



Dave Yost • Auditor of State

CITY OF MOUNT VERNON
KNOX COUNTY

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**CITY OF MOUNT VERNON
KNOX COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF URBAN DEVELOPMENT <i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants	A-F-10-149-1	14.228	\$ 9,144
	A-C-10-149-1		56,689
Neighborhood Stabilization Program Grant - General	n/a		30,227
Neighborhood Stabilization Program Grant - Construction	n/a		<u>328,009</u>
Total Community Block Development Grants			424,069
Home Improvement Partnerships Program	A-C-10-149-2	14.239	<u>239,246</u>
Total U.S. Department of Urban Development			663,315
Total			<u>\$ 663,315</u>

The accompanying notes are an integral part of this schedule.

**CITY OF MOUNT VERNON
KNOX COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of Mount Vernon, Knox County, Ohio (the City) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Members of City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Mount Vernon, Knox County, Ohio, (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2012, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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City of Mount Vernon
Knox County
Independent Accountants' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 19, 2012.

We intend this report solely for the information and use of management, the audit committee, City Council, and federal awarding agencies and pass-through entities and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

June 19, 2012



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Members of City Council:

Compliance

We have audited the compliance of 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 could directly and materially affect the City's major federal program for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to opine on the City's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with these requirements.

In our opinion, the City of Mount Vernon, Knox County, Ohio, complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2011.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio, (the City) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 19, 2012, wherein we noted the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the City's Council and others within the entity, its federal awarding agency, and its pass-through entity. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

June 19, 2012

**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2011**

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 weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control 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(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grant CFDA #14.228
<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?	No

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

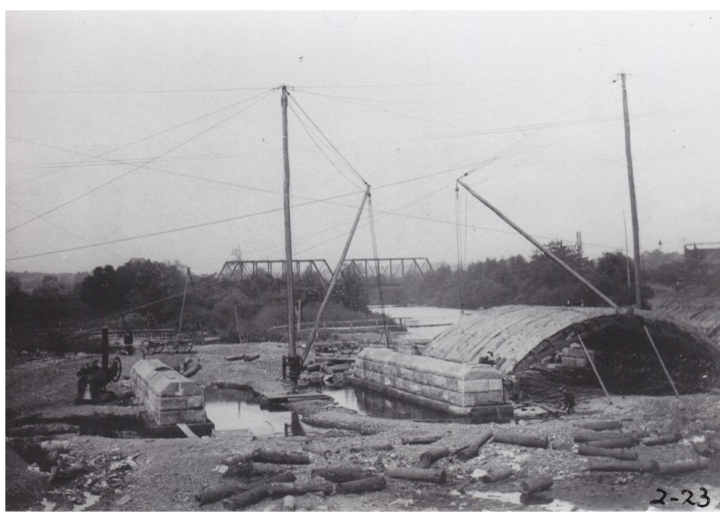
None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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City of Mount Vernon, Ohio
Comprehensive Annual Financial Report
Year Ended
December 31, 2011





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2011

Prepared by the Auditor's Office

Terry Scott
City Auditor



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KNOX COUNTY, OHIO

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Introductory Section







CITY OF MOUNT VERNON

40 Public Square • Mount Vernon, Ohio 43050
Terry Scott, City Auditor

phone (740) 393-9523

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June 19, 2012

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, 2011. 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; 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.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Mount Vernon's MD&A can be found immediately following the Independent Accountants' Report.

THE REPORTING ENTITY:

The accompanying basic 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, fire protection, parks and recreation, cemetery, 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.

CITY OF MOUNT VERNON, OHIO

Letter of Transmittal For the Year Ended December 31, 2011

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 2011.

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 \$20,000 for an operating grant to MOTA for 2011.

Knox County General Health District as a combined agency was created in 1983 as provided in Section 3709.07 of the Ohio Revised Code. The jointly governed organization's board is composed of nine members; six members from the townships and villages, and three members from the City. The combined Knox County General Health District was organized to provide public health services as required by the Ohio Revised Code and the Ohio Administrative Code, and such other services as are duly authorized or required by regulations of the District and can be furnished within the financial resources available to the District. The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$45,935 for operations of the combined District for 2011.

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.

***Letter of Transmittal
For the Year Ended December 31, 2011***

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 9.8 square mile area serves a residential population of 16,990. State highways 3, 13, 229 and 586 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 eight firefighters, twenty-seven firefighter/paramedics, three paramedics and one executive secretary. All Fire Department services including all basic fire protection, emergency medical and rescue services are tax supported. There is a charge levied to health insurance companies for emergency medical services described above.

Engineering Department - This department has a total of six full-time engineering personnel and one part-time code enforcement officer. They are responsible for code enforcement, 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 five 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, one hundred people are hired to coordinate and administer organized recreational programs in the City's two major parks and to operate the municipal water park/pool.

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 nine full-time employees and five part-time or seasonal employees to help with the fall leaf pick-up program.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Cemetery Department - This department is operated with four full-time employees and five and one fourth 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 6,495 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 operator's 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 operator's 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 the entire 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.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Economic Outlook

The sagging economy and declining employment at the national level continued to be the major focus in 2011. In contrast to the national elements, Mount Vernon, Ohio experienced remarkable signs of improvement. With unemployment starting at 9.1 percent, employers were able to shave this down to a modest 7.6 percent by year end. In 2011, income tax revenues from employee's withholdings increased 6.2 percent and business income tax increased 3.8 percent over 2010 collections. These two measurable indicators provided the city with assurance that our economy and employment were significantly more stable than the national level. Our diverse mix of employment within our community affords the city some barrier from the impact of economic conditions as a whole.

While the increase in income tax revenues was significant, the City still held firm when it came to making appropriations for 2011. Having come from two years of declining revenues, the City took the approach to retain appropriations at the level city council approved in 2009. Each department is to be recognized for doing their part in controlling expenses overall, and still provide the level of service our residents expect. These conservation practices have been the strength in which the city has been able to continue normal operations without having to make drastic labor force reductions or experience elimination of certain services. In the coming year, the City will continue to exercise these conservation practices.

The cross over road between Coshocton Avenue and Yauger Road got underway in 2011. This new road will acquire the current driveway of the local hospital (Knox Community Hospital) and road entrances into the hospital complex will be included with additional street lighting being added. This road is being installed to help traffic flow on both roads and make it safer to travel on Coshocton Avenue. Funding for this project is being provided by the Tax Increment Fund-Coshocton Road area fund and the estimated cost is \$1.050 million.

Brick streets are an important infrastructure within our residential areas of the city. In 2011, two blocks of North McKenzie Street were completely rebuilt with renewed surface levels being installed and the old brick relayed for the surface coat. What a great improvement this continued program has been to our aging brick streets throughout the city. The total cost for these improvements were \$204,700 and was paid from the Capital Improvement Fund. The City intends to continue to rebuild two additional blocks of this street in the coming year.

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 one hundred fifty-seven building permits in 2011 and one hundred fifty-nine in 2010, a decrease of two permits.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Long-term Financial Planning:

Upgrades to the wastewater treatment plant were ongoing during the year. Upgrades include new electrical and instrumentation throughout the facility, a new methane gas heating unit, and a new public septic receiving station. Since this facility has very limited alternative power supply, this project will incorporate a new generator large enough to power the entire facility when alternative power is needed. A significant amount of the plant is currently operated by a manual labor force, and this project will allow the instrumentation to be converted to a more automated operated facility with computerized oversight in place. The cost of this project is approximately \$5.8 million dollars.

The City was approved for a loan on January 11, 2011, for the construction, through the Ohio Environmental Protection Agency (OEPA) Division of Environmental and Financial Assistance (DEFA) program. DEFA has funding available from the Water Pollution Control Loan Fund (WPCLF) whereby participation in the program may help provide funding assistance towards the construction of the public septic receiving station. As outlined by OEPA, as an incentive for public owners of treatment facilities to include equipment designed to receive, treat, and dispose of septage, the WPCLF offers a reduction to a recipient's basic interest rate when it is borrowing from the WPCLF to improve other facilities. The estimated cost of construction of the public septic receiving station is \$1.5 million dollars. Construction was started in mid January and is expected to take up to eighteen months to complete.

The City expects to have final design plans completed by the end of 2012 for a new combined maintenance facility building for the street department and the water and wastewater departments. This new facility will be constructed on property adjacent to the water treatment plant. It will include space to store vehicles and equipment, workshops for each department, a sign shop and hazardous materials storage. Bonds will be issued to finance the construction with an estimated cost of \$3.5 million.

Employee Relations:

The City of Mount Vernon began the third year of a three year contract with the City's three unions. All union contracts were effective January 1, 2009, through December 31, 2011, with annual raises on January 1st of each year. The first is, the Dan Emmett Chapter of the Ohio Civil Service Employees Association (OCSEA), Local 11/American Federation of State, County and Municipal Employees, AFL-CIO, which consists of fifty-seven 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 thirty-seven members of the fire department. The final bargaining unit is the Kokosing Chapter of the Fraternal Order of Police, Ohio Labor Council, Inc. (FOP) which consists of twenty-seven 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. Negotiations were started in November for a new three year contract for each of the three unions.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Unemployment Rates:

The City of Mount Vernon's economic outlook showed signs of improvement for 2011. Starting out the year at 9.1 percent, the unemployment rate flexed with increases and decreases then ended the year at 7.6 percent. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

Major Initiatives

Municipal Court:

The Municipal Court found 2011 to be a regular year of operations. While there continue to be ongoing law changes, the Court did not experience any significant changes compared to previous years.

Traffic cases filed numbered 5,825, a decrease of 409 from those filed in 2010, while criminal case filings of 1,551 increased by 173 cases from those filed in 2010. There was an increase in civil case filings, 1,394 in 2011 compared to 1,259 in 2010.

Fire Department:

The Fire Department updated a portion of its turn out gear along with the replacement of self contained breathing apparatus during the year. A new LifePak Heart Monitor was acquired along with a new pumper truck. Training and certification of firefighters and paramedics continue to be major concentrations for the department. 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.

Fire inspections were an important function of the department during the year. The department is responsible for assessing all commercial and industrial structures within the city. A total of 820 inspections were completed during 2011.

Police Department:

The Police Department continued the annual replacement of three marked police cruisers during 2011.

The department administration has begun the process of a two part transformation in respect to how the department is viewed by the public. First will be the change in the uniform the officers wear. The current black and gray uniforms which have been in place for at least thirty years will give way to a complete black uniform with updated patches. Officers will be fitted and issued these new uniforms in April of 2012.

The second transformation will come in the form of embracing the fast moving world of social networks. This will include launching membership to Facebook and Twitter. The use of such technology will afford the department the ability to distribute information to the public more quickly. For example Facebook will allow the department to post surveillance videos, road closures, and important news more efficiently to the public. These social networks will begin in early 2012.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Training using the Law Enforcement Training Network (LETN) has been very beneficial throughout the year as LETN affords employees the ability to use online training to meet the demands of law enforcement of today. The LETN delivers targeted training that enables officers to respond appropriately to ensure officer safety and reduce liability.

Law enforcement within the City maintains a safe and secure environment for all of its citizens and visitors.

Street Department:

Although the City has many great historical structures, one cannot pass through this community without achieving the opportunity to travel on some nine miles of brick streets distributed through the City. In 2011, the City continued the restoration of brick streets. South McArthur and South McKenzie Streets received new curbing and gutters during the year. A road improvement project on North McKenzie Street between Chestnut Street and Sugar Street was completed during the year. Two additional blocks of North McKenzie Street were started this year. The project cost for these additional blocks is \$311,157 and funding will be provided by the Capital Improvement Fund.

The department continued to make minor repairs and improvement to the brick streets throughout the city with force labor. Work crews remove old bricks, improve the base course, and reinstall the bricks for a more level driving road surface. The investment in tools and equipment combined with our force labor, costs have significantly reduced the cost instead of hiring a contractor to totally remove the roadway and relay it.

New asphalt roads are always an improvement for traffic flow throughout the City. During 2011, the City was able to improve the surface course on eleven streets at a value of \$371,266.

New equipment obtained during the year includes a street sweeper (\$179,979), a one ton pick up truck (\$38,220), a 2 ½ ton dump truck with spreader (\$102,684) all paid for from the Capital Improvement Fund.

With below average snow fall during the months of winter, purchasing road salt was not a concern for the department. This allowed the department to retain a greater fund balance carry over for 2012. Other routine projects completed by the Street Department included street sweeping, traffic line painting, traffic signal repairs, traffic sign replacement and leaf pick-up.

Cemetery Department:

The Cemetery Department continues its restoration project on the chapel located within the cemetery. This year a new slate roof was installed. During the year an assessment of the tile flooring was conducted to best determine the proper method of cleaning and repairing the flooring. This structure has been dated back to as early as 1884, and is currently being petitioned for recognition as a historical structure in Ohio. Continued repairs to monuments and foundations were completed throughout the year. The department continued its five year plan of resurfacing a portion of the roads within the cemetery in 2011. This year was the fourth year of the program and it will be carried forward until all roadways have been improved. Funding for the roadway improvements will be provided for by the Capital Improvements Fund.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Equipment acquired for the department includes a Gravely mower and a flammable liquid storage cabinet.

Engineering Department:

The Engineering Department continued to serve the needs of new construction within the City in 2011. One hundred fifty-seven zoning permits, representing approximately four million dollars in increased property values were issued in 2011. The Engineering Department provided assistance for all new construction and upgrade projects that were conducted by the City in 2011. Additional services provided by the Engineering Department include storm water management, record management of all roads, water systems, wastewater systems and zoning for the city. Records for private and commercial development are also stored by the department. Bridge inspections and the management of the city's geographic information systems is also an important function of the department.

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 244.98 acres of land. Foundation Park, a nature trail and fishing park continues to receive improvements.

The Hiawatha Water Park/Pool complex continued to be a real attraction for the community. In 2011, the water park ended the season with over seven hundred household memberships covering over twenty-five hundred individuals. This was very comparable to the previous year's membership totals. Total daily visitors to the water park average between 1,000 and 1,200. Public participation continues to be well received due to the fact that swimming lessons are included free with the purchase of a membership. During 2011, there were three different schedules for swim lessons, where approximately sixty youth were trained in proper swimming techniques.

Chester Park received a new gazebo that was constructed with the labor force of the Knox County Career Center carpentry students. Fencing will be installed in the upcoming year at this park. A new handicapped parking lot was installed at Memorial Park. Riverside Park received additional handicap parking and a new shelter house. Arch Park and Memorial Park both received new playground equipment with a total cost of \$24,942 paid from the General Fund.

Water Department:

The Water Distribution Division of the Water Department performed various maintenance activities to the lines in 2011. Backflow prevention continues to be monitored to prevent contaminates through the water service connection into the public water system. High risk consumers are the major users the City requires to comply with these regulations. Future service connections to be required will be industrial, commercial and residential users. This will include current and new service connections.

Online bill pay continues to be a major collection of customer's payments by the department. Customers are able to access their account online and make payment at the same time. Comparative water usage charting is also included with this service. The response of use by the customers has been greatly accepted and used widely.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Wastewater Department:

The Wastewater Treatment Plant Division of the Wastewater Department performed routine maintenance of the facility and equipment throughout 2011. The department began the wastewater treatment plant upgrades to the electrical and instrumentation operating equipment in January. Funding is being provided by the Ohio Environmental Protection Agency, Water Pollution Control Loan Fund.

The Kokosing Interceptor and the Center Run Interceptor wastewater lines project were continued during 2011. The Ohio Environmental Protection Agency has amended its operating permit regulations whereby each public utility systems needs to reduce its infiltration from outside sources and curtail any by pass treatment processes during high rainfall periods. These two major interceptors have been identified as having infiltration issues. Funding for this project was provided by the issuance of bonds in the prior year and the total project cost is \$1,962,992.

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.

***Letter of Transmittal
For the Year Ended December 31, 2011***

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 though 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.

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.

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 basic 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 year ended December 31, 2010. 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 twenty consecutive years (fiscal years ended 1991-2010). I believe this current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA.

***Letter of Transmittal
For the Year Ended December 31, 2011***

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 2011 Comprehensive Annual Financial Report and annual independent audit.

Special appreciation is extended to, Melissa Kandel, audit manager of the City's audit by the Auditor of the State of Ohio, for timely completion of the audit.

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

Respectfully,



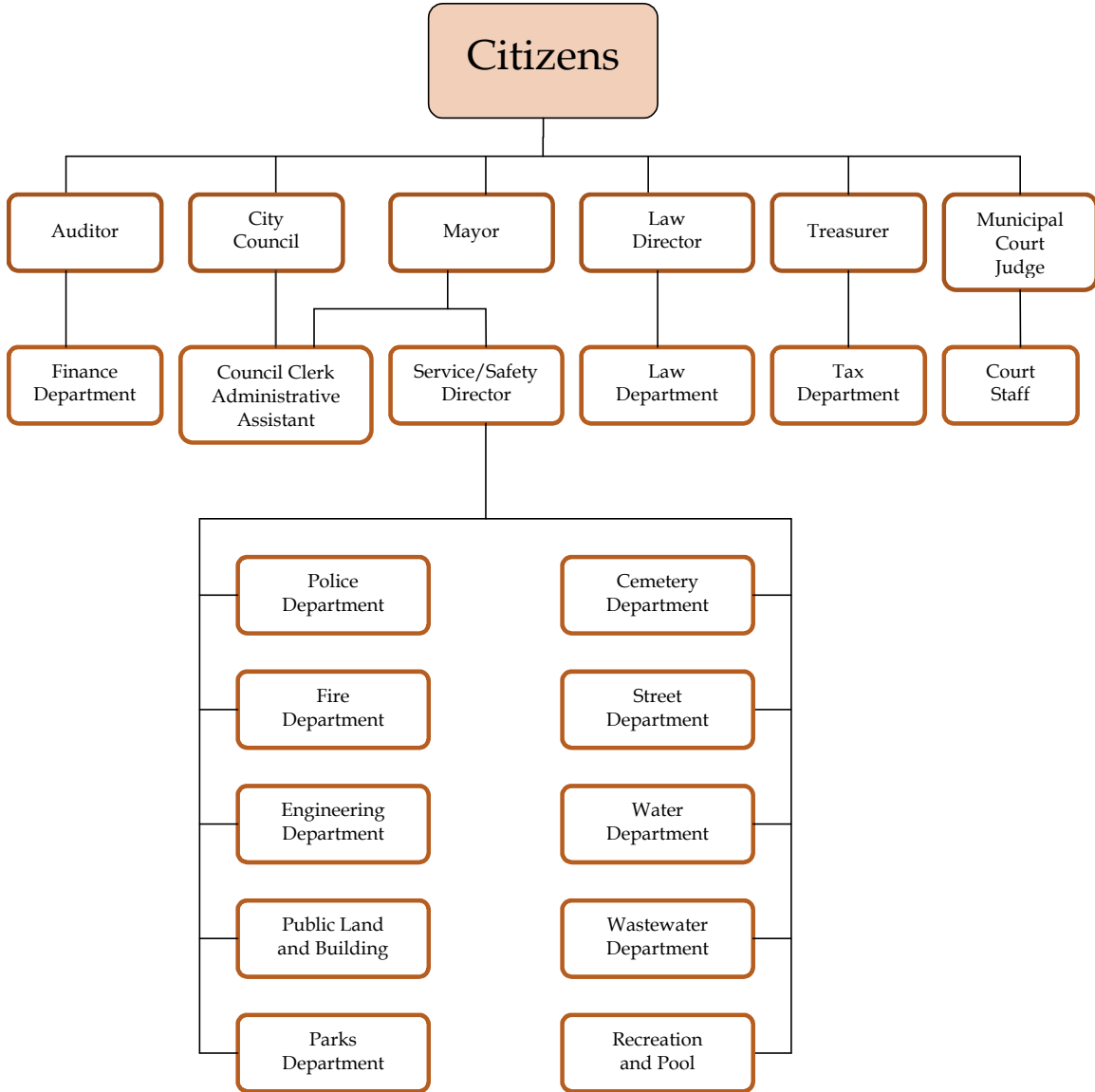
Terry Scott,
City Auditor

CITY OF MOUNT VERNON, OHIO

***List of Principal Officials
For the Year Ended December 31, 2011***

<i>NAME</i>	<i>TITLE</i>	<i>YEARS OF SERVICE</i>
<u>City Council</u>		
John Booth	President	8
Jay Manners	First Ward Member	2
Charles K. Dice	Second Ward Member	12
Nancy Vail	Third Ward Member	2
John Fair	Fourth Ward Member	12
Mike Hillier	Member At-Large	6
Rebecca Jordan	Member At-Large	4
Bruce Hawkins	Member At-Large	5
<u>City Administration</u>		
Richard K. Mavis	Mayor	16
Terry Scott	Auditor	17
William D. Smith	Law Director	31
James Shipley	Treasurer	12
David C. Glass	Safety-Service Director	33
Janet M. Brown	Clerk of Council	19
<u>Department Heads</u>		
Debora Tyson	Income Tax Administrator	21
Michael Merrilees	Police Chief	23
Chris Menapace	Fire Chief	1
Paul G. Oliver	Parks, Public Buildings and Land Superintendent	29
David Carpenter	Street Superintendent	20
Deborah S. Briscoe	Cemetery Foreman	31
Pam Muralt	Water and Wastewater Meter and Customer Service Administrator	31
Judith Scott	Water and Wastewater Treatment and Distribution Administrator	29

***City Organizational Chart
For the Year Ended December 31, 2011***



*Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting*

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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



Financial Section







Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Mount Vernon, Knox County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Mount Vernon, Knox County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during 2011 the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2012, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 19, 2012

The discussion and analysis of the City of Mount Vernon's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2011 are as follows:

- ❑ In total, net assets decreased \$745,494. Net assets of governmental activities decreased \$1,387,055 which represents a 2.8% decrease from 2010. Net assets of business-type activities increased \$641,561 from 2010.
- ❑ General revenues accounted for \$12,810,337 in revenue or 55.2% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$10,393,216, 44.8% of total revenues of \$23,203,553.
- ❑ The City had \$17,733,258 in expenses related to governmental activities; only \$3,539,266 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$12,806,937 were also used to provide for these programs.
- ❑ Among major funds, the general fund had \$12,127,682 in revenues and other financing sources and \$12,433,037 in expenditures and other financing uses. The general fund's fund balance decreased from \$5,009,465 to \$4,704,223.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining and individual statements and schedules* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the City's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- ***Governmental Activities*** – Most of the City's program's and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- ***Business-Type Activities*** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water and sewer funds are reported as business-type activities.

