of the citizens of this community.

Unemployment Rates:

The City of Mount Vernon's economic outlook continued to be stable for 2001. In 2001, the unemployment rate held a steady margin of near four percent during the year but managed to level out with a slight increase of one tenth of a percent (0.1%) over 2000. The 2000 unemployment rate of 3.8 percent increased to 3.9 percent in 2001. This increase in unemployment was the result of economic effects of the September attack.

Major Initiatives

Municipal Court:

The Municipal Court completed 50 years of service to the community. In 1951 the Ohio General Assembly created the Mount Vernon Municipal Court. The court has countywide jurisdiction and handles both civil and criminal cases. During the fifty years the court has been in operation, only seven judges have served on the bench.

The court upgraded their main computer server from a system that was nearly twelve years old. In the coming year, a new public access system will be installed allowing the public, attorneys, and law enforcement officials to check the status of cases filed, outstanding warrants and other related information.

Traffic cases filed numbered 6,938, an increase of 159 from those filed in 2000, while criminal case filings of 1,180 only increased by one case from those filed in 2000. There was an increase in civil case filings, 942 in 2001 compared to 764 in 2000. For a look back in history, in 1951 there were a total of 1,735 cases filed compared to 8,118 in 2001.

Fire Department:

The Fire Department received additional media equipment to outfit the state certified training facility. As part of the new station, this training facility will be used for both in-house service training as well as state training programs for outside fire departments. The City purchased various pieces of equipment for the department throughout the year. Training and certification of paramedics were two major concentrations continued during the year. Each paramedic is required to maintain continued education and recertification every two years. Each firefighter holds Emergency Medical Technician certification which requires recertification and continued education also.

Police Department:

The department continued its program of managed capital replacement with the purchase of three marked police cruisers. Total criminal, traffic and juvenile citations and charges filed by the department for 2001 equals 3,830, a decrease of 665 from 2000. Three new cruisers were put in place during the year and additional computer equipment was installed. Law enforcement within the City maintains a safe and secure environment for all of its citizens and visitors.

Street Department:

The Street Department was the recipient of continuous equipment replacement in 2001. The department received a new dump truck, wire welder, sign storage building, and new barricades. A moderate snowfall during the months of winter helped to provide a strengthening financial base into the next year. Other routine projects completed by the Street Department included street sweeping, traffic line painting, traffic signals repairs, traffic sign replacement and leaf pick-up. The ongoing street resurfacing program provided for the resurfacing of a total of 14 streets in 2001.

Cemetery Department:

The Cemetery Department continued a restoration project on the chapel located within the cemetery. This structure has been dated back to as early as 1884, and is currently being petitioned for recognition as a historical structure in Ohio. This structure will undergo extensive improvements in the coming years. The department received new lawn care equipment and a new computer system. By year end, all of the section books had been computerized for easy access and storage.

Engineering Department:

The Engineering Department continued to serve the needs of new construction within the City in 2001. Two hundred fourteen building permits, representing approximately twenty-two million dollars in increased property values were issued in 2001. The Engineering department provided assistance for all new construction and upgrade projects that were conducted by the City in 2001. The department continues to work with consultants who are developing a GIS (Geographical Information System) system for the entire city. In conjunction with Knox County, the layers of information will include topography of land elevations, property zoning, utility line locations, fire hydrant locations and traffic control devices.

Public Buildings and Land and Parks Department:

The Public Buildings and Land Department and Parks Department share employees on an as needed basis. The salary of the superintendent and foreman is paid one half from each department. The Public Buildings and Land Department is responsible for a total of thirteen buildings and property. The Parks Department maintains eight parks with a total acreage of 176.576 acres of land. Several parks received new or upgraded fencing throughout the year.

The local senior citizen's center (which is owned but not operated by the City) received a new heating system and storm windows during the year. Design plans were being drafted for the renovations to take place at 3 North Gay Street building. The City acquired this property in 2000 and will begin remodeling it in the new year for the offices of Income Tax and Customer Service and Billing division of the utility operations.

Water Department:

The Water Distribution Division of the Water Department performed various maintenance activities to the lines in 2001. The long awaited water plant was placed in service in April. This new plant will provide service to the community for an extended period of time. With expanded capabilities to reach fourteen million gallons per day, the current plant operation is rated at a production level of seven million gallons per day. Wellhead protection has been a major concern for the City and in the next year, a well-head protection plan will be designed to deter water contamination into our supply of raw water. Backflow prevention has been implemented to prevent contaminates through the water service connection into the public water system. High risk consumers will be the first users the City will require to comply with these new regulations. Future service connections to be required will be industrial, commercial and residential users. This will include current and new service connections.

Wastewater Department:

The Wastewater Treatment Plant Division of the Wastewater Department performed routine maintenance of the facility and equipment throughout 2001. Major capital improvements are being designed for expanded growth in the City. A new wastewater trunk line was completed during the year for the expanded Industrial Park, a new maintenance facility is being designed and is expected to be constructed in the up coming year, and an equalization basin for inflow of surface water is being studied and engineered for the next two years.

Financial Information

Internal Control, Budgetary Control and the Accounting System:

The City of Mount Vernon's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition, and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation, and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Auditor's Office.

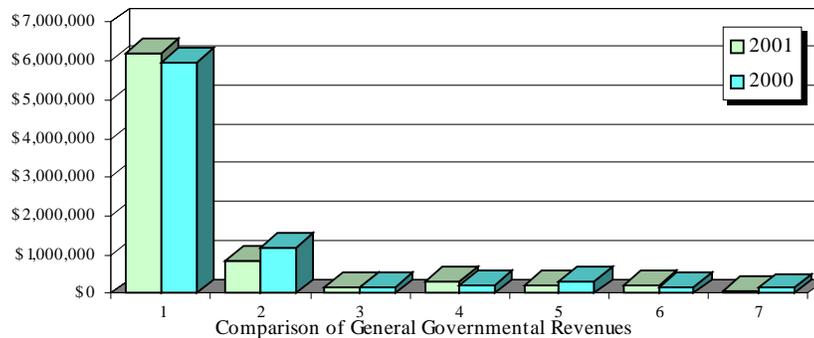
All internal control evaluations occur within this framework. It is the belief of the administration and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Mount Vernon City Council. All funds are included in the annual appropriated budget. The level of budgetary control (that is, the levels at which expenditures cannot legally exceed the appropriated amount) is at the object level within each department. Budgetary control is maintained within the personal services, operating expenses, and capital outlay categories with each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Encumbered appropriations carry forward to the following year(s) until expended or liquidated. Unencumbered amounts lapse at year end. Open encumbrances as of December 31, 2001, that have not been included as an accrued item are reported as reservations of fund balances with this report.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Governmental Functions:

The following schedule presents a summary of general fund revenues for the year ended December 31, 2001 and the percentage of total revenues for 2001 and the amount of increase/(decrease) in relation to 2000's revenue:

<u>Revenue Source</u>	<u>Total 2001 Revenues</u>	<u>Percent of Total</u>	<u>Total 2000 Revenues</u>	<u>Increase (Decrease) over 2000</u>	<u>Percent of Change</u>
1 Taxes	\$6,197,984	76.75%	\$5,980,396	\$217,588	3.64%
2 Intergovernmental Revenue	867,136	10.74%	1,162,416	(295,280)	(25.40%)
3 Charges for Services	157,343	1.95%	191,240	(33,897)	(17.72%)
4 Licenses and Permits	333,894	4.13%	201,556	132,338	65.66%
5 Investment Earnings	229,855	2.85%	329,032	(99,177)	(30.14%)
6 Fines and Forfeitures	217,162	2.69%	191,521	25,641	13.39%
7 All Other Revenue	71,756	0.89%	145,391	(73,635)	(50.65%)
Total	\$8,075,130	100.00%	\$8,201,552	(\$126,422)	

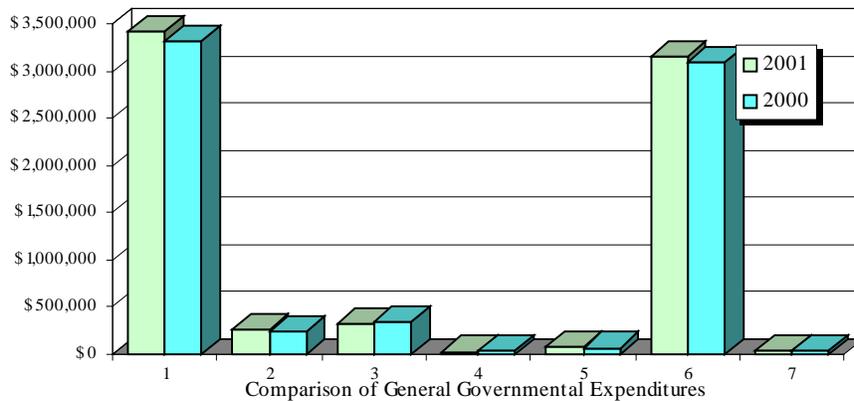


Revenue Narrative:

Taxes continue to be the primary revenue source for governmental fund types. The major source of tax revenue is the city's 1.5% municipal income tax, of which 81% of the 1% portion of the tax is credited to the General fund, as well as 100% of the .5% remaining portion of the tax. In 2001, the Municipal Income Tax revenue totaled \$6,274,156, an increase of \$206,577 over 2000. The growth in the City's income tax base and healthy economy are primary factors contributing to the overall increase. Additional estate taxes received in the prior year were not repeated in the current year, resulting in a decrease in intergovernmental revenue. Charges for services had a decrease due to an adjustment in a fire service contract. Licenses and permits increased due to a new court cost schedule that was implemented in 2001. The continued redirection of interest earnings to the enterprise funds pursuant to the trust indentures on outstanding debt obligations has resulted in a decrease of investment earnings as well as reduced investment rates for the last quarter of the year. Fines and forfeitures increased as a result of the aggressive collection of delinquent fines. A refund of workers' compenstion premiums for the State in the prior year has resulted in a decrease in other revenue.

The following schedule presents a summary of general fund expenditures for the year ended December 31, 2001, and the percentage of total expenditures for 2001 and the amount of increase/(decrease) in relation to 2000's expenditures:

<u>Expenditures</u>	<u>Total 2001 Expenditures</u>	<u>Percent of Total</u>	<u>Total 2000 Expenditures</u>	<u>Increase (Decrease) over 2000</u>	<u>Percent of Change</u>
1 Security of Persons and Property	\$3,431,595	47.15%	\$3,319,250	\$112,345	3.38%
2 Public Health and Welfare	258,552	3.55%	235,312	23,240	9.88%
3 Leisure Time Activities	311,714	4.28%	343,284	(31,570)	(9.20%)
4 Community Environment	23,320	0.33%	25,168	(1,848)	(7.34%)
5 Transportation	66,076	0.91%	62,485	3,591	5.75%
6 General Government	3,158,428	43.40%	3,091,945	66,483	2.15%
7 Debt Service	27,875	0.38%	27,874	1	0.00%
Total	\$7,277,560	100.00%	\$7,105,318	\$172,242	



Expenditure Narrative:

The major increase in expenditures for security of persons and property in 2001 was for the acquisition of a new ambulance for \$107,222. Public health and welfare services increased due to increased costs of housing prisoners at the county jail. These services are provided through a contractual arrangement. New playground equipment and pool equipment that were acquired in the prior year were not repeated in the current year resulting in a decrease in leisure time activities expenditures. The overall increase in general government was the result of employee final payments due to retirement. 2001 expenditures for retirement increased \$55,859 over 2000.

The general fund balance at year end 2001 was \$3,406,362, which represented a decrease of \$163,696 over 2000.

Enterprise Operations:

The City operates two enterprise funds consisting of Water and Sewer Utility.

The Water Utility includes the water treatment plant and the water distribution system. In 2001, the water treatment plant treated 904,298,085 gallons of water which was less than the 980,335,000 gallons treated in 2000. The decrease of 76,036,915 is attributable to varying weather conditions between the two years and a conservative approach to identifying water leaks throughout the city.

The Wastewater Utility includes a sewerage treatment plant and a collection system. In 2001, the wastewater treatment plant treated 916,566,100 gallons of sewage, compared to the 1,094,642,000 gallons treated in 2000. The decrease of 178,075,900 gallons is indicative of the reduction caused by very low rainfall during the year. Infiltration and inflow problem continue to be a concern in years of high rainfall due to the age of the sanitary sewer lines.

Fiduciary Operations:

The Perpetual Care Fund is used for care of the Cemetery. When the City sells a grave lot, approximately 37% of the revenue from the sale goes for Perpetual Care. In 2001, the City received \$9,204 compared to \$5,641 in 2000, which is an increase of approximately 63%.

The Bond and Inspection Fee Trust Fund is used to insure construction is completed to City code and is held until inspected by the City. In 2001, the City received \$4,900 compared to \$800 in 2000 and released \$800 in 2001 compared to \$4,600 in 2000.

The Mausoleum Trust Fund is used to care for the Mausoleum in the Cemetery. All the crypts have been sold, but the City now charges for services for the upkeep and receives income from interest. In 2001 and 2000, charges for services was zero respectfully. Interest earned was \$64 compared to \$82 in 2000.

The Insurance Trust Fund is used to insure clean up of damaged property. The insurance company is required to deposit 10% to the City as a retainer. The City received zero in 2001 and 2000 respectfully and released zero in 2001 and 2002 respectfully.

Debt Administration

The debt service fund accumulates resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment long-term debt. Resources are derived from property taxes (real and personal), income taxes and operating transfers. The total bonded debt of the City as of December 31, 2001 was as follows:

Unvoted General Obligation Bonds	\$40,000
Voted General Obligation Bonds	0
General Obligation Bonds which are Self-Supporting	7,960,000

The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position. The City's debt position as of December 31, 2001 was as follows:

Overall Legal Debt Margin	\$26,003,999
Unvoted Legal Debt Margin	13,621,142
Gross General Obligation Bonded Debt Payable from Property Taxes	40,000

The statistical section of this report presents more detailed information about the debt position of the City.

Risk Management:

The proactive approach that the Administration employs in addressing its ongoing operations is reflected in the composition of the City's insurance protection package and its very favorable loss experience.

The City has contracted with Gallagher Pipino, Inc. for all insurance coverages. The provision of underlying bodily injury, personal injury, property damage, and general liability coverage are provided in conjunction with coverage that includes Emergency Medical Technician professional liability, gap police professional liability, and an overlying umbrella liability policy. Bower's Insurance Agency provides protection for honesty bonding requirements. Due to the circumstances directly related to the terrorist attack on America, the insurance industry has increased rates considerably. This year the City experienced a considerable rate increase, the first in eight years. While claims activity contributed to some of the increase, the majority is attributed to the insurance industry's approach to insuring commercial properties.

Primarily attributable to excellent employment standards and ongoing training, we have been able to maintain police professional liability coverage at a reasonable cost with a financially sound carrier, Coregis Insurance Company. The reputation of our safety forces, coupled with the training provided, has been a definite plus in maintaining this difficult to place coverage. Coregis insures the City for firemen's errors and omissions coverage.

Deductible levels for the various policies have been selected so as not to expose the City to excessive "first dollars" loss in the case of a claim. In the property damage area, deductibles are \$250 per loss. In the professional liability areas, no deductible exceeds \$3,500. When a notice of claim does arise, in each and every instance, it is referred to the insurance company and claims monitoring is reviewed both by the administration and by the City's legal counsel to assure that the City's interests are protected.

Through a periodic review of the City's scope of activities and an evaluation of acquisitions and disposals of fixed assets, an up-to-date risk profile is made available to all of our insurance carriers.

Cash Management

Cash temporarily idle during the year was invested in certificates of deposit, money market savings and interest bearing checking accounts. As of December 31, 2001, the City's cash resources were divided between cash and investments as follows:

<u>Cash Resources</u>	<u>Amount</u>	<u>Percentage</u>
Cash	\$2,607,777	19.00%
Certificates of Deposit	5,000,000	36.42%
STAR Ohio	6,120,309	44.58%
Totals	<u>\$13,728,086</u>	<u>100.00%</u>

The City implemented an investment policy in 1997 and requires all depositories to comply with its deposit and investment ordinance and with state law governing collateralization of deposits. See Note 4 to the financial statements for additional information on deposits and investments.

Other Information

Independent Audit:

This report of the City of Mount Vernon was audited by the Auditor of the State of Ohio. They have audited the general purpose financial statements and the related notes as indicated in their letter. Their examination was conducted in accordance with generally accepted government auditing standards, which includes a financial and compliance audit as well as an evaluation of internal accounting controls and tests of transactions. The State Auditor's unqualified opinion letter is included in this report.

