



City of Mount Vernon, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2014



Mount Vernon



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Mount Vernon, Knox County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Mount Vernon is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 4, 2015

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2014

Prepared by the Auditor's Office

Terry Scott
City Auditor



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KNOX COUNTY, OHIO

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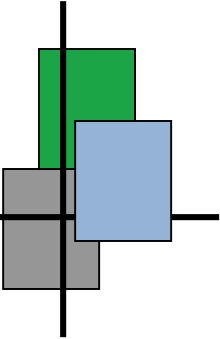


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Introductory Section







CITY OF MOUNT VERNON

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

phone (740) 393-9523

fax (740)-397-5288

June 26, 2015

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, 2014. The report has been prepared in conformity with accounting principles generally accepted in the United States of America (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.

Accounting principles generally accepted in the United States of America 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 Auditor's 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*, as amended by GASB Statement No. 39, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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.

***Letter of Transmittal
For the Year Ended December 31, 2014***

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 2014.

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 \$50,000 for operations of the combined District for 2014.

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, 2014***

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 seven firefighters, thirty-one firefighter/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 summer road maintenance projects, mowing, and fall leaf pick-up program.

***Letter of Transmittal
For the Year Ended December 31, 2014***

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 6,502 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, 2014***

Economic Outlook

One of the major assets a community has is its infrastructure. During the year the City completed its East Chestnut Street Improvement project which provided for a much need storm water drainage system along with resurfacing of pavement along this section of the roadway. While the project was underway, a new potable water service line was installed to assist residents in the area with increased water pressure. The combined total cost of this project was \$425,127 of which the Ohio Public Works Commission provided \$351,588 towards the project cost.

Wooster Road and Mc Gibney Road intersection received a complete rebuild and realignment during 2014. This heavily traveled intersection located at the northern edge of the city was realigned to assist motorists in safely executing right hand turns without the fear of creating impact with a storm water drainage system or negotiating a utility power pole. The realignment provided for a wider turning radius, the relocating of the utility pole, and the installation of a new drainage system, curbing and sidewalks. This overall project provided for the safety of pedestrians walking in this general area along with the safety of motorists who can make left and right hand turns with ease. The total cost of this project was \$91,763 and paid for by the City's capital improvement fund.

In a cooperative effort with Monroe Township, the City reconditioned a section of Upper Gilchrist Road on the east side of the city. The existing roadway had severely deteriorated and was significantly broken up, making driving conditions a bit difficult to navigate. In this cooperative effort, the township provided ten percent of the project cost and the City's TIF District-Coshocton Road Fund provided for the balance of the project. The roadway was pulverized then compacted with new asphalt applied to the surface course. Berming material was applied to the shoulders of the roadway reducing the impact of some steep embankments along the edges. The finished project came in at a cost of \$122,986.

In the continuation of upgrading infrastructure, the City installed a new water line along Fairgrounds Road. This new water line will not only provide potable water supply to the residents in the area, but it will have a significant impact to the Knox County Agriculture Society (also known as the Knox County Fairgrounds). In prior years the Fairgrounds received its main water supply from a neighboring private school until the school's private water supply encountered unsafe drinking water conditions. Since this water line is located within the County's water supply system via a water contract with the City, Knox County Commissioners will provide for the cost of this upgrade from their portion of the Water Surcharge Fees applied to the utility customers who are covered by the City/County water contract. The project cost for these improvements was \$99,822.

The City was able to complete a new maintenance service building that will provide housing for both the street department and the distribution/collection and meter division of the City's public water and wastewater services. This new facility will allow the street department to store all of their vehicles under cover along with accompanying equipment for their dump trucks. A safe service work area is also provided for routine maintenance on vehicles and equipment. The street department is looking forward to starting up its own sign shop of which the facility was designed for. This will allow the City to create its own street signs without having to place orders with a sign supplier and wait for deliveries to arrive. The utility portion of the building has adequate space in which to store most of its equipment under cover. A storage supply section for daily materials and supplies along with meters, fittings and connections allows for a more synchronized system for inventory control. A shared common area for a break room is an added attraction that neither of these departments had at their prior locations. Since the facility is custom

***Letter of Transmittal
For the Year Ended December 31, 2014***

wired for wireless information technology, the management staff of these departments can now have access to a wide variety of GIS mappings for utility infrastructure as well as the street department being able to monitor weather conditions for street maintenance during the winter. This new maintenance service building was constructed at a cost of \$3,735,437 for which bonds were issued in 2012 to cover the construction costs.

The City completed the electrical and instrumentation upgrades to the wastewater treatment plant during the year. This multi-year project also afforded the City to build a septage receiving station for private sanitation businesses to have a local facility where they can now safely discharge their wastewater into a treatment plant facility. The Ohio Environmental Protection Agency provided the City with the funding for this project in consideration of the construction of the septage receiving station. As a result, the City was able to receive a significant reduction in the interest rate of the loan to offset the construction cost of the receiving station. These upgrades provided for the wastewater treatment plants to now operate under a computerized operation method as opposed to the manual method utilized since the early 1950's. Along with the new instrumentation, the facility now has an alternative power supply to the entire complex which will provide much needed power supply during power outages both in the short duration and long duration. The generation power supply also provides connection to the local power supply grid whereby it generates electrical power during peak demands from the local power supplier and provides additional income resources for the wastewater fund. The construction cost of the upgrades and the receiving station finished at \$7,388,764.

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 forty building permits in 2014 and one hundred twenty-two in 2013, an increase of eighteen permits.

Long-term Financial Planning:

The City has been in communication with the Ohio Department of Transportation (ODOT) in regards to the Mount Vernon Avenue bridge. This bridge was constructed in the early 1970's at which time it was owned by Knox County. Current regulations now require that all bridges located within the local municipality must be under the ownership and management of the municipality. This bridge is now scheduled to be replaced in 2018; however the estimated cost is approximately \$8 million. ODOT has indicated they can provide \$2.5 million towards the replacement, leaving the City with the remaining \$5.5million. In order to provide the necessary funding for this bridge replacement, the City intends to issue bonds for its portion of the construction costs. While funding will not be required until early to mid-2017, the City continues to pursue other funding sources such as grants to help offset its portion of the project costs.

Employee Relations:

The City of Mount Vernon is in the third year of a three year contract with the City's three unions. All union contracts were effective January 1, 2012, through December 31, 2014, with annual raises on January 1st of each year beginning in 2013. 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

***Letter of Transmittal
For the Year Ended December 31, 2014***

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.

Unemployment Rates:

The City of Mount Vernon's economic outlook showed signs of steady improvement for 2014. Starting out the year at 6.2 percent, the unemployment rate increased over the first quarter of the year, then declined gradually with a slight upward spike during mid-year but continued decreasing through the end of the year finishing at 4.2 percent. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

Major Initiatives

The City's resurfacing program continued to provide maintenance to our roadways throughout the city. Approximately \$780,000 was appropriated for resurfacing in 2014. Fifteen streets in addition to streets within Mound View cemetery were slated for resurfacing. While the entire project did not get fully completed during the year, the creation of Phase I was created for partial completion, allowing for Phase II to be completed in the upcoming year. Funding assistance through a grant from Ohio Public Works Commission will provide up to \$486,302 towards the entire project.

The City acquired an additional 25 acres of park land that is contiguous to the current City owned Ariel-Foundation Park land. This additional land will afford additional green space assembled within this nature park which the City has been expanding over the last several years. Once known as a diamond in the rough (a former gravel pit), Ariel-Foundation Park now covers approximately 124 acres with three lakes, a walking trail and an abundant amount of fishing opportunities. During the year, the local high school's cross country team will host a cross country meet with several local schools competing through the various trails located within the park. The Ohio Public Works Commission provided \$373,367 towards the overall cost of \$496,704 to acquire the land.

In 2015, the City is expected to be the beneficiary of a significant gift from the Ariel-Foundation Park Conservancy Board which will expand the park by an additional 65 acres. The year-long development of this additional land includes walking trails, structure remnants from the former PPG Industries facilities that once occupied the land along with elaborate landscaping. Steel from this site that was once part of an old World Fair event from yesteryears has been salvaged and unique architectures have been sculpted and erected throughout the park. The City looks forward to this gift in the upcoming year.

Various equipment purchases were made for various departments within the City. A new ambulance was acquired for the Fire Department along with a walk behind paint machine and an asphalt roller for the Street Department were a few of the equipment purchases made during the year.

***Letter of Transmittal
For the Year Ended December 31, 2014***

Financial Information

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

All internal control evaluations occur within this framework. It is the belief of the administration and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Mount Vernon City Council. All funds are included in the annual appropriated budget. The level of budgetary control (that is, the levels at which expenditures cannot legally exceed the appropriated amount) is at the object level within each department. Budgetary control is maintained within the personal services, operating expenses, and capital outlay categories with each department 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 independent firm of Wilson, Shannon & Snow, Inc. of Newark, 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 auditor's unmodified opinion letter is included in this report.

***Letter of Transmittal
For the Year Ended December 31, 2014***

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, 2013. 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-three consecutive years (fiscal years ended 1991-2013). I believe this current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA.

Public Disclosure:

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

Acknowledgments:

I would like to thank my staff and extend special recognition to all related departments within the City, who assisted with the preparation of the 2014 Comprehensive Annual Financial Report and annual independent audit.

Special appreciation is extended to the staff of Wilson, Shannon & Snow, Inc., 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,



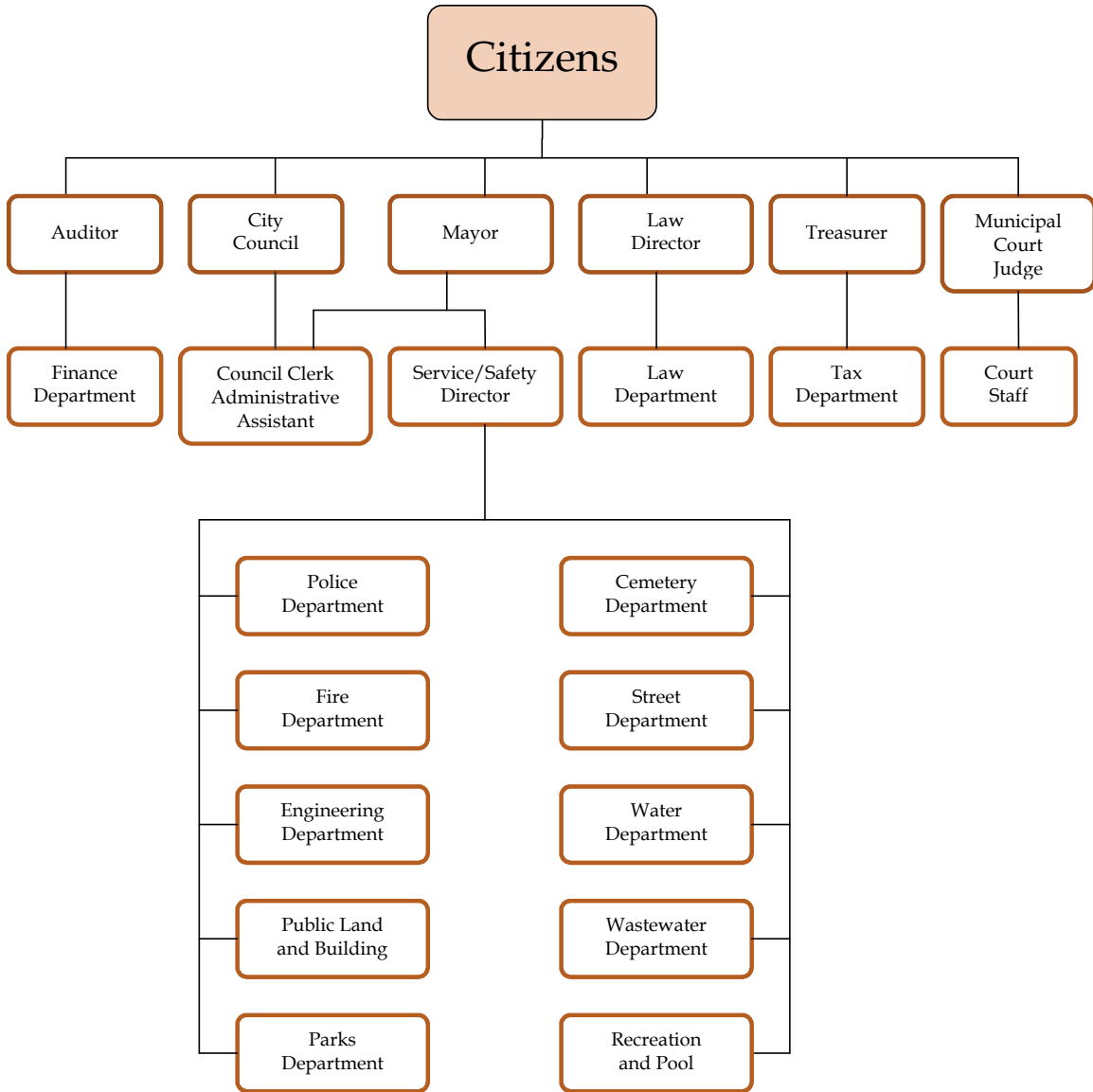
Terry Scott
City Auditor

CITY OF MOUNT VERNON, OHIO

***List of Principal Officials
For the Year Ended December 31, 2014***

<i>NAME</i>	<i>TITLE</i>	<i>YEARS OF SERVICE</i>
<u>City Council</u>		
Bruce Hawkins	President	8
Sam Barone	First Ward Member	3
John Francis	Second Ward Member	3
Nancy Vail	Third Ward Member	5
John Fair	Fourth Ward Member	15
Mike Hillier	Member At-Large	9
Susan Kahrl	Member At-Large	3
Janis Seavolt	Member At-Large	3
<u>City Administration</u>		
Richard K. Mavis	Mayor	19
Terry Scott	Auditor	20
P. Robert Broren	Law Director	1
Anton Krutsch	Treasurer	3
David C. Glass	Safety-Service Director	36
Tanya Newell	Clerk of Council	3
<u>Department Heads</u>		
Debora Tyson	Income Tax Administrator	24
Roger Monroe	Police Chief	25
Chad Christopher	Fire Chief	13
Scott Zimmerman	Parks, Public Buildings and Land Superintendent	16
David Carpenter	Street Superintendent	23
Deborah S. Briscoe	Cemetery Foreman	34
Pam Muralt	Water and Wastewater Meter and Customer Service Administrator	34
Mathias Orndorf	Acting Water and Wastewater Treatment and Distribution Administrator	24

***City Organizational Chart
For the Year Ended December 31, 2014***



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



Government Finance Officers Association

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

Presented to

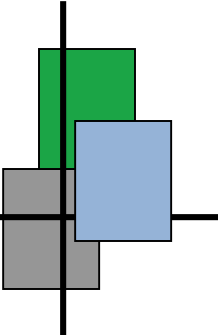
**City of Mount Vernon
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Financial Section







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

INDEPENDENT AUDITOR'S REPORT

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

Ten West Locust Street

Newark, Ohio 43055

(740) 345-6611

1-800-523-6611

FAX (740) 345-5635

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund, Municipal Income Tax ½% (Voted) Fund and the Community Development Block Grant Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on 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 present additional analysis and is not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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.