Fund Financial Statements

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The City's major funds are the General Fund, the General Bond Retirement Fund, the Capital Improvement Fund and the TIF District-Coshocton Road Fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water and Sewer funds, both of which are considered major funds.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2011 compared to 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$13,515,382	\$15,670,216	\$5,816,856	\$7,268,095	\$19,332,238	\$22,938,311
Capital assets, Net	46,183,004	45,918,415	33,744,142	29,909,277	79,927,146	75,827,692
Total assets	59,698,386	61,588,631	39,560,998	37,177,372	99,259,384	98,766,003
Long-term liabilities outstanding	8,358,612	8,740,071	17,765,406	16,829,076	26,124,018	25,569,147
Other liabilities	3,211,721	3,333,452	1,032,358	226,623	4,244,079	3,560,075
Total liabilities	11,570,333	12,073,523	18,797,764	17,055,699	30,368,097	29,129,222
Net assets						
Invested in capital assets, net of related debt	39,308,561	38,627,947	16,312,403	13,393,510	55,620,964	52,021,457
Restricted	3,034,793	4,508,904	1,847,384	3,329,674	4,882,177	7,838,578
Unrestricted	5,784,699	6,378,257	2,603,447	3,398,489	8,388,146	9,776,746
Total net assets	\$48,128,053	\$49,515,108	\$20,763,234	\$20,121,673	\$68,891,287	\$69,636,781

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CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2011 compared to 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,477,046	\$2,502,036	\$6,662,279	\$6,498,118	\$9,139,325	\$9,000,154
Operating Grants and Contributions	888,663	1,807,522	42,936	40,709	931,599	1,848,231
Capital Grants and Contributions	173,557	880,033	148,735	0	322,292	880,033
Total Program Revenues	3,539,266	5,189,591	6,853,950	6,538,827	10,393,216	11,728,418
General Revenues:						
Property Taxes	2,231,270	2,138,927	0	0	2,231,270	2,138,927
Income Taxes	9,262,187	8,688,085	0	0	9,262,187	8,688,085
Other Local Taxes	84,821	87,796	0	0	84,821	87,796
Intergovernmental Revenues, Unrestricted	963,370	1,087,350	0	0	963,370	1,087,350
Investment Earnings	21,582	60,858	3,400	4,973	24,982	65,831
Miscellaneous	243,707	180,599	0	0	243,707	180,599
Total General Revenues	12,806,937	12,243,615	3,400	4,973	12,810,337	12,248,588
Total Revenues	16,346,203	17,433,206	6,857,350	6,543,800	23,203,553	23,977,006
Program Expenses						
Security of Persons and Property	6,372,507	5,950,098	0	0	6,372,507	5,950,098
Public Health and Welfare Services	709,622	693,029	0	0	709,622	693,029
Leisure Time Activities	1,143,295	963,163	0	0	1,143,295	963,163
Community Environment	591,187	1,560,761	0	0	591,187	1,560,761
Transportation	4,440,371	2,586,915	0	0	4,440,371	2,586,915
General Government	4,188,865	4,711,970	0	0	4,188,865	4,711,970
Interest and Fiscal Charges	287,411	350,672	0	0	287,411	350,672
Water	0	0	3,180,709	3,347,380	3,180,709	3,347,380
Wastewater	0	0	3,035,080	3,103,781	3,035,080	3,103,781
Total Expenses	17,733,258	16,816,608	6,215,789	6,451,161	23,949,047	23,267,769
Total Change in Net Assets	(1,387,055)	616,598	641,561	92,639	(745,494)	709,237
Beginning Net Assets	49,515,108	48,898,510	20,121,673	20,029,034	69,636,781	68,927,544
Ending Net Assets	\$48,128,053	\$49,515,108	\$20,763,234	\$20,121,673	\$68,891,287	\$69,636,781

Governmental Activities

Net assets of the City's governmental activities decreased by \$1,387,055 over 2010. The decrease in Net Assets is the result of reduction in Community Development Block Grants, specifically Neighborhood Stabilization Program, reduction in Clean Ohio grant, reduction in state personal property taxes and investment earnings.

The City receives an income tax, which is based on 1.5% of all salaries, wages, commissions and other compensation and on net profits earned from those working in the City.

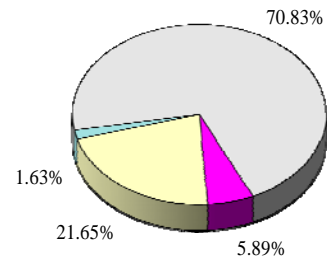
CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

Income taxes and property taxes made up 56.66% and 13.65% respectively of revenues for governmental activities for the City in 2011. The City's reliance upon tax revenues is demonstrated by the following graph indicating 76.72% of total revenues from general tax revenues:

Revenue Sources	2011	Percent of Total
General Tax Revenues	\$11,578,278	70.83%
Intergovernmental Revenues, Unrestricted	963,370	5.89%
Program Revenues	3,539,266	21.65%
General Other	265,289	1.63%
Total Revenue	\$16,346,203	100.00%



Business-Type Activities

Net assets of the business type activities increased by \$641,561. This modest increase is the result of strategic managed operations during the year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$8,314,389, which is a decrease from last year's balance of \$10,036,792. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2011 and 2010:

	Fund Balance December 31, 2011	Fund Balance December 31, 2010	Increase (Decrease)
General	\$4,704,223	\$5,009,465	(\$305,242)
General Bond Retirement	0	0	0
Capital Improvement	779,024	1,076,406	(297,382)
TIF District-Coshocton Road	1,184,652	1,971,643	(786,991)
Other Governmental	1,646,490	1,979,278	(332,788)
Total	\$8,314,389	\$10,036,792	(\$1,722,403)

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

General Fund – The City's General Fund balance decrease is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2011 <u>Revenues</u>	2010 <u>Revenues</u>	Increase <u>(Decrease)</u>
Property and Other Taxes	\$8,566,799	\$8,190,413	\$376,386
Intergovernmental Revenue	1,078,295	1,203,448	(125,153)
Charges for Services	1,536,511	1,535,449	1,062
Licenses and Permits	9,525	11,520	(1,995)
Investment Earnings	21,037	59,888	(38,851)
Fines and Forfeitures	678,614	707,284	(28,670)
All Other Revenue	198,724	159,387	39,337
Total	<u>\$12,089,505</u>	<u>\$11,867,389</u>	<u>\$222,116</u>

General Fund revenues in 2011 increased approximately 1.9% compared to revenues in 2010. The major increase is in city income tax revenues. The decrease in investment earnings is due to continuing falling market rates associated with economic conditions throughout the year. Intergovernmental revenues decreased as a result of elimination of personal property tax by the state General Assembly.

	2011 <u>Expenditures</u>	2010 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Security of Persons and Property	\$5,360,240	\$4,823,976	\$536,264
Public Health and Welfare Services	348,310	360,771	(12,461)
Leisure Time Activities	717,676	674,620	43,056
Community Environment	26,219	26,352	(133)
Transportation	50,650	61,527	(10,877)
General Government	5,201,031	5,018,534	182,497
Debt Service:			
Principal Retirement	10,073	9,658	415
Interest and Fiscal Charges	17,802	18,217	(415)
Total	<u>\$11,732,001</u>	<u>\$10,993,655</u>	<u>\$738,346</u>

General Fund expenditures increased by \$738,346 or 6.72% compared to the prior year primarily due to increased wages city wide and contract services expenses in Security of Persons and Property.

CITY OF MOUNT VERNON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2011***

Unaudited

General Bond Retirement Fund – The General Debt Retirement Fund balance remained the same.

Capital Improvement Fund - The Capital Improvement Fund balance decreased from \$1,076,406 to \$779,024 due to the rebuild of two blocks of highway on North McKenzie Street.

TIF District-Coshocton Road Fund - The TIF District-Coshocton Road Fund balance decreased from \$1,971,643 to \$1,184,652 due to design costs and construction costs associated with upcoming road improvements.

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

During the course of 2011 the City amended its General Fund budget several times. The increase in the final budget of \$14,875,168 over the original budget of \$14,666,731 was not significant. Actual expenditures were less than the final budget because of conservative fiscal management practices.

For the General Fund, final budget basis revenue of \$11,479,041 did not significantly change from the original budget estimates. Actual Revenues were more than the final budget due to increased court costs, court fines and intergovernmental revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011 the City had \$79,927,146 net of accumulated depreciation invested in buildings, infrastructure, equipment and vehicles. Of this total, \$46,183,004 was related to governmental activities and \$33,744,142 to the business-type activities. The following table shows 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Land	\$11,421,045	\$10,880,165	\$540,880
Construction In Progress	1,855,735	996,223	859,512
Buildings	12,154,222	11,978,501	175,721
Improvements Other than Buildings	1,024,589	1,016,087	8,502
Infrastructure	38,271,797	37,744,590	527,207
Machinery and Equipment	7,226,073	6,422,154	803,919
Less: Accumulated Depreciation	(25,770,457)	(23,119,305)	(2,651,152)
Totals	<u>\$46,183,004</u>	<u>\$45,918,415</u>	<u>\$264,589</u>

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

Land increased due to the acquisition of property to construct a new roadway and right-of-way for future road improvements. Constructions in Progress increased due to transportation projects being started during the year. Infrastructures increased due to additional roads being resurfaced in 2011 and the completion of brick street projects. Machinery and Equipment increased due to acquisition of vehicles for the police and fire departments in addition to a street sweeper for the street department.

	Business-Type Activities		Increase (Decrease)
	2011	2010	
Land	\$819,311	\$819,311	\$0
Construction in Progress	6,853,866	1,751,452	5,102,414
Buildings and Improvements	25,425,631	25,398,831	26,800
Utility Structures in Service	23,864,005	23,778,774	85,231
Machinery and Equipment	3,616,198	3,571,352	44,846
Less: Accumulated Depreciation	(26,834,869)	(25,410,443)	(1,424,426)
Totals	\$33,744,142	\$29,909,277	\$3,834,865

Business type capital assets increased as a result of upgrades at the wastewater plant. Construction in Progress increased due to construction costs of the wastewater plant electrical upgrade project and the interceptor wastewater rehabilitation project. Utility Structure in Service increased due to improvements of the east elevated water tower. Additional information on the City's capital assets can be found in Note 8.

Debt

At December 31, 2011, the City had \$17,875,000 in bonds outstanding, \$1,405,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2011 and 2010:

	2011	2010
Governmental Activities:		
General Obligation Bonds Payable	\$6,482,568	\$6,881,718
Ohio Public Works Commission Loan	391,875	419,375
Police and Firemen's Pension Accrued Liability	411,283	421,356
Compensated Absences	1,072,886	1,017,622
Total Governmental Activities	8,358,612	8,740,071
Business-Type Activities:		
Mortgage Revenue Bonds Payable	3,620,000	4,020,000
General Obligation Bonds Payable	11,392,432	12,348,282
Ohio Public Works Commission Loan	115,960	122,228
Ohio Water Development Authority Loan	2,303,347	0
Compensated Absences	333,667	338,566
Total Business-Type Activities	17,765,406	16,829,076
Totals	\$26,124,018	\$25,569,147

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2011, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

Rolls Royce plans to construct an 18,750 square foot office building at the corner of West Chestnut Street and North Sandusky Street in 2012. This new facility will house the engineering and design division along with executive offices. The construction is expected to be completed by December 2012 with anticipation of modest employment growth.

The Central Ohio Technical College (COTC) completed renovations to their downtown structure this year. The fall quarter of 2011 brought staff, and students attending the Knox campus back together in the central business district. We are so fortunate to have COTC located in our central business district in downtown Mount Vernon. The inflow of people is immense for the retail businesses located in the district. Enrollment in the Knox Campus continues to increase annually.

Mount Vernon Nazarene University (MVNU), a liberal arts, Christian Based University completed renovations to a second former retail establishment located in the central business district in downtown Mount Vernon. The three story renovated facility provides classrooms for the nursing program. The enrichment of higher education in our central business district has made a significant impact on existing structures in this area.

Development continues to grow within the community. Six commercial/industrial permits were issued in 2011, contributing an estimated \$2.7 million in tax valuation. Residential developments provided approximately \$1.2 million in tax valuation with forty-one permits being issued. Overall development continues to provide enhancements throughout the community and with such diversification; this helps to support our tax base and also helps to provide additional employment within the community.

Unemployment decreased throughout the year. Starting out the year with 9.1 percent, it managed a rise to 9.2 percent at the close of the first quarter. By midyear it had increased to 9.6 percent finally dipped sharply to 7.6 percent by year end. The impact of such increases and decreases throughout the year were measurable however due to the diverse mix of employers throughout the City the overall impact was sustainable.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Terry Scott, City Auditor of the City of Mount Vernon.

CITY OF MOUNT VERNON, OHIO

Statement of Net Assets
December 31, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 2,975,791	\$ 313,634	\$ 3,289,425
Investments	3,394,492	3,605,508	7,000,000
Receivables:			
Taxes	5,296,662	0	5,296,662
Accounts	133,852	1,398,690	1,532,542
Intergovernmental	1,092,967	0	1,092,967
Interest	13,483	0	13,483
Inventory of Supplies	20,351	33,040	53,391
Prepaid Items	133,576	18,718	152,294
Deferred Charge	61,750	5,016	66,766
Restricted Assets:			
Cash and Cash Equivalents	376,429	0	376,429
Cash and Cash Equivalents with Fiscal Agent	16,029	442,250	458,279
Capital Assets			
Capital Assets not Being Depreciated	13,276,780	7,673,177	20,949,957
Capital Assets Being Depreciated	32,906,224	26,070,965	58,977,189
Total Assets	<u>59,698,386</u>	<u>39,560,998</u>	<u>99,259,384</u>
Liabilities:			
Accounts Payable	182,673	31,668	214,341
Accrued Wages and Benefits	586,622	104,439	691,061
Contracts Payable	297,196	869,364	1,166,560
Matured Bonds & Interest Payable	0	650	650
Unearned Revenue	2,125,128	0	2,125,128
Accrued Interest Payable	20,102	26,237	46,339
Noncurrent liabilities:			
Due within one year	773,693	1,523,979	2,297,672
Due in more than one year	7,584,919	16,241,427	23,826,346
Total Liabilities	<u>11,570,333</u>	<u>18,797,764</u>	<u>30,368,097</u>

CITY OF MOUNT VERNON, OHIO

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	39,308,561	16,312,403	55,620,964
Restricted For:			
Capital Projects	1,525,481	1,405,134	2,930,615
Debt Service	0	442,250	442,250
Perpetual Care, Nonexpendable	384,841	0	384,841
Security of Persons and Property	219,698	0	219,698
Leisure Time Activities	28,060	0	28,060
Community Environment	291,863	0	291,863
Transportation	584,850	0	584,850
Unrestricted	<u>5,784,699</u>	<u>2,603,447</u>	<u>8,388,146</u>
Total Net Assets	<u>\$ 48,128,053</u>	<u>\$ 20,763,234</u>	<u>\$ 68,891,287</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Activities
For the Year Ended December 31, 2011**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 6,372,507	\$ 1,172,890	\$ 0	\$ 0
Public Health and Welfare Services	709,622	82,027	0	0
Leisure Time Activities	1,143,295	296,650	0	0
Community Environment	591,187	14,411	0	0
Transportation	4,440,371	200	766,869	173,557
General Government	4,188,865	910,868	121,794	0
Interest and Fiscal Charges	287,411	0	0	0
Total Governmental Activities	17,733,258	2,477,046	888,663	173,557
Business-Type Activities:				
Water	3,180,709	3,371,924	0	0
Sewer	3,035,080	3,290,355	42,936	148,735
Total Business-Type Activities	6,215,789	6,662,279	42,936	148,735
Totals	\$ 23,949,047	\$ 9,139,325	\$ 931,599	\$ 322,292

General Revenues

Property Taxes Levied for:
 General Purposes
 Special Purposes
 Capital Outlay
 Municipal Income Tax
 Other Local Taxes
 Intergovernmental Revenue, Unrestricted
 Investment Earnings
 Miscellaneous
 Total General Revenues
 Change in Net Assets
 Net Assets Beginning of Year
 Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,199,617)	\$ 0	\$ (5,199,617)
(627,595)	0	(627,595)
(846,645)	0	(846,645)
(576,776)	0	(576,776)
(3,499,745)	0	(3,499,745)
(3,156,203)	0	(3,156,203)
(287,411)	0	(287,411)
<u>(14,193,992)</u>	<u>0</u>	<u>(14,193,992)</u>
0	191,215	191,215
<u>0</u>	<u>446,946</u>	<u>446,946</u>
0	638,161	638,161
<u>(14,193,992)</u>	<u>638,161</u>	<u>(13,555,831)</u>
556,875	0	556,875
152,820	0	152,820
1,521,575	0	1,521,575
9,262,187	0	9,262,187
84,821	0	84,821
963,370	0	963,370
21,582	3,400	24,982
243,707	0	243,707
<u>12,806,937</u>	<u>3,400</u>	<u>12,810,337</u>
(1,387,055)	641,561	(745,494)
<u>49,515,108</u>	<u>20,121,673</u>	<u>69,636,781</u>
<u>\$ 48,128,053</u>	<u>\$ 20,763,234</u>	<u>\$ 68,891,287</u>

CITY OF MOUNT VERNON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2011**

	General	General Bond Retirement	Capital Improvement	TIF District- Coshocton Road
Assets:				
Cash and Cash Equivalents	\$ 286,992	\$ 0	\$ 53,006	\$ 1,423,755
Investments	2,785,141	0	609,351	0
Receivables:				
Taxes	3,171,027	0	161,485	1,586,862
Accounts	121,380	0	0	0
Intergovernmental	466,109	0	0	0
Interest	13,483	0	0	0
Inventory of Supplies	646	0	0	0
Prepaid Items	129,616	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 6,974,394	\$ 0	\$ 823,842	\$ 3,010,617
Liabilities:				
Accounts Payable	\$ 162,445	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	333,948	0	0	0
Contracts Payable	0	0	0	239,103
Deferred Revenue	1,773,778	0	44,818	1,586,862
Total Liabilities	2,270,171	0	44,818	1,825,965
Fund Balances:				
Nonspendable	130,262	0	0	0
Restricted	8,080	0	779,024	1,184,652
Committed	16,480	0	0	0
Assigned	374,348	0	0	0
Unassigned	4,175,053	0	0	0
Total Fund Balances	4,704,223	0	779,024	1,184,652
Total Liabilities and Fund Balances	\$ 6,974,394	\$ 0	\$ 823,842	\$ 3,010,617