Awards:

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mount Vernon, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Mount Vernon received a Certificate of Achievement for the last ten consecutive years (fiscal years ended 1991-2000). I believe this current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA.

Public Disclosure:

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to the citizens. In addition to the citizens of Mount Vernon, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

Acknowledgments:

I would like to thank my staff and extend special recognition to all related departments within the City, who assisted with the preparation of the 2001 Comprehensive Annual Financial Report and annual independent audit.

Special appreciation is extended to, Tonya Mickley and Korri Kuzmaul, auditor's of the City's audit by the Auditor of the State of Ohio, for their assistance and review during this project.

In closing, without the leadership and support of the Mount Vernon City Council and Administration, preparation of the report would not have been possible.

Respectfully,

A handwritten signature in black ink, appearing to read "Terry Scott", with a long, sweeping underline that extends to the right.

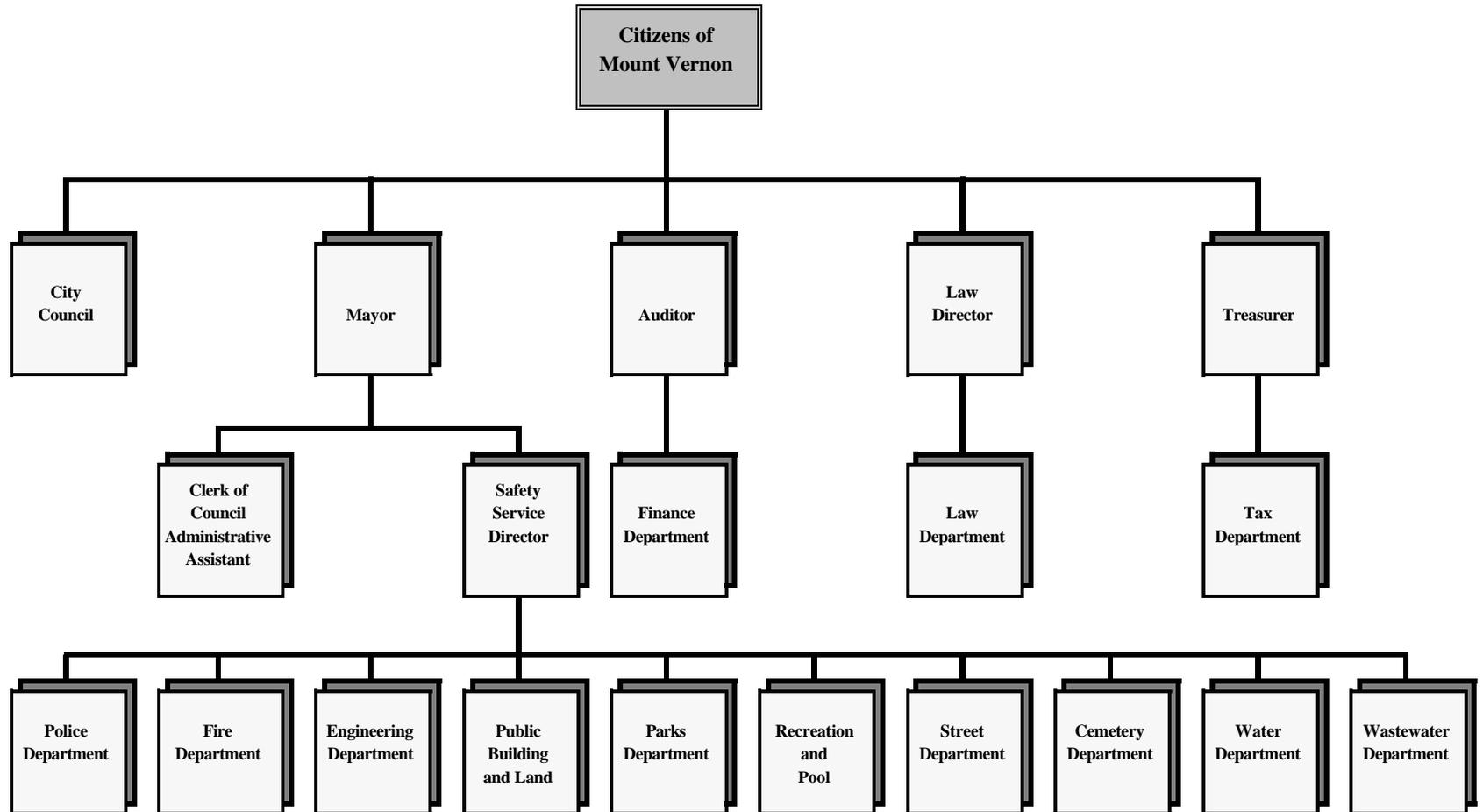
Terry Scott,
City Auditor

THE CITY OF MOUNT VERNON, OHIO
LIST OF PRINCIPAL OFFICIALS
SHOWING YEARS OF MUNICIPAL SERVICE
DECEMBER 31, 2001

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF SERVICE</u>
<u>City Council</u>		
John Booth	President	28
Paula Barone	First Ward Member	4
Charles K. Dice	Second Ward Member	3
Bruce Hawkins	Third Ward Member	2
John Fair	Fourth Ward Member	2
Anna M. Kinnard	Member At-Large	8
Larry Schafer	Member At-Large	2
Burt Hanson	Member At-Large	1
<u>City Administration</u>		
Richard K. Mavis	Mayor	6
Terry Scott	Auditor	7
William D. Smith	Law Director	21
James Shipley	Treasurer	2
Joel Daniels, II	Safety-Service Director	6
Janet M. Brown	Clerk of Council	9
<u>Department Heads</u>		
Burma Van Winkle	Income Tax Administrator	13
Thomas E. Bartlett	Police Chief	38
James P. Clifford	Fire Chief	22
James Petrak	City Engineer	3
Paul G. Oliver	Parks, Public Buildings and Land Superintendent	19
David Carpenter	Street Superintendent	10
Deborah S. Briscoe	Cemetery Foreman	21
Pam Murault	Water and Wastewater Meter and Customer Service Administrator	21
Judith Scott	Water and Wastewater Treatment and Distribution Administrator	19

The City of Mount Vernon, Ohio

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mount Vernon,
Ohio

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

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



Imelda Greve
President

Jeffrey L. Esler
Executive Director

FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

City Council
City of Mount Vernon
Knox County
40 Public Square
Mount Vernon, Ohio 43050

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

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

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

As described in Note 2, during the year ended December 31, 2001, the City adopted *Governmental Accounting Standards Board Statements No. 33 and No. 36*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

JIM PETRO
Auditor of State

June 27, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2001 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.

THE CITY OF MOUNT VERNON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<i>Governmental</i>			<i>Proprietary</i>		<i>Fiduciary</i>	<i>Account</i>		Totals (Memorandum Only)	
	<i>Fund Types</i>			<i>Fund Types</i>		<i>Fund Types</i>	<i>Groups</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
Assets and Other Debits:										
Assets:										
Cash and Cash Equivalents	\$2,285,201	\$929,767	\$40,213	\$1,782,136	\$6,020,765	\$16,811	\$66,341	\$0	\$0	\$11,141,234
Receivables (net of allowance for doubtful accounts):										
Taxes	2,279,336	292,565	0	88,704	0	0	0	0	0	2,660,605
Accounts	3,102	4,147	0	0	1,137,787	0	3,935	0	0	1,148,971
Interest	31	0	0	0	0	0	0	0	0	31
Due from Other Funds	37,623	4,175	0	0	0	0	0	0	0	41,798
Intergovernmental Receivables	331,568	789,811	0	6,100	0	0	0	0	0	1,127,479
Inventory of Supplies at Cost	143	14,543	0	0	131,050	0	0	0	0	145,736
Prepaid Items	70,544	8,200	0	0	16,305	0	0	0	0	95,049
Restricted Assets:										
Cash and Cash Equivalents	0	0	0	65,272	1,210,501	0	365,160	0	0	1,640,933
Cash with Fiscal Agents	0	5,122	0	0	940,797	0	0	0	0	945,919
Fixed Assets (net of accumulated depreciation)										
Construction in Progress	0	0	0	0	31,924,125	0	0	12,700,332	0	44,624,457
Construction in Progress	0	0	0	0	1,264,894	0	0	36,442	0	1,301,336
Other Debits:										
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	0	40,213	40,213
Amount to be Provided for General Long-Term Obligations	0	0	0	0	0	0	0	0	1,847,481	1,847,481
Total Assets and Other Debits	\$5,007,548	\$2,048,330	\$40,213	\$1,942,212	\$42,646,224	\$16,811	\$435,436	\$12,736,774	\$1,887,694	\$66,761,242

(Continued)

THE CITY OF MOUNT VERNON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<i>Governmental</i>			<i>Proprietary</i>		<i>Fiduciary</i>	<i>Account</i>		Totals (Memorandum Only)	
	<i>Fund Types</i>			<i>Fund Types</i>		<i>Fund Types</i>	<i>Groups</i>			
General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations		
Liabilities, Equity and Other Credits:										
Liabilities:										
Accounts Payable	\$160,947	\$29,770	\$0	\$37,367	\$111,459	\$0	\$0	\$0	\$0	\$339,543
Accrued Wages and Benefits	202,071	151,851	0	0	88,936	0	0	0	0	442,858
Contracts Payable	0	0	0	476,552	66,467	0	0	0	0	543,019
Retainage Payable	0	0	0	65,272	228,287	0	0	0	0	293,559
Due to Other Funds	0	0	0	0	0	0	41,798	0	0	41,798
Intergovernmental Payables	0	0	0	0	0	0	29,577	0	0	29,577
Due to Others	0	0	0	0	0	0	13,290	0	0	13,290
Matured Bonds and Interest Payable	0	0	0	0	2,275	0	0	0	0	2,275
Accrued Interest Payable	0	0	0	3,984	58,491	0	0	0	0	62,475
Deferred Revenue	1,227,362	917,178	0	9,016	0	0	0	0	0	2,153,556
General Obligation Notes Payable	0	0	0	500,000	2,500,000	0	0	0	0	3,000,000
Compensated Absences Payable	10,806	1,046	0	0	226,108	0	0	0	591,966	829,926
Claims Payable	0	0	0	0	0	465	0	0	0	465
General Obligation Bonds Payable	0	0	0	0	7,960,000	0	0	0	40,000	8,000,000
Mortgage Revenue Bonds Payable	0	0	0	0	9,375,000	0	0	0	0	9,375,000
State Infrastructure Bank Loan Payable	0	0	0	0	0	0	0	0	760,474	760,474
Police and Fire Pension Accrued Liability	0	0	0	0	0	0	0	0	495,254	495,254
Total Liabilities	1,601,186	1,099,845	0	1,092,191	20,617,023	465	84,665	0	1,887,694	26,383,069
Equity and Other Credits:										
Investment in General Fixed Assets	0	0	0	0	0	0	0	12,736,774	0	12,736,774
Contributed Capital	0	0	0	0	4,753,810	0	0	0	0	4,753,810
Retained Earnings:										
Reserved for Revenue Bond Indenture	0	0	0	0	940,797	0	0	0	0	940,797
Unreserved	0	0	0	0	16,334,594	16,346	0	0	0	16,350,940
Total Retained Earnings	0	0	0	0	17,275,391	16,346	0	0	0	17,291,737
Fund Balances:										
Reserved for Encumbrances	380,786	172,361	0	127,441	0	0	3,980	0	0	684,568
Reserved for Supplies Inventory	143	14,543	0	0	0	0	0	0	0	14,686
Reserved for Prepaid Items	70,544	8,200	0	0	0	0	0	0	0	78,744
Reserved for Debt Service	0	0	40,213	0	0	0	0	0	0	40,213
Reserved for Endowments	0	0	0	0	0	0	284,430	0	0	284,430
Unreserved:										
Undesignated	2,954,889	753,381	0	722,580	0	0	62,361	0	0	4,493,211
Total Equity and Other Credits	3,406,362	948,485	40,213	850,021	22,029,201	16,346	350,771	12,736,774	0	40,378,173
Total Liabilities, Equity and Other Credits	\$5,007,548	\$2,048,330	\$40,213	\$1,942,212	\$42,646,224	\$16,811	\$435,436	\$12,736,774	\$1,887,694	\$66,761,242

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



THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Expendable Trust Funds	
Revenues:						
Tax Revenues	\$6,197,984	\$496,451	\$0	\$468,186	\$0	\$7,162,621
Intergovernmental Revenues	867,136	1,032,166	0	1,399,906	0	3,299,208
Charges for Services	157,343	118,222	0	0	6,620	282,185
Licenses and Permits	333,894	3,760	0	0	0	337,654
Investment Earnings	229,855	11,145	1,569	1,001	738	244,308
Fines and Forfeitures	217,162	78,981	0	0	0	296,143
All Other Revenues	71,756	9,976	0	18,327	4,900	104,959
Total Revenues	8,075,130	1,750,701	1,569	1,887,420	12,258	11,727,078
Expenditures:						
Current:						
Security of Persons and Property	3,431,595	577,667	0	21,729	0	4,030,991
Public Health and Welfare Services	258,552	221,418	0	36,887	0	516,857
Leisure Time Activities	311,714	1,500	0	143,946	0	457,160
Community Environment	23,320	0	0	0	4,095	27,415
Transportation	66,076	708,367	0	2,981,586	0	3,756,029
General Government	3,158,428	850,257	0	284,191	0	4,292,876
Debt Service:						
Principal Retirement	6,615	0	40,000	0	0	46,615
Interest and Fiscal Charges	21,260	0	12,712	3,984	0	37,956
Total Expenditures	7,277,560	2,359,209	52,712	3,472,323	4,095	13,165,899
Excess (Deficiency) of Revenues Over (Under) Expenditures	797,570	(608,508)	(51,143)	(1,584,903)	8,163	(1,438,821)
Other Financing Sources (Uses):						
Proceeds from SIB Loan	0	0	0	760,474	0	760,474
Proceeds from Sale of Fixed Assets	6,259	4,399	0	0	0	10,658
Operating Transfers In	49,500	142,844	54,213	820,032	0	1,066,589
Operating Transfers Out	(1,017,089)	0	0	0	0	(1,017,089)
Total Other Financing Sources (Uses)	(961,330)	147,243	54,213	1,580,506	0	820,632
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(163,760)	(461,265)	3,070	(4,397)	8,163	(618,189)
Restated Fund Balance Beginning of Year	3,570,058	1,402,314	37,143	854,418	58,178	5,922,111
Increase in Inventory Reserve	64	7,436	0	0	0	7,500
Fund Balance End of Year	\$3,406,362	\$948,485	\$40,213	\$850,021	\$66,341	\$5,311,422

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

THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance:	Revised Budget	Actual	Variance:
			Favorable (Unfavorable)			Favorable (Unfavorable)
Revenues:						
Tax Revenues	\$5,974,160	\$6,104,040	\$129,880	\$482,099	\$489,996	\$7,897
Intergovernmental Revenues	816,530	884,582	68,052	1,937,000	1,392,285	(544,715)
Charges for Services	165,500	176,836	11,336	114,500	116,229	1,729
Licenses and Permits	298,750	308,999	10,249	2,500	3,760	1,260
Investment Earnings	325,000	229,882	(95,118)	11,600	11,145	(455)
Fines and Forfeitures	215,000	215,750	750	81,594	84,565	2,971
All Other Revenues	50,000	123,515	73,515	9,798	16,375	6,577
Total Revenues	7,844,940	8,043,604	198,664	2,639,091	2,114,355	(524,736)
Expenditures:						
<i>Current:</i>						
Security of Persons and Property	4,294,607	3,725,043	569,564	1,011,258	677,294	333,964
Public Health and Welfare Services	287,521	287,519	2	329,274	243,212	86,062
Leisure Time Activities	442,656	336,896	105,760	22,067	1,500	20,567
Community Environment	29,625	24,500	5,125	0	0	0
Basic Utility Services	0	0	0	0	0	0
Transportation	75,885	70,176	5,709	1,034,073	800,401	233,672
General Government	3,820,801	3,492,922	327,879	1,587,858	871,821	716,037
<i>Debt Service:</i>						
Principal Retirement	6,700	6,615	85	0	0	0
Interest and Fiscal Charges	21,300	21,260	40	0	0	0
Total Expenditures	8,979,095	7,964,931	1,014,164	3,984,530	2,594,228	1,390,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,134,155)	78,673	1,212,828	(1,345,439)	(479,873)	865,566
Other Financing Sources (Uses):						
Proceeds from State Infrastructure Bank Loan	0	0	0	0	0	0
Proceeds from General Obligation Notes	0	0	0	0	0	0
Proceeds from Sale of Fixed Assets	0	6,259	6,259	0	4,399	4,399
Operating Transfers In	49,500	49,500	0	312,500	142,844	(169,656)
Operating Transfers Out	(1,057,032)	(1,009,589)	47,443	0	0	0
Advances In	0	500,000	500,000	0	0	0
Advances Out	(500,000)	(500,000)	0	0	0	0
Total Other Financing Sources (Uses)	(1,507,532)	(953,830)	553,702	312,500	147,243	(165,257)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,641,687)	(875,157)	1,766,530	(1,032,939)	(332,630)	700,309
Fund Balance at Beginning of Year	2,075,077	2,075,077	0	771,926	771,926	0
Prior Year Encumbrances	566,610	566,610	0	277,209	277,209	0
Fund Balance at End of Year	\$0	\$1,766,530	\$1,766,530	\$16,196	\$716,505	\$700,309