City of Mount Vernon
Knox County
Independent Auditor's Report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
June 26, 2015



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, 2014. 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 2014 are as follows:

- ❑ In total, net position increased \$3,258,750. Net position of governmental activities increased \$2,623,447 which represents a 5.0% increase from 2013. Net position of business-type activities increased \$635,303 from 2013.
- ❑ General revenues accounted for \$16,474,324 in revenue or 55.1% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$13,429,078, 44.9% of total revenues of \$29,903,402.
- ❑ The City had \$20,359,286 in expenses related to governmental activities; only \$6,508,833 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues were sufficient to provide for these programs.
- ❑ Among major funds, the general fund had \$9,729,597 in revenues and other financing sources and \$9,371,712 in expenditures and other financing uses. The general fund's fund balance increased from \$3,811,563 to \$4,169,258.

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 position includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 position and how they have changed. Net-position (the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position 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 Municipal Income Tax ½% (Voted) Fund, the Community Development Block Grant 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 Position 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, 2014**

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 position for 2014 compared to 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$17,924,481	\$14,933,776	\$4,875,447	\$5,656,712	\$22,799,928	\$20,590,488
Capital assets, Net	48,751,924	49,765,362	37,256,456	37,536,603	86,008,380	87,301,965
Total assets	<u>66,676,405</u>	<u>64,699,138</u>	<u>42,131,903</u>	<u>43,193,315</u>	<u>108,808,308</u>	<u>107,892,453</u>
Deferred outflows of resources	0	0	119,480	134,415	119,480	134,415
Long-term liabilities outstanding	8,783,134	9,277,622	19,425,377	20,945,972	28,208,511	30,223,594
Other liabilities	1,132,727	1,754,619	216,877	407,932	1,349,604	2,162,551
Total liabilities	<u>9,915,861</u>	<u>11,032,241</u>	<u>19,642,254</u>	<u>21,353,904</u>	<u>29,558,115</u>	<u>32,386,145</u>
Deferred inflows of resources	2,028,600	1,558,400	0	0	2,028,600	1,558,400
Net position:						
Net investment in capital assets	40,927,848	41,446,062	18,252,176	16,711,092	59,180,024	58,157,154
Restricted	6,576,302	4,315,346	1,758,460	1,646,248	8,334,762	5,961,594
Unrestricted	7,227,794	6,347,089	2,598,493	3,616,486	9,826,287	9,963,575
Total net position	<u>\$54,731,944</u>	<u>\$52,108,497</u>	<u>\$22,609,129</u>	<u>\$21,973,826</u>	<u>\$77,341,073</u>	<u>\$74,082,323</u>

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CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

Changes in Net Position – The following table shows the changes in net position for 2014 compared to 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,257,038	\$2,244,986	\$6,882,654	\$6,694,595	\$9,139,692	\$8,939,581
Operating Grants and Contributions	1,470,114	1,937,129	37,591	37,266	1,507,705	1,974,395
Capital Grants and Contributions	2,781,681	1,590,955	0	0	2,781,681	1,590,955
Total Program Revenues	6,508,833	5,773,070	6,920,245	6,731,861	13,429,078	12,504,931
General Revenues:						
Property Taxes	2,061,759	1,547,187	0	0	2,061,759	1,547,187
Income Taxes	12,503,753	10,805,563	0	0	12,503,753	10,805,563
Other Local Taxes	103,876	94,973	0	0	103,876	94,973
Intergovernmental Revenues, Unrestricted	890,797	451,426	0	0	890,797	451,426
Investment Earnings	11,260	29,448	424	625	11,684	30,073
Miscellaneous	902,455	327,023	0	0	902,455	327,023
Total General Revenues	16,473,900	13,255,620	424	625	16,474,324	13,256,245
Total Revenues	22,982,733	19,028,690	6,920,669	6,732,486	29,903,402	25,761,176
Program Expenses						
Security of Persons and Property	6,370,982	6,492,718	0	0	6,370,982	6,492,718
Public Health and Welfare Services	757,435	709,251	0	0	757,435	709,251
Leisure Time Activities	1,279,240	980,442	0	0	1,279,240	980,442
Community Environment	323,093	648,532	0	0	323,093	648,532
Transportation	5,070,430	3,367,249	0	0	5,070,430	3,367,249
General Government	6,294,609	5,316,607	0	0	6,294,609	5,316,607
Interest and Fiscal Charges	263,497	276,071	0	0	263,497	276,071
Water	0	0	3,028,624	3,049,583	3,028,624	3,049,583
Wastewater	0	0	3,256,742	3,118,011	3,256,742	3,118,011
Total Expenses	20,359,286	17,790,870	6,285,366	6,167,594	26,644,652	23,958,464
Total Change in Net Position	2,623,447	1,237,820	635,303	564,892	3,258,750	1,802,712
Beginning Net Position	52,108,497	50,870,677	21,973,826	21,408,934	74,082,323	72,279,611
Ending Net Position	\$54,731,944	\$52,108,497	\$22,609,129	\$21,973,826	\$77,341,073	\$74,082,323

Governmental Activities

Net position of the City's governmental activities increased by \$2,623,447 over 2013. The increase in Net Position is the result of increased income taxes, property taxes and intergovernmental revenues.

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.

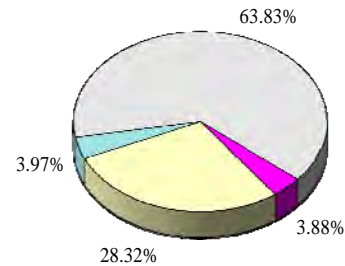
CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

Income taxes and property taxes made up 54.40% and 8.97% respectively of revenues for governmental activities for the City in 2014. The City's reliance upon tax revenues is demonstrated by the following graph indicating 63.83% of total revenues from general tax revenues:

Revenue Sources	2014	Percent of Total
General Tax Revenues	\$14,669,388	63.83%
Intergovernmental Revenues, Unrestricted	890,797	3.88%
Program Revenues	6,508,833	28.32%
General Other	913,715	3.97%
Total Revenue	\$22,982,733	100.00%



Business-Type Activities

Net position of the business type activities increased by \$635,503. 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 \$11,037,224, which is an increase from last year's balance of \$9,054,585. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2014 and 2013:

	Fund Balance December 31, 2014	Fund Balance December 31, 2013	Increase (Decrease)
General	\$4,169,258	\$3,811,563	\$357,695
Municipal Income Tax 1/2% (Voted)	942,092	1,030,326	(88,234)
Community Development Block Grant	46,292	88,310	(42,018)
General Bond Retirement	3	261	(258)
Capital Improvement	1,832,584	1,283,776	548,808
TIF District-Coshocton Road	2,169,050	1,065,712	1,103,338
Other Governmental	1,877,945	1,774,637	103,308
Total	\$11,037,224	\$9,054,585	\$1,982,639

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

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

	2014 Revenues	2013 Revenues	Increase (Decrease)
Property and Other Taxes	\$6,944,116	\$8,313,612	(\$1,369,496)
Intergovernmental Revenue	479,589	606,177	(126,588)
Charges for Services	1,483,869	1,442,747	41,122
Licenses and Permits	15,603	7,377	8,226
Investment Earnings	10,282	26,250	(15,968)
Fines and Forfeitures	555,831	575,189	(19,358)
All Other Revenue	238,093	284,751	(46,658)
Total	<u>\$9,727,383</u>	<u>\$11,256,103</u>	<u>(\$1,528,720)</u>

General Fund revenues in 2014 decreased approximately 13.6% compared to revenues in 2013. The major decrease is in city income tax revenues. The ½% voted income tax revenue is now being reported in a special revenue fund to comply with Ohio law.

	2014 Expenditures	2013 Expenditures	Increase (Decrease)
Security of Persons and Property	\$1,308,397	\$4,229,675	(\$2,921,278)
Public Health and Welfare Services	400,666	388,417	12,249
Leisure Time Activities	791,379	741,400	49,979
Community Environment	30,619	30,568	51
Transportation	47,785	50,241	(2,456)
General Government	5,760,906	5,689,061	71,845
Debt Service:			
Principal Retirement	11,427	10,956	471
Interest and Fiscal Charges	16,448	16,919	(471)
Total	<u>\$8,367,627</u>	<u>\$11,157,237</u>	<u>(\$2,789,610)</u>

General Fund expenditures decreased by \$2,789,610 or -25.0% compared to the prior year primarily due to reporting costs within Security of Persons and Property in a special revenue fund in 2013.

General Bond Retirement Fund – The General Debt Retirement Fund balance had no significant change.

Municipal Income Tax ½% (Voted) Fund - The Municipal Income Tax ½% (Voted) Fund balance decreased from \$1,030,326 to \$942,092 due to reallocating revenues and expenditures as a special revenue fund to comply with Ohio law.

Community Development Block Grant Fund - The Community Development Block Grant Fund balance had no significant change.

CITY OF MOUNT VERNON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2014***

Unaudited

Capital Improvement Fund - The Capital Improvement Fund balance increased from \$1,283,776 to \$1,832,584 due to the inflow of resources associated with a brownfield project from the current property owner.

TIF District-Coshocton Road Fund - The TIF District-Coshocton Road Fund balance increased from \$1,065,712 to \$2,169,050 due to an increase in taxes as a result of increased reappraisal values of the properties within the TIF District.

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 2014 the City amended its General Fund budget several times. The increase in the final budget of \$12,004,790 over the original budget of \$11,302,813 primarily was the result of a grant from Clean Ohio Funds for a brownfield project. Actual expenditures and other financing uses were less than the final budget by \$2,104,991 because of conservative fiscal management practices and the creation of a new special revenue fund for Security of Persons and Property expenditures.

For the General Fund, final budget basis revenue of \$9,138,975 did not significantly change compared to the original budget basis revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014 the City had \$86,008,380 net of accumulated depreciation invested in buildings, infrastructure, equipment and vehicles. Of this total, \$48,751,924 was related to governmental activities and \$37,256,456 to the business-type activities. The following table shows 2014 and 2013 balances:

	Governmental Activities		Increase (Decrease)
	2014	2013	
Land	\$12,530,178	\$12,033,474	\$496,704
Construction In Progress	266,530	4,269,060	(4,002,530)
Buildings	15,284,865	13,339,154	1,945,711
Improvements Other than Buildings	1,181,382	1,108,140	73,242
Infrastructure	43,077,902	41,019,593	2,058,309
Machinery and Equipment	8,363,581	7,673,190	690,391
Less: Accumulated Depreciation	(31,952,514)	(29,677,249)	(2,275,265)
Totals	\$48,751,924	\$49,765,362	(\$1,013,438)

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Unaudited

Land increased due to the acquisition of property for future park improvements. Constructions in Progress decreased due to new building being constructed during the year. Infrastructures increased due to additional roads being resurfaced in 2014 and the completion of street projects. Machinery and Equipment increased due to acquisition of vehicles for the police department and equipment for the parks department.

	Business-Type Activities		Increase (Decrease)
	2014	2013	
Land	\$819,311	\$819,311	\$0
Construction in Progress	86,002	10,077,079	(9,991,077)
Buildings and Improvements	34,887,379	25,661,695	9,225,684
Utility Structures in Service	27,322,175	26,867,484	454,691
Machinery and Equipment	4,617,884	3,055,601	1,562,283
Less: Accumulated Depreciation	<u>(30,476,295)</u>	<u>(28,944,567)</u>	<u>(1,531,728)</u>
Totals	<u>\$37,256,456</u>	<u>\$37,536,603</u>	<u>(\$280,147)</u>

Business type capital assets decreased as a result of upgrades at the wastewater plant. Construction in Progress decreased and Buildings & Improvements increased due to completion of the wastewater treatment plant electrical and instrumentation upgrade project. Additional information on the City's capital assets can be found in Note 7.

Debt

At December 31, 2014, the City had \$14,040,000 in general obligation bonds outstanding, \$1,405,000 due within one year. The following table summarizes the City's liabilities outstanding as of December 31, 2014 and 2013.

	2014	2013
Governmental Activities:		
General Obligation Bonds Payable	\$5,436,000	\$5,812,400
Ohio Public Works Commission Loan	309,375	336,875
Special Obligation Bonds Payable	1,577,500	1,677,500
Police and Firemen's Pension Accrued Liability	378,394	389,821
Compensated Absences	1,081,865	1,061,026
Total Governmental Activities	<u>8,783,134</u>	<u>9,277,622</u>
Business-Type Activities:		
Mortgage Revenue Bonds Payable	2,345,000	2,780,000
General Obligation Bonds Payable	8,604,000	9,582,600
Special Obligation Bonds Payable	1,577,500	1,677,500
Ohio Public Works Commission Loan	97,156	103,424
Ohio Water Development Authority Loan	6,500,028	6,476,726
Compensated Absences	301,693	325,722
Total Business-Type Activities	<u>19,425,377</u>	<u>20,945,972</u>
Totals	<u>\$28,208,511</u>	<u>\$30,223,594</u>

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, 2014, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 10.

ECONOMIC FACTORS

Panera Bread acquired adequate real estate in which to construct new facility. Ground breaking occurred in early spring and the grand opening was performed in early September. The City welcomes this fine establishment to the community and the patrons have express expressed their pleasure in having Panera in the city.

In December of 2014, Siemens completed the acquisition of Rolls Royce Energy Division located in Mount Vernon. Siemens indicates the acquisition will provide a much stronger position in the global energy production and will provide for a much stronger work force for the Mount Vernon production plant. Siemens was a major competitor against Rolls Royce, however Rolls Royce plans to share some of its design plans to allow for continued production of certain product lines known to the Mount Vernon production facility. The City has been encouraged by this transaction to retain a major employer in the community.