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,212,038	\$ 2,975,791
0	3,394,492
377,288	5,296,662
12,472	133,852
626,858	1,092,967
0	13,483
19,705	20,351
3,960	133,576
376,429	376,429
16,029	16,029
<u>\$ 2,644,779</u>	<u>\$ 13,453,632</u>
\$ 20,228	\$ 182,673
252,674	586,622
58,093	297,196
667,294	4,072,752
<u>998,289</u>	<u>5,139,243</u>
408,506	538,768
1,153,255	3,125,011
84,729	101,209
0	374,348
0	4,175,053
<u>1,646,490</u>	<u>8,314,389</u>
<u>\$ 2,644,779</u>	<u>\$ 13,453,632</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2011***

Total Governmental Fund Balances		\$	8,314,389
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>			
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.			46,183,004
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			1,947,624
Bond issuance costs, reported as expenditures in governmental funds are allocated as an expense over the life of the debt on a full accrual basis.			61,750
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds Payable	(6,482,568)		
Ohio Public Works Commission Loan Payable	(391,875)		
Police and Firemen's Pension Accrued Liability	(411,283)		
Compensated Absences Payable	(1,072,886)		
Accrued Interest Payable	(20,102)		
			<u>(8,378,714)</u>
<i>Net Assets of Governmental Activities</i>		\$	<u>48,128,053</u>

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011**

	General	General Bond Retirement	Capital Improvement	TIF District- Coshocton Road
Revenues:				
Taxes	\$ 8,566,799	\$ 0	\$ 578,562	\$ 1,262,210
Intergovernmental Revenues	1,078,295	0	361,906	0
Charges for Services	1,536,511	0	0	0
Licenses and Permits	9,525	0	0	0
Investment Earnings	21,037	2	0	0
Fines and Forfeitures	678,614	0	0	0
All Other Revenue	198,724	0	0	0
Total Revenue	12,089,505	2	940,468	1,262,210
Expenditures:				
Current:				
Security of Persons and Property	5,360,240	0	0	0
Public Health and Welfare Services	348,310	0	12,234	0
Leisure Time Activities	717,676	0	0	0
Community Environment	26,219	0	0	0
Transportation	50,650	0	1,009,288	1,759,406
General Government	5,201,031	0	216,328	0
Debt Service:				
Principal Retirement	10,073	426,650	0	0
Interest and Fiscal Charges	17,802	270,158	0	0
Total Expenditures	11,732,001	696,808	1,237,850	1,759,406
Excess (Deficiency) of Revenues Over Expenditures	357,504	(696,806)	(297,382)	(497,196)
Other Financing Sources (Uses):				
Sale of Capital Assets	38,177	0	0	0
Transfers In	0	696,806	0	0
Transfers Out	(701,036)	0	0	(289,795)
Total Other Financing Sources (Uses)	(662,859)	696,806	0	(289,795)
Net Change in Fund Balances	(305,355)	0	(297,382)	(786,991)
Fund Balances at Beginning of Year	5,009,465	0	1,076,406	1,971,643
Increase (Decrease) in Inventory	113	0	0	0
Fund Balances End of Year	\$ 4,704,223	\$ 0	\$ 779,024	\$ 1,184,652

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 797,501	\$ 11,205,072
1,269,844	2,710,045
106,460	1,642,971
2,020	11,545
543	21,582
134,135	812,749
33,549	232,273
<u>2,344,052</u>	<u>16,636,237</u>
805,930	6,166,170
333,782	694,326
1,027	718,703
564,968	591,187
1,081,726	3,901,070
173,339	5,590,698
0	436,723
0	287,960
<u>2,960,772</u>	<u>18,386,837</u>
(616,720)	(1,750,600)
0	38,177
331,650	1,028,456
<u>(37,625)</u>	<u>(1,028,456)</u>
<u>294,025</u>	<u>38,177</u>
(322,695)	(1,712,423)
1,979,278	10,036,792
<u>(10,093)</u>	<u>(9,980)</u>
<u>\$ 1,646,490</u>	<u>\$ 8,314,389</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2011***

Net Change in Fund Balances - Total Governmental Funds \$ (1,712,423)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	3,037,533	
Depreciation Expense	<u>(2,758,980)</u>	278,553

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and sales) is to increase net assets.

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	<u>(13,964)</u>	(13,964)
--	-----------------	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (311,249)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bond Principal Payment	399,150	
Ohio Public Works Commission Loan Payment	27,500	
Police Firemen's Pension Accrued Liability Principal Payment	<u>10,073</u>	436,723

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 549

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(55,264)	
Change in Inventory	<u>(9,980)</u>	<u>(65,244)</u>

Change in Net Assets of Governmental Activities \$ (1,387,055)

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 8,501,197	\$ 8,501,197	\$ 8,524,830	\$ 23,633
Intergovernmental Revenue	634,008	775,746	1,058,412	282,666
Charges for Services	1,511,300	1,512,550	1,516,660	4,110
Licenses and Permits	15,100	15,100	9,525	(5,575)
Investment Earnings	50,000	50,000	41,884	(8,116)
Fines and Forfeitures	450,000	450,000	682,083	232,083
All Other Revenues	109,000	174,448	210,575	36,127
Total Revenues	<u>11,270,605</u>	<u>11,479,041</u>	<u>12,043,969</u>	<u>564,928</u>
Expenditures:				
Current:				
Security of Persons and Property	5,918,736	5,925,516	5,675,926	249,590
Public Health and Welfare Services	420,797	420,797	414,028	6,769
Leisure Time Activities	836,064	842,564	740,052	102,512
Community Environment	46,760	45,760	26,718	19,042
Transportation	50,000	51,750	45,590	6,160
General Government	6,047,140	6,292,047	5,421,298	870,749
Total Expenditures	<u>13,319,497</u>	<u>13,578,434</u>	<u>12,323,612</u>	<u>1,254,822</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,048,892)	(2,099,393)	(279,643)	1,819,750
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	38,177	38,177
Transfers Out	(1,347,234)	(1,296,734)	(701,036)	595,698
Total Other Financing Sources (Uses):	<u>(1,347,234)</u>	<u>(1,296,734)</u>	<u>(662,859)</u>	<u>633,875</u>
Net Change in Fund Balance	<u>(3,396,126)</u>	<u>(3,396,127)</u>	<u>(942,502)</u>	<u>2,453,625</u>
Fund Balance at Beginning of Year	2,946,969	2,946,969	2,946,969	0
Prior Year Encumbrances	501,079	501,079	501,079	0
Fund Balance at End of Year	<u>\$ 51,922</u>	<u>\$ 51,921</u>	<u>\$ 2,505,546</u>	<u>\$ 2,453,625</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2011**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 86,568	\$ 227,066	\$ 313,634
Investments	995,174	2,610,334	3,605,508
Accounts receivable (net of allowance for uncollectibles)	685,831	712,859	1,398,690
Inventory of Supplies	21,611	11,429	33,040
Prepaid Items	10,958	7,760	18,718
Total current assets	1,800,142	3,569,448	5,369,590
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	442,250	0	442,250
Deferred Charges	0	5,016	5,016
Capital assets:			
Capital Assets Not Being Depreciated	433,701	7,239,476	7,673,177
Capital Assets Being Depreciated	15,323,112	10,747,853	26,070,965
Total capital assets	15,756,813	17,987,329	33,744,142
Total noncurrent assets	16,199,063	17,992,345	34,191,408
Total assets	17,999,205	21,561,793	39,560,998
LIABILITIES			
Current liabilities:			
Accounts Payable	6,683	24,985	31,668
Accrued Wages and Benefits	51,797	52,642	104,439
Contracts Payable	205,061	664,303	869,364
Matured Bonds and Interest Payable	650	0	650
Accrued Interest Payable	13,485	12,752	26,237
General Obligation Bonds Payable - Current	531,975	454,475	986,450
Revenue Bond Payable - Current	415,000	0	415,000
OPWC Loans Payable - Current	6,268	0	6,268
Compensated Absences Payable - Current	55,247	61,014	116,261
Total Current Liabilities	1,286,166	1,270,171	2,556,337

(Continued)

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
Noncurrent Liabilities:			
General Obligation Bonds Payable	3,940,115	6,465,867	10,405,982
Revenue Bonds Payable	3,205,000	0	3,205,000
OWDA Loans Payable	0	2,303,347	2,303,347
OPWC Loans Payable	109,692	0	109,692
Compensated Absences Payable	88,429	128,977	217,406
Total noncurrent liabilities	7,343,236	8,898,191	16,241,427
Total Liabilities	8,629,402	10,168,362	18,797,764
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,548,763	8,763,640	16,312,403
Restricted for Capital Projects	453,631	951,503	1,405,134
Restricted for Debt Service	442,250	0	442,250
Unrestricted	925,159	1,678,288	2,603,447
Total Net Assets	<u>\$ 9,369,803</u>	<u>\$ 11,393,431</u>	<u>\$ 20,763,234</u>

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Operating Revenues:			
Charges for Services	\$ 3,371,666	\$ 3,186,095	\$ 6,557,761
Other Operating Revenues	258	104,260	104,518
Total Operating Revenues	3,371,924	3,290,355	6,662,279
Operating Expenses:			
Personal Services	1,207,271	1,254,462	2,461,733
Contractual Services	113,829	418,515	532,344
Materials and Supplies	413,055	229,394	642,449
Utilities	199,073	261,274	460,347
Depreciation	893,525	532,415	1,425,940
Total Operating Expenses	2,826,753	2,696,060	5,522,813
Operating Income	545,171	594,295	1,139,466
Non-Operating Revenues (Expenses):			
Interest Income	1,665	1,735	3,400
Interest and Fiscal Charges	(353,956)	(339,020)	(692,976)
Intergovernmental Grants	0	42,936	42,936
Total Non-Operating Revenues (Expenses)	(352,291)	(294,349)	(646,640)
Income Before Contributions and Transfers	192,880	299,946	492,826
Capital Contributions	0	148,735	148,735
Change in Net Assets	192,880	448,681	641,561
Net Assets Beginning of Year	9,176,923	10,944,750	20,121,673
Net Assets End of Year	\$ 9,369,803	\$ 11,393,431	\$ 20,763,234

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$3,432,330	\$3,348,233	\$6,780,563
Cash Payments for Goods and Services	(699,506)	(244,783)	(944,289)
Cash Payments to Employees	(1,201,766)	(1,268,179)	(2,469,945)
Net Cash Provided by Operating Activities	<u>1,531,058</u>	<u>1,835,271</u>	<u>3,366,329</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from U S Treasury	0	42,936	42,936
Proceeds from Ohio Water Development Authority Loan	0	2,303,347	2,303,347
Intergovernmental Grant Received	0	148,735	148,735
Acquisition and Construction of Assets	(77,278)	(4,994,862)	(5,072,140)
Principal Paid on General Obligation Bonds	(436,675)	(439,175)	(875,850)
Principal Paid on Ohio Public Works Commission Loan	(6,268)	0	(6,268)
Principal Paid on Revenue Bonds	(480,000)	0	(480,000)
Interest Paid on All Debt	(355,300)	(319,414)	(674,714)
Net Cash Used for Capital and Related Financing Activities	<u>(1,355,521)</u>	<u>(3,258,433)</u>	<u>(4,613,954)</u>
<u>Cash Flows from Investing Activities:</u>			
Proceeds from Sale of Investments	(810,413)	(1,740,666)	(2,551,079)
Receipt of Interest	1,665	1,735	3,400
Net Cash Used by Investing Activities	<u>(808,748)</u>	<u>(1,738,931)</u>	<u>(2,547,679)</u>
Net Decrease in Cash and Cash Equivalents	(633,211)	(3,162,093)	(3,795,304)
Cash and Cash Equivalents at Beginning of Year	<u>1,162,029</u>	<u>3,389,159</u>	<u>4,551,188</u>
Cash and Cash Equivalents at End of Year	<u>\$528,818</u>	<u>\$227,066</u>	<u>\$755,884</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$86,568	\$227,066	\$313,634
Restricted Cash with Fiscal Agent	442,250	0	442,250
Cash and Cash Equivalents at End of Year	<u>\$528,818</u>	<u>\$227,066</u>	<u>\$755,884</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$545,171	\$594,295	\$1,139,466
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	893,525	532,415	1,425,940
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	60,406	57,878	118,284
Decrease in Inventory	36,512	37,383	73,895
Increase in Prepaid Items	(5,159)	(185)	(5,344)
Decrease in Accounts Payable	(18,588)	(16,188)	(34,776)
Decrease in Accrued Wages and Benefits	(25)	(3,288)	(3,313)
Increase in Contracts Payable	13,686	643,390	657,076
Increase (Decrease) in Compensated Absences	5,530	(10,429)	(4,899)
Total Adjustments	<u>985,887</u>	<u>1,240,976</u>	<u>2,226,863</u>
Net Cash Provided by Operating Activities	<u>\$1,531,058</u>	<u>\$1,835,271</u>	<u>\$3,366,329</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2011 the Water and Sewer Funds had outstanding liabilities of \$188,651 and \$18,749 respectively for certain capital assets.

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2011***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 132,301
Total Assets	<u>\$ 132,301</u>
Liabilities:	
Intergovernmental Payable	\$ 30,075
Due to Others	<u>102,226</u>
Total Liabilities	<u>\$ 132,301</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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 financial statements are presented as of December 31, 2011 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (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 basic 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, 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 2011.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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 \$20,000 for an operating grant to MOTA for 2011.

The Knox County General Health District as a combined agency was created in 1983 as provided in Section 3709.07 of the Ohio Revised Code. The jointly governed organization's board is composed of nine members; six members from the townships and villages, and three members from the City. The combined Knox County General Health District was organized to provide public health services as required by the Ohio Revised Code and the Ohio Administrative Code, and such other services as are duly authorized or required by regulations of the District and can be furnished within the financial resources available to the District.

The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$45,935 for operations of the combined District for 2011.

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 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 balance, net assets, revenues and expenditures or expenses. The following fund types are used by the City:

Governmental Funds

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

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

General Bond Retirement Fund – This fund is used for the accumulation of resources for, and the payment of, principal and interest on general obligation debt other than those accounted for in the proprietary funds.

Capital Improvement Fund – This fund is 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).

TIF District – Coshocton Road Fund – This fund is used to account for financial resources used for the improvements within the described boundaries of the Coshocton Road area.

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's major enterprise funds are:

Water Fund – This fund is used to account for the operation of the City's water service.

Sewer Fund – This fund is used to account for the operation of the City's sanitary sewer service.

Fiduciary Funds

Agency Funds - These funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units. The agency funds account for municipal court collections that are distributed to various local governments, bond and inspection collections are funds on deposit as required by City ordinance for subdivision construction, and insurance trust funds are for insurance funds on deposit to ensure the clean up of damaged property. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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. 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 the City considers to be 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.

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, 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, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2011 but which are not intended to finance 2011 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenues.

The accrual basis of accounting is utilized for reporting purposes by governmental activities, the proprietary funds and the fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

For governmental activities and proprietary funds, the City applies Financial Accounting Standards Board (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. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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 modified 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 the general fund and major special revenue 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.

1. Modified Tax Budget

By July 15, the Mayor submits an annual modified 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 certificates of estimated resources is amended to include any unencumbered fund balances from the preceding year, and are reported as original budget amounts on the budgetary statements. 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 final budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2011.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 original appropriation budget 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 "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the original and the final budgets. The final budget includes all amendments and modifications.

4. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. 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 General Fund:

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	(\$305,355)
Increase (Decrease):	
Accrued Revenues at December 31, 2011 received during 2012	(2,042,131)
Accrued Revenues at December 31, 2010 received during 2011	1,996,595
Accrued Expenditures at December 31, 2011 paid during 2012	496,393
Accrued Expenditures at December 31, 2010 paid during 2011	(501,357)
2010 Prepays for 2011	64,836
2011 Prepays for 2012	(129,616)
Outstanding Encumbrances	<u>(521,867)</u>
Budget Basis	<u><u>(\$942,502)</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Assets Reserve (STAR Ohio), and certificates of deposit 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. See Note 4, "Cash, Cash Equivalents and Investments."

G. 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. Fair value is determined by quoted market prices, except for nonparticipating investment contracts (certificates of deposit) which are reported at cost. All investment income, including changes in the fair value of investments are recognized as revenue in the operating statements. The City allocates interest among the various funds based upon state statutes and City legislation. See Note 4, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2011. 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, 2011.

H. 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 and on the statement of net assets. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the enterprise funds and on a government-wide basis when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000.

1. Capital Assets - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Donated capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, improvements other than building, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined 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 capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Capital Assets – Business Type Activities

Capital assets acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	15 - 50
Improvements other than Buildings	25-65
Infrastructure and Utility Structures in Service	15-100
Machinery and Equipment	5 - 20

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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 Sewer Fund
Mortgage Revenue Bonds	Water Fund
Ohio Public Works Loan	General Bond Retirement Fund, Water Fund
Ohio Water Development Authority	Sewer Fund
Police and Fire Pension Accrued Liability	General Fund
Compensated Absences	General Fund, Street Construction Maintenance and Repair Fund, Cemetery Fund, Water Fund, Sewer Fund

L. Compensated Absences

City employees earn vacation at varying rates based upon length of service. A maximum of three 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 in the police department, 1,200 hours with ten or more years of service for all other 40 hour employees and 1,296 hours for 48 hour employees with ten or more years of service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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 for all employees who have completed five years of service, 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.

Compensated absences accumulated by employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are 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 noncurrent portion of the liability is not reported.

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Pensions

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

Transfers between governmental and business type activities on the government-wide financial statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Interfund services provided and used are not eliminated in the process of consolidation. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund activity has been eliminated from the government-wide financial statements.

P. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances and resolutions passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance, resolution) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balances (Continued)

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use unrestricted resources first (committed, assigned and unassigned), then restricted resources as they are needed.

Q. Restricted Assets

Certain assets are classified as restricted cash on the statement of net assets and the balance sheet because these funds are being held by Knox County for permissive tax or a trustee as designated by a bond indenture, or in a trustee capacity for perpetual care.

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution and wastewater collection and treatment. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Bond Issuance Costs

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs in the government-wide financial statements and proprietary fund types are deferred and amortized over the term of the bonds. Issuance costs are recorded as deferred charges.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2011, the City implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in a restatement of the City's financial statements.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	General Bond Retirement Fund	Capital Improvement Fund	TIF District Coshocton Road Funds	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$129,616	\$0	\$0	\$0	\$3,960	\$133,576
Supplies Inventory	646	0	0	0	19,705	20,351
Endowment	0	0	0	0	384,841	384,841
Total Nonspendable	130,262	0	0	0	408,506	538,768
Restricted:						
Transportation Projects	0	0	779,024	1,184,652	429,662	2,393,338
Cemetery	0	0	0	0	70,322	70,322
Court Projects	0	0	0	0	307,548	307,548
Public Safety	8,080	0	0	0	199,336	207,416
Community Development	0	0	0	0	118,327	118,327
Parks and Recreation	0	0	0	0	28,060	28,060
Total Restricted	8,080	0	779,024	1,184,652	1,153,255	3,125,011
Committed:						
Parks and Recreation	2,157	0	0	0	67,329	69,486
Capital Improvements	14,323	0	0	0	17,400	31,723
Total Committed	16,480	0	0	0	84,729	101,209
Assigned:						
Encumbrances	374,348	0	0	0	0	374,348
Total Assigned	374,348	0	0	0	0	374,348
Unassigned:						
	4,175,053	0	0	0	0	4,175,053
Total Fund Balances	\$4,704,223	\$0	\$779,024	\$1,184,652	\$1,646,490	\$8,314,389

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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. The City has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Auditor and Treasurer to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

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

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;

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

- 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).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The City has no policy on custodial credit risk and is governed by Ohio Revised Code. 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 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. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$9,347,744 and the bank balance \$9,574,821. The Federal Deposit Insurance Corporation (FDIC) covered \$7,750,000 of the bank balance. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$1,824,821</u>
Total Balance	<u><u>\$1,824,821</u></u>

Investment earnings of \$39,948 earned by other funds were credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

B. Investments

The City's investments at December 31, 2011 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	\$1,450,411	AAAm ¹	\$1,450,411
Total Investments	<u>\$1,450,411</u>		<u>\$1,450,411</u>

¹ Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 100% are STAR Ohio.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The above investments are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent, but not in the City's name. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

C. Cash with Fiscal Agents

In addition to deposits and investments, the City has uninsured and uncollateralized cash in the amount of \$16,029 being held by Knox County and the City had cash with fiscal agents in the amount of \$442,250 for bond reserve accounts, of which \$250,000 was insured by the FDIC and the remaining deposits were uninsured and uncollateralized.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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 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 GASB Statement No. 9	\$3,798,155	\$7,000,000
Certificates of Deposit (with maturities of more than 3 months)	7,000,000	(7,000,000)
Investments:		
STAR Ohio	<u>(1,450,411)</u>	<u>1,450,411</u>
Per GASB Statement No. 3	<u>\$9,347,744</u>	<u>\$1,450,411</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 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, 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 2008. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

Tangible personal property tax (other than public utility property) attaches as a lien and were levied, on the true value as of January 1, 2011. Tangible personal property of telephone and telecommunication companies (except for public utilities) is currently assessed for ad valorem taxation purposes at 10 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2012, the City will be fully reimbursed for the lost revenue. In calendar years 2013-2017, the reimbursements will be phased out.