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

THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

<i>Debt Service Fund</i>			<i>Capital Projects Fund</i>			<i>Totals (Memorandum Only)</i>		
Revised		Variance:	Revised		Variance:	Revised		Variance:
Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
\$207,366	\$207,366	\$0	\$416,300	\$461,015	\$44,715	\$7,079,925	\$7,262,417	\$182,492
0	0	0	1,722,500	1,399,906	(322,594)	4,476,030	3,676,773	(799,257)
0	0	0	0	0	0	280,000	293,065	13,065
0	0	0	0	0	0	301,250	312,759	11,509
5,000	1,569	(3,431)	0	1,001	1,001	341,600	243,597	(98,003)
0	0	0	0	0	0	296,594	300,315	3,721
0	0	0	36,356	18,327	(18,029)	96,154	158,217	62,063
212,366	208,935	(3,431)	2,175,156	1,880,249	(294,907)	12,871,553	12,247,143	(624,410)
0	0	0	41,745	30,516	11,229	5,347,610	4,432,853	914,757
0	0	0	43,000	37,437	5,563	659,795	568,168	91,627
0	0	0	158,806	156,247	2,559	623,529	494,643	128,886
0	0	0	0	0	0	29,625	24,500	5,125
212,366	207,045	5,321	0	0	0	212,366	207,045	5,321
0	0	0	6,705,327	2,634,829	4,070,498	7,815,285	3,505,406	4,309,879
500	321	179	730,579	307,452	423,127	6,139,738	4,672,516	1,467,222
3,700,000	3,690,833	9,167	0	0	0	3,706,700	3,697,448	9,252
836,643	835,392	1,251	0	0	0	857,943	856,652	1,291
4,749,509	4,733,591	15,918	7,679,457	3,166,481	4,512,976	25,392,591	18,459,231	6,933,360
(4,537,143)	(4,524,656)	12,487	(5,504,301)	(1,286,232)	4,218,069	(12,521,038)	(6,212,088)	6,308,950
0	0	0	3,500,000	760,474	(2,739,526)	3,500,000	760,474	(2,739,526)
3,000,000	3,000,000	0	0	0	0	3,000,000	3,000,000	0
0	0	0	0	0	0	0	10,658	10,658
1,500,000	1,527,726	27,726	718,500	820,032	101,532	2,580,500	2,540,102	(40,398)
0	0	0	(39,100)	0	39,100	(1,096,132)	(1,009,589)	86,543
0	0	0	500,000	500,000	0	500,000	1,000,000	500,000
0	0	0	(500,000)	(500,000)	0	(1,000,000)	(1,000,000)	0
4,500,000	4,527,726	27,726	4,179,400	1,580,506	(2,598,894)	7,484,368	5,301,645	(2,182,723)
(37,143)	3,070	40,213	(1,324,901)	294,274	1,619,175	(5,036,670)	(910,443)	4,126,227
37,143	37,143	0	1,034,326	1,034,326	0	3,918,472	3,918,472	0
0	0	0	290,575	290,575	0	1,134,394	1,134,394	0
\$0	\$40,213	\$40,213	\$0	\$1,619,175	\$1,619,175	\$16,196	\$4,142,423	\$4,126,227



THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary</i>		<i>Fiduciary</i>	<i>Totals</i> <i>(Memorandum</i> <i>Only)</i>
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<u>Operating Revenues:</u>				
Charges for Services	\$4,892,544	\$2,252	\$9,204	\$4,904,000
Other Operating Revenues	103,538	0	0	103,538
Total Operating Revenues	4,996,082	2,252	9,204	5,007,538
<u>Operating Expenses:</u>				
Personal Services	1,722,472	0	0	1,722,472
Materials and Supplies	535,373	0	0	535,373
Contractual Services	256,065	769	0	256,834
Utilities	464,459	0	0	464,459
Depreciation	976,709	0	0	976,709
Other Operating Expenses	4,195	0	0	4,195
Total Operating Expenses	3,959,273	769	0	3,960,042
Operating Income	1,036,809	1,483	9,204	1,047,496
<u>Nonoperating Revenues (Expenses):</u>				
Investment Earnings	370,693	522	0	371,215
Interest and Fiscal Charges	(1,010,444)	0	0	(1,010,444)
Gain on Disposal of Fixed Assets	10,236	0	0	10,236
Total Nonoperating Revenues (Expenses)	(629,515)	522	0	(628,993)
Income Before Operating Transfers	407,294	2,005	9,204	418,503
<u>Operating Transfers:</u>				
Operating Transfers Out	(49,500)	0	0	(49,500)
Total Operating Transfers	(49,500)	0	0	(49,500)
Net Income	357,794	2,005	9,204	369,003
Restated Retained Earnings /				
Fund Balance at Beginning of Year	16,917,597	14,341	275,226	17,207,164
Retained Earnings/Fund Balance at End of Year	\$17,275,391	\$16,346	\$284,430	\$17,576,167

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

THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$5,056,082	\$2,252	\$6,291	\$5,064,625
Cash Payments for Goods and Services	(1,523,039)	(16,925)	0	(1,539,964)
Cash Payments to Employees	(1,692,108)	0	0	(1,692,108)
Net Cash Provided (Used) by Operating Activities	<u>1,840,935</u>	<u>(14,673)</u>	<u>6,291</u>	<u>1,832,553</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers Out to Other Funds	(49,500)	0	0	(49,500)
Net Cash Used for Noncapital Financing Activities	<u>(49,500)</u>	<u>0</u>	<u>0</u>	<u>(49,500)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds from General Obligation Notes	2,500,000	0	0	2,500,000
Proceeds from Sale of Fixed Assets	10,236	0	0	10,236
Acquisition and Construction of Assets	(3,592,778)	0	0	(3,592,778)
Principal Paid on General Obligation Notes	(2,500,000)	0	0	(2,500,000)
Principal Paid on General Obligation Bonds	(345,000)	0	0	(345,000)
Principal Paid on Revenue Bonds	(425,000)	0	0	(425,000)
Interest Paid on All Debt	(1,032,366)	0	0	(1,032,366)
Net Cash Used for Capital and Related Financing Activities	<u>(5,384,908)</u>	<u>0</u>	<u>0</u>	<u>(5,384,908)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipt of Interest	370,693	522	0	371,215
Net Cash Provided by Investing Activities	<u>370,693</u>	<u>522</u>	<u>0</u>	<u>371,215</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,222,780)	(14,151)	6,291	(3,230,640)
Cash and Cash Equivalents at Beginning of Year	11,394,843	30,962	274,204	11,700,009
Cash and Cash Equivalents at End of Year	<u>\$8,172,063</u>	<u>\$16,811</u>	<u>\$280,495</u>	<u>\$8,469,369</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$6,020,765	\$16,811	\$66,341	\$6,103,917
Restricted Cash and Cash Equivalents	1,210,501	0	365,160	1,575,661
Restricted Cash with Fiscal Agent	940,797	0	0	940,797
Less: Cash and Cash Equivalents in Expendable Trust Funds	0	0	(66,341)	(66,341)
Less: Restricted Cash in Agency Fund	0	0	(84,665)	(84,665)
Cash and Cash Equivalents at End of Year	<u>\$8,172,063</u>	<u>\$16,811</u>	<u>\$280,495</u>	<u>\$8,469,369</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income	\$1,036,809	\$1,483	\$9,204	\$1,047,496
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	976,709	0	0	976,709
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	60,000	0	(2,913)	57,087
Increase in Inventory	(52,597)	0	0	(52,597)
Increase in Prepaid Items	(1,661)	0	0	(1,661)
Decrease in Accounts Payable	(131,850)	0	0	(131,850)
Increase in Accrued Wages and Benefits	13,371	0	0	13,371
Decrease in Contracts Payable	(305,298)	0	0	(305,298)
Increase in Retainage Payable	228,287	0	0	228,287
Increase in Compensated Absences	17,165	0	0	17,165
Decrease in Claims Payable	0	(16,156)	0	(16,156)
Total Adjustments	804,126	(16,156)	(2,913)	785,057
Net Cash Provided (Used) by Operating Activities	<u>\$1,840,935</u>	<u>(\$14,673)</u>	<u>\$6,291</u>	<u>\$1,832,553</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2001 the Water and Sewer Funds had outstanding liabilities of \$40,936 and \$10,560, respectively for the purchase of capital assets.

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

THE CITY OF MOUNT VERNON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mount Vernon, Ohio (the "City") was incorporated on February 22, 1830 under the laws of the State of Ohio. The City operates under the general statutory form of government.

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types and the cash flows of the proprietary and nonexpendable trust funds. The financial statements are presented as of December 31, 2001 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying general purpose financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government. The reporting entity of the City includes the following services: police and fire protection, emergency medical, parks, recreation, cemetery, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system which are reported as enterprise funds.

The City, in conjunction with Knox County, the six villages and the twenty-two townships within Knox County, have created the Knox County Emergency Management Agency (EMA). The EMA is a jointly governed organization whose board is composed of seven members, one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to insure the most effective use of resources during an emergency. The City appropriated \$6,000 for operations of the EMA for 2001.

Mid Ohio Transit Authority (MOTA) is a jointly governed organization whose board is composed of four members; one county commissioner, one township representative, and one representative from the City. These three members collectively appoint one non-elected representative from within the county. MOTA was organized to provide public transportation for the entire county. The City did not appoint a majority of the members of the Board, nor is the

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

City accountable for any operating deficits of MOTA. The MOTA Board is responsible for the fiscal operation of MOTA. The City appropriated \$40,000 for an operating grant to MOTA for 2001.

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Funds

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

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

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund - This fund is used for the accumulation of resources for the payment of general long-term debt principal and interest.

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

Proprietary Funds

The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund - This fund is used to account for the financing of services provided by one department to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains expendable trust funds, a nonexpendable trust fund and an agency fund. The expendable trust funds are accounted for and reported similarly to a governmental fund. The nonexpendable trust fund is accounted for and reported similarly to proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term liabilities of the City except those accounted for in the proprietary funds.

C. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

Revenues considered susceptible to accrual at year end include income taxes withheld by employers, interest on investments and state levied locally shared taxes (including motor vehicle license fees, and local government assistance). Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenues when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2001 but which are not intended to finance 2001 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and non-expendable trust funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by an ordinance of the City Council.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

1. Tax Budget

By July 15, the Mayor submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may only be modified during the year by an ordinance of City Council. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	(\$163,760)	(\$461,265)	\$3,070	(\$4,397)
Increase (Decrease):				
Accrued Revenues at December 31, 2001 received during 2002	(1,424,298)	(178,642)	0	(85,788)
Accrued Revenues at December 31, 2000 received during 2001	1,392,772	542,296	0	78,617
Accrued Expenditures at December 31, 2001 paid during 2002	373,862	182,667	0	583,175
Accrued Expenditures at December 31, 2000 paid during 2001	(509,075)	(198,563)	0	(49,100)
2000 Prepays for 2001	43,747	2,340	0	0
2001 Prepays for 2002	(70,544)	(8,200)	0	0
Outstanding Encumbrances	(517,861)	(213,263)	0	(228,233)
Budget Basis	<u>(\$875,157)</u>	<u>(\$332,630)</u>	<u>\$3,070</u>	<u>\$294,274</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Assets Reserve (STAR Ohio), and investments with original maturities of less than three months. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

F. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value. The City allocates interest among the various funds based upon the fund's cash balance at the date of investment. See Note 4, "Cash, Cash Equivalents and Investments."

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

G. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

H. Fixed Assets and Depreciation

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

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

1. Property, Plant and Equipment - General Governmental Purposes (Continued)

General fixed asset values were initially determined at December 31, 1986 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

2. Property, Plant and Equipment - Proprietary Fund

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees when applicable. Contributed fixed assets are recorded at fair market value at the date received.

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

<u>Description</u>	<u>Estimated Lives (in years)</u>
Machinery, Equipment, Furniture and Fixtures	5 - 20
Buildings	15 - 25
Improvements Other Than Buildings	25 - 65

I. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Bond Retirement Fund Water Fund
Mortgage Revenue Bonds	Water Fund Sewer Fund
State Infrastructure Bank Loan	General Bond Retirement Fund
Police and Fire Pension Accrued Liability	General Fund
Compensated Absences	General Fund Water Fund Sewer Fund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

City employees earn vacation at varying rates based upon length of service. A maximum of two weeks of vacation time may be carried over beyond the anniversary date subject to the approval of the department head. Upon separation from the City, the employee (or his estate) is paid for the accumulated unused vacation leave balance.

Sick leave is accrued by employees at the rate of 5 hours for every eighty hours worked. Upon separation from the City, after 10 years of service, 40 hour employees are paid 50% of accumulated sick leave up to a maximum of 480 hours and 48 hour employees up to a maximum of 617 hours. After 20 years of service, 40 hour employees are paid up to a maximum of 720 hours and 48 hour employees up to a maximum of 864 hours. Upon retirement the maximum payments are 1,080 hours with ten or more years of service for 40 hour employees and 1,296 hours for 48 hour employees with ten or more years of service.

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement is accrued to the extent that it is considered probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees eligible to receive termination payments as of the balance sheet date and on leave balances accumulated by other employees expected to become eligible to receive such payments in the future.

For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

Compensated absences are expensed in the Water and Sewer Enterprise Funds when earned and the related liability is reported within the fund.

K. Pensions

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Transactions

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

- Operating transfers are reported as Other Financing Sources and Uses in the governmental funds, as "Operating transfers-in" by the recipient fund, and "Operating transfers-out" by the disbursing fund.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers in 2001.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

M. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies and materials, prepaid items, debt service, endowments and encumbered amounts which have not been accrued at year end.

N. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings. Capital contributions received after December 31, 2000 are recorded as revenue in the proprietary funds.

O. Total Columns on Combined Financial Statements - Overview

Total columns on the "Combined Financial Statements-Overview" are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. Restricted Assets

Certain assets are classified as restricted cash on the balance sheet because these funds are being held by a trustee as designated by a bond indenture, or in a trustee capacity for perpetual care and municipal court functions.

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCES/RETAINED EARNINGS

A. Prior Period Adjustments

The retained earnings balances at December 31, 2000 of the Water and Sewer Funds were restated from amounts previously reported to eliminate the reporting of Property, Plant and Equipment below the capitalization threshold, which was increased from \$300 to \$1,000. The General Fixed Asset account group was also restated from the balance previously reported of \$12,805,338 to \$12,272,725, a decrease of \$532,613.

B. Changes in Accounting Principles

For the year ended December 31, 2001, the City has implemented GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions” and GASB Statement No. 36 “Recipient Reporting for Certain Shared Nonexchange Revenues.”

C. Restatement of Fund Balances/Retained Earnings

The changes to the beginning fund balances/retained earnings are as follows:

Description	Special Revenue Funds	Enterprise Funds
Balance at December 31, 2000 (as reported)	\$1,098,779	\$16,952,227
Implementation of GASB 33 and 36	303,535	0
Restatement of		
Property, Plant and Equipment	0	(34,630)
Restated Balance at December 31, 2000	<u>\$1,402,314</u>	<u>\$16,917,597</u>

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equity - The accumulated deficit at December 31, 2001 of \$90,120 in the TIF District-Coshocton Road Fund (capital projects fund) arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures on the budgetary basis of accounting. A deficit does not exist under the cash basis of accounting. The general fund provides operating transfers when cash is required, not when accruals occur.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the City into three categories:

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. Deposits

At year end the carrying amount of the City's deposits was \$6,661,858 and the bank balance \$6,832,207. The Federal Deposit Insurance Corporation (FDIC) covered \$100,000 of the bank balance. All remaining deposits were classified as Category 3.