In the fall of 2014, Mount Vernon Nazarene University (MVNU) gave notice they had purchased the property formerly known as the Curtis Hotel, located on the town square. This property has long been known for lodging for transient guests more so prior to the construction of freeways and interstate highways as travelers passed through Mount Vernon going from Cleveland, Ohio to Cincinnati, Ohio via State Route 3. MVNU's plan is to raise the current structure and the prototype design has incorporated a significant resemblance to the structure that once stood on this site in the early to mid-1900. The City is very supportive of this new development not only to retain a hotel on the town square but to have an architect structure that will blend warmly with the current town square structures yet provide current amenities guests appreciate during their overnight stays.

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.

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, 2014. 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.

CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
December 31, 2014**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 1,718,256	\$ 1,734,414	\$ 3,452,670
Investments	6,929,706	1,070,294	8,000,000
Receivables:			
Taxes	6,015,557	0	6,015,557
Accounts	86,996	1,521,997	1,608,993
Intergovernmental	2,577,857	0	2,577,857
Inventory of Supplies	22,758	93,400	116,158
Prepaid Items	151,348	13,899	165,247
Restricted Assets:			
Cash and Cash Equivalents	417,168	0	417,168
Cash and Cash Equivalents with Fiscal Agent	4,835	441,443	446,278
Capital Assets			
Capital Assets not Being Depreciated	12,796,708	905,313	13,702,021
Capital Assets Being Depreciated	35,955,216	36,351,143	72,306,359
Total Assets	66,676,405	42,131,903	108,808,308
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	119,480	119,480
Liabilities:			
Accounts Payable	347,588	131,836	479,424
Accrued Wages and Benefits	210,499	50,535	261,034
Contracts Payable	555,520	11,886	567,406
Matured Bonds & Interest Payable	0	650	650
Accrued Interest Payable	19,120	21,970	41,090
Noncurrent liabilities:			
Due within one year	820,535	2,009,406	2,829,941
Due in more than one year	7,962,599	17,415,971	25,378,570
Total Liabilities	9,915,861	19,642,254	29,558,115
Deferred Inflow of Resources:			
Deferred Inflow - Property Taxes	2,028,600	0	2,028,600

CITY OF MOUNT VERNON, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	40,927,848	18,252,176	59,180,024
Restricted For:			
Capital Projects	2,269,125	1,317,017	3,586,142
Debt Service	0	441,443	441,443
Perpetual Care, Nonexpendable	417,168	0	417,168
Security of Persons and Property	1,662,562	0	1,662,562
Leisure Time Activities	3,262	0	3,262
Community Environment	1,586,292	0	1,586,292
Transportation	637,893	0	637,893
Unrestricted	7,227,794	2,598,493	9,826,287
Total Net Position	\$ 54,731,944	\$ 22,609,129	\$ 77,341,073

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Activities
For the Year Ended December 31, 2014**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 6,370,982	\$ 1,252,995	\$ 0	\$ 0
Public Health and Welfare Services	757,435	48,631	0	0
Leisure Time Activities	1,279,240	246,341	0	1,023,367
Community Environment	323,093	9,423	1,195,332	0
Transportation	5,070,430	1,094	177,024	1,758,314
General Government	6,294,609	698,554	97,758	0
Interest and Fiscal Charges	263,497	0	0	0
Total Governmental Activities	20,359,286	2,257,038	1,470,114	2,781,681
Business-Type Activities:				
Water	3,028,624	3,684,807	0	0
Sewer	3,256,742	3,197,847	37,591	0
Total Business-Type Activities	6,285,366	6,882,654	37,591	0
Totals	\$ 26,644,652	\$ 9,139,692	\$ 1,507,705	\$ 2,781,681

General Revenues

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

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (5,117,987)	\$ 0	\$ (5,117,987)
(708,804)	0	(708,804)
(9,532)	0	(9,532)
881,662	0	881,662
(3,133,998)	0	(3,133,998)
(5,498,297)	0	(5,498,297)
(263,497)	0	(263,497)
<u>(13,850,453)</u>	<u>0</u>	<u>(13,850,453)</u>
0	656,183	656,183
0	(21,304)	(21,304)
<u>0</u>	<u>634,879</u>	<u>634,879</u>
<u>(13,850,453)</u>	<u>634,879</u>	<u>(13,215,574)</u>
536,836	0	536,836
131,724	0	131,724
143,215	0	143,215
1,249,984	0	1,249,984
12,503,753	0	12,503,753
103,876	0	103,876
890,797	0	890,797
11,260	424	11,684
902,455	0	902,455
<u>16,473,900</u>	<u>424</u>	<u>16,474,324</u>
2,623,447	635,303	3,258,750
52,108,497	21,973,826	74,082,323
<u>\$ 54,731,944</u>	<u>\$ 22,609,129</u>	<u>\$ 77,341,073</u>

CITY OF MOUNT VERNON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2014**

	General	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant	General Bond Retirement
Assets:				
Cash and Cash Equivalents	\$ 280,472	\$ 170,024	\$ 5,292	\$ 3
Investments	2,870,063	0	0	0
Receivables:				
Taxes	2,849,142	1,254,717	0	0
Accounts	83,771	0	0	0
Intergovernmental	146,787	0	1,581,000	0
Inventory of Supplies	479	0	0	0
Prepaid Items	147,057	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	\$ 6,377,771	\$ 1,424,741	\$ 1,586,292	\$ 3
Liabilities:				
Accounts Payable	\$ 308,664	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	167,813	0	0	0
Contracts Payable	51,034	0	0	0
Total Liabilities	527,511	0	0	0
Deferred Inflows of Resources:				
Property Tax	622,800	0	0	0
Unavailable Revenue	1,058,202	482,649	1,540,000	0
Total Deferred Inflows of Resources	1,681,002	482,649	1,540,000	0
Fund Balances:				
Nonspendable	147,536	0	0	0
Restricted	8,080	942,092	46,292	3
Committed	4,741	0	0	0
Assigned	2,754,129	0	0	0
Unassigned	1,254,772	0	0	0
Total Fund Balances	4,169,258	942,092	46,292	3
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,377,771	\$ 1,424,741	\$ 1,586,292	\$ 3

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

<u>Capital Improvement</u>	<u>TIF District- Coshocton Road</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 603	\$ 616	\$ 1,261,246	\$ 1,718,256
1,891,209	2,168,434	0	6,929,706
238,293	1,226,713	446,692	6,015,557
0	0	3,225	86,996
519,383	0	330,687	2,577,857
0	0	22,279	22,758
0	0	4,291	151,348
0	0	417,168	417,168
0	0	4,835	4,835
<u>\$ 2,649,488</u>	<u>\$ 3,395,763</u>	<u>\$ 2,490,423</u>	<u>\$ 17,924,481</u>
\$ 419	\$ 0	\$ 38,505	\$ 347,588
0	0	42,686	210,499
<u>501,164</u>	<u>0</u>	<u>3,322</u>	<u>555,520</u>
<u>501,583</u>	<u>0</u>	<u>84,513</u>	<u>1,113,607</u>
0	1,215,000	190,800	2,028,600
<u>315,321</u>	<u>11,713</u>	<u>337,165</u>	<u>3,745,050</u>
<u>315,321</u>	<u>1,226,713</u>	<u>527,965</u>	<u>5,773,650</u>
0	0	443,738	591,274
1,832,584	2,169,050	1,309,646	6,307,747
0	0	124,561	129,302
0	0	0	2,754,129
0	0	0	1,254,772
<u>1,832,584</u>	<u>2,169,050</u>	<u>1,877,945</u>	<u>11,037,224</u>
<u>\$ 2,649,488</u>	<u>\$ 3,395,763</u>	<u>\$ 2,490,423</u>	<u>\$ 17,924,481</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2014***

Total Governmental Fund Balances \$ 11,037,224

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. 48,751,924

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 3,745,050

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	(5,436,000)	
Special Obligation Bonds Payable	(1,577,500)	
Ohio Public Works Commission Loan Payable	(309,375)	
Police and Firemen's Pension Accrued Liability	(378,394)	
Compensated Absences Payable	(1,081,865)	
Accrued Interest Payable	(19,120)	(8,802,254)

Net Position of Governmental Activities \$ 54,731,944

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, 2014**

	General	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant	General Bond Retirement
Revenues:				
Taxes	\$ 6,944,116	\$ 3,981,767	\$ 0	\$ 0
Intergovernmental Revenues	479,589	0	250,456	0
Charges for Services	1,483,869	0	0	0
Licenses and Permits	15,603	0	0	0
Investment Earnings	10,282	0	0	2
Fines and Forfeitures	555,831	0	0	0
All Other Revenue	238,093	2,422	0	0
Total Revenue	9,727,383	3,984,189	250,456	2
Expenditures:				
Current:				
Security of Persons and Property	1,308,397	4,072,423	0	0
Public Health and Welfare Services	400,666	0	0	0
Leisure Time Activities	791,379	0	0	0
Community Environment	30,619	0	292,474	0
Transportation	47,785	0	0	0
General Government	5,760,906	0	0	0
Debt Service:				
Principal Retirement	11,427	0	0	403,900
Interest and Fiscal Charges	16,448	0	0	204,003
Total Expenditures	8,367,627	4,072,423	292,474	607,903
Excess (Deficiency) of Revenues Over Expenditures	1,359,756	(88,234)	(42,018)	(607,901)
Other Financing Sources (Uses):				
Sale of Capital Assets	2,214	0	0	0
Transfers In	0	0	0	607,643
Transfers Out	(1,004,085)	0	0	0
Total Other Financing Sources (Uses)	(1,001,871)	0	0	607,643
Net Change in Fund Balances	357,885	(88,234)	(42,018)	(258)
Fund Balances at Beginning of Year	3,811,563	1,030,326	88,310	261
Increase (Decrease) in Inventory Reserve	(190)	0	0	0
Fund Balances End of Year	\$ 4,169,258	\$ 942,092	\$ 46,292	\$ 3

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Capital Improvement	TIF District- Coshocton Road	Other Governmental Funds	Total Governmental Funds
\$ 762,939	\$ 1,214,761	\$ 1,115,244	\$ 14,018,827
1,173,074	0	824,650	2,727,769
0	0	81,421	1,565,290
0	0	3,144	18,747
737	0	239	11,260
0	0	119,176	675,007
<u>650,000</u>	<u>604,557</u>	<u>54,443</u>	<u>1,549,515</u>
<u>2,586,750</u>	<u>1,819,318</u>	<u>2,198,317</u>	<u>20,566,415</u>
0	0	792,316	6,173,136
0	0	347,041	747,707
46,203	0	11,297	848,879
0	0	0	323,093
1,930,643	510,003	1,038,167	3,526,598
171,941	0	269,869	6,202,716
0	0	100,000	515,327
0	0	43,587	264,038
<u>2,148,787</u>	<u>510,003</u>	<u>2,602,277</u>	<u>18,601,494</u>
437,963	1,309,315	(403,960)	1,964,921
0	0	934	3,148
110,845	0	534,490	1,252,978
0	(205,977)	(42,916)	(1,252,978)
<u>110,845</u>	<u>(205,977)</u>	<u>492,508</u>	<u>3,148</u>
548,808	1,103,338	88,548	1,968,069
1,283,776	1,065,712	1,774,637	9,054,585
0	0	14,760	14,570
<u>\$ 1,832,584</u>	<u>\$ 2,169,050</u>	<u>\$ 1,877,945</u>	<u>\$ 11,037,224</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, 2014***

Net Change in Fund Balances - Total Governmental Funds \$ 1,968,069

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 depreciation exceeded capital outlays in the current period.

Capital Outlay	1,387,114	
Depreciation Expense	<u>(2,399,194)</u>	(1,012,080)

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

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>(1,358)</u>	(1,358)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,159,217
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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 position.

General Obligation Bond Principal Payment	376,400	
Special Obligation Bond Principal Payment	100,000	
Ohio Public Works Commission Loan Payment	27,500	
Police Firemen's Pension Accrued Liability Principal Payment	<u>11,427</u>	515,327

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		541
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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	(20,839)	
Change in Inventory	<u>14,570</u>	<u>(6,269)</u>

Change in Net Position of Governmental Activities \$ 2,623,447

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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,590,959	\$ 6,590,959	\$ 6,823,630	\$ 232,671
Intergovernmental Revenue	357,073	432,788	496,563	63,775
Charges for Services	1,468,028	1,468,028	1,538,470	70,442
Licenses and Permits	5,200	5,200	15,603	10,403
Investment Earnings	8,000	8,000	16,726	8,726
Fines and Forfeitures	525,000	525,000	549,820	24,820
All Other Revenues	109,000	109,000	242,045	133,045
Total Revenues	9,063,260	9,138,975	9,682,857	543,882
Expenditures:				
Current:				
Security of Persons and Property	1,784,970	2,082,764	1,581,272	501,492
Public Health and Welfare Services	407,841	446,354	439,674	6,680
Leisure Time Activities	880,510	920,646	817,210	103,436
Community Environment	40,045	40,145	30,719	9,426
Transportation	56,200	52,400	47,063	5,337
General Government	6,543,568	6,882,802	5,979,776	903,026
Total Expenditures	9,713,134	10,425,111	8,895,714	1,529,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	(649,874)	(1,286,136)	787,143	2,073,279
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	2,214	2,214
Transfers Out	(1,589,679)	(1,579,679)	(1,004,085)	575,594
Total Other Financing Sources (Uses):	(1,589,679)	(1,579,679)	(1,001,871)	577,808
Net Change in Fund Balance	(2,239,553)	(2,865,815)	(214,728)	2,651,087
Fund Balance at Beginning of Year	2,239,554	2,239,554	2,239,554	0
Prior Year Encumbrances	626,261	626,261	626,261	0
Fund Balance at End of Year	\$ 626,262	\$ 0	\$ 2,651,087	\$ 2,651,087

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)
Special Revenue Fund – Municipal Income Tax ½% (Voted) Fund
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,686,947	\$ 3,850,137	\$ 3,908,511	\$ 58,374
All Other Revenues	0	0	2,422	2,422
Total Revenues	<u>3,686,947</u>	<u>3,850,137</u>	<u>3,910,933</u>	<u>60,796</u>
Expenditures:				
Current:				
Security of Persons and Property	4,018,461	4,181,651	4,072,423	109,228
Total Expenditures	<u>4,018,461</u>	<u>4,181,651</u>	<u>4,072,423</u>	<u>109,228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(331,514)	(331,514)	(161,490)	170,024
Fund Balance at Beginning of Year	331,514	331,514	331,514	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 170,024</u>	<u>\$ 170,024</u>