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.

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, 2011 was \$3.20 per \$1,000 of assessed value. The 2011 assessed value was \$247,090,750. This amount constitutes \$239,245,950 in real property assessed value and \$7,844,800 in public utility assessed.

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 up to 1% of the tax paid to another municipality.

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.

Income tax proceeds, after payment of collection expenses, have been allocated by City Council as follows: 81% of the unvoted 1% portion of the income tax is credited to the General Fund, 10% to the Capital Improvement Fund, 3% to the Street Construction, Maintenance and Repair Fund, 4% to the Cemetery Fund, 1% to the Police Pension Fund and 1% to the Fire Pension Fund; 100% of the voted 0.5% portion of the income tax is credited to the General Fund.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2011 consisted of taxes, accounts, interest, and intergovernmental receivables. All receivables are collectible in full and within one year except for allowance for doubtful accounts related to billings for governmental and proprietary funds.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amount
General Fund	
Estate Tax	\$185,708
Homestead and Rollback Reimbursement	39,063
Local Government	241,050
Lodging Tax	288
Total General Fund	<u>466,109</u>
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Cents Per Gallon	26,121
Gasoline Tax	206,006
Motor Vehicle Tax	46,797
Total Street Construction, Maintenance and Repair Fund	<u>278,924</u>
State Highway Improvement Fund	
Gasoline Tax	18,821
Motor Vehicle Tax	3,795
Total State Highway Improvement Fund	<u>22,616</u>
CDBG Fund - CDBG Grants	300,100
Permissive License Registration Fund - Permissive Tax	16,192
Police Pension Fund - Homestead and Rollback Reimbursement	4,513
Fire Pension Fund - Homestead and Rollback Reimbursement	4,513
Total Nonmajor Special Revenue Funds	<u>626,858</u>
Total Governmental Fund Types	<u><u>\$1,092,967</u></u>

NOTE 7 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2011:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$701,036
General Bond Retirement Fund	696,806	0
TIF District-Coshocton Road Fund	0	289,795
Other Governmental Funds	331,650	37,625
Total Governmental Funds	<u><u>\$1,028,456</u></u>	<u><u>\$1,028,456</u></u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets as of December 31, 2011:

Historical Cost:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
<i>Capital assets not being depreciated:</i>				
Land	\$10,880,165	\$540,880	\$0	\$11,421,045
Construction in Progress	996,223	932,446	(72,934)	1,855,735
Subtotal	11,876,388	1,473,326	(72,934)	13,276,780
<i>Capital assets being depreciated:</i>				
Buildings	11,978,501	175,721	0	12,154,222
Improvements Other than Buildings	1,016,087	8,502	0	1,024,589
Infrastructure	37,744,590	555,063	(27,856)	38,271,797
Machinery and Equipment	6,422,154	897,855	(93,936)	7,226,073
Subtotal	57,161,332	1,637,141	(121,792)	58,676,681
Total Cost	\$69,037,720	\$3,110,467	(\$194,726)	\$71,953,461

Accumulated Depreciation:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Buildings	(\$4,279,250)	(\$416,137)	\$0	(\$4,695,387)
Improvements	(498,991)	(22,535)	0	(521,526)
Infrastructure	(13,799,894)	(1,871,410)	27,856	(15,643,448)
Machinery and Equipment	(4,541,170)	(448,898)	79,972	(4,910,096)
Total Depreciation	(\$23,119,305)	(\$2,758,980) *	\$107,828	(\$25,770,457)
<i>Net Value:</i>	\$45,918,415			\$46,183,004

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$359,956
Leisure Time Activities	228,640
Public Health & Welfare	13,898
Transportation	1,954,601
General Government	201,885
Total Depreciation Expense	\$2,758,980

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 8 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets as of December 31, 2011:

Historical Cost:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
<i>Capital assets not being depreciated:</i>				
Land	\$819,311	\$0	\$0	\$819,311
Construction in Progress	1,751,452	5,102,414	0	6,853,866
Subtotal	2,570,763	5,102,414	0	7,673,177
<i>Capital assets being depreciated:</i>				
Buildings	25,398,831	26,800	0	25,425,631
Utility Structures in Service	23,778,774	85,231	0	23,864,005
Machinery and Equipment	3,571,352	46,360	(1,514)	3,616,198
Subtotal	52,748,957	158,391	(1,514)	52,905,834
Total Cost	\$55,319,720	\$5,260,805	(\$1,514)	\$60,579,011

Accumulated Depreciation:

Class	December 31, 2010	Additions	Deletions	December 31, 2011
Buildings	(\$10,148,672)	(\$928,258)	\$0	(\$11,076,930)
Utility Structures in Service	(12,074,891)	(372,029)	0	(12,446,920)
Machinery and Equipment	(3,186,880)	(125,653)	1,514	(3,311,019)
Total Depreciation	(\$25,410,443)	(\$1,425,940)	\$1,514	(\$26,834,869)
<i>Net Value:</i>	\$29,909,277			\$33,744,142

NOTE 9 - 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. Ohio Public Employees Retirement System (“OPERS”)

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System ("OPERS") (Continued)

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2011, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2011 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 10.0% for calendar year 2011. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 7.95% for calendar year 2011. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2011, 2010, and 2009 were \$657,585, \$656,785 and \$651,484, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2011 were \$15,345 made by the City and \$10,961 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F 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 ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. 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. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2011, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2011, 2010, and 2009 were \$190,096, \$182,450 and \$170,763 for police and \$345,549, \$325,302 and \$327,739 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% for calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% for calendar year 2011. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2011, 2010, and 2009 were \$284,143, \$376,084 and \$270,706, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2011, 2010, and 2009 were \$100,639, \$96,591 and \$90,404 for police and \$135,215, \$127,292 and \$119,798 for firefighters, respectively, which were equal to the required contributions for each year.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

Long-term debt and other long-term obligations of the City at December 31, 2011 were as follows:

				Balance			Balance	Amounts
				December 31,	Additions	(Reductions)	December 31,	Due Within
				2010			2011	One Year
Business-Type Activities:								
Mortgage Revenue Bonds:								
3.00 - 3.75%	Water Refunding 1999	2009		\$4,020,000	\$0	(\$400,000)	\$3,620,000	\$415,000
				\$4,020,000	\$0	(\$400,000)	\$3,620,000	\$415,000
General Obligation Bonds:								
2.00 - 4.200%	Wastewater Improvements	2003		1,294,244	0	(129,050)	1,165,194	134,850
2.00 - 4.200%	Wastewater-Refunding 1992	2003		906,508	0	(93,450)	813,058	97,650
2.00 - 4.200%	Water-Building Project	2003		78,765	0	(6,675)	72,090	6,975
2.00 - 4.200%	Wastewater-Building Project	2003		78,765	0	(6,675)	72,090	6,975
4.00 - 5.500%	Waterworks Refunding 1997	2007		4,445,000	0	(480,000)	3,965,000	500,000
3.75 - 4.350%	Waterworks	2007		465,000	0	(30,000)	435,000	25,000
3.75 - 4.350%	W/W Treatment Facility	2007		2,590,000	0	(105,000)	2,485,000	110,000
1.15 - 6.000%	Wastewater Improvements	2009		2,490,000	0	(105,000)	2,385,000	105,000
Total General Obligation Bonds Payable				12,348,282	0	(955,850)	11,392,432	986,450
Ohio Public Works Commission Loan:								
0.000%	Wastewater Improvements	2009		122,228	0	(6,268)	115,960	6,268
Ohio Water Development Authority								
1.160%	Wastewater Improvements	2011		0	2,303,347	0	2,303,347	0
Compensated Absences				338,566	249,185	(254,084)	333,667	116,261
Total Business-Type Activities				\$16,829,076	\$2,552,532	(\$1,616,202)	\$17,765,406	\$1,523,979
Governmental Activities:								
General Obligation Bond:								
2.00 - 4.200%	Building Project	2003		\$156,145	\$0	(\$13,350)	\$142,795	\$13,950
2.00 - 4.200%	Highway Project	2003		1,925,573	0	(195,800)	1,729,773	204,600
3.75 - 4.350%	Water Park Facility	2007		2,720,000	0	(110,000)	2,610,000	115,000
2.00 - 4.250%	Highway Project	2009		2,080,000	0	(80,000)	2,000,000	85,000
Total General Obligation Bonds Payable				6,881,718	0	(399,150)	6,482,568	418,550
Ohio Public Works Commission Loans:								
0.000%	OPWC Loan Payable	2003		297,500	0	(21,250)	276,250	21,250
0.000%	OPWC Loan Payable	2009		121,875	0	(6,250)	115,625	6,250
Total OPWC Loans Payable				419,375	0	(27,500)	391,875	27,500
Compensated Absences				1,017,622	1,256,766	(1,201,502)	1,072,886	317,137
Police and Firemen's Pension Accrued Liability				421,356	0	(10,073)	411,283	10,506
Total Governmental Activities				\$8,740,071	\$1,256,766	(\$1,638,225)	\$8,358,612	\$773,693

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

A. Long-term Debt Purpose

Business Type Activities: Mortgage Revenue Bonds Refunding 1999 (2009) and General Obligation Bonds, Waterworks Refunding 1997 (2007) were issued for the construction of a new water treatment plant. Water and Wastewater-Building Project (2003) was for the acquisition and renovation of a building for the customer service and billing division. Wastewater Improvements (2003) was for the construction of a major wastewater main line. Waterworks (2007) was for the construction of a major water main line. Wastewater-Refunding 1992 (2003) was for the construction of two anaerobic aerobic digester tanks. Wastewater Treatment Facility (2007) was for aeration and infiltration upgrades. Wastewater Improvements (2009) was for relining of wastewater lines and manhole rehabilitation. Wastewater Improvements (2011) was for upgrades to electrical and instrumentation at treatment plant.

In 2011, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$7,537,774. The proceeds are being used to construct a septage receiving station and electrical and instrumentation upgrades. The amount is subject to change and has not been finalized. The interest rate on the loans is 1.16%, per annum. This loan is payable from water pollution charges and is received by the City in increments as the project is completed. As of December 31, 2011, the City had received \$2,303,347 from OWDA. Subsequent amounts will be received in future years. The City will begin repaying the loan in semiannual payments in 2013 based on a loan amount of \$7,537,774 to be paid through 2032. An estimate of future financing requirements has been made based on the loan balance of \$2,303,347 at December 31, 2011.

Business-Type Activities		<u>Original Issue</u>
Mortgage Revenue Bonds:		
Water Refunding 1999	2009	\$4,420,000
General Obligation Bonds:		
Wastewater Improvements	2003	2,249,703
Wastewater-Refunding 1992	2003	1,595,845
Water-Building Project	2003	128,115
Wastewater-Building Project	2003	128,115
Waterworks Refunding 1997	2007	5,785,000
Waterworks	2007	520,000
Wastewater Treatment Facility	2007	2,890,000
Wastewater Improvements	2009	2,595,000
Total General Obligation Bonds		<u>15,891,778</u>
Ohio Public Works Commission Loan:		
Wastewater Improvements	2009	125,362
Ohio Water Development Authority		
Wastewater Improvements	2011	2,303,347
Total Business Type Activities		<u><u>\$22,740,487</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

A. Long-term Debt Purpose (Continued)

Governmental Activities: Building Project (2003) was for the acquisition and renovation of a building for the City Income Tax Department. Highway Project (2003) was for the widening of a portion of State Route 36 East, including drainage and traffic lights. Water Park Facility (2007) was for the construction of a new water park/pool complex. Highway Project (2009) was for road improvements to Blackjack Road.

		<u>Original Issue</u>
Governmental Activities Long-Term Debt:		
General Obligation Bonds:		
Building Project	2003	\$256,230
Highway Project	2003	3,371,992
Water Park Facility	2007	3,035,000
Highway Project	2009	<u>2,165,000</u>
Total General Obligation Bonds		8,828,222
Ohio Public Works Commission Loan:		
OPWC Loan Payable	2003	425,000
OPWC Loan Payable	2009	<u>125,000</u>
Total Ohio Public Works Commission Loan Payable		<u>550,000</u>
Total Governmental Activities		<u><u>\$9,378,222</u></u>

B. 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, 2011 was \$653,797 in principal and interest payments through the year 2035.

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

C. Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2011 are as follows:

Business-type Activities:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$986,938	\$501,581	\$415,000	\$127,650	\$6,268	\$0
2013	919,315	465,920	425,000	115,200	6,268	0
2014	954,626	431,915	435,000	102,450	6,268	0
2015	989,936	395,769	450,000	89,400	6,268	0
2016	1,025,713	356,719	465,000	75,900	6,268	0
2017-2021	3,735,098	1,121,379	1,430,000	95,250	31,341	0
2022-2026	2,030,806	489,843	0	0	31,341	0
2027-2030	750,000	72,240	0	0	21,938	0
Totals	\$11,392,432	\$3,835,366	\$3,620,000	\$605,850	\$115,960	\$0

Years	Ohio Water Development Authority Loan	
	Principal	Interest
2012	\$0	\$0
2013	102,954	26,421
2014	104,152	24,223
2015	105,363	24,012
2016	106,589	22,786
2017-2021	551,837	95,039
2022-2026	584,691	62,184
2027-2031	619,503	27,372
3032	128,258	1,117
Totals	\$2,303,347	\$283,154

Governmental Activities:

Years	General Obligation Bonds		Police/Fire Pension Liability		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$418,062	\$257,221	\$10,505	\$17,369	\$27,500	\$0
2013	345,685	243,421	10,956	16,918	27,500	0
2014	355,374	231,827	11,428	16,448	27,500	0
2015	375,064	219,291	11,917	15,955	27,500	0
2016	394,287	205,101	12,429	15,444	27,500	0
2017-2021	2,169,902	787,366	70,632	68,740	137,500	0
2022-2026	1,769,194	354,847	87,162	52,210	95,000	0
2027-2030	655,000	46,970	107,560	31,812	21,875	0
2031-2035	0	0	88,694	7,618	0	0
Totals	\$6,482,568	\$2,346,044	\$411,283	\$242,514	\$391,875	\$0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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 yearend are recorded as Long-Term Obligations in the government-wide statements. At December 31, 2011, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	63,562	\$725,255
Vacation	14,527	317,138
Compensatory Time	<u>1,368</u>	<u>30,493</u>
Total	<u><u>79,457</u></u>	<u><u>\$1,072,886</u></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 - 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.

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 13 - RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009 (latest information available from PEP is for 2009 and 2010):

	<u>2010</u>	<u>2009</u>
Assets	\$ 34,952,010	\$ 36,374,898
Liabilities	<u>14,320,812</u>	<u>15,256,862</u>
Net Assets	<u>\$ 20,631,198</u>	<u>\$ 21,118,036</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The City's share of these unpaid claims collectible in future years is approximately \$127,103.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

	<u>Contributions to PEP</u>
2010	\$ 135,157
2011	136,670

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 14 - CONSTRUCTION COMMITMENTS

As of December 31, 2011, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
2011 Brick Street Rehabilitation Project	\$158,059	June 2012
2011 Sidewalk Improvement Project	524,928	June 2012
Kokosing & Center Run Sewer Rehab	974,293	July 2012
Wastewater Treatment Plant Upgrades	3,723,995	September 2012
East Side Elevated Tank Rehabilitation	43,920	August 2012

NOTE 15 - 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.

NOTE 16 - CONDUIT DEBT OBLIGATIONS

The City has issued Economic Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition, construction, renovation, installation and equipping of a 65,000 square foot expansion to the Prince Student Union, which will include a new arena and other intercollegiate athletic facilities, academic and office space facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2011, Economic Development Revenue Bonds outstanding for the Mount Vernon Nazarene University totaled \$10,000,000.

NOTE 17 - SUBSEQUENT EVENTS

On March 20, 2012, the City issued Various Purpose Refunding Bonds, Series 2012 in the amount of \$3,520,000. The bond proceeds will be used to retire the current outstanding Various Purpose Bonds, Series 2003, in December 2012 when the call feature will be executed.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND
FIDUCIARY FUNDS.*



Nonmajor Governmental Funds

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.

Cemetery 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.

Court Computerization Fund

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

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.

Lodging Excise Tax Fund

To promote the development of the arts, cultural and educational, to bring the patronage and business of residents and tourists to the central business district, for the benefit of the citizens of the City and the business community.

Driver's Interlock and Alcohol Monitoring Fund

To account for the financial resources derived from fines levied by the courts to be used for monitoring drivers who have been convicted of driving under the influence.

Public Service Street Repair Fund

To account for revenue received for cab vehicle licenses and cab operator licenses designated for street maintenance and repair.

Hiawatha Water Park Scholarship Fund

To account for public donations to provide scholarships for income eligible youth for day passes to the water park facility.

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.

Special Revenue Funds

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.

Mausoleum Fund

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

Veterans Honor Walkway 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.

Capital Projects Funds

The Capital Projects Funds are 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.

Baltimore and Ohio (B&O) Railroad Depot Fund

To account for financial resources used for the acquisition and improvements of a 1907 historical railroad depot station. The improvements are being funded by public contributions and potential future historical preservation grants. The site will provide space for community activities or additional governmental operations.

TIF District-Industrial Area Fund

To account for financial resources used for the improvements within the described boundaries of the Industrial Park area. The TIF (tax increment financing) district will expire in January 2036 due to the thirty year maximum lifetime.