B. Investments

The City's investments at December 31, 2001 are summarized below:

<u>Non-Categorized Investments</u>	<u>Fair Value</u>
STAR Ohio (Uncollateralized investment pool)	<u>\$6,120,309</u>

C. Cash with Fiscal Agents

In addition to deposits and investments, the City had cash with fiscal agents in the amount of \$945,919 for bond reserve accounts, of which \$100,000 was insured by the FDIC and the remaining deposits were uninsured and uncollateralized.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

D. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio is treated as a cash equivalent. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$12,782,167	\$0
Investments:		
STAR Ohio	(6,120,309)	6,120,309
Per GASB Statement No. 3	<u>\$6,661,858</u>	<u>\$6,120,309</u>

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years, and equalization adjustments are made in the third year following reappraisal. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Mount Vernon. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2001 was \$3.20 per \$1,000 of assessed value. The 2001 assessed value was \$247,657,131. This amount constitutes \$174,059,290 in real property assessed value, \$7,114,230 in public utility assessed value and \$66,483,611 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .320% (3.20 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2001 consisted of taxes, accounts, interest, interfund and intergovernmental receivables.

NOTE 7 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfer In	Transfer Out
General Fund	\$49,500	\$1,017,089
Special Revenue Funds:		
Park Development Fund	5,344	0
Parking Fund	10,000	0
Law Enforcement Trust Fund	7,500	0
Police Pension Fund	50,000	0
Fire Pension Fund	65,000	0
SVAW Fund	5,000	0
Total Special Revenue Funds	142,844	0
Debt Service Fund:		
General Bond Retirement Fund	54,213	0
Capital Projects Fund:		
Capital Improvement Fund	820,032	0
Enterprise Funds:		
Water Fund	0	24,500
Sewer Fund	0	25,000
Total Enterprise Funds	0	49,500
Totals	<u>\$1,066,589</u>	<u>\$1,066,589</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2001 consist of the following individual fund receivables and payables:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$37,623	\$0
Special Revenue Funds:		
Indigent Drivers Alcohol Treatment Fund	403	0
DUI Enforcement and Education Fund	50	0
Court Computerization Fund	3,722	0
Total Special Revenue Funds	4,175	0
Agency Fund:		
Municipal Court Fund	0	41,798
Totals	<u>\$41,798</u>	<u>\$41,798</u>

NOTE 9 - FIXED ASSETS

A. General Fixed Assets

Summary by category of changes in general fixed assets:

Category	Restated December 31, 2000	Additions	Deletions	December 31, 2001
Land	\$1,421,932	\$0	\$0	\$1,421,932
Buildings and Improvements	5,562,810	300,065	(3,640)	5,859,235
Improvements Other Than Buildings	490,067	54,357	0	544,424
Machinery and Equipment	4,527,216	634,573	(287,048)	4,874,741
Construction in Progress	270,700	19,049	(253,307)	36,442
Totals	<u>\$12,272,725</u>	<u>\$1,008,044</u>	<u>(\$543,995)</u>	<u>\$12,736,774</u>

Schedule of General Fixed Assets at December 31, 2001:

General Fixed Assets		Investment in General Fixed Assets	
		General Fund	\$5,355,774
Land	\$1,421,932	Special Revenue Funds	254,908
Buildings and Improvements	5,859,235	Capital Projects Fund	6,844,465
Improvements Other Than Buildings	544,424	Proprietary Funds	84,846
Machinery and Equipment	4,874,741	Contributions	15,058
Construction in Progress	36,442	Federal Grants	103,827
Total	<u>\$12,736,774</u>	State Grants	77,896
		Total	<u>\$12,736,774</u>

B. Proprietary Fixed Assets

Summary by category at December 31, 2001:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$894,311	\$0	\$894,311
Buildings and Improvements	20,359,345	(2,717,106)	17,642,239
Utility Structures in Services	22,037,247	(9,075,812)	12,961,435
Machinery and Equipment	2,957,386	(2,531,246)	426,140
Construction in Progress	1,264,894	0	1,264,894
Property, Plant and Equipment	<u>\$47,513,183</u>	<u>(\$14,324,164)</u>	<u>\$33,189,019</u>

NOTE 10 - DEFINED BENEFIT PENSION PLANS

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Public Employees Retirement System (the "PERS of Ohio")

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, *"Accounting for Pensions by State and Local Government Employers."*

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2001 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.25% to fund the pension and 4.3% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2001, 2000 and 1999 were \$487,160, \$364,785 and \$428,200, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.3% of covered payroll which amounted to \$154,597.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Public Employees Retirement System (the “PERS of Ohio”) (Continued)

value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2000 is \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2001, 2000 and 1999 were \$195,373, \$181,847 and \$173,493 for police and \$261,241, \$220,962 and \$208,532 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)

The portion of the 2001 covered payroll that was used to fund postemployment health care benefits was \$75,143 representing 7.5% of covered payroll for police and \$81,638 representing 7.5% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2000, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,853 for police and 10,037 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2000 were \$106,160,054, which was net of member contributions of \$5,657,431.

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2001 were as follows:

		Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001	
Enterprise Funds:					
Mortgage Revenue Bonds:					
3.00 - 4.75%	Water	1999	\$7,790,000	(\$305,000)	\$7,485,000
3.00 - 6.00%	Sewer	1992	2,010,000	(120,000)	1,890,000
Total Mortgage Revenue Bonds Payable			9,800,000	(425,000)	9,375,000
General Obligation Bonds:					
7.125%	Waterworks	1986	40,000	(40,000)	0
6.525%	Waterworks	1997	8,265,000	(305,000)	7,960,000
Total General Obligation Bonds Payable			8,305,000	(345,000)	7,960,000
Total Enterprise Long-Term Debt			\$18,105,000	(\$770,000)	\$17,335,000
General Long-Term Debt:					
General Obligation Bond:					
5.875%	Plaza Building	1987	\$80,000	(\$40,000)	\$40,000
State Infrastructure Bank Loan			2001	0	760,474
Total General Long-Term Debt			80,000	720,474	800,474
Other Long-Term Obligations:					
Compensated Absences			610,984	(19,018)	591,966
Police and Firemen's Pension Accrued Liability			501,869	(6,615)	495,254
Total Other Long-Term Obligations			1,112,853	(25,633)	1,087,220
Total General Long-Term Debt and Other Long-Term Obligations			\$1,192,853	\$694,841	\$1,887,694

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Police and Firemen's Pension Fund

The City's liability for past service costs related to the Police and Firemen's Pension Fund at December 31, 2001 was \$932,365 in principal and interest payments through the year 2035. Only the principal amount is included in the General Long-Term Obligations Account Group.

B. Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2001 are as follows:

Years	General Obligation Bonds		Mortgage Revenue Bonds		State Infrastructure Bank Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$360,000	\$382,095	\$440,000	\$432,132	\$0	\$0
2003	335,000	368,334	460,000	414,042	0	220,625
2004	345,000	354,136	480,000	394,457	76,343	233,239
2005	365,000	339,123	500,000	373,558	81,189	228,393
2006	380,000	322,886	525,000	351,258	86,342	223,239
2007-2011	2,175,000	1,338,560	3,015,000	1,368,774	516,600	1,025,254
2012-2016	2,738,000	764,792	2,765,000	653,032	0	0
2017-2035	1,302,000	100,706	1,190,000	85,210	0	0
Totals	<u>\$8,000,000</u>	<u>\$3,970,632</u>	<u>\$9,375,000</u>	<u>\$4,072,463</u>	<u>\$760,474</u>	<u>\$1,930,750</u>

Years	Police/Fire Pension Liability		Totals	
	Principal	Interest	Principal	Interest
2002	\$6,899	\$20,976	\$806,899	\$835,203
2003	7,195	20,680	802,195	1,023,681
2004	7,504	20,370	908,847	1,002,202
2005	7,827	20,148	954,016	961,222
2006	8,163	19,712	999,505	917,095
2007-2011	46,384	92,892	5,752,984	3,825,480
2012-2016	57,410	82,133	5,560,410	1,499,957
2017-2035	353,872	160,200	2,845,872	346,116
Totals	<u>\$495,254</u>	<u>\$437,111</u>	<u>\$18,630,728</u>	<u>\$10,410,956</u>

NOTE 12 – COMPENSATED ABSENCES

The City provides a liability for accumulated unpaid sick leave, vacation and compensatory time benefits when earned by employees. Accrued employee benefits for Governmental Funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. At December 31, 2001, the total accumulated unpaid sick, vacation and compensatory time recorded in the General Long-Term Obligations Account Group and governmental funds was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	75,050	\$433,963
Vacation	13,887	149,683
Compensatory Time	<u>1,335</u>	<u>20,172</u>
Total	<u>90,272</u>	603,818
Less: Current Portion		<u>(11,852)</u>
Other Long-Term Obligations		<u>\$591,966</u>

The portion attributable to the enterprise funds has been recorded within the respective fund and is not included in the figures presented above.

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes and renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than the principal maturities required if the bonds had been issued at the expiration of the initial five year period.

The City has two short-term general obligation bond anticipation notes payable, one in the Capital Improvement Fund and one in the Wastewater Fund at December 31, 2001. These notes are secured by the full faith and credit of the City and they will mature during the year of 2002. Below is a summary of notes payable activity during 2001:

	<u>Balance January 1, 2001</u>	<u>Issued (Retired)</u>	<u>Balance December 31, 2001</u>
Capital Projects Notes Payable			
Capital Improvement Fund:			
4.82% Building Project	\$500,000	(\$500,000)	\$0
2.87% Building Project	0	500,000	500,000
Enterprise Notes Payable:			
Wastewater Fund:			
4.82% Wastewater Improvement	2,500,000	(2,500,000)	0
2.87% Wastewater Improvement	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total Notes Payable	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$3,000,000</u>

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City financed primarily by user charges are water treatment and distribution and wastewater collection and treatment. The key financial information for the year ended December 31, 2001 for these enterprise activities is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues	\$2,687,397	\$2,308,685	\$4,996,082
Depreciation Expense	584,530	392,179	976,709
Operating Income	539,090	497,719	1,036,809
Operating Transfers Out	(24,500)	(25,000)	(49,500)
Net Income (Loss)	(107,374)	465,168	357,794
Property, Plant and Equipment:			
Additions	1,329,693	2,060,952	3,390,645
Deletions	(15,661)	(1,127)	(16,788)
Total Assets	26,464,406	16,181,818	42,646,224
Net Working Capital	2,112,301	2,368,253	4,480,554
Bonds Payable	15,445,000	1,890,000	17,335,000
Total Equity	10,498,275	11,530,926	22,029,201

NOTE 15 - CONTRIBUTED CAPITAL

There were no changes to contributed capital in the enterprise funds during the year. Contributed capital balances as of year end were as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Contributed Capital at December 31, 2001	<u>\$853,938</u>	<u>\$3,899,872</u>	<u>\$4,753,810</u>

NOTE 16 - 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; and natural disasters. During 2001 the City contracted with one insurance provider for various insurance coverages as follows:

<u>Insurance Provider</u>	<u>Coverage</u>	<u>Deductible</u>
Coregis Insurance Company	General Liability	\$0
Coregis Insurance Company	Valuable Paper, Equipment Floater, EDP, Boiler and Machinery	\$1,000
Coregis Insurance Company	Automobile	\$250 Comprehensive, \$500-Collision
Coregis Insurance Company	Law Enforcement Liability	\$2,000
Coregis Insurance Company	Employee Blanket Coverage	\$1,000
Coregis Insurance Company	Public Officials Liability	\$2,500

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 16 - RISK MANAGEMENT (Continued)

The City pays unemployment claims to the State of Ohio as incurred. Workers' compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

In 1997, the City elected to provide group health benefits to employees and their eligible dependents through a self-insured program. Premiums are paid into an internal service fund by all funds having compensated employees based on the number of active participating employees. The monies paid into the Self-Insurance Fund (internal service fund) are available to pay claims and administrative costs. The plan is administered by a third party administrator. The claims liability of \$465 reported in the fund at December 31, 2001 is based on requirements of GASB No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim can be reasonable estimated. Changes in the fund's claims liability amount in 2001 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2000	\$159,358	\$397,328	\$540,065	\$16,621
2001	16,621	769	16,925	465

On May 31, 2000, the City terminated its group health benefits to employees through a self-insured program. Effective June 1, 2000, health benefits to employees were provided by a fully insured group health benefit program. Run out claims still remained at year end for services that were incurred in 2000, but not paid until 2002. The bank accounts will be closed out in 2002.

NOTE 17 - CONSTRUCTION COMMITMENTS

As of December 31, 2001, the City had the following contracts with respect to capital projects:

Capital Projects	Remaining Construction Contract	Expected Date of Completion
Water Treatment Plant	\$127,759	June 2002
Radial Collector Well Project	54,256	June 2002
Coshocton Road Widening and Reconstruction Project	2,235,674	August 2002

NOTE 18 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

***C*OMBINING AND *I*NDIVIDUAL *F*UND AND *A*CCOUNT *G*ROUP
*S*TATEMENTS AND *S*CHEDULES**

***T*HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE
GENERAL FUND, SPECIAL REVENUE FUNDS, DEBT SERVICE FUNDS,
CAPITAL PROJECTS FUNDS, ENTERPRISE FUNDS, FIDUCIARY FUNDS AND
THE GENERAL FIXED ASSETS ACCOUNT GROUP.**

GENERAL FUND

The General Fund is used to account for government resources which are not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Tax Revenues:			
Property Taxes	\$589,000	\$580,496	(\$8,504)
Municipal Income Tax	5,385,100	5,522,597	137,497
Other Local Taxes	60	947	887
Total Tax Revenues	5,974,160	6,104,040	129,880
Intergovernmental Revenues:			
State Levied Shared Taxes	815,930	883,851	67,921
Intergovernmental Revenues	600	731	131
Total Intergovernmental Revenues	816,530	884,582	68,052
Charges for Services	165,500	176,836	11,336
Licenses and Permits	298,750	308,999	10,249
Investment Earnings	325,000	229,882	(95,118)
Fines and Forfeitures	215,000	215,750	750
All Other Revenues	50,000	123,515	73,515
Total Revenues	7,844,940	8,043,604	198,664
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Division:			
Personal Services	1,236,863	1,146,247	90,616
Travel and Transportation	19,258	16,905	2,353
Contractual Services	2,600	2,588	12
Supplies and Materials	195,894	189,917	5,977
Capital Outlay	149,000	125,042	23,958
Total Police Division	1,603,615	1,480,699	122,916
Fire and E.M.S. Division:			
Personal Services	1,767,153	1,651,060	116,093
Travel and Transportation	49,429	40,959	8,470
Contractual Services	2,500	2,500	0
Supplies and Materials	210,897	174,339	36,558
Capital Outlay	484,347	215,514	268,833
Total Fire and E.M.S. Division	2,514,326	2,084,372	429,954

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Miscellaneous:			
Street Lighting/Radio Repair/Sirens			
Supplies and Materials	173,666	156,972	16,694
Public Defender			
Contract Services	3,000	3,000	0
Debt Services:			
Principal Retirement	6,700	6,615	85
Interest and Fiscal Charges	21,300	21,260	40
Total Miscellaneous	204,666	187,847	16,819
Total Security of Persons and Property	4,322,607	3,752,918	569,689
Public Health and Welfare Services:			
Police Division:			
Contractual Services	202,021	202,021	0
Total Police Division	202,021	202,021	0
Humane Officer:			
Contractual Services	25,000	25,000	0
Supplies and Materials	22,000	21,998	2
Total Humane Officer	47,000	46,998	2
Health Department:			
Contractual Services	38,500	38,500	0
Total Health Department	38,500	38,500	0
Total Public Health and Welfare Services	287,521	287,519	2
Leisure Time Activities:			
Parks:			
Personal Services	174,735	132,233	42,502
Travel and Transportation	550	550	0
Supplies and Materials	120,823	82,269	38,554
Capital Outlay	24,663	5,996	18,667
Total Parks	320,771	221,048	99,723