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)
Special Revenue Fund – Community Development Block Grant Fund
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 668,819	\$ 668,819	\$ 223,456	\$ (445,363)
Total Revenues	<u>668,819</u>	<u>668,819</u>	<u>223,456</u>	<u>(445,363)</u>
Expenditures:				
Current:				
Community Environment	739,581	743,321	293,336	449,985
Total Expenditures	<u>739,581</u>	<u>743,321</u>	<u>293,336</u>	<u>449,985</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,762)	(74,502)	(69,880)	4,622
Fund Balance at Beginning of Year	70,762	70,762	70,762	0
Prior Year Encumbrances	3,740	3,740	3,740	0
Fund Balance at End of Year	<u>\$ 3,740</u>	<u>\$ 0</u>	<u>\$ 4,622</u>	<u>\$ 4,622</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2014**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 527,467	\$ 1,206,947	\$ 1,734,414
Investments	549,671	520,623	1,070,294
Accounts receivable (net of allowance for uncollectibles)	830,659	691,338	1,521,997
Inventory of Supplies	49,303	44,097	93,400
Prepaid Items	7,766	6,133	13,899
Total current assets	<u>1,964,866</u>	<u>2,469,138</u>	<u>4,434,004</u>
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	441,443	0	441,443
Capital assets:			
Capital Assets Not Being Depreciated	196,021	709,292	905,313
Capital Assets Being Depreciated	<u>14,639,135</u>	<u>21,712,008</u>	<u>36,351,143</u>
Total capital assets	<u>14,835,156</u>	<u>22,421,300</u>	<u>37,256,456</u>
Total noncurrent assets	<u>15,276,599</u>	<u>22,421,300</u>	<u>37,697,899</u>
Total Assets	<u>17,241,465</u>	<u>24,890,438</u>	<u>42,131,903</u>
Deferred Outflows of Resources:			
Deferred Charges on Refunding	<u>0</u>	<u>119,480</u>	<u>119,480</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	62,548	69,288	131,836
Accrued Wages and Benefits	25,016	25,519	50,535
Contracts Payable	1,098	10,788	11,886
Matured Bonds and Interest Payable	650	0	650
Accrued Interest Payable	10,088	11,882	21,970
General Obligation Bonds Payable - Current	588,200	423,650	1,011,850
Revenue Bond Payable - Current	450,000	0	450,000
OWDA Loans Payable - Current	0	345,140	345,140
OPWC Loans Payable - Current	6,268	0	6,268
Compensated Absences Payable - Current	40,365	53,283	93,648
Special Obligation Bonds Payable - Current	<u>51,250</u>	<u>51,250</u>	<u>102,500</u>
Total Current Liabilities	<u>1,235,483</u>	<u>990,800</u>	<u>2,226,283</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
Noncurrent Liabilities:			
General Obligation Bonds Payable	2,231,575	5,360,575	7,592,150
Revenue Bonds Payable	1,895,000	0	1,895,000
OWDA Loans Payable	0	6,154,888	6,154,888
OPWC Loans Payable	90,888	0	90,888
Special Obligation Bonds Payable	737,500	737,500	1,475,000
Compensated Absences Payable	81,775	126,270	208,045
Total noncurrent liabilities	<u>5,036,738</u>	<u>12,379,233</u>	<u>17,415,971</u>
Total Liabilities	<u>6,272,221</u>	<u>13,370,033</u>	<u>19,642,254</u>
NET POSITION:			
Net Investment in Capital Assets	8,784,437	9,467,739	18,252,176
Restricted for Capital Projects	500,000	817,017	1,317,017
Restricted for Debt Service	441,443	0	441,443
Unrestricted	<u>1,243,364</u>	<u>1,355,129</u>	<u>2,598,493</u>
Total Net Position	<u>\$ 10,969,244</u>	<u>\$ 11,639,885</u>	<u>\$ 22,609,129</u>

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Operating Revenues:			
Charges for Services	\$ 3,586,469	\$ 3,135,013	\$ 6,721,482
Other Operating Revenues	98,338	62,834	161,172
Total Operating Revenues	<u>3,684,807</u>	<u>3,197,847</u>	<u>6,882,654</u>
Operating Expenses:			
Personal Services	1,230,260	1,342,690	2,572,950
Contractual Services	95,703	408,332	504,035
Materials and Supplies	305,010	152,892	457,902
Utilities	243,639	280,987	524,626
Depreciation	879,482	679,267	1,558,749
Total Operating Expenses	<u>2,754,094</u>	<u>2,864,168</u>	<u>5,618,262</u>
Operating Income	930,713	333,679	1,264,392
Non-Operating Revenues (Expenses):			
Interest Income	392	32	424
Interest and Fiscal Charges	(274,530)	(392,574)	(667,104)
Intergovernmental Grants	0	37,591	37,591
Total Non-Operating Revenues (Expenses)	<u>(274,138)</u>	<u>(354,951)</u>	<u>(629,089)</u>
Change in Net Position	656,575	(21,272)	635,303
Net Position Beginning of Year	10,312,669	11,661,157	21,973,826
Net Position End of Year	<u>\$ 10,969,244</u>	<u>\$ 11,639,885</u>	<u>\$ 22,609,129</u>

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, 2014**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$3,604,910	\$3,141,590	\$6,746,500
Cash Payments for Goods and Services	(688,035)	(1,012,898)	(1,700,933)
Cash Payments to Employees	(1,249,779)	(1,337,400)	(2,587,179)
Net Cash Provided by Operating Activities	1,667,096	791,292	2,458,388
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from U S Treasury	0	37,591	37,591
Proceeds from OWDA Loan	0	364,473	364,473
Acquisition and Construction of Assets	(587,423)	(714,572)	(1,301,995)
Principal Paid on General Obligation Bonds	(566,525)	(412,075)	(978,600)
Principal Paid on Ohio Public Works Commission Loan	(6,268)	0	(6,268)
Principal Paid on Revenue Bonds	(435,000)	0	(435,000)
Principal Paid on Special Obligation Bonds	(50,000)	(50,000)	(100,000)
Principal Paid on OWDA Loan	0	(341,171)	(341,171)
Interest Paid on All Debt	(276,002)	(376,955)	(652,957)
Net Cash Used for Capital and Related Financing Activities	(1,921,218)	(1,492,709)	(3,413,927)
<u>Cash Flows from Investing Activities:</u>			
Proceeds from Sale of Investments	236,295	1,167,360	1,403,655
Receipt of Interest	392	32	424
Net Cash Provided by Investing Activities	236,687	1,167,392	1,404,079
Net Increase (Decrease) in Cash and Cash Equivalents	(17,435)	465,975	448,540
Cash and Cash Equivalents at Beginning of Year	986,345	740,972	1,727,317
Cash and Cash Equivalents at End of Year	\$968,910	\$1,206,947	\$2,175,857
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$527,467	\$1,206,947	\$1,734,414
Restricted Cash with Fiscal Agent	441,443	0	441,443
Cash and Cash Equivalents at End of Year	\$968,910	\$1,206,947	\$2,175,857

(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	\$930,713	\$333,679	\$1,264,392
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	879,482	679,267	1,558,749
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(79,897)	(56,257)	(136,154)
Increase in Inventory	(20,560)	(18,213)	(38,773)
(Increase) Decrease in Prepaid Items	(106)	1,183	1,077
Increase (Decrease) in Accounts Payable	15,974	(897)	15,077
Increase in Accrued Wages and Benefits	886	1,039	1,925
Increase (Decrease) in Contracts Payable	(2,647)	563	(2,084)
Decrease in Retainage Payable	(32,223)	(149,569)	(181,792)
Increase (Decrease) in Compensated Absences	(24,526)	497	(24,029)
Total Adjustments	<u>736,383</u>	<u>457,613</u>	<u>1,193,996</u>
Net Cash Provided by Operating Activities	<u>\$1,667,096</u>	<u>\$791,292</u>	<u>\$2,458,388</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2014***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 99,115
Total Assets	<u>\$ 99,115</u>
Liabilities:	
Intergovernmental Payable	\$ 28,856
Due to Others	<u>70,259</u>
Total Liabilities	<u>\$ 99,115</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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, 2014 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*, as amended by GASB Statement No. 39, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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 2014.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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 \$50,000 for operations of the combined District for 2014.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, net position, 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.

Municipal Income Tax ½% (Voted) – This fund is used to account for income tax levied in 1982, which is dedicated solely for the police, fire, and emergency medical services departments.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Community Development Block Grant Fund – This fund is used to account for state grants designated for community environmental improvements.

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, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

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 cleanup 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, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position 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, deferred outflows of resources, current liabilities and deferred inflows of resources, 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, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. 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, 2014***

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.

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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2014.

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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.

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States (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 and major special revenue funds:

	Net Change in Fund Balance		
	General Fund	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant Fund
GAAP Basis (as reported)	\$357,885	(\$88,234)	(\$42,018)
Increase (Decrease):			
Accrued Revenues at December 31, 2014 received during 2015	(1,446,499)	(772,068)	(41,000)
Accrued Revenues at December 31, 2013 received during 2014	1,401,973	698,812	14,000
Accrued Expenditures at December 31, 2014 paid during 2015	527,511	0	0
Accrued Expenditures at December 31, 2013 paid during 2014	(592,890)	0	(192)
2013 Prepays for 2014	135,186	0	0
2014 Prepays for 2015	(147,057)	0	0
Outstanding Encumbrances	(450,837)	0	(670)
Budget Basis	<u>(\$214,728)</u>	<u>(\$161,490)</u>	<u>(\$69,880)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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 3, "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 3, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2014. 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, 2014.

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 position. 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, 2014, 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, 2014***

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 Position, 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 Position 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, 2014**

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
Special Obligation Bonds	General Bond Retirement –Income Tax 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 in the fire department.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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 Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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 position is 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 resources 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, 2014***

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) it employed previously to commit those amounts.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. State statute authorizes the City to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

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 position 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

Bond issuance costs are recognized in the current period.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one item that qualifies for reporting in this category. One is the deferred charge on refunding reported in the government-wide and proprietary statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 2 – 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	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant Fund	General Bond Retirement Fund	Capital Improvement Fund	TIF District-Coshocton Road Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Prepaid Items	\$147,057	\$0	\$0	\$0	\$0	\$0	\$4,291	\$151,348
Supplies Inventory	479	0	0	0	0	0	22,279	22,758
Endowment	0	0	0	0	0	0	417,168	417,168
Total Nonspendable	147,536	0	0	0	0	0	443,738	591,274
Restricted:								
Transportation Projects	0	0	0	0	1,832,584	2,169,050	444,398	4,446,032
Cemetery	0	0	0	0	0	0	163,194	163,194
Court Projects	0	0	0	0	0	0	392,613	392,613
Public Safety	8,080	942,092	0	0	0	0	269,790	1,219,962
Community Development	0	0	46,292	0	0	0	27,522	73,814
Debt Retirement	0	0	0	3	0	0	11,596	11,599
Parks and Recreation	0	0	0	0	0	0	533	533
Total Restricted	8,080	942,092	46,292	3	1,832,584	2,169,050	1,309,646	6,307,747
Committed:								
Parks and Recreation	0	0	0	0	0	0	71,168	71,168
Public Safety	0	0	0	0	0	0	40,825	40,825
Capital Improvements	4,741	0	0	0	0	0	12,568	17,309
Total Committed	4,741	0	0	0	0	0	124,561	129,302
Assigned:								
Projected Budgetary Deficit	2,651,086	0	0	0	0	0	0	2,651,086
Encumbrances	103,043	0	0	0	0	0	0	103,043
Total Assigned	2,754,129	0	0	0	0	0	0	2,754,129
Unassigned:								
	1,254,772	0	0	0	0	0	0	1,254,772
Total Fund Balances	\$4,169,258	\$942,092	\$46,292	\$3	\$1,832,584	\$2,169,050	\$1,877,945	\$11,037,224

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - 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;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- 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 \$11,116,595 and the bank balance \$11,389,590. The Federal Deposit Insurance Corporation (FDIC) covered \$9,000,000 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>\$2,389,590</u>
Total Balance	<u><u>\$2,389,590</u></u>

Investment earnings of \$9,946 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, 2014**

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2014 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u> <u>less than 1</u>
STAR Ohio	<u>\$852,358</u>	AAAm ¹	<u>\$852,358</u>
Total Investments	<u><u>\$852,358</u></u>		<u><u>\$852,358</u></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 \$4,835 being held by Knox County and the City had cash with fiscal agents in the amount of \$441,443 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, 2014**

NOTE 3 - 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	\$3,968,953	\$8,000,000
Certificates of Deposit (with maturities of more than 3 months)	8,000,000	(8,000,000)
Investments:		
STAR Ohio	<u>(852,358)</u>	<u>852,358</u>
Per GASB Statement No. 3	<u>\$11,116,595</u>	<u>\$852,358</u>

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property used in business and located in the City. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2012, 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 2013. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

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

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, 2014 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2014 tax receipts were based was \$249,053,880. This amount constitutes \$239,176,760 in real property assessed value and \$9,877,120 in public utility assessed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 4 - TAXES (Continued)

A. Property Taxes (Continued)

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 Municipal Income Tax ½% Voted Fund.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 5 - RECEIVABLES

Receivables at December 31, 2014 consisted of taxes, accounts, 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:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund	
Estate Tax	\$69
Homestead and Rollback Reimbursement	38,715
Local Government	107,681
Lodging Tax	322
Total General Fund	<u>146,787</u>
Major Special Revenue Fund:	
CDBG Fund - CDBG Grants	1,581,000
Major Capital Improvement Fund:	
State Grants	519,383
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Cents Per Gallon	27,256
Gasoline Tax	211,879
Motor Vehicle Tax	43,004
Total Street Construction, Maintenance and Repair Fund	<u>282,139</u>
State Highway Improvement Fund	
Gasoline Tax	19,389
Motor Vehicle Tax	3,486
Total State Highway Improvement Fund	<u>22,875</u>
Permissive License Registration Fund - Permissive Tax	16,532
Driver's Interlock and Alcohol Monitoring - Fines and Forfeitures	247
Police Pension Fund - Homestead and Rollback Reimbursement	4,447
Fire Pension Fund - Homestead and Rollback Reimbursement	4,447
Total Nonmajor Special Revenue Funds	<u>330,687</u>
Total Governmental Fund Types	<u><u>\$2,577,857</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 6 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2014:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$1,004,085
General Bond Retirement Fund	607,643	0
Capital Improvement Fund	110,845	0
TIF District-Coshocton Road Fund	0	205,977
Other Governmental Funds	534,490	42,916
Total Governmental Funds	<u>\$1,252,978</u>	<u>\$1,252,978</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. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14 – 5705.16.