Permanent Fund

The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

Perpetual Care Fund

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

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,163,592	\$ 48,446	\$ 0	\$ 1,212,038
Receivables:				
Taxes	342,288	35,000	0	377,288
Accounts	4,060	0	8,412	12,472
Intergovernmental	626,858	0	0	626,858
Inventory of Supplies	19,705	0	0	19,705
Prepaid Items	3,960	0	0	3,960
Restricted Assets:				
Cash and Cash Equivalents	0	0	376,429	376,429
Cash and Cash Equivalents with Fiscal Agent	16,029	0	0	16,029
Total Assets	\$ 2,176,492	\$ 83,446	\$ 384,841	\$ 2,644,779
Liabilities:				
Accounts Payable	\$ 20,228	\$ 0	\$ 0	\$ 20,228
Accrued Wages and Benefits Payable	252,674	0	0	252,674
Contracts Payable	58,093	0	0	58,093
Deferred Revenue	632,294	35,000	0	667,294
Total Liabilities	963,289	35,000	0	998,289
Fund Balances:				
Nonspendable	23,665	0	384,841	408,506
Restricted	1,113,047	40,208	0	1,153,255
Committed	76,491	8,238	0	84,729
Total Fund Balances	1,213,203	48,446	384,841	1,646,490
Total Liabilities and Fund Balances	\$ 2,176,492	\$ 83,446	\$ 384,841	\$ 2,644,779

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 761,770	\$ 35,731	\$ 0	\$ 797,501
Intergovernmental Revenues	1,269,844	0	0	1,269,844
Charges for Services	106,460	0	0	106,460
Licenses and Permits	2,020	0	0	2,020
Investment Earnings	543	0	0	543
Fines and Forfeitures	134,135	0	0	134,135
All Other Revenue	9,887	7,893	15,769	33,549
Total Revenue	2,284,659	43,624	15,769	2,344,052
Expenditures:				
Current:				
Security of Persons and Property	805,930	0	0	805,930
Public Health and Welfare Services	333,782	0	0	333,782
Leisure Time Activities	1,027	0	0	1,027
Community Environment	564,968	0	0	564,968
Transportation	1,081,082	644	0	1,081,726
General Government	173,339	0	0	173,339
Total Expenditures	2,960,128	644	0	2,960,772
Excess (Deficiency) of Revenues Over Expenditures	(675,469)	42,980	15,769	(616,720)
Other Financing Sources (Uses):				
Transfers In	331,650	0	0	331,650
Transfers Out	0	(37,625)	0	(37,625)
Total Other Financing Sources (Uses)	331,650	(37,625)	0	294,025
Net Change in Fund Balances	(343,819)	5,355	15,769	(322,695)
Fund Balances at Beginning of Year	1,567,115	43,091	369,072	1,979,278
Decrease in Inventory	(10,093)	0	0	(10,093)
Fund Balances End of Year	\$ 1,213,203	\$ 48,446	\$ 384,841	\$ 1,646,490

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery	Park Development
Assets:					
Cash and Cash Equivalents	\$ 128,483	\$ 92,700	\$ 5,762	\$ 26,256	\$ 27,592
Receivables:					
Taxes	48,446	0	0	64,594	0
Accounts	0	0	0	4,060	0
Intergovernmental	278,924	22,616	0	0	0
Inventory of Supplies	18,817	0	0	888	0
Prepaid Items	2,837	0	0	1,050	0
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	0	0	16,029	0	0
Total Assets	\$ 477,507	\$ 115,316	\$ 21,791	\$ 96,848	\$ 27,592
Liabilities:					
Accounts Payable	\$ 4,260	\$ 423	\$ 0	\$ 344	\$ 0
Accrued Wages and Benefits Payable	28,294	0	0	11,422	0
Contracts Payable	0	0	0	0	0
Deferred Revenue	199,395	15,077	16,029	17,927	0
Total Liabilities	231,949	15,500	16,029	29,693	0
Fund Balances:					
Nonspendable	21,654	0	0	1,938	0
Restricted	223,904	99,816	5,762	65,217	27,592
Committed	0	0	0	0	0
Total Fund Balances	245,558	99,816	5,762	67,155	27,592
Total Liabilities and Fund Balances	\$ 477,507	\$ 115,316	\$ 21,791	\$ 96,848	\$ 27,592

CITY OF MOUNT VERNON, OHIO

Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education
\$ 45,047	\$ 9,698	\$ 6,681	\$ 31,164	\$ 49,142	\$ 11,076	\$ 39,356
0	0	0	0	0	0	0
0	0	0	0	0	0	0
300,100	0	0	0	16,192	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 345,147</u>	<u>\$ 9,698</u>	<u>\$ 6,681</u>	<u>\$ 31,164</u>	<u>\$ 65,334</u>	<u>\$ 11,076</u>	<u>\$ 39,356</u>
\$ 0	\$ 794	\$ 0	\$ 0	\$ 4,894	\$ 9,513	\$ 0
0	52	0	0	0	0	0
53,284	0	0	0	0	0	0
173,536	0	0	0	0	0	0
<u>226,820</u>	<u>846</u>	<u>0</u>	<u>0</u>	<u>4,894</u>	<u>9,513</u>	<u>0</u>
0	0	0	0	0	0	0
118,327	0	6,681	31,164	60,440	1,563	39,356
0	8,852	0	0	0	0	0
<u>118,327</u>	<u>8,852</u>	<u>6,681</u>	<u>31,164</u>	<u>60,440</u>	<u>1,563</u>	<u>39,356</u>
<u>\$ 345,147</u>	<u>\$ 9,698</u>	<u>\$ 6,681</u>	<u>\$ 31,164</u>	<u>\$ 65,334</u>	<u>\$ 11,076</u>	<u>\$ 39,356</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Court Computerization	Probation Services	Lodging Excise Tax	Driver's Interlock and Alcohol Monitoring	Public Service Street Repair
Assets:					
Cash and Cash Equivalents	\$ 194,871	\$ 63,974	\$ 199	\$ 47,140	\$ 310
Receivables:					
Taxes	0	0	4,610	0	0
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Inventory of Supplies	0	0	0	0	0
Prepaid Items	73	0	0	0	0
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0	0
Total Assets	\$ 194,944	\$ 63,974	\$ 4,809	\$ 47,140	\$ 310
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0
Contracts Payable	0	0	4,809	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	0	0	4,809	0	0
Fund Balances:					
Nonspendable	73	0	0	0	0
Restricted	194,871	63,974	0	47,140	0
Committed	0	0	0	0	310
Total Fund Balances	194,944	63,974	0	47,140	310
Total Liabilities and Fund Balances	\$ 194,944	\$ 63,974	\$ 4,809	\$ 47,140	\$ 310

CITY OF MOUNT VERNON, OHIO

Hiawatha Water Park Scholarship	Police Pension	Fire Pension	Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 468	\$ 166,059	\$ 145,648	\$ 5,105	\$ 66,861	\$ 1,163,592
0	112,319	112,319	0	0	342,288
0	0	0	0	0	4,060
0	4,513	4,513	0	0	626,858
0	0	0	0	0	19,705
0	0	0	0	0	3,960
0	0	0	0	0	16,029
<u>\$ 468</u>	<u>\$ 282,891</u>	<u>\$ 262,480</u>	<u>\$ 5,105</u>	<u>\$ 66,861</u>	<u>\$ 2,176,492</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,228
0	83,374	129,532	0	0	252,674
0	0	0	0	0	58,093
0	105,165	105,165	0	0	632,294
0	188,539	234,697	0	0	963,289
0	0	0	0	0	23,665
0	94,352	27,783	5,105	0	1,113,047
468	0	0	0	66,861	76,491
<u>468</u>	<u>94,352</u>	<u>27,783</u>	<u>5,105</u>	<u>66,861</u>	<u>1,213,203</u>
<u>\$ 468</u>	<u>\$ 282,891</u>	<u>\$ 262,480</u>	<u>\$ 5,105</u>	<u>\$ 66,861</u>	<u>\$ 2,176,492</u>

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011**

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery	Park Development
Revenues:					
Taxes	\$ 173,568	\$ 0	\$ 0	\$ 231,426	\$ 0
Intergovernmental Revenues	585,658	47,486	52,624	0	0
Charges for Services	0	0	0	66,258	1,150
Licenses and Permits	200	0	0	0	0
Investment Earnings	75	61	0	364	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	1,464	7,779	0	98	0
Total Revenue	760,965	55,326	52,624	298,146	1,150
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	0	0	331,750	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	832,529	66,637	75,000	0	0
General Government	0	0	0	0	0
Total Expenditures	832,529	66,637	75,000	331,750	0
Excess (Deficiency) of Revenues Over Expenditures	(71,564)	(11,311)	(22,376)	(33,604)	1,150
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	1,150
Total Other Financing Sources (Uses)	0	0	0	0	1,150
Net Change in Fund Balances	(71,564)	(11,311)	(22,376)	(33,604)	2,300
Fund Balances at Beginning of Year	327,549	111,127	28,138	100,425	25,292
Increase (Decrease) in Inventory	(10,427)	0	0	334	0
Fund Balances End of Year	\$ 245,558	\$ 99,816	\$ 5,762	\$ 67,155	\$ 27,592

CITY OF MOUNT VERNON, OHIO

Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
456,840	0	0	0	102,968	0	0
0	0	0	0	0	0	0
0	565	0	0	0	0	0
4	0	0	0	0	0	0
0	2,565	815	6,190	0	26,485	2,148
0	0	0	0	0	0	0
<u>456,844</u>	<u>3,130</u>	<u>815</u>	<u>6,190</u>	<u>102,968</u>	<u>26,485</u>	<u>2,148</u>
0	24,214	7,175	1,600	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
564,968	0	0	0	0	0	0
0	0	0	0	104,701	0	0
0	0	0	0	0	25,990	0
<u>564,968</u>	<u>24,214</u>	<u>7,175</u>	<u>1,600</u>	<u>104,701</u>	<u>25,990</u>	<u>0</u>
(108,124)	(21,084)	(6,360)	4,590	(1,733)	495	2,148
0	15,500	0	0	0	0	0
0	15,500	0	0	0	0	0
(108,124)	(5,584)	(6,360)	4,590	(1,733)	495	2,148
226,451	14,436	13,041	26,574	62,173	1,068	37,208
0	0	0	0	0	0	0
<u>\$ 118,327</u>	<u>\$ 8,852</u>	<u>\$ 6,681</u>	<u>\$ 31,164</u>	<u>\$ 60,440</u>	<u>\$ 1,563</u>	<u>\$ 39,356</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Court Computerization	Probation Services	Lodging Excise Tax	Driver's Interlock and Alcohol Monitoring	Public Service Street Repair
Revenues:					
Taxes	\$ 0	\$ 0	\$ 79,982	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	0	38,152	0	0	0
Licenses and Permits	0	0	0	0	1,255
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	76,042	176	0	19,714	0
All Other Revenue	0	0	0	0	0
Total Revenue	76,042	38,328	79,982	19,714	1,255
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	2,215
General Government	43,285	20,355	80,077	0	0
Total Expenditures	43,285	20,355	80,077	0	2,215
Excess (Deficiency) of Revenues Over Expenditures	32,757	17,973	(95)	19,714	(960)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	32,757	17,973	(95)	19,714	(960)
Fund Balances at Beginning of Year	162,187	46,001	95	27,426	1,270
Increase (Decrease) in Inventory	0	0	0	0	0
Fund Balances End of Year	\$ 194,944	\$ 63,974	\$ 0	\$ 47,140	\$ 310

CITY OF MOUNT VERNON, OHIO

Hiawatha Water Park Scholarship	Police Pension	Fire Pension	Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 138,397	\$ 138,397	\$ 0	\$ 0	\$ 761,770
0	12,134	12,134	0	0	1,269,844
0	0	0	0	900	106,460
0	0	0	0	0	2,020
0	0	0	6	33	543
0	0	0	0	0	134,135
546	0	0	0	0	9,887
<u>546</u>	<u>150,531</u>	<u>150,531</u>	<u>6</u>	<u>933</u>	<u>2,284,659</u>
0	291,880	481,061	0	0	805,930
0	0	0	2,032	0	333,782
480	0	0	0	547	1,027
0	0	0	0	0	564,968
0	0	0	0	0	1,081,082
0	1,816	1,816	0	0	173,339
<u>480</u>	<u>293,696</u>	<u>482,877</u>	<u>2,032</u>	<u>547</u>	<u>2,960,128</u>
66	(143,165)	(332,346)	(2,026)	386	(675,469)
0	85,000	230,000	0	0	331,650
0	85,000	230,000	0	0	331,650
66	(58,165)	(102,346)	(2,026)	386	(343,819)
402	152,517	130,129	7,131	66,475	1,567,115
0	0	0	0	0	(10,093)
<u>\$ 468</u>	<u>\$ 94,352</u>	<u>\$ 27,783</u>	<u>\$ 5,105</u>	<u>\$ 66,861</u>	<u>\$ 1,213,203</u>

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011**

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 8,238	\$ 40,208	\$ 48,446
Receivables:			
Taxes	0	35,000	35,000
Total Assets	<u>\$ 8,238</u>	<u>\$ 75,208</u>	<u>\$ 83,446</u>
Liabilities:			
Deferred Revenue	\$ 0	\$ 35,000	\$ 35,000
Total Liabilities	<u>0</u>	<u>35,000</u>	<u>35,000</u>
Fund Balances:			
Restricted	0	40,208	40,208
Committed	8,238	0	8,238
Total Fund Balances	<u>8,238</u>	<u>40,208</u>	<u>48,446</u>
Total Liabilities and Fund Balances	<u>\$ 8,238</u>	<u>\$ 75,208</u>	<u>\$ 83,446</u>

CITY OF MOUNT VERNON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Project Funds
Revenues:			
Taxes	\$ 0	\$ 35,731	\$ 35,731
All Other Revenue	7,893	0	7,893
Total Revenue	<u>7,893</u>	<u>35,731</u>	<u>43,624</u>
Expenditures:			
Current:			
Transportation	0	644	644
Total Expenditures	<u>0</u>	<u>644</u>	<u>644</u>
Excess of Revenues Over Expenditures	7,893	35,087	42,980
Other Financing Sources (Uses):			
Transfers Out	0	(37,625)	(37,625)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(37,625)</u>	<u>(37,625)</u>
Net Change in Fund Balances	7,893	(2,538)	5,355
Fund Balances at Beginning of Year	<u>345</u>	<u>42,746</u>	<u>43,091</u>
Fund Balances End of Year	<u>\$ 8,238</u>	<u>\$ 40,208</u>	<u>\$ 48,446</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 627,200	\$ 627,200	\$ 594,118	\$ (33,082)
Municipal Income Tax	7,868,997	7,868,997	7,925,873	56,876
Other Local Taxes	5,000	5,000	4,839	(161)
Total Tax Revenues	8,501,197	8,501,197	8,524,830	23,633
Intergovernmental Revenues:				
State Levied Shared Taxes	534,258	534,258	886,601	352,343
Intergovernmental Revenues	99,750	241,488	171,811	(69,677)
Total Intergovernmental Revenues	634,008	775,746	1,058,412	282,666
Charges for Services	1,511,300	1,512,550	1,516,660	4,110
Licenses and Permits	15,100	15,100	9,525	(5,575)
Investment Earnings	50,000	50,000	41,884	(8,116)
Fines and Forfeitures	450,000	450,000	682,083	232,083
All Other Revenues	109,000	174,448	210,575	36,127
Total Revenues	11,270,605	11,479,041	12,043,969	564,928
Expenditures:				
Security of Persons and Property:				
Police Division:				
Personal Services	1,709,168	1,732,168	1,724,998	7,170
Travel and Transportation	76,150	46,150	34,001	12,149
Materials and Supplies	57,525	56,275	43,423	12,852
Contractual Services	214,220	211,220	177,267	33,953
Capital Outlay	203,322	217,322	216,629	693
Total Police Division	2,260,385	2,263,135	2,196,318	66,817
Fire and E.M.S. Division:				
Personal Services	2,480,980	2,483,649	2,358,594	125,055
Travel and Transportation	32,700	26,700	24,461	2,239
Materials and Supplies	102,040	100,540	85,844	14,696
Contractual Services	148,821	165,152	153,393	11,759
Capital Outlay	548,450	542,730	528,845	13,885
Total Fire and E.M.S. Division	3,312,991	3,318,771	3,151,137	167,634

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	30,500	30,500	22,604	7,896
Contractual Services	259,360	259,360	250,948	8,412
Public Defender:				
Contractual Services	27,500	27,500	27,500	0
Debt Services:				
Principal Retirement	10,100	10,100	10,073	27
Interest and Fiscal Charges	17,900	17,900	17,802	98
Total Miscellaneous	<u>345,360</u>	<u>345,360</u>	<u>328,927</u>	<u>16,433</u>
Total Security of Persons and Property	<u>5,918,736</u>	<u>5,927,266</u>	<u>5,676,382</u>	<u>250,884</u>
Public Health and Welfare Services:				
Police Division:				
Contractual Services	329,862	329,862	329,170	692
Total Police Division	<u>329,862</u>	<u>329,862</u>	<u>329,170</u>	<u>692</u>
Humane Officer:				
Travel and Transportation	13,500	13,500	11,338	2,162
Contractual Services	31,500	31,500	27,585	3,915
Total Humane Officer	<u>45,000</u>	<u>45,000</u>	<u>38,923</u>	<u>6,077</u>
Health Department:				
Contractual Services	45,935	45,935	45,935	0
Total Health Department	<u>45,935</u>	<u>45,935</u>	<u>45,935</u>	<u>0</u>
Total Public Health and Welfare Services	<u>420,797</u>	<u>420,797</u>	<u>414,028</u>	<u>6,769</u>
Leisure Time Activities:				
Parks:				
Personal Services	235,820	235,820	224,103	11,717
Travel and Transportation	500	500	246	254
Materials and Supplies	6,588	6,588	5,597	991
Contractual Services	152,056	152,056	109,701	42,355
Capital Outlay	42,190	42,190	34,530	7,660
Total Parks	<u>437,154</u>	<u>437,154</u>	<u>374,177</u>	<u>62,977</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Recreation:				
Personal Services	15,000	14,456	12,772	1,684
Materials and Supplies	5,060	5,060	3,623	1,437
Contractual Services	8,800	11,844	9,293	2,551
Total Recreation	28,860	31,360	25,688	5,672
Pool:				
Personal Services	194,000	193,500	184,854	8,646
Travel and Transportation	3,690	2,810	957	1,853
Materials and Supplies	94,310	104,690	91,480	13,210
Contractual Services	72,050	65,550	57,592	7,958
Capital Outlay	6,000	7,500	5,304	2,196
Total Pool	370,050	374,050	340,187	33,863
Total Leisure Time Activities	836,064	842,564	740,052	102,512
Community Environment:				
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:				
Materials and Supplies	22,250	22,250	22,053	197
Contractual Services	24,510	23,510	4,665	18,845
Total Community Environment	46,760	45,760	26,718	19,042
Transportation:				
Miscellaneous:				
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:				
Materials and Supplies	38,000	38,000	37,150	850
Contractual Services	12,000	12,000	7,984	4,016
Total Transportation	50,000	50,000	45,134	4,866
General Government:				
Council:				
Personal Services	67,024	67,024	67,024	0
Travel and Transportation	7,500	6,700	0	6,700
Materials and Supplies	1,000	3,800	3,760	40
Contractual Services	1,200	700	0	700
Total Council	76,724	78,224	70,784	7,440

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	106,168	106,168	105,896	272
Travel and Transportation	500	500	0	500
Materials and Supplies	5,460	5,460	4,091	1,369
Contractual Services	1,000	1,000	538	462
Total Mayor	113,128	113,128	110,525	2,603
Auditor:				
Personal Services	273,726	273,426	248,867	24,559
Travel and Transportation	500	500	350	150
Materials and Supplies	15,065	15,065	14,107	958
Contractual Services	25,176	25,476	21,682	3,794
Total Auditor	314,467	314,467	285,006	29,461
Treasurer:				
Personal Services	8,378	8,378	8,378	0
Materials and Supplies	4,300	4,300	0	4,300
Total Treasurer	12,678	12,678	8,378	4,300
Law Director:				
Personal Services	276,988	276,708	274,892	1,816
Travel and Transportation	1,032	1,312	1,312	0
Materials and Supplies	28,480	28,480	27,191	1,289
Contractual Services	2,500	52,500	50,000	2,500
Total Law Director	309,000	359,000	353,395	5,605
Income Tax:				
Personal Services	132,170	134,070	134,015	55
Travel and Transportation	2,000	2,000	1,872	128
Materials and Supplies	26,620	26,620	18,374	8,246
Contractual Services	140,580	138,680	111,946	26,734
Capital Outlay	2,500	2,500	1,950	550
Total Income Tax	303,870	303,870	268,157	35,713

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	552,675	552,675	517,294	35,381
Travel and Transportation	11,345	11,345	8,287	3,058
Materials and Supplies	52,750	56,050	48,548	7,502
Contractual Services	4,000	700	42	658
Total Municipal Court	620,770	620,770	574,171	46,599
Civil Services:				
Personal Services	9,018	9,260	9,260	0
Materials and Supplies	8,125	7,883	3,177	4,706
Total Civil Services	17,143	17,143	12,437	4,706
Safety Service:				
Personal Services	117,000	117,000	114,097	2,903
Travel and Transportation	100	100	15	85
Materials and Supplies	6,851	6,851	5,743	1,108
Contractual Services	67,362	72,907	71,429	1,478
Total Safety Service	191,313	196,858	191,284	5,574
Engineering:				
Personal Services	298,422	306,386	306,255	131
Travel and Transportation	1,600	2,886	2,886	0
Materials and Supplies	14,215	13,015	11,327	1,688
Contractual Services	299,900	316,550	111,024	205,526
Capital Outlay	26,540	27,040	26,355	685
Total Engineering	640,677	665,877	457,847	208,030
Public Land and Buildings:				
Personal Services	90,305	91,905	90,230	1,675
Travel and Transportation	200	200	18	182
Materials and Supplies	60,780	74,180	55,786	18,394
Contractual Services	413,259	478,707	346,886	131,821
Total Public Land and Buildings	564,544	644,992	492,920	152,072