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Recreation:			
Personal Services	14,500	13,802	698
Contractual Services	7,500	7,250	250
Supplies and Materials	5,660	5,521	139
Total Recreation	27,660	26,573	1,087
Pool:			
Personal Services	48,140	48,140	0
Supplies and Materials	41,627	36,677	4,950
Capital Outlay	4,458	4,458	0
Total Pool	94,225	89,275	4,950
Total Leisure Time Activities	442,656	336,896	105,760
Community Environment:			
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:			
Supplies and Materials	29,625	24,500	5,125
Total Community Environment	29,625	24,500	5,125
Transportation:			
Miscellaneous:			
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:			
Supplies and Materials	75,885	70,176	5,709
Total Transportation	75,885	70,176	5,709
General Government:			
Council:			
Personal Services	49,416	49,416	0
Travel and Transportation	10,000	347	9,653
Contractual Services	1,050	563	487
Supplies and Materials	3,564	2,833	731
Total Council	64,030	53,159	10,871

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Mayor:			
Personal Services	74,760	73,968	792
Travel and Transportation	650	560	90
Supplies and Materials	8,637	7,306	1,331
Other Expenditures	200	22	178
Total Mayor	84,247	81,856	2,391
Auditor:			
Personal Services	220,970	160,250	60,720
Travel and Transportation	6,750	2,095	4,655
Contractual Services	7,614	6,070	1,544
Supplies and Materials	25,893	20,567	5,326
Total Auditor	261,227	188,982	72,245
Treasurer:			
Personal Services	5,825	5,821	4
Supplies and Materials	1,000	141	859
Total Treasurer	6,825	5,962	863
Law Director:			
Personal Services	140,845	138,065	2,780
Travel and Transportation	1,000	0	1,000
Supplies and Materials	67,906	55,875	12,031
Total Law Director	209,751	193,940	15,811
Income Tax:			
Personal Services	92,500	80,824	11,676
Travel and Transportation	3,575	1,476	2,099
Supplies and Materials	160,154	151,491	8,663
Capital Outlay	5,000	301	4,699
Total Income Tax	261,229	234,092	27,137
Municipal Court:			
Personal Services	383,760	366,812	16,948
Travel and Transportation	6,250	4,553	1,697
Supplies and Materials	53,602	51,362	2,240
Total Municipal Court	443,612	422,727	20,885

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Civil Service:			
Personal Services	6,000	5,931	69
Travel and Transportation	100	0	100
Supplies and Materials	7,920	6,399	1,521
Total Civil Service	<u>14,020</u>	<u>12,330</u>	<u>1,690</u>
Safety Service:			
Personal Services	86,600	83,199	3,401
Travel and Transportation	400	400	0
Contractual Services	26,150	23,035	3,115
Supplies and Materials	10,325	10,206	119
Total Safety Service	<u>123,475</u>	<u>116,840</u>	<u>6,635</u>
Engineering:			
Personal Services	261,260	243,380	17,880
Travel and Transportation	3,120	1,765	1,355
Contractual Services	353,650	285,645	68,005
Supplies and Materials	27,146	21,697	5,449
Capital Outlay	10,400	1,617	8,783
Total Engineering	<u>655,576</u>	<u>554,104</u>	<u>101,472</u>
Public Land and Buildings:			
Personal Services	61,345	59,877	1,468
Travel and Transportation	500	162	338
Contractual Services	62,304	61,029	1,275
Supplies and Materials	302,185	277,391	24,794
Total Public Land and Buildings	<u>426,334</u>	<u>398,459</u>	<u>27,875</u>
Miscellaneous:			
Personal Services	1,000,161	984,867	15,294
Contractual Services	6,000	6,000	0
Supplies and Materials	264,314	239,604	24,710
Total Miscellaneous	<u>1,270,475</u>	<u>1,230,471</u>	<u>40,004</u>
Total General Government	<u>3,820,801</u>	<u>3,492,922</u>	<u>327,879</u>
Total Expenditures	<u>8,979,095</u>	<u>7,964,931</u>	<u>1,014,164</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over Expenditures	(1,134,155)	78,673	1,212,828
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	6,259	6,259
Operating Transfers In	49,500	49,500	0
Operating Transfers Out	(1,057,032)	(1,009,589)	47,443
Advances In	0	500,000	500,000
Advances Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(1,507,532)</u>	<u>(953,830)</u>	<u>553,702</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(2,641,687)	(875,157)	1,766,530
Fund Balance at Beginning of Year	2,075,077	2,075,077	0
Prior Year Encumbrances	<u>566,610</u>	<u>566,610</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$1,766,530</u></u>	<u><u>\$1,766,530</u></u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund

To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Improvement Fund

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

Permissive Auto License Tax Fund

To account for county-levied motor vehicle registration fees designated for maintenance and repair of roads within the City.

Cemeteries Fund

To account for revenue received from the operation of the City's municipal cemetery.

Park Development Fund

To account for the operation and maintenance of public recreational facilities.

Community Development Block Grant Fund

To account for state grants designated for community environmental improvements.

Parking Fund

To account for revenues received from the City's parking garage.

Law Enforcement Trust Fund

To account for the proceeds from the confiscation of contraband.

Drug Enforcement Trust Fund

To account for mandatory fines collected for drug offenses.

Permissive License Registration Fund

To account for municipal-levied motor vehicle registration fees designated for street construction, maintenance and repair.

(Continued)

SPECIAL REVENUE FUNDS

Indigent Drivers Alcohol Treatment Fund

To account for revenues derived from fines levied by the courts to be used for treatment of persons with alcohol related problems.

DUI - Enforcement and Education Fund

To account for the financial resources used to educate the public regarding laws governing the operation of motor vehicles while under the influence of alcohol.

Probation Services Fund

To account for revenues from offenders placed on probation and designated for probation related expenses or reconciliation programs for offenders and victims.

Police Pension Fund

To account for .3 mills of property taxes for the partial payment of the current and accrued liability for police disability and pension.

Fire Pension Fund

To account for .3 mills of property taxes for the partial payment of the current and accrued liability for fire disability and pension.

Court Computerization Fund

To account for revenues from fines to be used for computers and for updating computerized court functions.

Stop Violence Against Women (SVAW) Grant Fund

To account for federal grant monies designated for use in programs to stop domestic violence.

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemeteries
<u>Assets:</u>				
Cash and Cash Equivalents	\$116,320	\$89,270	\$93,121	\$121,674
Receivables (net of allowance for doubtful accounts):				
Taxes	26,611	0	0	35,482
Accounts	0	0	0	4,147
Due from Other Funds	0	0	0	0
Intergovernmental Receivables	170,123	10,240	0	0
Inventory of Supplies at Cost	14,279	0	0	264
Prepaid Items	7,192	0	0	1,008
Restricted Assets:				
Cash with Fiscal Agents	0	0	5,122	0
Total Assets	<u>\$334,525</u>	<u>\$99,510</u>	<u>\$98,243</u>	<u>\$162,575</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$8,361	\$3,791	\$0	\$5,254
Accrued Wages and Benefits	24,453	0	0	8,762
Deferred Revenue	114,275	6,800	5,122	1,167
Compensated Absences Payable	709	0	0	337
Total Liabilities	<u>147,798</u>	<u>10,591</u>	<u>5,122</u>	<u>15,520</u>
Fund Equity:				
Reserved for Encumbrances	17,894	913	0	14,163
Reserved for Supplies Inventory	14,279	0	0	264
Reserved for Prepaid Items	7,192	0	0	1,008
Unreserved	147,362	88,006	93,121	131,620
Total Fund Equity	<u>186,727</u>	<u>88,919</u>	<u>93,121</u>	<u>147,055</u>
Total Liabilities and Fund Equity	<u>\$334,525</u>	<u>\$99,510</u>	<u>\$98,243</u>	<u>\$162,575</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

Park Development	Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration
\$21,255	\$43,576	\$17,127	\$14,539	\$1,744	\$108,937
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	588,600	0	0	0	14,648
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$21,255</u>	<u>\$632,176</u>	<u>\$17,127</u>	<u>\$14,539</u>	<u>\$1,744</u>	<u>\$123,585</u>
\$0	\$0	\$7,114	\$0	\$0	\$0
0	0	3,675	0	0	0
0	570,300	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>570,300</u>	<u>10,789</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	18,823	1,979	0	0	9,589
0	0	0	0	0	0
0	0	0	0	0	0
21,255	43,053	4,359	14,539	1,744	113,996
<u>21,255</u>	<u>61,876</u>	<u>6,338</u>	<u>14,539</u>	<u>1,744</u>	<u>123,585</u>
<u>\$21,255</u>	<u>\$632,176</u>	<u>\$17,127</u>	<u>\$14,539</u>	<u>\$1,744</u>	<u>\$123,585</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Probation Services	Police Pension
<u>Assets:</u>				
Cash and Cash Equivalents	\$0	\$23,109	\$53	\$130,775
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	115,236
Accounts	0	0	0	0
Due from Other Funds	403	50	0	0
Intergovernmental Receivables	0	0	0	3,100
Inventory of Supplies at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Restricted Assets:				
Cash with Fiscal Agents	0	0	0	0
Total Assets	<u>\$403</u>	<u>\$23,159</u>	<u>\$53</u>	<u>\$249,111</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	49,673
Deferred Revenue	0	0	0	109,757
Compensated Absences Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>159,430</u>
Reserved for Encumbrances	0	0	0	47,000
Reserved for Supplies Inventory	0	0	0	0
Reserved for Prepaid Items	0	0	0	0
Unreserved	403	23,159	53	42,681
Total Fund Equity	<u>403</u>	<u>23,159</u>	<u>53</u>	<u>89,681</u>
Total Liabilities and Fund Equity	<u>\$403</u>	<u>\$23,159</u>	<u>\$53</u>	<u>\$249,111</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

Fire Pension	Court Computerization	Stop Violence Against Women	Total
\$124,903	\$19,163	\$4,201	\$929,767
115,236	0	0	292,565
0	0	0	4,147
0	3,722	0	4,175
3,100	0	0	789,811
0	0	0	14,543
0	0	0	8,200
0	0	0	5,122
<u>\$243,239</u>	<u>\$22,885</u>	<u>\$4,201</u>	<u>\$2,048,330</u>
\$0	\$5,250	\$0	\$29,770
64,728	0	560	151,851
109,757	0	0	917,178
0	0	0	1,046
<u>174,485</u>	<u>5,250</u>	<u>560</u>	<u>1,099,845</u>
62,000	0	0	172,361
0	0	0	14,543
0	0	0	8,200
6,754	17,635	3,641	753,381
<u>68,754</u>	<u>17,635</u>	<u>3,641</u>	<u>948,485</u>
<u>\$243,239</u>	<u>\$22,885</u>	<u>\$4,201</u>	<u>\$2,048,330</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemeteries
<u>Revenues:</u>				
Tax Revenues	\$120,818	\$0	\$0	\$161,091
Intergovernmental Revenues	390,002	30,319	69,269	0
Charges for Services	0	0	0	52,466
Licenses and Permits	1,570	0	0	0
Investment Earnings	434	365	0	10,121
Fines and Forfeitures	0	0	0	0
All Other Revenues	195	0	0	0
Total Revenues	513,019	30,684	69,269	223,678
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	221,418
Leisure Time Activities	0	0	0	0
Transportation	554,643	26,737	49,812	0
General Government	0	0	0	0
Total Expenditures	554,643	26,737	49,812	221,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,624)	3,947	19,457	2,260
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	309	0	0	4,090
Operating Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	309	0	0	4,090
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(41,315)	3,947	19,457	6,350
Restated Fund Balance at Beginning of Year	220,712	84,972	73,664	140,599
Increase in Inventory Reserve	7,330	0	0	106
Fund Balance at End of Year	\$186,727	\$88,919	\$93,121	\$147,055

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Park Development	Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration
\$0	\$0	\$0	\$0	\$0	\$0
0	410,618	0	0	0	104,312
5,344	0	60,271	0	0	0
0	0	2,190	0	0	0
0	225	0	0	0	0
0	0	28,598	0	0	0
0	5,498	19	4,264	0	0
5,344	416,341	91,078	4,264	0	104,312
0	0	105,494	16,377	0	0
0	0	0	0	0	0
1,500	0	0	0	0	0
0	0	0	0	0	77,175
0	754,894	0	0	0	0
1,500	754,894	105,494	16,377	0	77,175
3,844	(338,553)	(14,416)	(12,113)	0	27,137
0	0	0	0	0	0
5,344	0	10,000	7,500	0	0
5,344	0	10,000	7,500	0	0
9,188	(338,553)	(4,416)	(4,613)	0	27,137
12,067	400,429	10,754	19,152	1,744	96,448
0	0	0	0	0	0
<u>\$21,255</u>	<u>\$61,876</u>	<u>\$6,338</u>	<u>\$14,539</u>	<u>\$1,744</u>	<u>\$123,585</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Probation Services	Police Pension
Revenues:				
Tax Revenues	\$0	\$0	\$0	\$107,271
Intergovernmental Revenues	0	0	0	6,323
Charges for Services	0	0	141	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	9,880	1,982	0	0
All Other Revenues	0	0	0	0
Total Revenues	9,880	1,982	141	113,594
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	195,906
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	12,405	0	911	0
Total Expenditures	12,405	0	911	195,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,525)	1,982	(770)	(82,312)
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	0	0	0	0
Operating Transfers In	0	0	0	50,000
Total Other Financing Sources (Uses)	0	0	0	50,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,525)	1,982	(770)	(32,312)
Restated Fund Balance at Beginning of Year	2,928	21,177	823	121,993
Increase in Inventory Reserve	0	0	0	0
Fund Balance at End of Year	\$403	\$23,159	\$53	\$89,681

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Fire Pension	Court Computerization	Stop Violence Against Women	Totals
\$107,271	\$0	\$0	\$496,451
6,323	0	15,000	1,032,166
0	0	0	118,222
0	0	0	3,760
0	0	0	11,145
0	38,521	0	78,981
0	0	0	9,976
<u>113,594</u>	<u>38,521</u>	<u>15,000</u>	<u>1,750,701</u>
259,890	0	0	577,667
0	0	0	221,418
0	0	0	1,500
0	0	0	708,367
0	62,016	20,031	850,257
<u>259,890</u>	<u>62,016</u>	<u>20,031</u>	<u>2,359,209</u>
(146,296)	(23,495)	(5,031)	(608,508)
0	0	0	4,399
<u>65,000</u>	<u>0</u>	<u>5,000</u>	<u>142,844</u>
<u>65,000</u>	<u>0</u>	<u>5,000</u>	<u>147,243</u>
(81,296)	(23,495)	(31)	(461,265)
150,050	41,130	3,672	1,402,314
0	0	0	7,436
<u>\$68,754</u>	<u>\$17,635</u>	<u>\$3,641</u>	<u>\$948,485</u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STREET CONSTRUCTION, MAINTENANCE AND REPAIR

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Municipal Income Taxes	\$111,100	\$118,667	\$7,567
Intergovernmental Revenues	391,700	390,887	(813)
License and Permits	0	1,570	1,570
Investment Earnings	1,000	434	(566)
All Other Revenues	0	4,461	4,461
Total Revenues	<u>503,800</u>	<u>516,019</u>	<u>12,219</u>
<u>Expenditures:</u>			
Transportation:			
Personal Services	556,102	515,070	41,032
Travel and Transportation	5,164	600	4,564
Supplies and Materials	106,771	78,228	28,543
Capital Outlay	6,310	2,370	3,940
Total Expenditures	<u>674,347</u>	<u>596,268</u>	<u>78,079</u>
Excess (Deficiency) of Revenues Over Expenditures	(170,547)	(80,249)	90,298
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	309	309
Total Other Financing Sources (Uses):	<u>0</u>	<u>309</u>	<u>309</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(170,547)	(79,940)	90,607
Fund Balance at Beginning of Year	136,329	136,329	0
Prior Year Encumbrances	34,218	34,218	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$90,607</u>	<u>\$90,607</u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STATE HIGHWAY IMPROVEMENT

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental Revenues	\$30,000	\$31,550	\$1,550
Investment Earnings	500	365	(135)
Total Revenues	<u>30,500</u>	<u>31,915</u>	<u>1,415</u>
<u>Expenditures:</u>			
Transportation:			
Supplies and Materials	<u>122,098</u>	<u>38,947</u>	<u>83,151</u>
Total Expenditures	<u>122,098</u>	<u>38,947</u>	<u>83,151</u>
Excess (Deficiency) of Revenues Over Expenditures	(91,598)	(7,032)	84,566
Fund Balance at Beginning of Year	70,873	70,873	0
Prior Year Encumbrances	<u>20,725</u>	<u>20,725</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$84,566</u></u>	<u><u>\$84,566</u></u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PERMISSIVE AUTO LICENSE TAX