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets as of December 31, 2014:

Historical Cost:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
<i>Capital assets not being depreciated:</i>				
Land	\$12,033,474	\$496,704	\$0	\$12,530,178
Construction in Progress	4,269,060	125,582	(4,128,112)	266,530
Subtotal	16,302,534	622,286	(4,128,112)	12,796,708
<i>Capital assets being depreciated:</i>				
Buildings	13,339,154	1,945,711	0	15,284,865
Improvements Other than Buildings	1,108,140	73,242	0	1,181,382
Infrastructure	41,019,593	2,102,464	(44,155)	43,077,902
Machinery and Equipment	7,673,190	771,523	(81,132)	8,363,581
Subtotal	63,140,077	4,892,940	(125,287)	67,907,730
Total Cost	\$79,442,611	\$5,515,226	(\$4,253,399)	\$80,704,438
<i>Accumulated Depreciation:</i>				
Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings	(\$5,564,071)	(\$497,030)	\$0	(\$6,061,101)
Improvements	(571,356)	(27,425)	0	(598,781)
Infrastructure	(17,961,327)	(1,441,310)	44,155	(19,358,482)
Machinery and Equipment	(5,580,495)	(433,429)	79,774	(5,934,150)
Total Depreciation	(\$29,677,249)	(\$2,399,194) *	\$123,929	(\$31,952,514)
<i>Net Value:</i>	\$49,765,362			\$48,751,924

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$362,126
Leisure Time Activities	230,374
Public Health & Welfare	9,356
Transportation	1,554,399
General Government	242,939
Total Depreciation Expense	\$2,399,194

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 7 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets as of December 31, 2014:

Historical Cost:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
<i>Capital assets not being depreciated:</i>				
Land	\$819,311	\$0	\$0	\$819,311
Construction in Progress	10,077,079	0	(9,991,077)	86,002
Subtotal	10,896,390	0	(9,991,077)	905,313
<i>Capital assets being depreciated:</i>				
Buildings	25,661,695	9,225,684	0	34,887,379
Utility Structures in Service	26,867,484	454,691	0	27,322,175
Machinery and Equipment	3,055,601	1,771,550	(209,267)	4,617,884
Subtotal	55,584,780	11,451,925	(209,267)	66,827,438
Total Cost	\$66,481,170	\$11,451,925	(\$10,200,344)	\$67,732,751

Accumulated Depreciation:

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings	(\$12,957,630)	(\$997,156)	\$0	(\$13,954,786)
Utility Structures in Service	(13,195,311)	(420,752)	0	(13,616,063)
Machinery and Equipment	(2,791,626)	(140,841)	27,021	(2,905,446)
Total Depreciation	(\$28,944,567)	(\$1,558,749)	\$27,021	(\$30,476,295)
<i>Net Value:</i>	\$37,536,603			\$37,256,456

NOTE 8 - 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, 2014***

NOTE 8 - 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 visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 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 2014, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2014 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 and Combined Plans was 12.0% for calendar year 2014. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's contributions for pension obligations to OPERS for the years ending December 31, 2014, 2013, and 2012 were \$634,727, \$609,627 and \$636,286, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2014 were \$18,614 made by the City and \$13,296 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 8 – 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, by calling (614) 228-2975, or by visiting www.op-f.org.

From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, employers were 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 2014, 19.0% of annual covered salary for police and 23.5% 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, 2014, 2013, and 2012 were \$288,695, \$236,454 and \$188,986 for police officers and \$526,068, \$436,442 and \$345,549 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 9 - 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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

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

Postemployment Benefit (OPEB) as described in GASB Statement No. 45. OPERS’ eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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 visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 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 2014, 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 and Combined Plans was 2.0% for calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS actuary. 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, 2014, 2013, and 2012 were \$90,675, \$43,545 and \$181,173, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 9 - 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. That report is also available on OP&F’s website at www.op-f.org.

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.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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 2014, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. 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.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

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

The City's contributions for health care to the OP&F for the years ending December 31, 2014, 2013, and 2012 were \$7,597, \$56,898 and \$100,051 for police and \$11,119, \$81,590 and \$134,381 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2014 were as follows:

			Balance December 31, 2013	Additions	(Reductions)	Balance December 31, 2014	Amounts Due Within One Year
Business-Type Activities:							
Mortgage Revenue Bonds:							
3.00 - 3.75%	Water Refunding 1999	2009	\$2,780,000	\$0	(\$435,000)	\$2,345,000	\$450,000
General Obligation Bonds:							
4.00 - 5.500%	Waterworks Refunding 1997	2007	2,940,000	0	(540,000)	2,400,000	560,000
3.75 - 4.350%	Waterworks	2007	395,000	0	(21,200)	373,800	22,800
3.75 - 4.350%	W/W Treatment Facility	2007	2,260,000	0	(119,250)	2,140,750	128,250
1.15 - 6.000%	Wastewater Improvements	2009	2,175,000	0	(110,000)	2,065,000	110,000
1.86%	Wastewater Refunding 2003	2012	991,800	0	(102,950)	888,850	104,400
1.86%	Wastewater Refunding 2003	2012	718,200	0	(74,550)	643,650	75,600
1.86%	Water Refunding 2003	2012	51,300	0	(5,325)	45,975	5,400
1.86%	Wastewater Refunding 2003	2012	51,300	0	(5,325)	45,975	5,400
Total General Obligation Bonds Payable			9,582,600	0	(978,600)	8,604,000	1,011,850
Special Obligation Bonds:							
2.60%	Water - Building Project	2012	838,750	0	(50,000)	788,750	51,250
2.60%	Wastewater -Building Project	2012	838,750	0	(50,000)	788,750	51,250
Total Special Obligation Bonds Payable			1,677,500	0	(100,000)	1,577,500	102,500
Ohio Public Works Commission Loan:							
0.000%	Water Improvements	2009	103,424	0	(6,268)	97,156	6,268
Ohio Water Development Authority							
1.160%	Wastewater Improvements	2011	6,476,726	364,473	(341,171)	6,500,028	345,140
Compensated Absences			325,722	238,230	(262,259)	301,693	93,648
Total Business-Type Activities			\$20,945,972	\$602,703	(\$2,123,298)	\$19,425,377	\$2,009,406

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

				Balance			Balance	Amounts
				December 31,	Additions	(Reductions)	December 31,	Due Within
				2013			2014	One Year
Governmental Activities:								
General Obligation Bond:								
3.75 - 4.350%	Water Park Facility	2007	\$2,375,000	\$0	(\$124,550)	\$2,250,450	\$133,950	
2.00- 4.250%	Highway Project	2009	1,830,000	0	(85,000)	1,745,000	90,000	
1.86%	Building Refunding 2003	2012	102,600	0	(10,650)	91,950	10,800	
1.86%	Highway Refunding 2003	2012	1,504,800	0	(156,200)	1,348,600	158,400	
Total General Obligation Bonds Payable			5,812,400	0	(376,400)	5,436,000	393,150	
Special Obligation Bonds:								
2.60%	Building Project	2012	1,677,500	0	(100,000)	1,577,500	102,500	
Total Special Obligation Bonds Payable			1,677,500	0	(100,000)	1,577,500	102,500	
Ohio Public Works Commission Loans:								
0.000%	OPWC Loan Payable	2003	233,750	0	(21,250)	212,500	21,250	
0.000%	OPWC Loan Payable	2009	103,125	0	(6,250)	96,875	6,250	
Total OPWC Loans Payable			336,875	0	(27,500)	309,375	27,500	
Compensated Absences				1,061,026	829,807	(808,968)	1,081,865	285,467
Police and Firemen's Pension Accrued Liability				389,821	0	(11,427)	378,394	11,918
Total Governmental Activities				\$9,277,622	\$829,807	(\$1,324,295)	\$8,783,134	\$820,535

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. Wastewater Refunding 2003 (2012) and Water Refunding 2003 (2012) were for the acquisition and renovation of a building for the customer service and billing division. Water and Wastewater building project (2012) was for the construction of a combined maintenance facility building for the Distribution and Collection Departments.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Long-term Debt Purpose (Continued)

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. The City had received \$7,178,446, as of December 31, 2014, from OWDA. Subsequent amounts will be received in future years. The City began repaying the loan in semiannual payments in 2012 based on a loan amount of \$6,457,379 to be paid through 2032. An estimate of future financing requirements has been made based on the loan balance of \$7,178,446 at December 31, 2014.

		Original Issue
Business-Type Activities		
Mortgage Revenue Bonds:		
Water Refunding 1999	2009	\$4,420,000
General Obligation Bonds:		
Waterworks Refunding 1997	2007	5,785,000
Waterworks	2007	520,000
Wastewater Treatment Facility	2007	2,890,000
Wastewater Improvements	2009	2,595,000
Wastewater Refunding	2012	1,020,800
Wastewater Refunding	2012	739,200
Wastewater Refunding	2012	52,800
Water Refunding	2012	52,800
Total General Obligation Bonds		<u>13,655,600</u>
Special Obligation Bonds:		
Wastewater-Building Project	2012	887,500
Water-Building Project	2012	887,500
Total Special Obligation Bonds		<u>1,775,000</u>
Ohio Public Works Commission Loan:		
Wastewater Improvements	2009	125,362
Ohio Water Development Authority		
Wastewater Improvements	2011	7,178,446
Total Business Type Activities		<u><u>\$25,379,408</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 10 - 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. Building Refunding 2003 (2012) was for the acquisition and renovation of a building for the City Income Tax Department. Highway Refunding 2003 (2012) was for the widening of a portion of State Route 36 East, including drainage and traffic lights. Building Project (2012) was for the construction of a combined maintenance facility building for the Street Department.

		Original Issue
Governmental Activities Long-Term Debt:		
General Obligation Bonds:		
Water Park Facility	2007	\$3,035,000
Highway Project	2009	2,165,000
Building Refunding 2003	2012	105,600
Highway Refunding 2003	2012	1,548,800
Total General Obligation Bonds		<u>10,482,622</u>
Special Obligation Bonds:		
Building Project	2012	1,775,000
Total Special Obligation Bonds		<u>1,775,000</u>
Ohio Public Works Commission Loan:		
OPWC Loan Payable	2003	425,000
OPWC Loan Payable	2009	125,000
Total Ohio Public Works Commission Loan Payable		<u>550,000</u>
Total Governmental Activities		<u>\$12,807,622</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, 2014 was \$570,173 in principal and interest payments through the year 2035.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 10 - 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, 2014 are as follows:

Business-type Activities:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$1,011,850	\$365,781	\$450,000	\$89,400	\$6,268	\$0
2016	1,043,450	329,293	465,000	75,900	6,268	0
2017	1,093,750	282,223	480,000	59,625	6,268	0
2018	1,131,400	232,558	950,000	35,625	6,268	0
2019	499,000	176,166	0	0	6,268	0
2020-2024	2,310,600	647,338	0	0	31,341	0
2025-2029	1,513,950	252,221	0	0	31,341	0
2030-2034	0	0	0	0	3,134	0
Totals	\$8,604,000	\$2,285,580	\$2,345,000	\$260,550	\$97,156	\$0

Years	Ohio Water Development Authority Loan		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2015	\$345,140	\$78,656	\$102,500	\$41,016
2016	326,009	97,787	105,000	38,456
2017	331,279	92,517	110,000	35,620
2018	336,634	87,162	112,500	32,760
2019	342,075	81,720	115,000	29,834
2020-2024	1,795,130	323,848	620,000	102,942
2025-2029	1,944,987	173,991	412,500	21,580
2030-2034	1,078,774	27,302	0	0
Totals	\$6,500,028	\$962,983	\$1,577,500	\$302,208

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. Principal and Interest Requirements (Continued)

Governmental Activities:

Years	General Obligation Bonds		Police/Fire Pension Liability		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$393,150	\$192,696	\$11,918	\$15,955	\$27,500	\$0
2016	411,550	180,779	12,429	15,444	27,500	0
2017	421,250	168,511	12,964	14,911	27,500	0
2018	428,600	155,756	13,521	14,354	27,500	0
2019	435,950	142,496	14,100	13,772	27,500	0
2020-2024	2,024,000	493,668	80,131	59,242	137,500	0
2025-2029	1,321,500	146,318	98,881	40,489	31,250	0
2030-2034	0	0	122,028	17,348	3,125	0
2035	0	0	12,422	264	0	0
Totals	\$5,436,000	\$1,480,224	\$378,394	\$191,779	\$309,375	\$0

Years	Special Obligation Bonds	
	Principal	Interest
2015	\$102,500	\$41,015
2016	105,000	38,455
2017	110,000	35,620
2018	112,500	32,760
2019	115,000	29,835
2020-2024	620,000	102,942
2025-2028	412,500	21,580
Totals	\$1,577,500	\$302,207

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 11 – 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, 2014, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	61,924	\$733,335
Vacation	12,549	288,220
Compensatory Time	<u>2,577</u>	<u>60,310</u>
Total	<u><u>77,050</u></u>	<u><u>\$1,081,865</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 12 - 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, 2014, PEP retained \$350,000 for casualty claims and \$100,000 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, 2014***

NOTE 12 - 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, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Assets	\$ 35,402,177	\$ 34,411,883
Liabilities	<u>12,363,257</u>	<u>12,760,194</u>
Net Assets	<u>\$ 23,038,920</u>	<u>\$ 21,651,689</u>

At December 31, 2014 and 2013, the assets above also include approximately \$10.8 million and \$11.1 million of unpaid claims to be billed to approximately 475 and 466 member governments in the future, as of December 31, 2014 and 2013, 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 \$307,948.

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>
2013	\$ 148,931
2014	153,974

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, 2014***

NOTE 13 - CONSTRUCTION COMMITMENTS

As of December 31, 2014, 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>
Former American National Can Site Remediation Project	\$2,153,875	September 2015

NOTE 14 - 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 15 - 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, 2014, Economic Development Revenue Bonds outstanding for the Mount Vernon Nazarene University totaled \$8,800,000.

NOTE 16 – SUBSEQUENT EVENTS

On March 24, 2015, the City issued Various Purpose refunding bonds, Series 2015 in the amount of \$4,328,712. The bond proceeds will be used to retire the current outstanding Various Purpose Bonds, Series 2007, in December 2017 when the call feature will be executed. The City also issued Wastewater Improvement refunding bonds, Series 2015 (BABs) in the amount of \$2,139,599. The bond proceeds will be used to retire the current outstanding Various Purpose Bonds, Series 2009 (B) in April 2015 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.

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.

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.

(Continued)

Special Revenue Funds

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.

Court Clerk Computer Fund

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

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.