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	88,459	88,000	459
Total Summer Work Program	0	88,459	88,000	459
Miscellaneous:				
Personal Services	2,201,475	2,194,501	2,163,048	31,453
Materials and Supplies	10,400	13,400	4,571	8,829
Contractual Services	670,951	668,680	340,775	327,905
Total Miscellaneous	2,882,826	2,876,581	2,508,394	368,187
Total General Government	6,047,140	6,292,047	5,421,298	870,749
Total Expenditures	13,319,497	13,578,434	12,323,612	1,254,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,048,892)	(2,099,393)	(279,643)	1,819,750
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	38,177	38,177
Transfers Out	(1,347,234)	(1,296,734)	(701,036)	595,698
Total Other Financing Sources (Uses)	(1,347,234)	(1,296,734)	(662,859)	633,875
Net Change in Fund Balance	(3,396,126)	(3,396,127)	(942,502)	2,453,625
Fund Balance at Beginning of Year	2,946,969	2,946,969	2,946,969	0
Prior Year Encumbrances	501,079	501,079	501,079	0
Fund Balance at End of Year	\$ 51,922	\$ 51,921	\$ 2,505,546	\$ 2,453,625

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – General Bond Retirement Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 2	\$ 2
All Other Revenues	42,936	42,936	42,936	0
Total Revenues	<u>42,936</u>	<u>42,936</u>	<u>42,938</u>	<u>2</u>
Expenditures:				
Debt Service:				
Principal Retirement	1,788,770	1,790,018	1,790,018	0
Interest and Fiscal Charges	909,230	943,872	943,872	0
Total Expenditures	<u>2,698,000</u>	<u>2,733,890</u>	<u>2,733,890</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,655,064)	(2,690,954)	(2,690,952)	2
Other Financing Sources (Uses):				
Transfers In	2,657,064	2,691,716	2,690,952	(764)
Total Other Financing Sources (Uses)	<u>2,657,064</u>	<u>2,691,716</u>	<u>2,690,952</u>	<u>(764)</u>
Net Change in Fund Balance	2,000	762	0	(762)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,000</u>	<u>\$ 762</u>	<u>\$ 0</u>	<u>\$ (762)</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Funds – Capital Improvements Fund
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 573,704	\$ 573,704	\$ 574,641	\$ 937
Intergovernmental Revenues	480,468	1,086,226	412,218	(674,008)
Total Revenues	1,054,172	1,659,930	986,859	(673,071)
Expenditures:				
Public Health and Welfare:				
Capital Outlay	12,400	12,400	12,234	166
Total Public Health and Welfare	12,400	12,400	12,234	166
Transportation:				
Street:				
Capital Outlay	1,715,241	2,299,156	1,254,410	1,044,746
Total Transportation	1,715,241	2,299,156	1,254,410	1,044,746
General Government:				
Mayor:				
Capital Outlay	2,750	2,750	2,728	22
Auditor:				
Capital Outlay	26,850	26,850	24,357	2,493
Law Director:				
Capital Outlay	1,000	1,000	1,000	0
Municipal Court:				
Capital Outlay	3,625	3,625	3,625	0
Safety - Service:				
Capital Outlay	8,000	8,000	7,745	255
Public Lands and Buildings:				
Capital Outlay	392,645	414,488	214,787	199,701
Total General Government	434,870	456,713	254,242	202,471
Total Expenditures	2,162,511	2,768,269	1,520,886	1,247,383
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,108,339)	(1,108,339)	(534,027)	574,312
Fund Balance at Beginning of Year	1,168,579	1,168,579	1,168,579	0
Prior Year Encumbrances	13,900	13,900	13,900	0
Fund Balance at End of Year	\$ 74,140	\$ 74,140	\$ 648,452	\$ 574,312

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Funds – TIF District – Coshocton Road Fund
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,320,000	\$ 1,320,000	\$ 1,262,210	\$ (57,790)
Total Revenues	1,320,000	1,320,000	1,262,210	(57,790)
Expenditures:				
Transportation:				
Street:				
Contractual Services	405,000	405,000	365,070	39,930
Capital Outlay	2,597,618	2,597,618	1,276,936	1,320,682
Total Expenditures	3,002,618	3,002,618	1,642,006	1,360,612
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,682,618)	(1,682,618)	(379,796)	1,302,822
Other Financing Sources (Uses):				
Transfers Out	(290,000)	(290,000)	(289,795)	205
Total Other Financing Sources (Uses)	(290,000)	(290,000)	(289,795)	205
Net Change in Fund Balance	(1,972,618)	(1,972,618)	(669,591)	1,303,027
Fund Balance at Beginning of Year	1,967,118	1,967,118	1,967,118	0
Prior Year Encumbrances	5,500	5,500	5,500	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 1,303,027	\$ 1,303,027

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 172,111	\$ 172,111	\$ 172,392	\$ 281
Intergovernmental Revenues	593,000	593,000	590,310	(2,690)
Licenses and Permits	1,000	1,000	200	(800)
Investment Earnings	200	200	75	(125)
All Other Revenues	0	0	1,464	1,464
Total Revenues	<u>766,311</u>	<u>766,311</u>	<u>764,441</u>	<u>(1,870)</u>
Expenditures:				
Transportation:				
Personal Services	784,725	784,725	742,149	42,576
Travel and Transportation	1,000	1,000	790	210
Materials and Supplies	114,278	114,278	58,687	55,591
Contractual Services	59,195	59,195	44,853	14,342
Capital Outlay	5,000	5,000	0	5,000
Total Expenditures	<u>964,198</u>	<u>964,198</u>	<u>846,479</u>	<u>117,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,887)	(197,887)	(82,038)	115,849
Fund Balance at Beginning of Year	182,794	182,794	182,794	0
Prior Year Encumbrances	15,093	15,093	15,093	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 115,849</u>	<u>\$ 115,849</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 47,000	\$ 47,000	\$ 47,863	\$ 863
Investment Earnings	50	50	61	11
All Other Revenues	0	0	594	594
Total Revenues	<u>47,050</u>	<u>47,050</u>	<u>48,518</u>	<u>1,468</u>
Expenditures:				
Transportation:				
Capital Outlay	<u>151,200</u>	<u>151,200</u>	<u>67,456</u>	<u>83,744</u>
Total Expenditures	<u>151,200</u>	<u>151,200</u>	<u>67,456</u>	<u>83,744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,150)	(104,150)	(18,938)	85,212
Fund Balance at Beginning of Year	103,048	103,048	103,048	0
Prior Year Encumbrances	<u>1,102</u>	<u>1,102</u>	<u>1,102</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 85,212</u>	<u>\$ 85,212</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 75,000	\$ 75,000	\$ 80,459	\$ 5,459
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>80,459</u>	<u>5,459</u>
Expenditures:				
Transportation:				
Capital Outlay	<u>75,303</u>	<u>75,303</u>	<u>75,000</u>	<u>303</u>
Total Expenditures	<u>75,303</u>	<u>75,303</u>	<u>75,000</u>	<u>303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(303)	(303)	5,459	5,762
Fund Balance at Beginning of Year	<u>303</u>	<u>303</u>	<u>303</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,762</u>	<u>\$ 5,762</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

CEMETERY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 229,482	\$ 229,482	\$ 229,857	\$ 375
Charges for Services	54,000	54,000	65,490	11,490
Investment Earnings	400	400	364	(36)
All Other Revenues	0	0	98	98
Total Revenues	<u>283,882</u>	<u>283,882</u>	<u>295,809</u>	<u>11,927</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	290,556	286,642	282,823	3,819
Travel and Transportation	625	425	425	0
Materials and Supplies	20,051	20,409	19,313	1,096
Contractual Services	35,458	39,614	36,179	3,435
Capital Outlay	2,377	1,977	1,703	274
Total Expenditures	<u>349,067</u>	<u>349,067</u>	<u>340,443</u>	<u>8,624</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,185)	(65,185)	(44,634)	20,551
Fund Balance at Beginning of Year	45,665	45,665	45,665	0
Prior Year Encumbrances	19,520	19,520	19,520	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,551</u>	<u>\$ 20,551</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

PARK DEVELOPMENT				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 2,000	\$ 2,000	\$ 1,150	\$ (850)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,150</u>	<u>(850)</u>
Expenditures:				
Leisure Time Activities:				
Capital Outlay	29,292	29,292	0	29,292
Total Expenditures	<u>29,292</u>	<u>29,292</u>	<u>0</u>	<u>29,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,292)	(27,292)	1,150	28,442
Other Financing Sources (Uses):				
Transfers In	2,000	2,000	1,150	(850)
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>2,000</u>	<u>1,150</u>	<u>(850)</u>
Net Change in Fund Balance	(25,292)	(25,292)	2,300	27,592
Fund Balance at Beginning of Year	<u>25,292</u>	<u>25,292</u>	<u>25,292</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,592</u>	<u>\$ 27,592</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

COMMUNITY DEVELOPMENT BLOCK GRANT				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Intergovernmental Revenues	\$ 902,208	\$ 1,010,851	\$ 509,551	\$ (501,300)
Investment Earnings	0	0	4	4
Total Revenues	<u>902,208</u>	<u>1,010,851</u>	<u>509,555</u>	<u>(501,296)</u>
Expenditures:				
Community Environment:				
Contractual Services	<u>1,099,816</u>	<u>1,208,459</u>	<u>696,298</u>	<u>512,161</u>
Total Expenditures	<u>1,099,816</u>	<u>1,208,459</u>	<u>696,298</u>	<u>512,161</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,608)	(197,608)	(186,743)	10,865
Fund Balance at Beginning of Year	31,712	31,712	31,712	0
Prior Year Encumbrances	<u>165,896</u>	<u>165,896</u>	<u>165,896</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,865</u>	<u>\$ 10,865</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	PARKING			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses and Permits	\$ 0	\$ 0	\$ 565	\$ 565
Fines and Forfeitures	1,000	1,000	2,565	1,565
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>3,130</u>	<u>2,130</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	6,065	6,065	2,549	3,516
Materials and Supplies	200	200	0	200
Contractual Services	27,600	27,600	23,624	3,976
Total Expenditures	<u>33,865</u>	<u>33,865</u>	<u>26,173</u>	<u>7,692</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,865)	(32,865)	(23,043)	9,822
Other Financing Sources (Uses):				
Transfers In	28,000	28,000	15,500	(12,500)
Total Other Financing Sources (Uses)	<u>28,000</u>	<u>28,000</u>	<u>15,500</u>	<u>(12,500)</u>
Net Change in Fund Balance	(4,865)	(4,865)	(7,543)	(2,678)
Fund Balance at Beginning of Year	13,653	13,653	13,653	0
Prior Year Encumbrances	1,610	1,610	1,610	0
Fund Balance at End of Year	<u>\$ 10,398</u>	<u>\$ 10,398</u>	<u>\$ 7,720</u>	<u>\$ (2,678)</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 815	\$ 815	\$ 0
Total Revenues	0	815	815	0
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	7,175	7,175	0
Total Expenditures	0	7,175	7,175	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(6,360)	(6,360)	0
Fund Balance at Beginning of Year	13,041	13,041	13,041	0
Fund Balance at End of Year	\$ 13,041	\$ 6,681	\$ 6,681	\$ 0

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 6,190	\$ 6,190	\$ 0
Total Revenues	0	6,190	6,190	0
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	1,600	1,600	0
Total Expenditures	0	1,600	1,600	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	4,590	4,590	0
Fund Balance at Beginning of Year	26,574	26,574	26,574	0
Fund Balance at End of Year	\$ 26,574	\$ 31,164	\$ 31,164	\$ 0

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 100,000	\$ 100,000	\$ 102,522	\$ 2,522
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>102,522</u>	<u>2,522</u>
Expenditures:				
Transportation:				
Materials and Supplies	117,213	117,213	109,067	8,146
Contractual Services	<u>37,575</u>	<u>37,575</u>	<u>10,169</u>	<u>27,406</u>
Total Expenditures	<u>154,788</u>	<u>154,788</u>	<u>119,236</u>	<u>35,552</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,788)	(54,788)	(16,714)	38,074
Fund Balance at Beginning of Year	35,915	35,915	35,915	0
Prior Year Encumbrances	<u>18,873</u>	<u>18,873</u>	<u>18,873</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 38,074</u>	<u>\$ 38,074</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	INDIGENT DRIVERS ALCOHOL TREATMENT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 25,990	\$ 5,990
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>25,990</u>	<u>5,990</u>
Expenditures:				
General Government:				
Contractual Services	20,000	20,000	16,477	3,523
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>16,477</u>	<u>3,523</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	9,513	9,513
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,513</u>	<u>\$ 9,513</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

DUI - ENFORCEMENT AND EDUCATION				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 1,500	\$ 1,500	\$ 1,891	\$ 391
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,891</u>	<u>391</u>
Expenditures:				
General Government:				
Contractual Services	<u>38,573</u>	<u>38,573</u>	<u>0</u>	<u>38,573</u>
Total Expenditures	<u>38,573</u>	<u>38,573</u>	<u>0</u>	<u>38,573</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,073)	(37,073)	1,891	38,964
Fund Balance at Beginning of Year	36,823	36,823	36,823	0
Prior Year Encumbrances	<u>250</u>	<u>250</u>	<u>250</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 38,964</u>	<u>\$ 38,964</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 70,000	\$ 70,000	\$ 76,709	\$ 6,709
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>76,709</u>	<u>6,709</u>
Expenditures:				
General Government:				
Contractual Services	<u>227,304</u>	<u>227,304</u>	<u>47,417</u>	<u>179,887</u>
Total Expenditures	<u>227,304</u>	<u>227,304</u>	<u>47,417</u>	<u>179,887</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,304)	(157,304)	29,292	186,596
Fund Balance at Beginning of Year	146,980	146,980	146,980	0
Prior Year Encumbrances	<u>10,324</u>	<u>10,324</u>	<u>10,324</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 186,596</u>	<u>\$ 186,596</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 15,000	\$ 15,000	\$ 38,152	\$ 23,152
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>38,152</u>	<u>23,152</u>
Expenditures:				
General Government:				
Personal Services	10,000	10,000	9,344	656
Materials and Supplies	<u>48,616</u>	<u>48,616</u>	<u>14,372</u>	<u>34,244</u>
Total Expenditures	<u>58,616</u>	<u>58,616</u>	<u>23,716</u>	<u>34,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,616)	(43,616)	14,436	58,052
Fund Balance at Beginning of Year	42,556	42,556	42,556	0
Prior Year Encumbrances	<u>1,060</u>	<u>1,060</u>	<u>1,060</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 58,052</u>	<u>\$ 58,052</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 80,000	\$ 80,445	\$ 80,644	\$ 199
Total Revenues	80,000	80,445	80,644	199
Expenditures:				
General Government:				
Contractual Services	80,000	80,445	80,445	0
Total Expenditures	80,000	80,445	80,445	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	199	199
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 199	\$ 199

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

DRIVERS INTERLOCK AND ALCOHOL MONITORING				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 19,344	\$ 9,344
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>19,344</u>	<u>9,344</u>
Expenditures:				
General Government:				
Contractual Services	36,994	36,994	0	36,994
Total Expenditures	<u>36,994</u>	<u>36,994</u>	<u>0</u>	<u>36,994</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,994)	(26,994)	19,344	46,338
Fund Balance at Beginning of Year	<u>26,994</u>	<u>26,994</u>	<u>26,994</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 46,338</u>	<u>\$ 46,338</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 1,000	\$ 1,000	\$ 1,255	\$ 255
Total Revenues	1,000	1,000	1,255	255
Expenditures:				
General Government:				
Materials and Supplies	2,270	2,270	2,215	55
Total Expenditures	2,270	2,270	2,215	55
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,270)	(1,270)	(960)	310
Fund Balance at Beginning of Year	1,270	1,270	1,270	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 310	\$ 310

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 100	\$ 100	\$ 546	\$ 446
Total Revenues	100	100	546	446
Expenditures:				
General Government:				
Contractual Services	502	502	480	22
Total Expenditures	502	502	480	22
Excess (Deficiency) of Revenues Over (Under) Expenditures	(402)	(402)	66	468
Fund Balance at Beginning of Year	402	402	402	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 468	\$ 468

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	POLICE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 74,100	\$ 74,100	\$ 80,541	\$ 6,441
Municipal Income Taxes	57,370	57,370	57,464	94
Intergovernmental Revenues	12,530	12,530	12,134	(396)
Total Revenues	<u>144,000</u>	<u>144,000</u>	<u>150,139</u>	<u>6,139</u>
Expenditures:				
Security of Persons and Property				
Personal Services	517,206	517,206	393,974	123,232
General Government:				
Contractual Services	2,500	2,500	1,816	684
Total Expenditures	<u>519,706</u>	<u>519,706</u>	<u>395,790</u>	<u>123,916</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(375,706)	(375,706)	(245,651)	130,055
Other Financing Sources (Uses):				
Transfers In	<u>155,000</u>	<u>155,000</u>	<u>85,000</u>	<u>(70,000)</u>
Total Other Financing Sources (Uses)	<u>155,000</u>	<u>155,000</u>	<u>85,000</u>	<u>(70,000)</u>
Net Change in Fund Balance	(220,706)	(220,706)	(160,651)	60,055
Fund Balance at Beginning of Year	125,760	125,760	125,760	0
Prior Year Encumbrances	<u>94,946</u>	<u>94,946</u>	<u>94,946</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,055</u>	<u>\$ 60,055</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	FIRE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 74,100	\$ 74,100	\$ 80,541	\$ 6,441
Municipal Income Taxes	57,370	57,370	57,464	94
Intergovernmental Revenues	12,530	12,530	12,134	(396)
Total Revenues	<u>144,000</u>	<u>144,000</u>	<u>150,139</u>	<u>6,139</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	816,159	816,159	601,704	214,455
General Government:				
Contractual Services	2,500	2,500	1,816	684
Total Expenditures	<u>818,659</u>	<u>818,659</u>	<u>603,520</u>	<u>215,139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(674,659)	(674,659)	(453,381)	221,278
Other Financing Sources (Uses):				
Transfers In	428,080	428,080	230,000	(198,080)
Total Other Financing Sources (Uses)	<u>428,080</u>	<u>428,080</u>	<u>230,000</u>	<u>(198,080)</u>
Net Change in Fund Balance	(246,579)	(246,579)	(223,381)	23,198
Fund Balance at Beginning of Year	116,175	116,175	116,175	0
Prior Year Encumbrances	130,404	130,404	130,404	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,198</u>	<u>\$ 23,198</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 10	\$ 10	\$ 6	\$ (4)
Total Revenues	<u>10</u>	<u>10</u>	<u>6</u>	<u>(4)</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	7,141	7,141	2,032	5,109
Total Expenditures	<u>7,141</u>	<u>7,141</u>	<u>2,032</u>	<u>5,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,131)	(7,131)	(2,026)	5,105
Fund Balance at Beginning of Year	6,060	6,060	6,060	0
Prior Year Encumbrances	<u>1,071</u>	<u>1,071</u>	<u>1,071</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,105</u>	<u>\$ 5,105</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 1,500	\$ 1,500	\$ 900	\$ (600)
Investment Earnings	60	60	33	(27)
Total Revenues	<u>1,560</u>	<u>1,560</u>	<u>933</u>	<u>(627)</u>
Expenditures:				
Leisure Time Activities				
Materials and Supplies	63,035	63,035	547	62,488
Contractual Services	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>68,035</u>	<u>68,035</u>	<u>547</u>	<u>67,488</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,475)	(66,475)	386	66,861
Fund Balance at Beginning of Year	<u>66,475</u>	<u>66,475</u>	<u>66,475</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 66,861</u>	<u>\$ 66,861</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 7,893	\$ 7,893
Total Revenues	<u>0</u>	<u>0</u>	<u>7,893</u>	<u>7,893</u>
Expenditures:				
General Government:				
Contractual Services	<u>345</u>	<u>345</u>	<u>0</u>	<u>345</u>
Total Expenditures	<u>345</u>	<u>345</u>	<u>0</u>	<u>345</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(345)	(345)	7,893	8,238
Fund Balance at Beginning of Year	<u>345</u>	<u>345</u>	<u>345</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,238</u>	<u>\$ 8,238</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

TIF DISTRICT-INDUSTRIAL AREA				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 30,000	\$ 30,000	\$ 35,731	\$ 5,731
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>35,731</u>	<u>5,731</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	1,200	1,200	644	556
Capital Outlay	<u>71,546</u>	<u>33,921</u>	<u>0</u>	<u>33,921</u>
Total Expenditures	<u>72,746</u>	<u>35,121</u>	<u>644</u>	<u>34,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,746)	(5,121)	35,087	40,208
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(37,625)</u>	<u>(37,625)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(37,625)</u>	<u>(37,625)</u>	<u>0</u>
Net Change in Fund Balance	(42,746)	(42,746)	(2,538)	40,208
Fund Balance at Beginning of Year	<u>42,746</u>	<u>42,746</u>	<u>42,746</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,208</u>	<u>\$ 40,208</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2011***

	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 16,094</u>	<u>\$ 6,094</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>16,094</u>	<u>6,094</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	10,000	16,094	6,094
Fund Balance at Beginning of Year	<u>360,335</u>	<u>360,335</u>	<u>360,335</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 370,335</u>	<u>\$ 370,335</u>	<u>\$ 376,429</u>	<u>\$ 6,094</u>

Fiduciary Funds

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.