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$50,000	\$142,306	\$92,306
Total Revenues	50,000	142,306	92,306
<u>Expenditures:</u>			
Transportation:			
Supplies and Materials	50,627	49,812	815
Total Expenditures	50,627	49,812	815
Excess (Deficiency) of Revenues Over Expenditures	(627)	92,494	93,121
Fund Balance at Beginning of Year	627	627	0
Fund Balance at End of Year	\$0	\$93,121	\$93,121

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

CEMETERIES

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Municipal Income Taxes	\$148,133	\$158,223	\$10,090
Charges for Services	50,000	50,473	473
Investment Earnings	10,000	10,121	121
All Other Revenues	0	1,422	1,422
Total Revenues	208,133	220,239	12,106
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Personal Services	208,731	180,449	28,282
Travel and Transportation	690	323	367
Contractual Services	16,000	7,650	8,350
Supplies and Materials	33,371	27,054	6,317
Other Expenses	1,000	984	16
Capital Outlay	69,482	26,752	42,730
Total Expenditures	329,274	243,212	86,062
Excess (Deficiency) of Revenues Over Expenditures	(121,141)	(22,973)	98,168
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sales of Fixed Assets	0	4,090	4,090
Total Other Financing Sources (Uses):	0	4,090	4,090
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(121,141)	(18,883)	102,258
Fund Balance at Beginning of Year	94,914	94,914	0
Prior Year Encumbrances	26,227	26,227	0
Fund Balance at End of Year	\$0	\$102,258	\$102,258

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PARK DEVELOPMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$5,000	\$5,344	\$344
Total Revenues	5,000	5,344	344
<u>Expenditures:</u>			
Leisure Time Activities:			
Supplies and Material	22,067	1,500	20,567
Total Expenditures	22,067	1,500	20,567
Excess (Deficiency) of Revenues Over Expenditures	(17,067)	3,844	20,911
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	5,000	5,344	344
Total Other Financing Sources (Uses):	5,000	5,344	344
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(12,067)	9,188	21,255
Fund Balance at Beginning of Year	12,067	12,067	0
Fund Balance at End of Year	\$0	\$21,255	\$21,255

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COMMUNITY DEVELOPMENT BLOCK GRANT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$1,343,500	\$695,853	(\$647,647)
Investment Earnings	100	225	125
All Other Revenues	5,498	5,498	0
Total Revenues	1,349,098	701,576	(647,522)
<u>Expenditures:</u>			
General Government:			
Contractual Services	1,445,992	773,717	672,275
Total Expenditures	1,445,992	773,717	672,275
Excess (Deficiency) of Revenues Over Expenditures	(96,894)	(72,141)	24,753
Fund Balance at Beginning of Year	56,346	56,346	0
Prior Year Encumbrances	40,548	40,548	0
Fund Balance at End of Year	\$0	\$24,753	\$24,753

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PARKING

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$54,500	\$60,271	\$5,771
License and Permits	2,500	2,190	(310)
Fines and Forfeitures	28,000	28,598	598
All Other Revenues	0	730	730
Total Revenues	85,000	91,789	6,789
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	77,963	73,259	4,704
Supplies and Materials	30,635	27,090	3,545
Total Expenditures	108,598	100,349	8,249
Excess (Deficiency) of Revenues Over Expenditures	(23,598)	(8,560)	15,038
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	10,000	10,000	0
Total Other Financing Sources (Uses):	10,000	10,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(13,598)	1,440	15,038
Fund Balance at Beginning of Year	11,844	11,844	0
Prior Year Encumbrances	1,754	1,754	0
Fund Balance at End of Year	\$0	\$15,038	\$15,038

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

LAW ENFORCEMENT TRUST

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$4,300	\$4,264	(\$36)
Total Revenues	4,300	4,264	(36)
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	16,500	16,377	123
Total Expenditures	16,500	16,377	123
Excess (Deficiency) of Revenues Over Expenditures	(12,200)	(12,113)	87
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	7,500	7,500	0
Total Other Financing Sources (Uses):	7,500	7,500	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(4,700)	(4,613)	87
Fund Balance at Beginning of Year	19,152	19,152	0
Fund Balance at End of Year	\$14,452	\$14,539	\$87

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

DRUG ENFORCEMENT TRUST

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	1,744	1,744	0
Fund Balance at End of Year	\$1,744	\$1,744	\$0

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PERMISSIVE LICENSE REGISTRATION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$95,000	\$104,043	\$9,043
Total Revenues	95,000	104,043	9,043
<u>Expenditures:</u>			
Transportation:			
Supplies and Materials	187,001	115,374	71,627
Total Expenditures	187,001	115,374	71,627
Excess (Deficiency) of Revenues Over Expenditures	(92,001)	(11,331)	80,670
Fund Balance at Beginning of Year	71,099	71,099	0
Prior Year Encumbrances	20,902	20,902	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$80,670</u>	<u>\$80,670</u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

INDIGENT DRIVERS ALCOHOL TREATMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$15,000	\$12,405	(\$2,595)
Total Revenues	15,000	12,405	(2,595)
<u>Expenditures:</u>			
General Government:			
Supplies and Materials	16,605	14,010	2,595
Total Expenditures	16,605	14,010	2,595
Excess (Deficiency) of Revenues Over Expenditures	(1,605)	(1,605)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	1,605	1,605	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

DUI - ENFORCEMENT AND EDUCATION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$1,500	\$1,995	\$495
Total Revenues	1,500	1,995	495
<u>Expenditures:</u>			
General Government:			
Supplies and Materials	22,614	0	22,614
Total Expenditures	22,614	0	22,614
Excess (Deficiency) of Revenues Over Expenditures	(21,114)	1,995	23,109
Fund Balance at Beginning of Year	21,114	21,114	0
Fund Balance at End of Year	\$0	\$23,109	\$23,109

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

PROBATION SERVICES

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$5,000	\$141	(\$4,859)
Total Revenues	<u>5,000</u>	<u>141</u>	<u>(4,859)</u>
<u>Expenditures:</u>			
General Government:			
Supplies and Materials	6,242	1,330	4,912
Total Expenditures	<u>6,242</u>	<u>1,330</u>	<u>4,912</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,242)	(1,189)	53
Fund Balance at Beginning of Year	382	382	0
Prior Year Encumbrances	<u>860</u>	<u>860</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$53</u></u>	<u><u>\$53</u></u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

POLICE PENSION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$67,600	\$66,997	(\$603)
Municipal Income Taxes	43,833	39,556	(4,277)
Intergovernmental Revenues	5,900	6,323	423
Total Revenues	117,333	112,876	(4,457)
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	409,403	241,171	168,232
Total Expenditures	409,403	241,171	168,232
Excess (Deficiency) of Revenues Over Expenditures	(292,070)	(128,295)	163,775
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	130,000	50,000	(80,000)
Total Other Financing Sources (Uses):	130,000	50,000	(80,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(162,070)	(78,295)	83,775
Fund Balance at Beginning of Year	118,750	118,750	0
Prior Year Encumbrances	43,320	43,320	0
Fund Balance at End of Year	\$0	\$83,775	\$83,775

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

FIRE PENSION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$67,600	\$66,997	(\$603)
Municipal Income Taxes	43,833	39,556	(4,277)
Intergovernmental Revenues	5,900	6,323	423
Total Revenues	117,333	112,876	(4,457)
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	476,757	319,397	157,360
Total Expenditures	476,757	319,397	157,360
Excess (Deficiency) of Revenues Over Expenditures	(359,424)	(206,521)	152,903
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	155,000	65,000	(90,000)
Total Other Financing Sources (Uses):	155,000	65,000	(90,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(204,424)	(141,521)	62,903
Fund Balance at Beginning of Year	149,174	149,174	0
Prior Year Encumbrances	55,250	55,250	0
Fund Balance at End of Year	\$0	\$62,903	\$62,903

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COURT COMPUTERIZATION

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	<u>\$37,094</u>	<u>\$41,567</u>	<u>\$4,473</u>
Total Revenues	<u>37,094</u>	<u>41,567</u>	<u>4,473</u>
<u>Expenditures:</u>			
General Government:			
Supplies and Materials	<u>72,259</u>	<u>62,819</u>	<u>9,440</u>
Total Expenditures	<u>72,259</u>	<u>62,819</u>	<u>9,440</u>
Excess (Deficiency) of Revenues Over Expenditures	(35,165)	(21,252)	13,913
Fund Balance at Beginning of Year	3,365	3,365	0
Prior Year Encumbrances	<u>31,800</u>	<u>31,800</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$13,913</u></u>	<u><u>\$13,913</u></u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STOP VIOLENCE AGAINST WOMEN

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$15,000	\$15,000	\$0
Total Revenues	15,000	15,000	0
<u>Expenditures:</u>			
General Government:			
Personal Services	24,146	19,945	4,201
Total Expenditures	24,146	19,945	4,201
Excess (Deficiency) of Revenues Over Expenditures	(9,146)	(4,945)	4,201
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	5,000	5,000	0
Total Other Financing Sources (Uses):	5,000	5,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(4,146)	55	4,201
Fund Balance at Beginning of Year	4,146	4,146	0
Fund Balance at End of Year	\$0	\$4,201	\$4,201

DEBT SERVICE FUND

The Debt Service Fund is used to account for retirement of the City's general obligation and special assessment bonds.

General Bond Retirement Fund

To account for payment of principal and interest on the City's general obligation bonds which are recorded in the general long-term debt group of accounts. Revenues for this purpose include ad valorem property taxes and investment income.

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL BOND RETIREMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property Taxes	\$207,366	\$207,366	\$0
Investment Earnings	5,000	1,569	(3,431)
Total Revenues	212,366	208,935	(3,431)
Expenditures:			
Basic Utility Service:			
Supplies and Materials	212,366	207,045	5,321
General Government:			
Supplies and Materials	500	321	179
Debt Service:			
Principal Retirement	3,700,000	3,690,833	9,167
Interest and Fiscal Charges	836,643	835,392	1,251
Total Expenditures	4,749,509	4,733,591	15,918
Excess (Deficiency) of Revenues over Expenditures	(4,537,143)	(4,524,656)	12,487
Other Financing Sources (Uses):			
Proceeds of General Obligation Notes	3,000,000	3,000,000	0
Operating Transfers In	1,500,000	1,527,726	27,726
Total Other Financing Sources (Uses):	4,500,000	4,527,726	27,726
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(37,143)	3,070	40,213
Fund Balance at Beginning of Year	37,143	37,143	0
Fund Balance at End of Year	\$0	\$40,213	\$40,213

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the financial resources used for the acquisition or construction of major capital facilities other than that financed by proprietary or trust funds.

Capital Improvement Fund

To account for financial resources used for the improvement of City property.

TIF District-Coshocton Road Fund

To account for financial resources used for the improvements within the described boundaries of the Coshocton Road area. The TIF (tax increment financing) district will expire in January 2024 due to the twenty-five year maximum lifetime.

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2001

	Capital Improvement	TIF District- Coshocton Road	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$1,458,458	\$323,678	\$1,782,136
Receivables (net of allowances for doubtful accounts)			
Taxes	88,704	0	88,704
Intergovernmental Receivables	0	6,100	6,100
Restricted Assets:			
Cash and Cash Equivalents	0	65,272	65,272
Total Assets	\$1,547,162	\$395,050	\$1,942,212
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$36,696	\$671	\$37,367
Contracts Payable	63,425	413,127	476,552
Retainage Payable	0	65,272	65,272
Accrued Interest Payable	3,984	0	3,984
Deferred Revenue	2,916	6,100	9,016
General Obligation Notes Payable	500,000	0	500,000
Total Liabilities	607,021	485,170	1,092,191
Fund Equity:			
Reserved for Encumbrances	41,923	85,518	127,441
Unreserved	898,218	(175,638)	722,580
Total Fund Equity	940,141	(90,120)	850,021
Total Liabilities and Fund Equity	\$1,547,162	\$395,050	\$1,942,212

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Capital Improvement	TIF District- Coshocton Road	Totals
<u>Revenues:</u>			
Tax Revenues	\$402,729	\$65,457	\$468,186
Intergovernmental Revenues	0	1,399,906	1,399,906
Investment Earnings	810	191	1,001
All Other Revenues	18,327	0	18,327
Total Revenues	421,866	1,465,554	1,887,420
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	21,729	0	21,729
Public Health and Welfare Services	36,887	0	36,887
Leisure Time Activities	143,946	0	143,946
Transportation	665,438	2,316,148	2,981,586
General Government	284,191	0	284,191
Debt Service:			
Interest and Fiscal Charges	3,984	0	3,984
Total Expenditures	1,156,175	2,316,148	3,472,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	(734,309)	(850,594)	(1,584,903)
<u>Other Financing Sources (Uses):</u>			
Proceeds from SIB Loan	0	760,474	760,474
Operating Transfers In	820,032	0	820,032
Total Other Financing Sources (Uses)	820,032	760,474	1,580,506
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	85,723	(90,120)	(4,397)
Fund Balance at Beginning of Year	854,418	0	854,418
Fund Balance/Deficit at End of Year	\$940,141	(\$90,120)	\$850,021

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

CAPITAL IMPROVEMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Municipal Income Taxes	\$357,800	\$395,558	\$37,758
Investment Earnings	0	810	810
All Other Revenues	36,356	18,327	(18,029)
Total Revenues	394,156	414,695	20,539
<u>Expenditures:</u>			
Security of Persons and Property:			
Police:			
Capital Outlay	36,745	28,260	8,485
Fire:			
Capital Outlay	5,000	2,256	2,744
Total Security of Persons and Property	41,745	30,516	11,229
Public Health and Welfare Services			
Cemetery:			
Capital Outlay	43,000	37,437	5,563
Total Public Health and Welfare Services	43,000	37,437	5,563
Leisure Time Activities:			
Parks:			
Capital Outlay	158,806	156,247	2,559
Pool:			
Capital Outlay	0	0	0
Total Leisure Time Activities	158,806	156,247	2,559
Transportation:			
Street:			
Contractual Services	690,593	274,135	416,458
Capital Outlay	772,834	437,427	335,407
Total Transportation	1,463,427	711,562	751,865

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

CAPITAL IMPROVEMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Government:			
Auditor:			
Capital Outlay	40,000	0	40,000
Law Director:			
Capital Outlay	5,000	2,109	2,891
Municipal Court:			
Capital Outlay	37,500	24,528	12,972
Civil Service:			
Capital Outlay	400	230	170
Safety - Service:			
Capital Outlay	500	200	300
Engineering:			
Contractual Services	227,200	226,787	413
Capital Outlay	34,500	26,362	8,138
Public Buildings and Land:			
Contractual Services	57,863	1,263	56,600
Capital Outlay	327,616	25,973	301,643
Total General Government	<u>730,579</u>	<u>307,452</u>	<u>423,127</u>
Total Expenditures	<u>2,437,557</u>	<u>1,243,214</u>	<u>1,194,343</u>
Excess (Deficiency) of Revenues over Expenditures	(2,043,401)	(828,519)	1,214,882
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>718,500</u>	<u>820,032</u>	<u>101,532</u>
Total Other Financing Sources (Uses):	<u>718,500</u>	<u>820,032</u>	<u>101,532</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(1,324,901)	(8,487)	1,316,414
Fund Balance at Beginning of Year	1,034,326	1,034,326	0
Prior Year Encumbrances	<u>290,575</u>	<u>290,575</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$1,316,414</u>	<u>\$1,316,414</u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

TIF DISTRICT-COSHOCTON ROAD

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$58,500	\$65,457	\$6,957
Intergovernmental Revenues	1,722,500	1,399,906	(322,594)
Investment Earnings	0	191	191
Total Revenues	<u>1,781,000</u>	<u>1,465,554</u>	<u>(315,446)</u>
<u>Expenditures:</u>			
Transportation:			
Street:			
Contractual Services	25,728	18,843	6,885
Supplies and Materials	1,172	1,144	28
Capital Outlay	5,215,000	1,903,280	3,311,720
Total Expenditures	<u>5,241,900</u>	<u>1,923,267</u>	<u>3,318,633</u>
Excess (Deficiency) of Revenues over Expenditures	(3,460,900)	(457,713)	3,003,187
<u>Other Financing Sources (Uses):</u>			
Proceeds from SIB Loan	3,500,000	760,474	(2,739,526)
Operating Transfers Out	(39,100)	0	39,100
Advances In	500,000	500,000	0
Advances Out	(500,000)	(500,000)	0
Total Other Financing Sources (Uses):	<u>3,460,900</u>	<u>760,474</u>	<u>(2,700,426)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	0	302,761	302,761
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$302,761</u>	<u>\$302,761</u>

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or when the City has decided that periodic determination of net income is appropriate for accountability purposes.