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.

(Continued)

Special Revenue Funds

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.

Debt Service Fund

The Debt Service Fund is used to account for retirement of the City's long-term debt obligations.

General Bond Retirement-Income Tax Fund

To account for the accumulation of income tax used for the payment of principal and interest on special obligation bonds for the construction of a maintenance building and appurtenant parking.

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, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 1,237,083	\$ 11,596	\$ 12,567	\$ 0	\$ 1,261,246
Investments	0	0	0	0	0
Receivables:					
Taxes	399,692	0	47,000	0	446,692
Accounts	3,225	0	0	0	3,225
Intergovernmental	330,687	0	0	0	330,687
Inventory of Supplies	22,279	0	0	0	22,279
Prepaid Items	4,291	0	0	0	4,291
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	417,168	417,168
Cash and Cash Equivalents with Fiscal Agent	4,835	0	0	0	4,835
Total Assets	\$ 2,002,092	\$ 11,596	\$ 59,567	\$ 417,168	\$ 2,490,423
Liabilities:					
Accounts Payable	\$ 38,505	\$ 0	\$ 0	\$ 0	\$ 38,505
Accrued Wages and Benefits Payable	42,686	0	0	0	42,686
Contracts Payable	3,322	0	0	0	3,322
Total Liabilities	84,513	0	0	0	84,513
Deferred Inflows of Resources:					
Deferred Inflow-Property Tax	143,800	0	47,000	0	190,800
Unavailable Revenue	337,165	0	0	0	337,165
Total Deferred Inflows of Resources	480,965	0	47,000	0	527,965
Fund Balances:					
Nonspendable	26,570	0	0	417,168	443,738
Restricted	1,293,721	11,596	4,329	0	1,309,646
Committed	116,323	0	8,238	0	124,561
Total Fund Balances	1,436,614	11,596	12,567	417,168	1,877,945
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,002,092	\$ 11,596	\$ 59,567	\$ 417,168	\$ 2,490,423

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 925,077	\$ 143,215	\$ 46,952	\$ 0	\$ 1,115,244
Intergovernmental Revenues	824,650	0	0	0	824,650
Charges for Services	81,421	0	0	0	81,421
Licenses and Permits	3,144	0	0	0	3,144
Investment Earnings	239	0	0	0	239
Fines and Forfeitures	119,176	0	0	0	119,176
All Other Revenue	54,046	0	0	397	54,443
Total Revenue	2,007,753	143,215	46,952	397	2,198,317
Expenditures:					
Current:					
Security of Persons and Property	792,316	0	0	0	792,316
Public Health and Welfare Services	347,041	0	0	0	347,041
Leisure Time Activities	11,297	0	0	0	11,297
Transportation	1,037,344	0	823	0	1,038,167
General Government	269,869	0	0	0	269,869
Debt Service:					
Principal Retirement	0	100,000	0	0	100,000
Interest and Fiscal Charges	0	43,587	0	0	43,587
Total Expenditures	2,457,867	143,587	823	0	2,602,277
Excess (Deficiency) of Revenues Over Expenditures	(450,114)	(372)	46,129	397	(403,960)
Other Financing Sources (Uses):					
Sale of Capital Assets	934	0	0	0	934
Transfers In	534,490	0	0	0	534,490
Transfers Out	0	0	(42,916)	0	(42,916)
Total Other Financing Sources (Uses)	535,424	0	(42,916)	0	492,508
Net Change in Fund Balances	85,310	(372)	3,213	397	88,548
Fund Balances at Beginning of Year	1,336,544	11,968	9,354	416,771	1,774,637
Increase in Inventory Reserve	14,760	0	0	0	14,760
Fund Balances End of Year	\$ 1,436,614	\$ 11,596	\$ 12,567	\$ 417,168	\$ 1,877,945

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery	Park Development
Assets:					
Cash and Cash Equivalents	\$ 128,965	\$ 87,422	\$ 73,376	\$ 115,980	\$ 533
Receivables:					
Taxes	71,488	0	0	95,317	0
Accounts	747	0	0	2,478	0
Intergovernmental	282,139	22,875	0	0	0
Inventory of Supplies	21,963	0	0	316	0
Prepaid Items	3,153	0	0	1,138	0
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	0	0	4,835	0	0
Total Assets	\$ 508,455	\$ 110,297	\$ 78,211	\$ 215,229	\$ 533
Liabilities:					
Accounts Payable	\$ 22,074	\$ 0	\$ 0	\$ 9,490	\$ 0
Accrued Wages and Benefits Payable	12,828	0	0	5,192	0
Contracts Payable	841	0	0	185	0
Total Liabilities	35,743	0	0	14,867	0
Deferred Inflows of Resources:					
Deferred Inflows-Property Tax	0	0	0	0	0
Unavailable Revenue	216,143	15,250	4,835	37,399	0
Total Deferred Inflows of Resources	216,143	15,250	4,835	37,399	0
Fund Balances:					
Nonspendable	25,116	0	0	1,454	0
Restricted	231,453	95,047	73,376	161,509	533
Committed	0	0	0	0	0
Total Fund Balances	256,569	95,047	73,376	162,963	533
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 508,455	\$ 110,297	\$ 78,211	\$ 215,229	\$ 533

CITY OF MOUNT VERNON, OHIO

<u>Parking</u>	<u>Law Enforcement Trust</u>	<u>Drug Enforcement Trust</u>	<u>Permissive License Registration</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>DUI Enforcement and Education</u>	<u>Court Computerization</u>
\$ 41,953	\$ 10,343	\$ 43,429	\$ 24,920	\$ 46,741	\$ 43,142	\$ 62,968
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	16,532	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>\$ 41,953</u>	<u>\$ 10,343</u>	<u>\$ 43,429</u>	<u>\$ 41,452</u>	<u>\$ 46,741</u>	<u>\$ 43,142</u>	<u>\$ 62,968</u>
\$ 1,128	\$ 0	\$ 0	\$ 718	\$ 3,353	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	541	0	0	0
<u>1,128</u>	<u>0</u>	<u>0</u>	<u>1,259</u>	<u>3,353</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	10,343	43,429	40,193	43,388	43,142	62,968
40,825	0	0	0	0	0	0
<u>40,825</u>	<u>10,343</u>	<u>43,429</u>	<u>40,193</u>	<u>43,388</u>	<u>43,142</u>	<u>62,968</u>
<u>\$ 41,953</u>	<u>\$ 10,343</u>	<u>\$ 43,429</u>	<u>\$ 41,452</u>	<u>\$ 46,741</u>	<u>\$ 43,142</u>	<u>\$ 62,968</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014**

	Probation Services	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair
Assets:					
Cash and Cash Equivalents	\$ 66,476	\$ 116,223	\$ 23,792	\$ 105,053	\$ 4,330
Receivables:					
Taxes	0	0	5,485	0	0
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	247	0
Inventory of Supplies	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0	0
Total Assets	<u>\$ 66,476</u>	<u>\$ 116,223</u>	<u>\$ 29,277</u>	<u>\$ 105,300</u>	<u>\$ 4,330</u>
Liabilities:					
Accounts Payable	\$ 1,564	\$ 178	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0
Contracts Payable	0	0	1,755	0	0
Total Liabilities	<u>1,564</u>	<u>178</u>	<u>1,755</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:					
Deferred Inflows-Property Tax	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	64,912	116,045	27,522	105,300	0
Committed	0	0	0	0	4,330
Total Fund Balances	<u>64,912</u>	<u>116,045</u>	<u>27,522</u>	<u>105,300</u>	<u>4,330</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 66,476</u>	<u>\$ 116,223</u>	<u>\$ 29,277</u>	<u>\$ 105,300</u>	<u>\$ 4,330</u>

CITY OF MOUNT VERNON, OHIO

Hiawatha Water Park Scholarship	Police Pension	Fire Pension	Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 2,729	\$ 72,493	\$ 96,091	\$ 1,685	\$ 68,439	\$ 1,237,083
0	113,701	113,701	0	0	399,692
0	0	0	0	0	3,225
0	4,447	4,447	0	0	330,687
0	0	0	0	0	22,279
0	0	0	0	0	4,291
0	0	0	0	0	4,835
<u>\$ 2,729</u>	<u>\$ 190,641</u>	<u>\$ 214,239</u>	<u>\$ 1,685</u>	<u>\$ 68,439</u>	<u>\$ 2,002,092</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,505
0	8,665	16,001	0	0	42,686
0	0	0	0	0	3,322
0	8,665	16,001	0	0	84,513
0	71,900	71,900	0	0	143,800
0	31,769	31,769	0	0	337,165
0	103,669	103,669	0	0	480,965
0	0	0	0	0	26,570
0	78,307	94,569	1,685	0	1,293,721
2,729	0	0	0	68,439	116,323
2,729	78,307	94,569	1,685	68,439	1,436,614
<u>\$ 2,729</u>	<u>\$ 190,641</u>	<u>\$ 214,239</u>	<u>\$ 1,685</u>	<u>\$ 68,439</u>	<u>\$ 2,002,092</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, 2014**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery	Park Development
Revenues:					
Taxes	\$ 228,882	\$ 0	\$ 0	\$ 305,175	\$ 0
Intergovernmental Revenues	586,840	47,582	69,086	0	0
Charges for Services	0	0	0	48,234	990
Licenses and Permits	1,094	0	0	0	0
Investment Earnings	5	4	0	218	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	7,121	0	0	4,292	0
Total Revenue	823,942	47,586	69,086	357,919	990
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	0	0	343,381	0
Leisure Time Activities	0	0	0	0	9,700
Transportation	887,560	39,899	0	0	0
General Government	0	0	0	0	0
Total Expenditures	887,560	39,899	0	343,381	9,700
Excess (Deficiency) of Revenues Over Expenditures	(63,618)	7,687	69,086	14,538	(8,710)
Other Financing Sources (Uses):					
Sale of Capital Assets	920	0	0	14	0
Transfers In	0	0	0	0	990
Total Other Financing Sources (Uses)	920	0	0	14	990
Net Change in Fund Balances	(62,698)	7,687	69,086	14,552	(7,720)
Fund Balances at Beginning of Year, Restated	304,345	87,360	4,290	148,573	8,253
Increase (Decrease) in Inventory Reserve	14,922	0	0	(162)	0
Fund Balances End of Year	\$ 256,569	\$ 95,047	\$ 73,376	\$ 162,963	\$ 533

CITY OF MOUNT VERNON, OHIO

Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Court Computerization
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	102,880	0	0	0
90	0	0	0	0	0	0
730	0	0	0	0	0	0
0	0	0	0	0	0	0
640	615	2,086	0	26,565	1,269	15,549
29	0	0	0	41,646	0	0
<u>1,489</u>	<u>615</u>	<u>2,086</u>	<u>102,880</u>	<u>68,211</u>	<u>1,269</u>	<u>15,549</u>
13,582	963	3,421	0	0	135	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	109,885	0	0	0
0	0	0	0	26,069	0	48,666
<u>13,582</u>	<u>963</u>	<u>3,421</u>	<u>109,885</u>	<u>26,069</u>	<u>135</u>	<u>48,666</u>
(12,093)	(348)	(1,335)	(7,005)	42,142	1,134	(33,117)
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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(12,093)	(348)	(1,335)	(7,005)	42,142	1,134	(33,117)
52,918	10,691	44,764	47,198	1,246	42,008	96,085
0	0	0	0	0	0	0
<u>\$ 40,825</u>	<u>\$ 10,343</u>	<u>\$ 43,429</u>	<u>\$ 40,193</u>	<u>\$ 43,388</u>	<u>\$ 43,142</u>	<u>\$ 62,968</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, 2014**

	Probation Services	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair
Revenues:					
Taxes	\$ 0	\$ 0	\$ 98,016	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	30,707	0	0	0	0
Licenses and Permits	0	0	0	0	1,320
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	1,987	54,074	0	16,391	0
All Other Revenue	0	0	0	0	0
Total Revenue	<u>32,694</u>	<u>54,074</u>	<u>98,016</u>	<u>16,391</u>	<u>1,320</u>
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
Transportation	0	0	0	0	0
General Government	51,773	69,725	70,494	0	0
Total Expenditures	<u>51,773</u>	<u>69,725</u>	<u>70,494</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,079)	(15,651)	27,522	16,391	1,320
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(19,079)	(15,651)	27,522	16,391	1,320
Fund Balances at Beginning of Year, Restated	83,991	131,696	0	88,909	3,010
Increase (Decrease) in Inventory Reserve	0	0	0	0	0
Fund Balances End of Year	<u>\$ 64,912</u>	<u>\$ 116,045</u>	<u>\$ 27,522</u>	<u>\$ 105,300</u>	<u>\$ 4,330</u>

CITY OF MOUNT VERNON, OHIO

Hiawatha Water Park Scholarship	Police Pension	Fire Pension	Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 146,502	\$ 146,502	\$ 0	\$ 0	\$ 925,077
0	9,131	9,131	0	0	824,650
0	0	0	0	1,400	81,421
0	0	0	0	0	3,144
0	0	0	3	9	239
0	0	0	0	0	119,176
500	0	458	0	0	54,046
<u>500</u>	<u>155,633</u>	<u>156,091</u>	<u>3</u>	<u>1,409</u>	<u>2,007,753</u>
0	275,210	499,005	0	0	792,316
0	0	0	3,660	0	347,041
886	0	0	0	711	11,297
0	0	0	0	0	1,037,344
0	1,571	1,571	0	0	269,869
<u>886</u>	<u>276,781</u>	<u>500,576</u>	<u>3,660</u>	<u>711</u>	<u>2,457,867</u>
(386)	(121,148)	(344,485)	(3,657)	698	(450,114)
0	0	0	0	0	934
<u>0</u>	<u>155,000</u>	<u>378,500</u>	<u>0</u>	<u>0</u>	<u>534,490</u>
<u>0</u>	<u>155,000</u>	<u>378,500</u>	<u>0</u>	<u>0</u>	<u>535,424</u>
(386)	33,852	34,015	(3,657)	698	85,310
3,115	44,455	60,554	5,342	67,741	1,336,544
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,760</u>
<u>\$ 2,729</u>	<u>\$ 78,307</u>	<u>\$ 94,569</u>	<u>\$ 1,685</u>	<u>\$ 68,439</u>	<u>\$ 1,436,614</u>