Agency Funds

Insurance Trust Fund

To account for insurance funds on deposit to insure the clean up of damaged property.

Bonds and Inspection Fee Trust Fund

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

Municipal Court Fund

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

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011**

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<u>Insurance Trust Fund</u>				
Assets:				
Cash and Cash Equivalents	\$154,433	\$19,182	(\$146,395)	\$27,220
Total Assets	\$154,433	\$19,182	(\$146,395)	\$27,220
Liabilities:				
Due to Others	\$154,433	\$19,182	(\$146,395)	\$27,220
Total Liabilities	\$154,433	\$19,182	(\$146,395)	\$27,220
<u>Bonds and Inspection Fee Trust Fund</u>				
Assets:				
Cash	\$12,151	\$10,000	(\$15,000)	\$7,151
Total Assets	\$12,151	\$10,000	(\$15,000)	\$7,151
Liabilities:				
Due to Others	\$12,151	\$10,000	(\$15,000)	\$7,151
Total Liabilities	\$12,151	\$10,000	(\$15,000)	\$7,151
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$103,139	\$1,220,461	(\$1,225,670)	\$97,930
Total Assets	\$103,139	\$1,220,461	(\$1,225,670)	\$97,930
Liabilities:				
Intergovernmental Payable	\$27,420	\$492,067	(\$489,412)	\$30,075
Due to Others	75,719	728,394	(736,258)	67,855
Total Liabilities	\$103,139	\$1,220,461	(\$1,225,670)	\$97,930
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$269,723	\$1,249,643	(\$1,387,065)	\$132,301
Total Assets	\$269,723	\$1,249,643	(\$1,387,065)	\$132,301
Liabilities:				
Intergovernmental Payables	\$27,420	\$492,067	(\$489,412)	\$30,075
Due to Others	242,303	757,576	(897,653)	102,226
Total Liabilities	\$269,723	\$1,249,643	(\$1,387,065)	\$132,301



Statistical Section





STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, which is income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.	

City of Mount Vernon, Ohio

*Net Assets by Component
Last Nine Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$5,354,235	\$7,615,083	\$32,127,147	\$33,477,918
Restricted	3,083,896	2,985,534	4,339,253	5,717,336
Unrestricted	1,627,959	2,256,937	2,639,997	3,097,916
Total Governmental Activities Net Assets	<u>\$10,066,090</u>	<u>\$12,857,554</u>	<u>\$39,106,397</u>	<u>\$42,293,170</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$12,939,598	\$13,240,227	\$14,093,254	\$13,580,280
Restricted	707,033	694,806	1,258,730	2,353,194
Unrestricted	7,004,442	7,056,119	5,409,331	4,731,739
Total Business-type Activities Net Assets	<u>\$20,651,073</u>	<u>\$20,991,152</u>	<u>\$20,761,315</u>	<u>\$20,665,213</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$18,293,833	\$20,855,310	\$46,220,401	\$47,058,198
Restricted	3,790,929	3,680,340	5,597,983	8,070,530
Unrestricted	8,632,401	9,313,056	8,049,328	7,829,655
Total Primary Government Net Assets	<u>\$30,717,163</u>	<u>\$33,848,706</u>	<u>\$59,867,712</u>	<u>\$62,958,383</u>

(1) Net Assets were restated in 2009 as a result of a prior period adjustment.

Source: City Auditor's Office

City of Mount Vernon, Ohio

2007	2008	2009	2010	2011
		(1)		
\$35,789,973	\$37,018,250	\$36,745,484	\$38,627,947	\$39,308,561
4,503,529	7,235,132	5,911,959	6,397,410	3,034,793
4,954,398	4,528,143	6,241,067	4,489,751	5,784,699
<u>\$45,247,900</u>	<u>\$48,781,525</u>	<u>\$48,898,510</u>	<u>\$49,515,108</u>	<u>\$48,128,053</u>
\$13,897,047	\$14,278,602	\$15,255,947	\$13,393,510	\$16,312,403
1,391,876	1,248,880	3,475,907	3,329,674	1,847,384
5,345,814	4,734,074	1,297,180	3,398,489	2,603,447
<u>\$20,634,737</u>	<u>\$20,261,556</u>	<u>\$20,029,034</u>	<u>\$20,121,673</u>	<u>\$20,763,234</u>
\$49,687,020	\$51,296,852	\$52,001,431	\$52,021,457	\$55,620,964
5,895,405	8,484,012	9,387,866	9,727,084	4,882,177
10,300,212	9,262,217	7,538,247	7,888,240	8,388,146
<u>\$65,882,637</u>	<u>\$69,043,081</u>	<u>\$68,927,544</u>	<u>\$69,636,781</u>	<u>\$68,891,287</u>

City of Mount Vernon, Ohio

Changes in Net Assets Last Nine Years (accrual basis of accounting)

	2003	2004	2005	2006
Expenses				
Governmental Activities:				
Security of Persons and Property	\$4,764,413	\$4,664,297	\$4,875,188	\$5,506,801
Public Health and Welfare Services	559,211	556,057	593,592	567,989
Leisure Time Activities	394,372	314,140	332,477	407,254
Community Environment	668,592	717,905	245,735	446,970
Transportation	1,400,899	1,193,206	2,392,740	1,730,910
General Government	3,851,104	3,282,747	3,955,560	3,915,618
Interest and Fiscal Charges	134,030	137,418	130,057	126,090
<i>Total Governmental Activities Expenses</i>	11,772,621	10,865,770	12,525,349	12,701,632
Business-type Activities:				
Water	3,256,836	2,863,797	3,215,544	3,135,091
Sewer	2,520,031	2,240,963	2,436,112	2,847,417
<i>Total Business-type Activities Expenses</i>	5,776,867	5,104,760	5,651,656	5,982,508
<i>Total Primary Government Expenses</i>	\$17,549,488	\$15,970,530	\$18,177,005	\$18,684,140
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$226,591	\$218,347	\$367,877	\$529,972
Public Health and Welfare Services	53,979	68,147	58,751	51,710
Leisure Time Activities	69,984	54,464	54,994	52,904
Community Environment	2,637	395	421	585
Transportation	446	1,066	2,254	9,712
General Government	682,713	705,234	877,480	845,758
Operating Grants and Contributions	1,571,916	870,878	1,439,733	898,391
Capital Grants and Contributions	183,870	1,995,939	1,376,854	884,203
<i>Total Governmental Activities Program Revenues</i>	2,792,136	3,914,470	4,178,364	3,273,235

City of Mount Vernon, Ohio

2007	2008	2009	2010	2011
\$5,599,365	\$5,728,419	\$6,257,913	\$5,950,098	\$6,372,507
666,167	644,241	769,637	693,029	709,622
777,880	952,192	881,252	963,163	1,143,295
745,733	211,150	293,474	1,560,761	591,187
2,097,746	2,433,003	2,898,557	2,586,915	4,440,371
4,627,294	4,627,134	4,685,914	4,711,970	4,188,865
355,174	263,523	321,941	350,672	287,411
<u>14,869,359</u>	<u>14,859,662</u>	<u>16,108,688</u>	<u>16,816,608</u>	<u>17,733,258</u>
3,216,980	3,379,191	3,388,734	3,347,380	3,180,709
2,873,468	2,858,183	2,885,616	3,103,781	3,035,080
<u>6,090,448</u>	<u>6,237,374</u>	<u>6,274,350</u>	<u>6,451,161</u>	<u>6,215,789</u>
<u>\$20,959,807</u>	<u>\$21,097,036</u>	<u>\$22,383,038</u>	<u>\$23,267,769</u>	<u>\$23,949,047</u>
\$939,779	\$1,016,173	\$1,141,818	\$1,200,644	\$1,172,890
54,678	56,052	68,352	83,842	82,027
294,296	309,238	256,078	296,300	296,650
953	3,989	6,621	20,387	14,411
1,400	500	3,070	2,702	200
897,668	863,175	819,170	898,161	910,868
871,919	1,761,824	2,336,173	1,807,522	888,663
1,508,148	447,392	854,233	880,033	173,557
<u>4,568,841</u>	<u>4,458,343</u>	<u>5,485,515</u>	<u>5,189,591</u>	<u>3,539,266</u>

(continued)

City of Mount Vernon, Ohio

Changes in Net Assets Last Nine Years (accrual basis of accounting)

	2003	2004	2005	2006
Business-type Activities:				
Charges for Services				
Water	2,678,308	3,034,525	2,931,081	2,991,511
Sewer	2,378,554	2,459,814	2,475,962	2,681,466
Operating Grants and Contributions	0	0	14,776	0
Capital Grants and Contributions	0	0	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>5,056,862</u>	<u>5,494,339</u>	<u>5,421,819</u>	<u>5,672,977</u>
<i>Total Primary Government Program Revenues</i>	<u>7,848,998</u>	<u>9,408,809</u>	<u>9,600,183</u>	<u>8,946,212</u>
Net (Expense)/Revenue				
Governmental Activities	(8,980,485)	(6,951,300)	(8,346,985)	(9,428,397)
Business-type Activities	(720,005)	389,579	(229,837)	(309,531)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$9,700,490)</u>	<u>(\$6,561,721)</u>	<u>(\$8,576,822)</u>	<u>(\$9,737,928)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied for:				
(General Purposes	\$548,109	\$832,058	\$628,011	\$590,185
)Debt Service	127,596	193,664	151,338	131,866
(Capital Outlay	442,636	510,867	566,001	919,577
Income Taxes	6,373,436	6,988,358	8,018,764	9,035,177
Other Local Taxes	125,688	2,727	2,899	107,926
Grants and Entitlements not Restricted to Specific Programs	723,556	939,630	971,834	1,239,375
Investment Earnings	93,876	103,091	214,335	471,742
Miscellaneous	75,013	122,869	107,067	119,322
Transfers	49,500	49,500	0	0
<i>Total Governmental Activities</i>	<u>8,559,410</u>	<u>9,742,764</u>	<u>10,660,249</u>	<u>12,615,170</u>
Business-type Activities:				
Investment Earnings	0	0	0	213,429
Transfers	(49,500)	(49,500)	0	0
<i>Total Business-type Activities</i>	<u>(49,500)</u>	<u>(49,500)</u>	<u>0</u>	<u>213,429</u>
<i>Total Primary Government</i>	<u>\$8,509,910</u>	<u>\$9,693,264</u>	<u>\$10,660,249</u>	<u>\$12,828,599</u>
Change in Net Assets				
Governmental Activities	(\$421,075)	\$2,791,464	\$2,313,264	\$3,186,773
Business-type Activities	(769,505)	340,079	(229,837)	(96,102)
<i>Total Primary Government Change in Net Assets</i>	<u>(\$1,190,580)</u>	<u>\$3,131,543</u>	<u>\$2,083,427</u>	<u>\$3,090,671</u>

Source: City Auditor's Office

City of Mount Vernon, Ohio

2007	2008	2009	2010	2011
3,197,165	3,308,139	3,287,232	3,392,757	3,371,924
2,675,408	2,515,147	2,718,245	3,105,361	3,290,355
0	0	41,618	40,709	42,936
0	0	0	0	148,735
<u>5,872,573</u>	<u>5,823,286</u>	<u>6,047,095</u>	<u>6,538,827</u>	<u>6,853,950</u>
<u>10,441,414</u>	<u>10,281,629</u>	<u>11,532,610</u>	<u>11,728,418</u>	<u>10,393,216</u>
(10,300,518)	(10,401,319)	(10,623,173)	(11,627,017)	(14,193,992)
(217,875)	(414,088)	(227,255)	87,666	638,161
<u>(\$10,518,393)</u>	<u>(\$10,815,407)</u>	<u>(\$10,850,428)</u>	<u>(\$11,539,351)</u>	<u>(\$13,555,831)</u>
\$736,982	\$632,956	\$682,820	\$589,285	\$556,875
181,624	158,796	175,254	167,876	152,820
1,058,750	1,176,352	1,263,314	1,381,766	1,521,575
9,260,355	10,359,164	9,383,772	8,688,085	9,262,187
106,968	99,236	94,493	87,796	84,821
1,057,943	842,850	992,167	1,087,350	963,370
675,429	421,642	190,437	60,858	21,582
177,197	243,948	152,110	180,599	243,707
0	0	0	0	0
<u>13,255,248</u>	<u>13,934,944</u>	<u>12,934,367</u>	<u>12,243,615</u>	<u>12,806,937</u>
187,399	40,907	6,394	4,973	3,400
0	0	0	0	0
<u>187,399</u>	<u>40,907</u>	<u>6,394</u>	<u>4,973</u>	<u>3,400</u>
<u>\$13,442,647</u>	<u>\$13,975,851</u>	<u>\$12,940,761</u>	<u>\$12,248,588</u>	<u>\$12,810,337</u>
\$2,954,730	\$3,533,625	\$2,311,194	\$616,598	(\$1,387,055)
(30,476)	(373,181)	(220,861)	92,639	641,561
<u>\$2,924,254</u>	<u>\$3,160,444</u>	<u>\$2,090,333</u>	<u>\$709,237</u>	<u>(\$745,494)</u>

City of Mount Vernon, Ohio

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2002	2003	2004	2005	2006
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	452,615	300,833	270,566	230,254	301,509
Unreserved	2,159,404	1,587,655	2,041,286	2,335,202	3,338,049
Total General Fund	2,612,019	1,888,488	2,311,852	2,565,456	3,639,558
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	775,975	411,570	286,964	278,367	371,377
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	565,443	607,698	701,300	824,716	900,067
Debt Service Funds	0	0	0	0	840
Capital Projects Funds	1,569,804	494,970	824,861	1,623,553	801,833
Permanent Fund	0	298,764	308,934	318,268	325,010
Total All Other Governmental Funds	2,911,222	1,813,002	2,122,059	3,044,904	2,399,127
Total Governmental Funds	\$5,523,241	\$3,701,490	\$4,433,911	\$5,610,360	\$6,038,685

Source: City Auditor's Office

NOTE: Year 2002 does not include Perpetual Care Fund which was classified as a Fiduciary Fund prior to implementing GASB 34 in 2003

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

City of Mount Vernon, Ohio

2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$130,262
0	0	0	0	8,080
0	0	0	0	16,480
0	0	0	0	374,348
0	0	0	0	4,175,053
607,319	395,128	442,209	416,367	0
4,212,879	4,458,073	4,216,231	4,593,098	0
<u>4,820,198</u>	<u>4,853,201</u>	<u>4,658,440</u>	<u>5,009,465</u>	<u>4,704,223</u>
0	0	0	0	408,506
0	0	0	0	3,116,931
0	0	0	0	84,729
0	0	0	0	0
0	0	0	0	0
322,041	271,232	156,330	403,850	0
1,189,268	1,479,376	1,894,352	1,182,665	0
0	0	10,568	0	0
2,655,574	4,463,434	3,529,741	3,071,740	0
334,058	343,534	350,823	369,072	0
<u>4,500,941</u>	<u>6,557,576</u>	<u>5,941,814</u>	<u>5,027,327</u>	<u>3,610,166</u>
<u>\$9,321,139</u>	<u>\$11,410,777</u>	<u>\$10,600,254</u>	<u>\$10,036,792</u>	<u>\$8,314,389</u>

City of Mount Vernon, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2002	2003	2004	2005
Revenues:				
Taxes	\$7,333,467	\$7,705,183	\$8,243,192	\$9,237,011
Intergovernmental Revenues	2,361,696	2,191,567	4,128,601	3,329,519
Charges for Services	315,157	370,846	385,912	661,031
Licenses and Permits	410,109	22,496	4,834	34,329
Investment Earnings	172,363	93,876	103,091	214,335
Fines and Forfeitures	269,540	635,456	645,627	656,958
All Other Revenue	207,941	155,745	191,174	174,126
Total Revenue	<u>11,070,273</u>	<u>11,175,169</u>	<u>13,702,431</u>	<u>14,307,309</u>
Expenditures:				
Current:				
Security of Persons and Property	4,325,464	4,368,772	4,353,302	4,617,588
Public Health and Welfare Services	515,752	534,829	541,546	578,186
Leisure Time Activities	376,607	335,744	270,347	287,260
Community Environment	330,762	668,592	620,049	446,243
Transportation	4,091,140	3,721,449	3,268,392	2,852,792
General Government	4,048,058	3,903,761	3,626,077	4,017,230
Debt Service:				
Principal Retirement	3,372,993	3,736,395	217,786	212,377
Interest and Fiscal Charges	154,447	217,840	133,006	125,645
Total Expenditures	<u>17,215,223</u>	<u>17,487,382</u>	<u>13,030,505</u>	<u>13,137,321</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,144,950)	(6,312,213)	671,926	1,169,988

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
\$10,980,389	\$11,440,727	\$12,456,495	\$11,494,371	\$10,836,690	\$11,205,072
2,995,086	3,138,477	1,910,413	3,395,984	4,269,553	2,710,045
689,374	1,422,430	1,464,750	1,529,878	1,632,849	1,642,971
34,776	21,786	15,661	15,471	16,952	11,545
471,742	675,429	421,642	190,437	60,858	21,582
758,950	761,462	759,240	746,363	845,195	812,749
247,003	782,894	301,400	157,238	191,701	232,273
<u>16,177,320</u>	<u>18,243,205</u>	<u>17,329,601</u>	<u>17,529,742</u>	<u>17,853,798</u>	<u>16,636,237</u>
5,197,207	5,274,270	5,517,450	5,828,902	5,584,614	6,166,170
564,521	654,455	631,418	754,709	677,715	694,326
1,325,158	655,489	683,733	706,685	728,146	718,703
301,064	745,733	211,150	293,474	1,560,761	591,187
2,735,444	2,393,098	4,177,685	3,940,483	3,675,011	3,901,070
5,295,380	7,721,022	5,567,468	6,369,728	5,443,844	5,590,698
217,413	217,763	325,179	2,434,814	422,401	436,723
121,678	350,762	250,142	329,738	339,425	287,960
<u>15,757,865</u>	<u>18,012,592</u>	<u>17,364,225</u>	<u>20,658,533</u>	<u>18,431,917</u>	<u>18,386,837</u>
419,455	230,613	(34,624)	(3,128,791)	(578,119)	(1,750,600)

(Continued)

City of Mount Vernon, Ohio

Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2002	2003	2004	2005
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	24,916	8,167	11,171	4,541
Ohio Public Works Commission Loan	0	425,000	0	0
General Obligation Bonds Issued	3,790,000	3,628,222	0	0
General Obligation Notes Issued	0	0	0	0
Premium on General Obligation Notes	0	0	0	0
State Infrastructure Bank Loan	2,565,620	0	0	0
Transfers In	4,528,433	888,398	709,532	1,519,676
Transfers Out	(4,478,933)	(838,898)	(660,032)	(1,519,676)
Total Other Financing Sources (Uses)	6,430,036	4,110,889	60,671	4,541
Net Change in Fund Balance	\$285,086	(\$2,201,324)	\$732,597	\$1,174,529
 Debt Service as a Percentage of Noncapital Expenditures	 21.89%	 26.72%	 3.41%	 3.14%

Source: City Auditor's Office

NOTE: Year 2002 does not include Perpetual Care Fund which was classified as a Fiduciary Fund prior to implementing GASB 34 in 2003

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
2,784	23,688	12,298	17,865	3,259	38,177
0	0	0	125,000	0	0
0	3,035,000	0	2,165,000	0	0
0	0	2,100,000	0	0	0
0	0	7,245	8,232	0	0
0	0	0	0	0	0
1,546,311	1,712,982	2,785,286	1,286,170	827,126	1,028,456
(1,546,311)	(1,712,982)	(2,785,286)	(1,286,170)	(827,126)	(1,028,456)
2,784	3,058,688	2,119,543	2,316,097	3,259	38,177
\$422,239	\$3,289,301	\$2,084,919	(\$812,694)	(\$574,860)	(\$1,712,423)
3.05%	4.29%	4.41%	16.75%	5.10%	4.72%

City of Mount Vernon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$366,144	\$373,940	\$393,803	\$396,137
Total Tax Collected	\$6,647,129	\$6,298,338	\$6,693,710	\$7,815,703
Income Tax Receipts				
Withholding	5,374,571	5,254,843	5,563,637	6,142,087
Percentage	80.86%	83.43%	83.11%	78.58%
Corporate	683,293	382,677	489,726	1,032,072
Percentage	10.28%	6.08%	7.32%	13.21%
Individuals	589,265	660,818	640,347	641,544
Percentage	8.86%	10.49%	9.57%	8.21%

Source: City Income Tax Department

(1) US Department of Commerce, Bureau of Economic Analysis.