Water Fund

To account for the operation of the City's water service.

Sewer Fund

To account for the operation of the City's sanitary sewer service.

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2001

	Water Fund	Sewer Fund	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$1,644,384	\$4,376,381	\$6,020,765
Receivables (net of allowances for doubtful accounts):			
Accounts	566,278	571,509	1,137,787
Inventory of Supplies at Cost	83,303	47,747	131,050
Prepaid Items	5,783	10,522	16,305
Restricted Assets:			
Cash and Cash Equivalents	892,591	317,910	1,210,501
Cash with Fiscal Agents	670,815	269,982	940,797
Property Plant and Equipment	26,894,923	19,353,366	46,248,289
Less Accumulated Depreciation	(5,511,854)	(8,812,310)	(14,324,164)
Net Fixed Assets	21,383,069	10,541,056	31,924,125
Construction in Progress	1,218,183	46,711	1,264,894
Total Assets	<u>\$26,464,406</u>	<u>\$16,181,818</u>	<u>\$42,646,224</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$59,076	\$52,383	\$111,459
Accrued Wages and Benefits	42,735	46,201	88,936
Contracts Payable	55,907	10,560	66,467
Retainage Payable	228,287	0	228,287
Matured Bonds and Interest Payable	2,275	0	2,275
Accrued Interest Payable	29,729	28,762	58,491
General Obligation Notes Payable	0	2,500,000	2,500,000
Compensated Absences Payable	103,122	122,986	226,108
General Obligation Bonds Payable	7,960,000	0	7,960,000
Revenue Bonds Payable	7,485,000	1,890,000	9,375,000
Total Liabilities	<u>15,966,131</u>	<u>4,650,892</u>	<u>20,617,023</u>
Fund Equity:			
Contributed Capital	853,938	3,899,872	4,753,810
Retained Earnings:			
Reserved for Revenue Bond Indenture	670,815	269,982	940,797
Unreserved	8,973,522	7,361,072	16,334,594
Total Retained Earnings	<u>9,644,337</u>	<u>7,631,054</u>	<u>17,275,391</u>
Total Fund Equity	<u>10,498,275</u>	<u>11,530,926</u>	<u>22,029,201</u>
Total Liabilities and Fund Equity	<u>\$26,464,406</u>	<u>\$16,181,818</u>	<u>\$42,646,224</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Water Fund	Sewer Fund	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$2,583,998	\$2,308,546	\$4,892,544
Other Operating Revenues	103,399	139	103,538
Total Operating Revenues	<u>2,687,397</u>	<u>2,308,685</u>	<u>4,996,082</u>
<u>Operating Expenses:</u>			
Personal Services	830,766	891,706	1,722,472
Materials and Supplies	452,650	82,723	535,373
Contractual Services	51,417	204,648	256,065
Utilities	226,844	237,615	464,459
Depreciation	584,530	392,179	976,709
Other Operating Expenses	2,100	2,095	4,195
Total Operating Expenses	<u>2,148,307</u>	<u>1,810,966</u>	<u>3,959,273</u>
Operating Income	539,090	497,719	1,036,809
<u>Nonoperating Revenues (Expenses):</u>			
Investment Earnings	162,870	207,823	370,693
Interest and Fiscal Charges	(784,952)	(225,492)	(1,010,444)
Gain on Disposal of Fixed Assets	118	10,118	10,236
Total Nonoperating Revenues (Expenses)	<u>(621,964)</u>	<u>(7,551)</u>	<u>(629,515)</u>
Income (Loss) Before Operating Transfers	(82,874)	490,168	407,294
<u>Operating Transfers:</u>			
Operating Transfers Out	(24,500)	(25,000)	(49,500)
Total Operating Transfers	<u>(24,500)</u>	<u>(25,000)</u>	<u>(49,500)</u>
Net Income (Loss)	(107,374)	465,168	357,794
Restated Retained Earnings at Beginning of Year	<u>9,751,711</u>	<u>7,165,886</u>	<u>16,917,597</u>
Retained Earnings at End of Year	<u>\$9,644,337</u>	<u>\$7,631,054</u>	<u>\$17,275,391</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Water	Sewer	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,697,347	\$2,358,735	\$5,056,082
Cash Payments for Goods and Services	(745,142)	(777,897)	(1,523,039)
Cash Payments to Employees	(816,862)	(875,246)	(1,692,108)
Net Cash Provided by Operating Activities	<u>1,135,343</u>	<u>705,592</u>	<u>1,840,935</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	(24,500)	(25,000)	(49,500)
Net Cash Used by Noncapital Financing Activities	<u>(24,500)</u>	<u>(25,000)</u>	<u>(49,500)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from General Obligation Notes	0	2,500,000	2,500,000
Proceeds from Sale of Fixed Assets	118	10,118	10,236
Acquisition and Construction of Assets	(1,417,866)	(2,174,912)	(3,592,778)
Principal Paid on General Obligation Notes	0	(2,500,000)	(2,500,000)
Principal Paid on General Obligation Bonds	(345,000)	0	(345,000)
Principal Paid on Revenue Bonds	(305,000)	(120,000)	(425,000)
Interest Paid on All Debt	(786,143)	(246,223)	(1,032,366)
Net Cash Used for Capital and Related Financing Activities	<u>(2,853,891)</u>	<u>(2,531,017)</u>	<u>(5,384,908)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	162,870	207,823	370,693
Net Cash Provided by Investing Activities	<u>162,870</u>	<u>207,823</u>	<u>370,693</u>
Net Decrease in Cash and Cash Equivalents	(1,580,178)	(1,642,602)	(3,222,780)
Cash and Cash Equivalents at Beginning of Year	4,787,968	6,606,875	11,394,843
Cash and Cash Equivalents at End of Year	<u>\$3,207,790</u>	<u>\$4,964,273</u>	<u>\$8,172,063</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income	\$539,090	\$497,719	\$1,036,809
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	584,530	392,179	976,709
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	9,950	50,050	60,000
Increase in Inventory	(40,164)	(12,433)	(52,597)
(Increase) Decrease in Prepaid Items	1,985	(3,646)	(1,661)
Decrease in Accounts Payable	(101,880)	(29,970)	(131,850)
Increase in Accrued Wages and Benefits	5,665	7,706	13,371
Decrease in Contracts Payable	(100,438)	(204,860)	(305,298)
Increase in Retainage Payable	228,287	0	228,287
Increase in Compensated Absences	8,318	8,847	17,165
Total Adjustments	<u>596,253</u>	<u>207,873</u>	<u>804,126</u>
Net Cash Provided by Operating Activities	<u>\$1,135,343</u>	<u>\$705,592</u>	<u>\$1,840,935</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2001 the Water and Sewer Funds had outstanding liabilities of \$40,936 and \$10,560, respectively, for the purchase of capital assets.

FIDUCIARY FUND TYPES

Fiduciary Fund Types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

EXPENDABLE TRUST FUNDS

Mausoleum Trust Fund

To account for funds on deposit used for the purpose of upkeep, repair and maintenance of the mausoleum.

Bonds and Inspection Fee Trust Fund

To account for funds on deposit as required by City ordinance for subdivision construction.

Veterans Honor Walk Trust Fund

To account for funds on deposit used for the purpose of upkeep, repair and maintenance of the Veterans Walk of Honor and the Civil War monument located on the city square.

NONEXPENDABLE TRUST FUND

Perpetual Care Trust Fund

To account for funds on deposit used for the purpose of upkeep, repair and maintenance of the cemetery.

AGENCY FUND

Municipal Court Fund

To account for funds that flow through the municipal court office.

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2001

	<i>Expendable Trust Funds</i>			<i>Nonexpendable Trust Fund</i>	<i>Agency Fund</i>	Totals
	Mausoleum Trust	Bonds and Inspection Fee Trust	Veterans Honor Walk Trust	Perpetual Care Trust	Municipal Court	
<u>Assets:</u>						
Cash and Cash Equivalents	\$1,787	\$5,451	\$59,103	\$0	\$0	\$66,341
Receivables (net of allowance for doubtful accounts):						
Accounts	0	0	0	3,935	0	3,935
Restricted Assets:						
Cash and Cash Equivalents	0	0	0	280,495	84,665	365,160
Total Assets	<u>\$1,787</u>	<u>\$5,451</u>	<u>\$59,103</u>	<u>\$284,430</u>	<u>\$84,665</u>	<u>\$435,436</u>
<u>Liabilities and Fund Equity:</u>						
Liabilities:						
Due to Other Funds	\$0	\$0	\$0	\$0	\$41,798	\$41,798
Intergovernmental Payables	0	0	0	0	29,577	29,577
Due to Others	0	0	0	0	13,290	13,290
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84,665</u>	<u>84,665</u>
Fund Equity:						
Reserved for Encumbrances	0	3,800	180	0	0	3,980
Reserved for Endowments	0	0	0	284,430	0	284,430
Unreserved	1,787	1,651	58,923	0	0	62,361
Total Fund Equity	<u>1,787</u>	<u>5,451</u>	<u>59,103</u>	<u>284,430</u>	<u>0</u>	<u>350,771</u>
Total Liabilities and Fund Equity	<u>\$1,787</u>	<u>\$5,451</u>	<u>\$59,103</u>	<u>\$284,430</u>	<u>\$84,665</u>	<u>\$435,436</u>

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

	Mausoleum Trust	Bonds and Inspection Fee Trust	Veterans Honor Walk Trust	Totals
<u>Revenues:</u>				
Charges for Services	\$0	\$0	\$6,620	\$6,620
Investment Earnings	64	0	674	738
All Other Revenues	0	4,900	0	4,900
Total Revenues	<u>64</u>	<u>4,900</u>	<u>7,294</u>	<u>12,258</u>
<u>Expenditures:</u>				
Community Environment	<u>0</u>	<u>800</u>	<u>3,295</u>	<u>4,095</u>
Total Expenditures	<u>0</u>	<u>800</u>	<u>3,295</u>	<u>4,095</u>
Excess (Deficiency) of Revenues Over Expenditures	64	4,100	3,999	8,163
Fund Balance at Beginning of Year	<u>1,723</u>	<u>1,351</u>	<u>55,104</u>	<u>58,178</u>
Fund Balance at End of Year	<u><u>\$1,787</u></u>	<u><u>\$5,451</u></u>	<u><u>\$59,103</u></u>	<u><u>\$66,341</u></u>

THE CITY OF MOUNT VERNON, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Municipal Court</u>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$97,162	\$1,374,480	(\$1,386,977)	\$84,665
Total Assets	<u>\$97,162</u>	<u>\$1,374,480</u>	<u>(\$1,386,977)</u>	<u>\$84,665</u>
Liabilities:				
Due to Other Funds	\$41,613	\$823,609	(\$823,424)	\$41,798
Intergovernmental Payables	22,158	351,992	(344,573)	29,577
Due to Others	33,391	198,879	(218,980)	13,290
Total Liabilities	<u>\$97,162</u>	<u>\$1,374,480</u>	<u>(\$1,386,977)</u>	<u>\$84,665</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2001

General Fixed Assets

Land	\$1,421,932
Buildings and Improvements	5,859,235
Improvements Other Than Buildings	544,424
Machinery and Equipment	4,874,741
Construction In Progress	36,442
Total General Fixed Assets	\$12,736,774

Investment in General Fixed Assets

General Fund	\$5,355,774
Special Revenue Funds	254,908
Capital Projects Fund	6,844,465
Proprietary Funds	84,846
Contributions	15,058
Federal Grants	103,827
State Grants	77,896
Total Investment in General Fixed Assets	\$12,736,774

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2001

Function and Activity	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Construction In Progress	Total
<u>General Government:</u>						
Administration	\$109,015	\$1,186,072	\$7,752	\$0	\$0	\$1,302,839
City Council	0	3,990	0	10,009	0	13,999
Mayor	0	0	0	8,911	0	8,911
City Auditor	0	0	0	62,641	0	62,641
Law Director	0	0	0	28,407	0	28,407
Income Tax	0	0	0	17,821	0	17,821
Municipal Court	0	4,587	0	178,708	0	183,295
Safety and Service Engineer	0	0	0	57,697	0	57,697
	0	0	0	399,427	0	399,427
Public Lands and Buildings	960	369,897	3,143	129,550	25,036	528,586
Total	<u>109,975</u>	<u>1,564,546</u>	<u>10,895</u>	<u>893,171</u>	<u>25,036</u>	<u>2,603,623</u>
<u>Security of Persons and Property:</u>						
Police	0	255,058	0	732,116	0	987,174
Fire	809,550	2,623,433	4,056	1,627,602	0	5,064,641
Total	<u>809,550</u>	<u>2,878,491</u>	<u>4,056</u>	<u>2,359,718</u>	<u>0</u>	<u>6,051,815</u>
<u>Transportation:</u>						
Street	0	93,950	20,437	1,078,802	11,406	1,204,595
<u>Leisure Time Activities:</u>						
Parks and Recreation	454,372	1,242,286	419,777	382,458	0	2,498,893
<u>Public Health and Welfare:</u>						
Cemetery	48,035	79,962	89,259	160,592	0	377,848
Total General Fixed Assets	<u>\$1,421,932</u>	<u>\$5,859,235</u>	<u>\$544,424</u>	<u>\$4,874,741</u>	<u>\$36,442</u>	<u>\$12,736,774</u>

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

Function and Activity	Restated December 31, 2000	Additions	Deletions	December 31, 2001
<u>General Government:</u>				
Administration	\$1,274,934	\$27,905	\$0	\$1,302,839
City Council	13,999	0	0	13,999
Mayor	12,003	0	(3,092)	8,911
City Auditor	62,641	0	0	62,641
Law Director	24,900	3,507	0	28,407
Income Tax	17,821	0	0	17,821
Municipal Court	132,541	50,754	0	183,295
Safety and Service	57,697	0	0	57,697
Engineer	190,130	209,297	0	399,427
Public Lands and Buildings	509,087	234,465	(214,966)	528,586
Total	<u>2,295,753</u>	<u>525,928</u>	<u>(218,058)</u>	<u>2,603,623</u>
<u>Security of Persons and Property:</u>				
Police	1,022,835	77,664	(113,325)	987,174
Fire	5,146,119	61,445	(142,923)	5,064,641
Total	<u>6,168,954</u>	<u>139,109</u>	<u>(256,248)</u>	<u>6,051,815</u>
<u>Transportation:</u>				
Street	1,118,311	91,004	(4,720)	1,204,595
<u>Leisure Time Activities:</u>				
Parks and Recreation	2,340,269	174,338	(15,714)	2,498,893
<u>Public Health and Welfare:</u>				
Cemetery	349,438	77,665	(49,255)	377,848
Total General Fixed Assets	<u>\$12,272,725</u>	<u>\$1,008,044</u>	<u>(\$543,995)</u>	<u>\$12,736,774</u>

STATISTICAL SECTION

STATISTICAL TABLES

THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.

THE CITY OF MOUNT VERNON, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Trans- portation	General Government	Capital Outlay	Debt Service	Total
1992	\$2,058,837	\$213,548	\$158,944	\$11,648	\$4,312	\$1,678,636	\$172,758	\$35,467	\$4,334,150
1993	2,093,070	186,384	169,492	12,469	5,604	1,883,429	60,088	27,875	4,438,411
1994	2,009,070	199,127	182,262	17,809	16,228	1,990,182	66,472	27,875	4,509,025
1995	2,120,562	182,406	216,522	23,111	35,595	2,054,523	352,973	27,875	5,013,567
1996	2,427,691	192,696	258,487	24,590	122,725	1,994,580	169,034	27,875	5,217,678
1997	2,572,669	188,363	283,896	23,614	76,254	2,198,836 *	124,809	27,875	5,496,316
1998	2,686,857	230,957	304,307	22,345	56,043	2,411,408	177,728	27,875	5,917,520
1999	2,786,548	233,959	301,104	23,986	65,337	2,905,006	373,524	27,875	6,717,339
2000	a 3,319,250	235,312	343,284	25,168	62,485	3,091,945	0	27,874	7,105,318
2001	a 3,431,595	258,552	311,714	23,320	66,076	3,158,428	0	27,875	7,277,560

* 1997 Includes Other Expenditures

a Capital Outlay is reported as part of each individual function.