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014**

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 8,238	\$ 4,329	\$ 12,567
Receivables:			
Taxes	0	47,000	47,000
Total Assets	<u>\$ 8,238</u>	<u>\$ 51,329</u>	<u>\$ 59,567</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Deferred Inflows-Property Tax	0	47,000	47,000
Total Deferred Inflows of Resources	<u>0</u>	<u>47,000</u>	<u>47,000</u>
Fund Balances:			
Restricted	0	4,329	4,329
Committed	8,238	0	8,238
Total Fund Balances	<u>8,238</u>	<u>4,329</u>	<u>12,567</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,238</u>	<u>\$ 51,329</u>	<u>\$ 59,567</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, 2014**

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Project Funds
Revenues:			
Taxes	\$ 0	\$ 46,952	\$ 46,952
Total Revenue	<u>0</u>	<u>46,952</u>	<u>46,952</u>
Expenditures:			
Current:			
Transportation	0	823	823
Total Expenditures	<u>0</u>	<u>823</u>	<u>823</u>
Excess (Deficiency) of Revenues Over Expenditures	0	46,129	46,129
Other Financing Sources (Uses):			
Transfers Out	0	(42,916)	(42,916)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(42,916)</u>	<u>(42,916)</u>
Net Change in Fund Balances	0	3,213	3,213
Fund Balances at Beginning of Year	<u>8,238</u>	<u>1,116</u>	<u>9,354</u>
Fund Balances End of Year	<u>\$ 8,238</u>	<u>\$ 4,329</u>	<u>\$ 12,567</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 573,260	\$ 573,260	\$ 567,521	\$ (5,739)
Municipal Income Tax	6,012,699	6,012,699	6,250,249	237,550
Other Local Taxes	5,000	5,000	5,860	860
Total Tax Revenues	6,590,959	6,590,959	6,823,630	232,671
Intergovernmental Revenues:				
State Levied Shared Taxes	313,073	313,073	375,376	62,303
Intergovernmental Revenues	44,000	119,715	121,187	1,472
Total Intergovernmental Revenues	357,073	432,788	496,563	63,775
Charges for Services	1,468,028	1,468,028	1,538,470	70,442
Licenses and Permits	5,200	5,200	15,603	10,403
Investment Earnings	8,000	8,000	16,726	8,726
Fines and Forfeitures	525,000	525,000	549,820	24,820
All Other Revenues	109,000	109,000	242,045	133,045
Total Revenues	9,063,260	9,138,975	9,682,857	543,882
Expenditures:				
Security of Persons and Property:				
Police Division:				
Personal Services	312,000	290,839	154,231	136,608
Travel and Transportation	53,080	59,133	36,626	22,507
Materials and Supplies	53,000	59,882	45,326	14,556
Contractual Services	167,000	200,692	170,553	30,139
Capital Outlay	146,000	260,103	237,243	22,860
Total Police Division	731,080	870,649	643,979	226,670
Fire and E.M.S. Division:				
Personal Services	190,000	195,229	68,551	126,678
Travel and Transportation	23,000	29,840	14,628	15,212
Materials and Supplies	86,500	99,055	86,018	13,037
Contractual Services	149,390	201,081	147,975	53,106
Capital Outlay	290,000	275,155	255,405	19,750
Total Fire and E.M.S. Division	738,890	800,360	572,577	227,783

(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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	25,000	25,000	18,457	6,543
Contractual Services	240,000	326,755	286,384	40,371
Public Defender:				
Contractual Services	22,000	32,000	32,000	0
Debt Services:				
Principal Retirement	11,500	11,500	11,427	73
Interest and Fiscal Charges	16,500	16,500	16,448	52
Total Miscellaneous	<u>315,000</u>	<u>411,755</u>	<u>364,716</u>	<u>47,039</u>
Total Security of Persons and Property	<u>1,784,970</u>	<u>2,082,764</u>	<u>1,581,272</u>	<u>501,492</u>
Public Health and Welfare Services:				
Police Division:				
Contractual Services	327,699	354,212	354,212	0
Total Police Division	<u>327,699</u>	<u>354,212</u>	<u>354,212</u>	<u>0</u>
Humane Officer:				
Travel and Transportation	8,500	12,000	6,774	5,226
Contractual Services	21,642	30,142	28,688	1,454
Total Humane Officer	<u>30,142</u>	<u>42,142</u>	<u>35,462</u>	<u>6,680</u>
Health Department:				
Contractual Services	50,000	50,000	50,000	0
Total Health Department	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Public Health and Welfare Services	<u>407,841</u>	<u>446,354</u>	<u>439,674</u>	<u>6,680</u>
Leisure Time Activities:				
Parks:				
Personal Services	254,000	254,400	241,878	12,522
Travel and Transportation	1,000	1,045	180	865
Materials and Supplies	7,100	8,767	7,031	1,736
Contractual Services	198,600	233,823	174,669	59,154
Capital Outlay	15,000	15,000	11,325	3,675
Total Parks	<u>475,700</u>	<u>513,035</u>	<u>435,083</u>	<u>77,952</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Recreation:				
Personal Services	14,000	14,000	12,519	1,481
Materials and Supplies	6,110	6,180	4,081	2,099
Contractual Services	9,000	9,000	8,819	181
Total Recreation	29,110	29,180	25,419	3,761
Pool:				
Personal Services	202,000	193,715	192,333	1,382
Travel and Transportation	3,500	3,172	2,077	1,095
Materials and Supplies	105,200	95,226	83,188	12,038
Contractual Services	60,000	76,650	69,810	6,840
Capital Outlay	5,000	9,668	9,300	368
Total Pool	375,700	378,431	356,708	21,723
Total Leisure Time Activities	880,510	920,646	817,210	103,436
Community Environment:				
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:				
Materials and Supplies	22,500	22,600	22,236	364
Contractual Services	17,545	17,545	8,483	9,062
Total Community Environment	40,045	40,145	30,719	9,426
Transportation:				
Miscellaneous:				
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:				
Materials and Supplies	41,200	40,900	39,668	1,232
Contractual Services	15,000	11,500	7,395	4,105
Total Transportation	56,200	52,400	47,063	5,337
General Government:				
Council:				
Personal Services	67,024	67,024	67,024	0
Travel and Transportation	5,000	5,000	281	4,719
Materials and Supplies	1,200	1,200	761	439
Contractual Services	650	650	0	650
Total Council	73,874	73,874	68,066	5,808

(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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	105,820	105,820	105,289	531
Travel and Transportation	500	500	100	400
Materials and Supplies	5,300	5,440	4,030	1,410
Contractual Services	700	2,000	1,646	354
Total Mayor	112,320	113,760	111,065	2,695
Auditor:				
Personal Services	257,941	267,941	254,147	13,794
Travel and Transportation	500	500	100	400
Materials and Supplies	51,700	78,415	73,611	4,804
Contractual Services	26,200	27,120	19,474	7,646
Total Auditor	336,341	373,976	347,332	26,644
Treasurer:				
Personal Services	8,888	8,888	8,888	0
Materials and Supplies	300	300	50	250
Total Treasurer	9,188	9,188	8,938	250
Law Director:				
Personal Services	278,938	278,938	267,895	11,043
Travel and Transportation	2,000	2,000	475	1,525
Materials and Supplies	15,500	22,293	15,338	6,955
Contractual Services	10,000	39,673	13,203	26,470
Total Law Director	306,438	342,904	296,911	45,993
Income Tax:				
Personal Services	138,500	138,500	135,246	3,254
Travel and Transportation	2,500	2,500	481	2,019
Materials and Supplies	19,200	21,215	20,277	938
Contractual Services	148,000	171,100	167,521	3,579
Capital Outlay	6,500	6,500	6,123	377
Total Income Tax	314,700	339,815	329,648	10,167

(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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	581,850	587,350	540,069	47,281
Travel and Transportation	10,500	12,410	9,448	2,962
Materials and Supplies	50,900	60,129	48,135	11,994
Contractual Services	2,000	3,650	2,840	810
Total Municipal Court	645,250	663,539	600,492	63,047
Civil Services:				
Personal Services	9,600	9,632	9,632	0
Materials and Supplies	7,400	14,468	14,146	322
Total Civil Services	17,000	24,100	23,778	322
Safety Service:				
Personal Services	122,616	122,616	120,317	2,299
Travel and Transportation	100	100	75	25
Materials and Supplies	7,300	7,895	6,033	1,862
Contractual Services	73,000	89,568	57,758	31,810
Total Safety Service	203,016	220,179	184,183	35,996
Engineering:				
Personal Services	318,000	317,560	292,200	25,360
Travel and Transportation	2,500	2,500	794	1,706
Materials and Supplies	16,340	18,035	16,715	1,320
Contractual Services	341,750	343,250	173,380	169,870
Capital Outlay	22,000	22,000	15,180	6,820
Total Engineering	700,590	703,345	498,269	205,076
Public Land and Buildings:				
Personal Services	96,400	96,530	91,404	5,126
Travel and Transportation	500	245	55	190
Materials and Supplies	16,100	82,815	80,203	2,612
Contractual Services	461,500	529,251	430,463	98,788
Total Public Land and Buildings	574,500	708,841	602,125	106,716

(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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	38,770	19,098	19,672
Total Summer Work Program	0	38,770	19,098	19,672
Miscellaneous:				
Personal Services	2,500,551	2,557,811	2,510,556	47,255
Materials and Supplies	7,000	7,800	7,760	40
Contractual Services	742,800	704,900	371,555	333,345
Total Miscellaneous	3,250,351	3,270,511	2,889,871	380,640
Total General Government	6,543,568	6,882,802	5,979,776	903,026
Total Expenditures	9,713,134	10,425,111	8,895,714	1,529,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	(649,874)	(1,286,136)	787,143	2,073,279
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	2,214	2,214
Transfers Out	(1,589,679)	(1,579,679)	(1,004,085)	575,594
Total Other Financing Sources (Uses)	(1,589,679)	(1,579,679)	(1,001,871)	577,808
Net Change in Fund Balance	(2,239,553)	(2,865,815)	(214,728)	2,651,087
Fund Balance at Beginning of Year	2,239,554	2,239,554	2,239,554	0
Prior Year Encumbrances	626,261	626,261	626,261	0
Fund Balance at End of Year	\$ 626,262	\$ 0	\$ 2,651,087	\$ 2,651,087

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Municipal Income Tax ½% (Voted) Fund
For the Year Ended December 31, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,686,947	\$ 3,850,137	\$ 3,908,511	\$ 58,374
All Other Revenues	0	0	2,422	2,422
Total Revenues	<u>3,686,947</u>	<u>3,850,137</u>	<u>3,910,933</u>	<u>60,796</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	4,018,461	4,181,651	4,072,423	109,228
Total Expenditures	<u>4,018,461</u>	<u>4,181,651</u>	<u>4,072,423</u>	<u>109,228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(331,514)	(331,514)	(161,490)	170,024
Fund Balance at Beginning of Year	<u>331,514</u>	<u>331,514</u>	<u>331,514</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 170,024</u>	<u>\$ 170,024</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Community Development Block Grant Fund
For the Year Ended December 31, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 668,819	\$ 668,819	\$ 223,456	\$ (445,363)
Total Revenues	<u>668,819</u>	<u>668,819</u>	<u>223,456</u>	<u>(445,363)</u>
Expenditures:				
Community Environment:				
Contractual Services	739,581	743,321	293,336	449,985
Total Expenditures	<u>739,581</u>	<u>743,321</u>	<u>293,336</u>	<u>449,985</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,762)	(74,502)	(69,880)	4,622
Fund Balance at Beginning of Year	70,762	70,762	70,762	0
Prior Year Encumbrances	3,740	3,740	3,740	0
Fund Balance at End of Year	<u>\$ 3,740</u>	<u>\$ 0</u>	<u>\$ 4,622</u>	<u>\$ 4,622</u>

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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 2	\$ 2
All Other Revenues	37,612	37,612	37,591	(21)
Total Revenues	<u>37,612</u>	<u>37,612</u>	<u>37,593</u>	<u>(19)</u>
Expenditures:				
Debt Service:				
Principal Retirement	2,023,768	2,023,768	1,825,018	198,750
Interest and Fiscal Charges	488,839	792,720	704,393	88,327
Total Expenditures	<u>2,512,607</u>	<u>2,816,488</u>	<u>2,529,411</u>	<u>287,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,474,995)	(2,778,876)	(2,491,818)	287,058
Other Financing Sources (Uses):				
Transfers In	2,475,995	2,779,876	2,491,821	(288,055)
Total Other Financing Sources (Uses)	<u>2,475,995</u>	<u>2,779,876</u>	<u>2,491,821</u>	<u>(288,055)</u>
Net Change in Fund Balance	1,000	1,000	3	(997)
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>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 3</u>	<u>\$ (997)</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 Fund – Capital Improvement Fund
For the Year Ended December 31, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 709,789	\$ 709,789	\$ 749,241	\$ 39,452
Intergovernmental Revenues	2,127,229	3,200,826	974,955	(2,225,871)
Investment Earnings	0	0	737	737
All Other Revenues	0	350,000	650,000	300,000
Total Revenues	2,837,018	4,260,615	2,374,933	(1,885,682)
Expenditures:				
Leisure Time Activities:				
Parks:				
Capital Outlay	47,000	92,787	89,309	3,478
Total Leisure Time Activities	47,000	92,787	89,309	3,478
Transportation:				
Street:				
Capital Outlay	3,869,628	5,708,756	1,908,430	3,800,326
Total Transportation	3,869,628	5,708,756	1,908,430	3,800,326
General Government:				
Auditor:				
Capital Outlay	1,000	1,000	689	311
Public Lands and Buildings:				
Capital Outlay	753,134	882,546	684,609	197,937
Municipal Court:				
Capital Outlay	12,000	8,000	0	8,000
Law Director:				
Capital Outlay	0	1,200	1,200	0
Total General Government	766,134	892,746	686,498	206,248
Total Expenditures	4,682,762	6,694,289	2,684,237	4,010,052
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,845,744)	(2,433,674)	(309,304)	2,124,370
Other Financing Sources (Uses):				
Transfers In	0	400,845	110,845	(290,000)
Total Other Financing Sources (Uses)	0	400,845	110,845	(290,000)
Fund Balance at Beginning of Year	1,827,355	1,827,355	1,827,355	0
Prior Year Encumbrances	219,810	219,810	219,810	0
Fund Balance at End of Year	\$ 201,421	\$ 14,336	\$ 1,848,706	\$ 1,834,370