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$416,840	\$434,109	\$451,730	\$462,638	\$513,183	\$513,183
\$8,887,353	\$9,448,716	\$10,273,944	\$9,446,804	\$8,556,302	\$9,017,691
6,571,546	7,098,813	7,083,885	7,159,863	6,967,691	7,408,369
73.94%	75.13%	68.95%	75.79%	81.43%	82.15%
1,555,469	1,696,194	2,486,687	1,673,288	926,225	961,045
17.50%	17.95%	24.20%	17.71%	10.83%	10.66%
760,338	653,709	703,372	613,653	662,386	648,277
8.56%	6.92%	6.85%	6.50%	7.74%	7.19%



City of Mount Vernon, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2011				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$79,348,977	13.20%	\$1,190,235	13.20%
All Others	521,830,400	86.80%	7,827,456	86.80%
Total	<u>\$601,179,377</u>	<u>100.00%</u>	<u>\$9,017,691</u>	<u>100.00%</u>

Calendar Year 2002				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$173,049,867	39.05%	\$2,595,748	39.05%
All Others	\$270,092,067	60.95%	4,051,381	60.95%
Total	<u>\$443,141,933</u>	<u>100.00%</u>	<u>\$6,647,129</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Mount Vernon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2002	2003	2004	2005
Governmental Activities ⁽¹⁾				
Long-Term Notes Payable	\$3,790,000	\$0	\$0	\$0
General Obligation Bonds Payable	0	3,439,022	3,239,365	3,056,065
Ohio Public Works Commission Loan Payable	0	425,000	414,375	393,125
Police & Firemen's Pension Accrued Liability *	488,355	481,160	473,656	465,829
Business-type Activities ⁽¹⁾				
Ohio Public Works Commission Loan Payable	\$0	\$0	\$0	\$0
Ohio Water Development Authority	0	0	0	0
Long-Term Notes Payable	2,195,000	0	0	0
General Obligation Bonds Payable	7,640,000	11,155,978	10,625,635	10,053,935
Mortgage Revenue Bonds Payable	8,935,000	6,845,000	6,505,000	6,155,000
Total Primary Government	<u>\$23,048,355</u>	<u>\$22,346,160</u>	<u>\$21,258,031</u>	<u>\$20,123,954</u>
Population ⁽²⁾				
City of Mount Vernon	15,256	15,256	15,256	15,256
Outstanding Debt Per Capita	\$1,511	\$1,465	\$1,393	\$1,319
Income ⁽³⁾				
Personal (in thousands)	366,144	373,940	393,803	396,137
Percentage of Personal Income	6.29%	5.98%	5.40%	5.08%

*Amount owed to the Ohio Police and Pension Fund as of January 1, 1969
to be paid off in fixed amounts, semiannually over sixty-two years.

Sources:

- (1) City Auditor's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation.

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
\$0	\$0	\$2,100,000	\$0	\$0	\$0
2,868,065	5,715,065	5,420,015	7,280,711	6,881,718	6,482,568
371,875	350,625	329,375	433,125	419,375	391,875
457,666	449,153	440,274	431,014	421,356	411,283
\$0	\$0	\$0	\$125,362	\$122,228	\$115,960
0	0	0	0	0	2,303,347
0	0	0	0	0	0
9,461,935	12,229,935	11,469,985	13,274,289	12,348,282	11,392,432
5,790,000	5,410,000	5,015,000	4,420,000	4,020,000	3,620,000
<u>\$18,949,541</u>	<u>\$24,154,778</u>	<u>\$24,774,649</u>	<u>\$25,964,501</u>	<u>\$24,212,959</u>	<u>\$24,717,465</u>
15,256	15,256	15,256	15,256	16,990	16,990
\$1,242	\$1,583	\$1,624	\$1,702	\$1,425.13	\$1,454.82
416,840	434,109	451,730	462,638	513,183	513,183
4.55%	5.56%	5.48%	5.61%	4.72%	4.82%

City of Mount Vernon, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

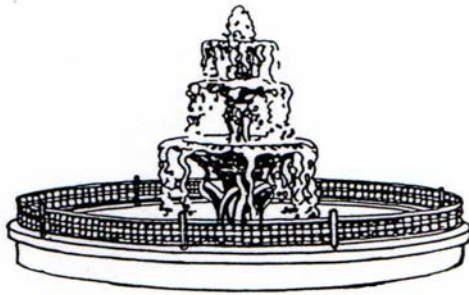
Year	2002	2003	2004	2005
Population ⁽¹⁾	15,256	15,256	15,256	15,256
Assessed Value ⁽²⁾	\$283,775,593	\$285,051,489	\$287,409,437	\$296,485,180
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$7,640,000	\$14,595,000	\$13,865,000	\$13,110,000
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$0	\$2	\$0
Net General Bonded Debt	\$7,640,000	\$14,595,000	\$13,864,998	\$13,110,000
Ratio of Net Bonded Debt to Assessed Value	2.69%	5.12%	4.82%	4.42%
Net Bonded Debt per Capita	\$500.79	\$956.67	\$908.82	\$859.33

Source:

- (1) U.S. Bureau of Census of Population
- (2) Knox County Auditor
- (3) Includes all general obligation bonded debt.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Mount Vernon, Ohio

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
15,256	15,256	15,256	15,256	16,990	16,990
\$282,994,466	\$285,828,244	\$258,440,860	\$261,803,090	\$259,179,980	\$247,090,750
\$12,330,000	\$17,945,000	\$16,890,000	\$20,555,000	\$19,230,000	\$17,875,000
\$840	\$0	\$0	\$10,568	\$0	\$0
\$12,329,160	\$17,945,000	\$16,890,000	\$20,544,432	\$19,230,000	\$17,875,000
4.36%	6.28%	6.54%	7.85%	7.42%	7.23%
\$808.15	\$1,176.26	\$1,107.11	\$1,346.65	\$1,131.84	\$1,052.09



City of Mount Vernon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2011*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Mount Vernon</u>	<u>Amount Applicable to the City of Mount Vernon</u>
Direct:			
City of Mount Vernon	\$6,482,568	100.00%	\$6,482,568
Overlapping:			
Knox County	7,408,049	22.24%	1,647,550
Mount Vernon School District	5,706,746	47.84%	2,730,107
Knox County Career Center	4,030,298	23.41%	943,493
		Subtotal	<u>5,321,150</u>
		Total	<u><u>\$11,803,718</u></u>

Source: Knox County Auditor and Fiscal Officers of Subdivision

(1) Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Mount Vernon, Ohio

Debt Limitations Last Ten Years

Collection Year	2002	2003	2004	2005
Total Debt				
Net Assessed Valuation	\$283,775,593	\$285,051,489	\$287,409,437	\$296,485,180
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	29,796,437	29,930,406	30,177,991	31,130,944
City Debt Outstanding (2)	0	243,030	230,095	218,395
Less: Applicable Debt Service Fund Amounts	0	0	(2)	0
Net Indebtedness Subject to Limitation	0	243,030	230,093	218,395
Overall Legal Debt Margin	<u>\$29,796,437</u>	<u>\$29,687,376</u>	<u>\$29,947,898</u>	<u>\$30,912,549</u>
Unvoted Debt				
Net Assessed Valuation	\$283,775,593	\$285,051,489	\$287,409,437	\$296,485,180
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,607,658	15,677,832	15,807,519	16,306,685
City Debt Outstanding (2)	0	243,030	230,095	218,395
Less: Applicable Debt Service Fund Amounts	0	0	(2)	0
Net Indebtedness Subject to Limitation	0	243,030	230,093	218,395
Overall Legal Debt Margin	<u>\$15,607,658</u>	<u>\$15,434,802</u>	<u>\$15,577,426</u>	<u>\$16,088,290</u>

(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 and Notes only.

Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Tax Increment Financing Bonds are not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
\$282,994,466	\$285,828,244	\$258,440,860	\$261,803,090	\$259,179,980	\$247,090,750
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
29,714,419	30,011,966	27,136,290	27,489,324	27,213,898	25,944,529
4,206,395	3,229,395	3,116,945	2,999,195	2,876,145	2,752,795
(840)	0	0	(10,568)	0	0
4,205,555	3,229,395	3,116,945	2,988,627	2,876,145	2,752,795
\$25,508,864	\$26,782,571	\$24,019,345	\$24,500,697	\$24,337,753	\$23,191,734
\$282,994,466	\$285,828,244	\$258,440,860	\$261,803,090	\$259,179,980	\$247,090,750
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
15,564,696	15,720,553	14,214,247	14,399,170	14,254,899	13,589,991
4,206,395	3,229,395	3,116,945	2,999,195	2,876,145	2,752,795
(840)	0	0	(10,568)	0	0
4,205,555	3,229,395	3,116,945	2,988,627	2,876,145	2,752,795
\$11,359,141	\$12,491,158	\$11,097,302	\$11,410,543	\$11,378,754	\$10,837,196

City of Mount Vernon, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2002	2003	2004	2005
Wastewater Mortgage Revenue				
Bonds 1992 Series (1 a)				
Gross Revenues (2)	\$2,508,208	\$0	\$0	\$0
Direct Operating Expenses (3)	(1,774,502)	0	0	0
Net Revenue Available for Debt Service	733,706	0	0	0
Annual Debt Service Requirement	236,690	0	0	0
Coverage	3.10	N/A	N/A	N/A
Water System Bonds 1999 Series (1 b)				
Gross Revenues (2)	\$2,871,562	\$2,678,308	\$3,034,525	\$2,931,081
Direct Operating Expenses (3)	(1,698,148)	(1,644,435)	(1,621,464)	(1,698,652)
Net Revenue Available for Debt Service	1,173,414	1,033,873	1,413,061	1,232,429
Annual Debt Service Requirement	635,443	634,103	637,078	634,158
Coverage	1.85	1.63	2.22	1.94
Tax Increment Financing (TIF) Bonds (4)				
Payment In Lieu of Taxes (PILOT) Collections	\$0	\$443,561	\$510,867	\$566,671
Debt Service				
Principal	0	176,000	186,722	171,600
Interest	0	72,259	102,245	98,857
Coverage	N/A	1.79	1.77	2.10

(1) The Mortgage Revenue Bonds were issued as follows:

- (a) The Waterworks system 1st Mortgage Revenue Bonds were issued in 1992, in the amount of \$2,800,000.
- (b) The Water system 1st Mortgage Revenue Bonds were issued in 1999, in the amount of \$8,370,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) The Coshocton Road Tax Increment Financing Bonds were issued in 2003, in the amount of \$3,371,992

Source: City Auditor's Office

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
N/A	N/A	N/A	N/A	N/A	N/A
\$3,091,208	\$3,348,689	\$3,344,136	\$3,292,955	\$3,394,458	\$3,373,589
(1,648,878)	(1,784,855)	(1,956,474)	(1,991,293)	(2,026,472)	(1,933,228)
1,442,330	1,563,834	1,387,662	1,301,662	1,367,986	1,440,361
635,858	636,623	636,612	638,600	542,383	539,650
2.27	2.46	2.18	2.04	2.52	2.67
\$917,141	\$1,060,626	\$1,155,370	\$1,232,200	\$1,320,086	\$1,262,210
176,000	176,000	182,600	186,554	190,943	195,800
95,397	91,905	88,297	84,361	79,136	72,745
3.38	3.96	4.26	4.55	4.89	4.70

City of Mount Vernon, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2002	2003	2004	2005
Population (1)				
City of Mount Vernon	15,256	15,256	15,256	15,256
Knox County	54,500	54,500	54,500	54,500
Income (2) (a)				
Total Personal (in thousands)	366,144	373,940	393,803	396,137
Per Capita	24,000	24,511	25,813	25,966
Unemployment Rate (3)				
Federal	4.8%	5.8%	6.0%	5.5%
State	4.3%	5.7%	6.1%	6.0%
Knox County	4.7%	5.8%	5.6%	5.4%
Civilian Work Force Estimates (3)				
State	5,828,000	5,915,000	5,875,300	5,900,400
Knox County	26,900	27,600	29,200	30,100

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2010 for the presentation of 2011 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
15,256	15,256	15,256	15,256	16,990	16,990
54,500	54,500	54,500	54,500	60,921	60,921
416,840	434,109	451,730	462,638	513,183	513,183
27,323	28,455	29,610	30,325	30,205	30,205
5.0%	4.6%	5.8%	5.8%	9.1%	8.3%
5.9%	5.6%	6.6%	6.6%	9.3%	7.6%
5.1%	5.4%	6.3%	6.3%	9.1%	7.6%
5,934,000	5,976,500	5,986,400	5,986,400	5,986,400	5,806,000
30,500	31,000	30,800	30,800	30,800	29,600



City of Mount Vernon, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2011	
		Number of Employees	Rank
Rolls Royce Energy Systems, Inc	Manufacturing	1,200	1
Ariel Corporation	Manufacturing	918	2
Knox Community Hospital	Medical Care	816	3
Mount Vernon City Schools	Education	547	4
Knox County	Government	434	5
Mount Vernon Nazarene University	Education	400	6
Wal-Mart	Retail	365	7
Jeld-Wen Windows & Doors	Manufacturing	277	8
Sanoh America, Inc.	Manufacturing	224	9
First Knox National Bank	Financial	223	10
Total		5,404	

Employer	Nature of Business	2002	
		Number of Employees	Rank
Rolls-Royce Energy Systems, Inc.	Manufacturing	784	1
Knox Community Hospital	Medical Care	560	2
Board of Education (City)	Education	530	3
Knox County	Government	520	4
Kelsey-Hayes	Manufacturing	456	5
Mount Vernon Nazarene College	Education	447	6
Ariel Corporation	Manufacturing	427	7
Breon, Inc.	Restaurant	296	8
Jeld-Wen, Inc.	Manufacturing	260	9
Wal-Mart	Retail	230	10
Total		4,510	

Sources:

City Auditor's Office

Total Employment within the City is not available

City of Mount Vernon, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Administration	1.00	1.00	1.00	1.00	1.00
Finance	2.00	2.50	2.50	2.00	2.00
Law Director	3.00	3.00	3.00	4.00	4.00
Income Tax	3.00	3.00	3.00	3.00	3.00
Legal/Court	10.00	10.00	10.50	10.50	10.50
Safety-Service	2.00	2.00	2.00	2.00	2.00
Civil Service	0.50	0.50	0.50	0.50	0.50
Engineering	7.00	7.00	6.00	5.00	5.50
Public Buildings/Lands	2.25	2.25	2.25	1.75	1.75
Security of Persons and Property					
Police	31.00	30.00	29.00	29.00	28.50
Fire	33.00	33.00	33.00	31.00	33.00
Transportation					
Street	13.50	14.50	13.25	12.75	13.00
Leisure Time Activities					
Parks/Recreation	15.75	18.50	16.50	16.75	16.75
Public Health and Welfare					
Cemetery	5.00	5.00	5.25	5.00	5.00
Business-Type Activities					
Utilities					
Water	17.50	17.50	16.50	17.50	17.50
Sewer	20.00	19.00	18.00	19.00	19.00
<i>Total Employees</i>	<u>166.50</u>	<u>168.75</u>	<u>162.25</u>	<u>160.75</u>	<u>163.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Elected Officials have been omitted from this table

Source: City Auditor's Office

City of Mount Vernon, Ohio

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
10.50	11.00	11.00	11.00	11.00
2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
6.00	6.50	6.50	6.50	6.50
1.75	1.75	1.75	1.75	1.75
32.00	31.00	32.00	32.00	32.00
40.00	40.00	40.00	40.00	40.00
12.50	12.50	12.50	12.50	12.50
58.25	53.75	53.75	53.75	55.25
6.00	6.00	6.00	5.25	5.25
17.50	17.50	17.50	17.50	17.50
19.50	19.50	19.50	19.50	19.50
<u>216.50</u>	<u>212.00</u>	<u>213.00</u>	<u>212.25</u>	<u>213.75</u>

City of Mount Vernon, Ohio

*Operating Indicators by Function
Last Ten Years*

	2002	2003	2004	2005
Governmental Activities				
General Government				
Court				
Number of Civil Cases	1,029	1,085	1,193	1,098
Number of Criminal Cases	1,178	1,335	1,151	1,146
Number of Traffic Cases	7,749	6,620	5,257	6,002
Number of Open Cases	1,114	946	959	985
Licenses and Permits				
Number of Building Permits	206	213	223	218
Security of Persons and Property				
Police				
Number of Citations Issued	4,495	3,466	2,953	3,608
Fire				
Number of Fire Calls	3,442	3,826	4,003	4,003
Number of EMS Runs				
Number of Inspections	250	325	325	325
Business-Type Activities				
Water				
Number of Service Connections	6,106	6,186	6,249	6,307
Daily Average Consumption (thousands of gallons)	2,619,205	2,466,822	2,607,683	2,252,603
Sewer				
Number of Service Connections	6,320	6,408	6,488	6,536
Daily Average Sewage Treatment (thousands of gallons)	2,780,038	3,143,844	3,514,664	3,524,293

Source: City Auditor's Office

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
1,078	1,252	1,484	1,425	1,259	1,394
1,170	1,088	1,335	1,246	1,378	1,551
6,571	5,491	5,811	5,867	6,234	5,825
928	1,020	1,003	1,038	884	514
211	119	160	162	159	157
3,322	3,081	3,857	3,295	3,640	3,117
868	752	871	1,032	1,067	1,032
2,814	2,911	3,259	3,282	3,386	3,649
125	375	1,250	1,009	685	820
6,369	6,421	6,449	6,469	6,484	6,495
2,465,836	2,508,356	2,704,110	3,026,000	2,565,381	2,409,501
6,590	6,637	6,655	6,682	6,704	6,717
3,122,181	3,145,699	3,282,192	2,979,515	2,881,773	3,524,871

City of Mount Vernon, Ohio

Capital Asset Statistics by Function Last Ten Years

	2002	2003	2004	2005
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	9.2	9.2	9.2	9.2
Buildings	9	9	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	13	13	13	13
Fire				
Stations	2	2	2	2
Vehicles	11	11	11	11
Transportation				
Street				
Streets (lane miles)	76	76	82	82
Street Lights	1,470	1,470	1,470	1,470
Traffic Signals	50	50	50	50
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	176.58	176.58	176.58	176.58
Buildings	13	13	14	14
Parks	7	7	8	8
Playgrounds	4	4	4	4
Swimming Pools	2	2	2	2
Tennis Courts	10	10	10	10
Baseball/Softball Diamonds	11	11	11	11
Soccer Fields	2	2	2	2
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	63	63	63	63
Number of Hydrants	484	484	484	484
Average Daily Consumption	2,619,205	2,466,822	2,607,683	2,252,603
Storage Capacity (thousands of gallons)	7,000	7,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	2,780,038	3,143,844	3,514,664	3,524,293
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

City of Mount Vernon, Ohio

2006	2007	2008	2009	2010	2011
9.2	9.2	9.8	9.8	12.4	12.4
9	9	9	9	9	9
1	1	1	1	1	1
13	13	13	13	13	13
2	2	2	2	2	2
11	11	11	11	11	11
82	82	82	82	82	82
1,470	1,470	1,470	1,470	1,470	1,470
50	51	52	53	53	53
13	13	13	13	13	13
210.32	241.86	241.86	241.86	244.98	244.98
14	14	14	14	14	14
8	8	8	8	8	8
4	4	4	4	4	4
2	4	4	4	4	4
10	10	10	10	10	10
11	11	11	11	11	11
2	2	2	2	2	2
63	63	63	63	63	63
484	484	484	484	484	484
2,465,836	2,508,356	2,704,110	3,026,000	2,565,381	2,409,501
7,000	7,000	7,000	7,000	7,000	7,000
62	62	62	62	62	62
3,122,181	3,145,699	3,282,192	2,979,515	2,881,773	3,524,871
5,000	5,000	5,000	5,000	5,000	5,000





Dave Yost • Auditor of State

CITY OF MOUNT 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
AUGUST 21, 2012