Source: Mount Vernon City Auditor

THE CITY OF MOUNT VERNON, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN YEARS

Year	Tax Revenues	Inter-Governmental Revenues	Charges for Services	Licenses and Permits	Investment Earnings	Fines and Forfeitures	All Other Revenues	Total
1992	\$4,310,749	\$64,450	\$37,135	\$162,366	\$118,995	\$116,848	\$72,865	\$4,883,408
1993	4,561,600	69,674	44,740	201,332	112,538	125,345	69,438	5,184,667
1994	4,326,449	677,803	53,006	230,432	184,643	143,736	36,072	5,652,141
1995	4,583,336	750,867	54,368	228,939	329,796	156,429	61,685	6,165,420
1996	4,842,514	855,294	49,522	252,530	444,799	162,971	128,751	6,736,381
1997	5,423,778	818,170	43,618	247,298	541,575	172,019	73,181	7,319,639
1998	5,708,650	916,301	49,376	244,308	522,895	170,003	149,156	7,760,689
1999	5,637,207	840,998	153,162	245,069	351,739	153,143	83,365	7,464,683
2000	5,980,396	1,162,416	191,240	201,556	329,032	191,521	145,391	8,201,552
2001	6,197,984	867,136	157,343	333,894	229,855	217,162	71,756	8,075,130

Source: Mount Vernon City Auditor

THE CITY OF MOUNT VERNON, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN YEARS

<u>Collection Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections (1)</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
1992	\$5,514,371	\$5,040,109	\$276,575	\$5,316,684	96.42%
1993	5,479,892	5,273,904	168,034	5,441,938	99.31%
1994	6,830,781	5,029,614	181,241	5,210,855	76.28%
1995	7,043,288	5,284,801	167,927	5,452,728	77.42%
1996	7,238,700	5,475,218	216,883	5,692,101	78.63%
1997	9,150,925	6,585,125	176,187	6,761,312	73.89%
1998	9,039,881	6,544,003	234,581	6,778,584	74.99%
1999	9,163,744	6,746,147	267,693	7,013,840	76.54%
2000	10,024,266	7,137,114	260,369	7,397,483	73.80%
2001	10,209,788	7,227,375	253,717	7,481,092	73.27%

(1) Neither net tax levy nor collections include state reimbursements for property tax reductions of Rollback, 2.5% reduction or Homestead exemption

Source: Knox County Auditor

THE CITY OF MOUNT VERNON, OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year	Real Property (1)		Tangible Personal Property (2)		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1992	\$105,214,300	\$300,612,286	\$75,803,045	\$165,847,430	\$181,017,345	\$466,459,716	38.81%
1993	117,080,400	334,436,816	65,153,304	141,007,600	182,233,704	475,444,416	38.33%
1994	115,694,040	330,499,162	65,868,360	232,096,748	181,562,400	562,595,910	32.27%
1995	121,223,370	346,294,787	68,378,788	243,355,677	189,602,158	589,650,464	32.16%
1996	139,825,320	399,500,914	65,661,320	231,981,147	205,486,640	631,482,061	32.54%
1997	140,425,920	401,216,914	73,889,229	266,431,730	214,315,149	667,648,644	32.10%
1998	144,456,903	412,734,009	82,024,998	297,688,660	226,481,901	710,422,669	31.88%
1999	167,620,327	478,915,221	84,346,665	308,947,142	251,966,992	787,862,363	31.98%
2000	172,726,940	493,540,019	104,332,879	389,960,565	277,059,819	883,500,584	31.36%
2001	174,059,290	497,344,385	73,597,841	273,986,671	247,657,131	771,331,056	32.11%

The current assessed valuation is computed at approximately the following percentages of estimated true value:
Real Property-35%, Public Utility Personal Property-88%, and Tangible Personal Property-25%

- (1) Includes Public Utility Real Property
- (2) Includes Public Utility Personal Property and Tangibles

Source: Knox County Auditor

THE CITY OF MOUNT VERNON, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS

Collection Year	City of Mount Vernon			Total City	Mount Vernon*		Knox County	Special Taxing Districts	Total
	General Fund	Police Pension	Fire Pension		Knox County Career Center** School District				
1992	2.60	0.30	0.30	3.20	33.60	*	8.70	0.90	46.40 *
					4.70	**			4.70 **
1993	2.60	0.30	0.30	3.20	36.20	*	8.70	0.80	48.90 *
					4.70	**			4.70 **
1994	2.60	0.30	0.30	3.20	36.20	*	8.70	0.80	48.90 *
					6.40	**			6.40 **
1995	2.60	0.30	0.30	3.20	35.60	*	8.70	0.80	48.30 *
					6.40	**			6.40 **
1996	2.60	0.30	0.30	3.20	40.59	*	8.70	0.80	53.29 *
					6.40	**			6.40 **
1997	2.60	0.30	0.30	3.20	39.87	*	8.70	0.80	52.57 *
					6.40	**			6.40 **
1998	2.60	0.30	0.30	3.20	39.87	*	8.70	0.80	52.57 *
					6.40	**			6.40 **
1999	2.60	0.30	0.30	3.20	37.54	*	8.70	0.80	50.24 *
					6.40	**			6.40 **
2000	2.60	0.30	0.30	3.20	36.74	*	8.70	0.80	49.44 *
					6.40	**			6.40 **
2001	2.60	0.30	0.30	3.20	36.64	*	8.70	0.70	49.24 *
					6.40	**			6.40 **

Source: Knox County Auditor
Knox County Treasurer

THE CITY OF MOUNT VERNON, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1992	\$17,246	\$8,802	51.04%
1993	0 (1)	0	0.00%
1994	0 (1)	0	0.00%
1995	0 (1)	0	0.00%
1996	0 (1)	0	0.00%
1997	0 (1)	0	0.00%
1998	0 (1)	0	0.00%
1999	0 (1)	0	0.00%
2000	0 (1)	0	0.00%
2001	0 (1)	0	0.00%

(1) There were no Special Assessments during the years 1993 through 2001.

Source: Knox County Auditor

THE CITY OF MOUNT VERNON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2001

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$247,657,131	\$247,657,131
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	26,003,999	13,621,142
Applicable City Debt Outstanding (2)	40,000	40,000
Less: Applicable Debt Service Fund Amounts	(40,213)	(40,213)
Net Indebtedness Subject to Limitation	0	0
Legal Debt Margin	\$26,003,999	\$13,621,142

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Bonds Only
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin

THE CITY OF MOUNT VERNON, OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1992	14,504	\$181,017,345	\$400,000	\$296,953	\$103,047	0.06%	\$7.10
1993	14,504	182,233,704	360,000	305,502	54,498	0.03%	3.76
1994	14,504	181,562,400	320,000	316,902	3,098	0.00%	0.21
1995	14,504	189,602,158	280,000	330,920	0	0.00%	0.00
1996	14,504	205,486,640	240,000	203,592	36,408	0.02%	2.51
1997	14,504	214,315,149	200,000	159,245	40,755	0.02%	2.81
1998	14,504	226,481,901	160,000	115,058	44,942	0.02%	3.10
1999	14,504	251,966,992	120,000	71,093	48,907	0.02%	3.37
2000	14,375	277,059,819	80,000	37,143	42,857	0.02%	2.98
2001	14,375	247,657,131	40,000	40,213	0	0.00%	0.00

(1) Source: U.S. Bureau of Census, Federal 1990 Census (1992-1999); Federal 2000 Census (2000-2001)

(2) Source: Knox County Auditor

(3) Includes all general obligation bonded debt supported by property taxes

THE CITY OF MOUNT VERNON, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN YEARS

<u>Year</u>	<u>Debt Service on General Tax Supported Debt (1)</u>	<u>Debt Service on Self Supporting Debt</u>	<u>Total Bonded Debt Service</u>	<u>General Fund Expenditures (2)</u>	<u>Ratio of Tax Supported Debt Service to General Fund Expenditures</u>
1992	\$65,849	\$145,025	\$210,874	\$4,334,150	1.52%
1993	63,499	138,975	202,474	4,438,411	1.43%
1994	61,420	117,925	179,345	4,509,025	1.36%
1995	58,836	112,544	171,380	5,013,567	1.17%
1996	56,449	111,156	167,605	5,217,678	1.08%
1997	54,100	110,298	164,398	5,496,316	0.98%
1998	51,750	468,763	520,513	5,917,520	0.87%
1999	49,400	750,914	800,314	6,717,339	0.74%
2000	47,050	746,806	793,856	7,105,318	0.66%
2001	44,700	742,008	786,708	7,277,560	0.61%

(1) Does not include special assessment debt

(2) Excludes operating transfers-out

THE CITY OF MOUNT VERNON, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING
GOVERNMENTAL DEBT
DECEMBER 31, 2001

<u>Jurisdiction (1)</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Mount Vernon</u>	<u>Amount Applicable to City of Mount Vernon</u>
Direct			
City of Mount Vernon	\$0	100.00%	\$0
Overlapping Subdivisions			
Mount Vernon School District	9,817,766	56.33%	5,530,348
Knox County	11,715,000	31.73%	3,717,170
		Subtotal	<u>9,247,518</u>
		Total	<u><u>\$9,247,518</u></u>

(1)Knox County Career Center Vocational School District have no outstanding debt supported by a tax levy.

Source: Knox County Auditor and Fiscal Officers of Subdivision

THE CITY OF MOUNT VERNON, OHIO
REVENUE BOND COVERAGE - WATER AND SEWER MORTGAGE BONDS (1)
LAST TEN YEARS

<u>Year</u>	<u>Gross Revenues (2)</u>	<u>Direct Operating Expenses (3)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirement (4)</u>	<u>Coverage</u>
1992	\$3,370,305	\$2,445,748	\$924,557	\$132,200	6.99
1993	3,710,506	1,953,376	1,757,130	315,450	5.57
1994	4,131,732	2,095,788	2,035,944	324,000	6.28
1995	3,953,568	2,404,455	1,549,113	311,120	4.98
1996	3,852,079	2,679,096	1,172,983	313,205	3.75
1997	3,917,152	2,465,050	1,452,102	239,380	6.07
1998	4,142,566	2,316,424	1,826,142	239,730	7.62
1999	4,547,036	2,812,248	1,734,788	801,924	2.16
2000	4,669,162	3,349,298	1,319,864	874,577	1.51
2001	4,996,082	2,982,564	2,013,518	873,862	2.30

(1) The Sewer Mortgage Revenue Bonds were issued in 1992, in the amount of \$2,800,000
The Water Mortgage Revenue Bonds were issued in 1999, in the amount of \$8,370,000

(2) Gross revenues include operating revenues less proceeds from notes

(3) Direct operating expenses include operating expenses less depreciation

(4) Annual debt service requirements include principal and interest on revenue bonds only
It does not include the general obligation bonds reported in the Water and Sewer Funds

THE CITY OF MOUNT VERNON, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	City of Mount Vernon Population	Knox County Population	Unemployment Rate Knox County Area	Per Capita Income Knox County Area	School Enrollment Mount Vernon Area Only
1992	14,504	47,473	6.90%	N/A	3,901
1993	14,504	47,473	6.20%	N/A	3,997
1994	14,504	47,473	5.20%	N/A	4,026
1995	14,504	47,473	5.70%	N/A	4,112
1996	14,504	47,473	5.10%	\$10,688	4,127
1997	14,504	47,473	4.50%	10,688	4,021
1998	14,504	47,473	5.50%	10,688	4,126
1999	14,504	47,473	4.20%	10,688	4,169
2000	14,375	54,500	3.80%	10,688	4,162
2001	14,375	54,500	3.90%	10,688	4,194

Sources: U.S. Bureau of Census of Population - Federal 1990 Census (1992-1999), Federal 2000 Census (2000-2001) and Department of Job and Family Services, Ohio Data Users Center, and Mount Vernon School District, Board of Education

THE CITY OF MOUNT VERNON, OHIO
PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS

<u>Year</u>	<u>Residential (1)</u>		<u>Commercial (1)</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
1992	145	\$894,857	124	\$9,968,720
1993	119	2,192,066	131	6,149,843
1994	114	1,381,707	122	6,343,790
1995	104	3,076,241	119	11,551,810
1996	116	5,468,084	132	8,487,434
1997	131	6,594,204	126	2,710,931
1998	129	6,031,144	130	3,961,681
1999	122	7,909,815	69	20,734,949
2000	122	3,720,320	81	4,399,818
2001	156	4,825,705	58	17,281,307

(1) Source: City of Mount Vernon Engineering Department

THE CITY OF MOUNT VERNON, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)
DECEMBER 31, 2001

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	American Electric Power	Utility	\$4,246,480	2.44%
2	Glimcher Holdings, L/P	Real Estate	2,887,230	1.66%
3	Cooper Cameron Corporation	Manufacturing	2,571,000	1.48%
4	Weyerhaeuser Company	Manufacturing	2,263,470	1.30%
5	Sprint	Utility	2,248,460	1.29%
6	Ariel Corporation	Manufacturing	1,704,060	0.98%
7	Jeld-Wen, Inc.	Manufacturing	1,380,020	0.79%
8	Wal-Mart Stores Inc.	Retail	1,200,390	0.69%
9	Mount Vernon Shopping Plaza, Inc.	Retail	788,190	0.45%
10	Columbia Gas of Ohio, Inc.	Utility	631,280	0.36%
	Sub-Total		<u>19,920,580</u>	<u>11.44%</u>
	All Others		<u>154,138,710</u>	<u>88.56%</u>
	Total		<u><u>\$174,059,290</u></u>	<u><u>100.00%</u></u>

Based on valuation of property taxes levied in 2001

Source: Knox County, Ohio: County Auditor - Land and Buildings

THE CITY OF MOUNT VERNON, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2001

		<u>Number of Employees</u>		
<u>Employer</u>	<u>Type of Business</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Total</u>
1	Rolls Royce	819	0	819
2	Mount Vernon Nazarene College	342	321	663
3	Knox Community Hospital	N/A	N/A	575
4	Board of Education (City)	425	108	533
5	Knox County	485	40	525
6	Ariel Corporation	450	7	457
7	Kelsey-Hayes	453	0	453
8	Jeld-Wen, Inc.	393	7	400
9	Breon, Inc.	74	222	296
10	Wal-Mart	126	31	157

Source: Mount Vernon City Income Tax and Each Employer's Personnel Department

THE CITY OF MOUNT VERNON, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2001

Date of Incorporation	1830	Water System:	
Form of Government	Mayor/Council	Number of Purification Plants	1
Area (square miles)	9.2	Miles of Water Mains	63
		Number of Fire Hydrants	484
Facilities and Services:		Number of Service Connections	6,047
Miles of Streets	76	Average Daily Consumption (gallons)	2,477,529
Number of Street Lights	1,470	Maximum Daily Capacity	5,000,000
(per Ohio Power Company)		of Plant (gallons)	
Police Services:		Sewerage System:	
Number of Stations	1	Number of Treatment Plants	1
Number of Police Personnel		Miles of Sanitary Sewers	62
and Officers	32	Miles of Storm Sewers	14
Number of Patrol Units	6	Number of Service Connections	6,217
Number of Law Violations:		Average Daily Treatment (gallons)	2,511,140
Criminal /Juvenile Citations		Maximum Daily Capacity	
and Charges	1,663	of Treatment (gallons)	5,000,000
Traffic Citations Issued	2,832		
Parking Tickets Written	23,636	Parking Facilities:	
Fire/Emergency Medical Services:		Off-Street Parking Garages	1
Number of Stations	2	Parking Levels	3
Number of Officers and		Parking Spaces	124
Fire Personnel	32	Average Daily Cars Parked	111
Number of Calls Answered	3,425	Parking Spaces	47
Number of Inspections	250	On-Street Parking Meters	542
		Off-Street Surface Parking Lot	2
Recreation and Culture:		Education:	
Number of Parks	7	Elementary Schools	7
Park Area (acres)	176.58	Elementary School Students	2,902
Number of Ball Fields:		Elementary School Instructors	292
Lighted	6	Secondary Schools	2
Unlighted	5	Secondary School Students	1,292
Number of Tennis Courts:		Secondary School Instructors	70
Lighted	8	Colleges	1
Unlighted	2	College Students	2,238
Building Permits Issued in 2001:	214	Number of Libraries	1
		(Operated by Knox County)	
Number of Cemeteries	1	Number of Hospitals	1
Cemetery Area (acres)	49.5	Number of Patient Beds	115
		Number of Bassinets	10

* Total School District data provided by the Mount Vernon School District





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF MT. VERNON

KNOX COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 30, 2002**