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 Fund – TIF District-Coshocton Road Fund
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 750,000	\$ 750,000	\$ 1,214,761	\$ 464,761
All Other Revenues	0	0	604,557	604,557
Total Revenues	750,000	750,000	1,819,318	1,069,318
Expenditures:				
Transportation:				
Street:				
Contractual Services	330,000	357,812	350,530	7,282
Capital Outlay	1,235,712	1,207,900	159,473	1,048,427
Total Expenditures	1,565,712	1,565,712	510,003	1,055,709
Excess (Deficiency) of Revenues Over (Under) Expenditures	(815,712)	(815,712)	1,309,315	2,125,027
Other Financing Sources (Uses):				
Transfers Out	(250,000)	(250,000)	(205,977)	44,023
Total Other Financing Sources (Uses)	(250,000)	(250,000)	(205,977)	44,023
Net Change in Fund Balance	(1,065,712)	(1,065,712)	1,103,338	2,169,050
Fund Balance at Beginning of Year	1,065,712	1,065,712	1,065,712	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 2,169,050	\$ 2,169,050

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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR				
Revenues:				
Municipal Income Taxes	\$ 212,937	\$ 212,937	\$ 224,772	\$ 11,835
Intergovernmental Revenues	577,500	577,500	583,666	6,166
Licenses and Permits	500	500	1,094	594
Investment Earnings	10	10	5	(5)
All Other Revenues	0	0	6,374	6,374
Total Revenues	<u>790,947</u>	<u>790,947</u>	<u>815,911</u>	<u>24,964</u>
Expenditures:				
Transportation:				
Personal Services	768,500	777,214	737,435	39,779
Travel and Transportation	1,000	1,000	572	428
Materials and Supplies	129,500	132,692	105,638	27,054
Contractual Services	61,000	72,373	65,175	7,198
Capital Outlay	10,726	10,726	383	10,343
Total Expenditures	<u>970,726</u>	<u>994,005</u>	<u>909,203</u>	<u>84,802</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(179,779)	(203,058)	(93,292)	109,766
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	920	920
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>920</u>	<u>920</u>
Net Change in Fund Balance	(179,779)	(203,058)	(92,372)	110,686
Fund Balance at Beginning of Year	179,779	179,779	179,779	0
Prior Year Encumbrances	23,279	23,279	23,279	0
Fund Balance at End of Year	<u>\$ 23,279</u>	<u>\$ 0</u>	<u>\$ 110,686</u>	<u>\$ 110,686</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 47,000	\$ 47,000	\$ 47,325	\$ 325
Investment Earnings	10	10	4	(6)
Total Revenues	<u>47,010</u>	<u>47,010</u>	<u>47,329</u>	<u>319</u>
Expenditures:				
Transportation:				
Capital Outlay	<u>121,335</u>	<u>128,235</u>	<u>41,730</u>	<u>86,505</u>
Total Expenditures	<u>121,335</u>	<u>128,235</u>	<u>41,730</u>	<u>86,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,325)	(81,225)	5,599	86,824
Fund Balance at Beginning of Year	74,325	74,325	74,325	0
Prior Year Encumbrances	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,900</u>	<u>\$ 0</u>	<u>\$ 86,824</u>	<u>\$ 86,824</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, 2014***

	PERMISSIVE AUTO LICENSE TAX			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 69,000	\$ 69,000	\$ 69,086	\$ 86
Total Revenues	<u>69,000</u>	<u>69,000</u>	<u>69,086</u>	<u>86</u>
Expenditures:				
Transportation:				
Capital Outlay	73,290	73,290	0	73,290
Total Expenditures	<u>73,290</u>	<u>73,290</u>	<u>0</u>	<u>73,290</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,290)	(4,290)	69,086	73,376
Fund Balance at Beginning of Year	4,290	4,290	4,290	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 73,376</u>	<u>\$ 73,376</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, 2014***

CEMETERY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 283,915	\$ 283,915	\$ 299,696	\$ 15,781
Charges for Services	62,000	62,000	48,234	(13,766)
Investment Earnings	200	200	218	18
All Other Revenues	0	0	4,234	4,234
Total Revenues	<u>346,115</u>	<u>346,115</u>	<u>352,382</u>	<u>6,267</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	312,750	312,258	284,929	27,329
Travel and Transportation	500	530	407	123
Materials and Supplies	8,850	10,036	9,359	677
Contractual Services	35,250	49,146	45,450	3,696
Capital Outlay	85,575	79,925	8,957	70,968
Total Expenditures	<u>442,925</u>	<u>451,895</u>	<u>349,102</u>	<u>102,793</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(96,810)	(105,780)	3,280	109,060
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	14	14
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>14</u>	<u>14</u>
Net Change in Fund Balance	(96,810)	(105,780)	3,294	109,074
Fund Balance at Beginning of Year	96,810	96,810	96,810	0
Prior Year Encumbrances	8,970	8,970	8,970	0
Fund Balance at End of Year	<u>\$ 8,970</u>	<u>\$ 0</u>	<u>\$ 109,074</u>	<u>\$ 109,074</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, 2014**

	PARK DEVELOPMENT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 1,000	\$ 1,000	\$ 990	\$ (10)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>990</u>	<u>(10)</u>
Expenditures:				
Leisure Time Activities:				
Capital Outlay	10,253	10,253	9,700	553
Total Expenditures	<u>10,253</u>	<u>10,253</u>	<u>9,700</u>	<u>553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,253)	(9,253)	(8,710)	543
Fund Balance at Beginning of Year	8,253	8,253	8,253	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 533</u>	<u>\$ 533</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, 2014***

	PARKING			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 90	\$ 90
Licenses and Permits	0	0	730	730
Fines and Forfeitures	1,000	1,000	640	(360)
All Other Revenues	0	0	29	29
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,489</u>	<u>489</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	12,230	11,649	1,789	9,860
Materials and Supplies	0	125	0	125
Contractual Services	10,100	12,226	12,174	52
Total Expenditures	<u>22,330</u>	<u>24,000</u>	<u>13,963</u>	<u>10,037</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,330)	(23,000)	(12,474)	10,526
Fund Balance at Beginning of Year	51,275	51,275	51,275	0
Prior Year Encumbrances	1,670	1,670	1,670	0
Fund Balance at End of Year	<u>\$ 31,615</u>	<u>\$ 29,945</u>	<u>\$ 40,471</u>	<u>\$ 10,526</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 615	\$ 615	\$ 615	\$ 0
Total Revenues	<u>615</u>	<u>615</u>	<u>615</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>963</u>	<u>963</u>	<u>963</u>	<u>0</u>
Total Expenditures	<u>963</u>	<u>963</u>	<u>963</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(348)	(348)	(348)	0
Fund Balance at Beginning of Year	<u>10,691</u>	<u>10,691</u>	<u>10,691</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,343</u>	<u>\$ 10,343</u>	<u>\$ 10,343</u>	<u>\$ 0</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 2,086	\$ 2,086	\$ 2,086	\$ 0
Total Revenues	<u>2,086</u>	<u>2,086</u>	<u>2,086</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	3,421	3,421	3,421	0
Total Expenditures	<u>3,421</u>	<u>3,421</u>	<u>3,421</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,335)	(1,335)	(1,335)	0
Fund Balance at Beginning of Year	<u>44,764</u>	<u>44,764</u>	<u>44,764</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 43,429</u>	<u>\$ 43,429</u>	<u>\$ 43,429</u>	<u>\$ 0</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, 2014***

PERMISSIVE LICENSE REGISTRATION				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 100,000	\$ 100,000	\$ 102,477	\$ 2,477
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>102,477</u>	<u>2,477</u>
Expenditures:				
Transportation:				
Materials and Supplies	115,895	125,209	113,908	11,301
Contractual Services	10,000	10,050	3,598	6,452
Total Expenditures	<u>125,895</u>	<u>135,259</u>	<u>117,506</u>	<u>17,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,895)	(35,259)	(15,029)	20,230
Fund Balance at Beginning of Year	25,895	25,895	25,895	0
Prior Year Encumbrances	<u>9,364</u>	<u>9,364</u>	<u>9,364</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,364</u>	<u>\$ 0</u>	<u>\$ 20,230</u>	<u>\$ 20,230</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, 2014***

	INDIGENT DRIVERS ALCOHOL TREATMENT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 22,000	\$ 22,000	\$ 26,683	\$ 4,683
All Other Revenues	0	41,646	41,646	0
Total Revenues	<u>22,000</u>	<u>63,646</u>	<u>68,329</u>	<u>4,683</u>
Expenditures:				
General Government:				
Contractual Services	22,000	63,646	26,216	37,430
Total Expenditures	<u>22,000</u>	<u>63,646</u>	<u>26,216</u>	<u>37,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	42,113	42,113
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>\$ 42,113</u>	<u>\$ 42,113</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,500	\$ 1,500	\$ 1,199	\$ (301)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,199</u>	<u>(301)</u>
Expenditures:				
General Government:				
Contractual Services	43,158	43,408	135	43,273
Total Expenditures	<u>43,158</u>	<u>43,408</u>	<u>135</u>	<u>43,273</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,658)	(41,908)	1,064	42,972
Fund Balance at Beginning of Year	41,658	41,658	41,658	0
Prior Year Encumbrances	<u>250</u>	<u>250</u>	<u>250</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 250</u>	<u>\$ 0</u>	<u>\$ 42,972</u>	<u>\$ 42,972</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, 2014***

	COURT COMPUTERIZATION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 18,000	\$ 18,000	\$ 18,658	\$ 658
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>18,658</u>	<u>658</u>
Expenditures:				
General Government:				
Contractual Services	82,337	82,337	27,616	54,721
Total Expenditures	<u>82,337</u>	<u>82,337</u>	<u>27,616</u>	<u>54,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,337)	(64,337)	(8,958)	55,379
Fund Balance at Beginning of Year, Restated	<u>64,337</u>	<u>64,337</u>	<u>64,337</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 55,379</u></u>	<u><u>\$ 55,379</u></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, 2014***

	PROBATION SERVICES			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 25,000	\$ 25,000	\$ 30,707	\$ 5,707
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>30,707</u>	<u>5,707</u>
Expenditures:				
General Government:				
Personal Services	47,450	49,820	45,208	4,612
Materials and Supplies	59,369	58,169	6,402	51,767
Total Expenditures	<u>106,819</u>	<u>107,989</u>	<u>51,610</u>	<u>56,379</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,819)	(82,989)	(20,903)	62,086
Fund Balance at Beginning of Year	81,819	81,819	81,819	0
Prior Year Encumbrances	1,170	1,170	1,170	0
Fund Balance at End of Year	<u>\$ 1,170</u>	<u>\$ 0</u>	<u>\$ 62,086</u>	<u>\$ 62,086</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, 2014***

	COURT CLERK COMPUTER			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 42,000	\$ 42,000	\$ 49,566	\$ 7,566
Total Revenues	<u>42,000</u>	<u>42,000</u>	<u>49,566</u>	<u>7,566</u>
Expenditures:				
General Government:				
Personal Services	2,500	2,500	0	2,500
Contractual Services	171,196	171,196	76,312	94,884
Total Expenditures	<u>173,696</u>	<u>173,696</u>	<u>76,312</u>	<u>97,384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,696)	(131,696)	(26,746)	104,950
Fund Balance at Beginning of Year, Restated	103,339	103,339	103,339	0
Prior Year Encumbrances	28,357	28,357	28,357	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 104,950</u>	<u>\$ 104,950</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, 2014**

	LODGING EXCISE TAX			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other Local Taxes	\$ 90,000	\$ 90,000	\$ 97,880	\$ 7,880
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>97,880</u>	<u>7,880</u>
Expenditures:				
General Government:				
Contractual Services	90,000	90,000	74,088	15,912
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>74,088</u>	<u>15,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	23,792	23,792
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>\$ 23,792</u>	<u>\$ 23,792</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DRIVERS INTERLOCK & ALCOHOL MONITORING				
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 17,624	\$ (2,376)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>17,624</u>	<u>(2,376)</u>
Expenditures:				
General Government:				
Contractual Services	106,994	106,994	0	106,994
Total Expenditures	<u>106,994</u>	<u>106,994</u>	<u>0</u>	<u>106,994</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,994)	(86,994)	17,624	104,618
Fund Balance at Beginning of Year	86,994	86,994	86,994	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 104,618</u>	<u>\$ 104,618</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, 2014**

PUBLIC SERVICE STREET REPAIR				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses and Permits	\$ 1,300	\$ 1,300	\$ 1,320	\$ 20
Total Revenues	<u>1,300</u>	<u>1,300</u>	<u>1,320</u>	<u>20</u>
Expenditures:				
General Government:				
Capital Outlay	4,310	4,310	0	4,310
Total Expenditures	<u>4,310</u>	<u>4,310</u>	<u>0</u>	<u>4,310</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,010)	(3,010)	1,320	4,330
Fund Balance at Beginning of Year	3,010	3,010	3,010	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,330</u>	<u>\$ 4,330</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, 2014***

HIAWATHA WATER PARK SCHOLARSHIP				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 400	\$ 400	\$ 500	\$ 100
Total Revenues	<u>400</u>	<u>400</u>	<u>500</u>	<u>100</u>
Expenditures:				
General Government:				
Materials and Supplies	3,515	3,515	886	2,629
Total Expenditures	<u>3,515</u>	<u>3,515</u>	<u>886</u>	<u>2,629</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,115)	(3,115)	(386)	2,729
Fund Balance at Beginning of Year	3,115	3,115	3,115	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,729</u>	<u>\$ 2,729</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, 2014**

	POLICE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 71,700	\$ 71,700	\$ 70,209	\$ (1,491)
Municipal Income Taxes	70,979	70,979	74,924	3,945
Intergovernmental Revenues	9,100	9,100	9,131	31
Total Revenues	151,779	151,779	154,264	2,485
Expenditures:				
Security of Persons and Property				
Personal Services	359,921	384,296	318,217	66,079
General Government:				
Contractual Services	2,500	2,500	1,571	929
Total Expenditures	362,421	386,796	319,788	67,008
Excess (Deficiency) of Revenues Over (Under) Expenditures	(210,642)	(235,017)	(165,524)	69,493
Other Financing Sources (Uses):				
Transfers In	175,000	175,000	155,000	(20,000)
Total Other Financing Sources (Uses)	175,000	175,000	155,000	(20,000)
Net Change in Fund Balance	(35,642)	(60,017)	(10,524)	49,493
Fund Balance at Beginning of Year	35,642	35,642	35,642	0
Prior Year Encumbrances	24,375	24,375	24,375	0
Fund Balance at End of Year	\$ 24,375	\$ 0	\$ 49,493	\$ 49,493

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, 2014***

	FIRE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 71,700	\$ 71,700	\$ 70,209	\$ (1,491)
Municipal Income Taxes	70,979	70,979	74,924	3,945
Intergovernmental Revenues	9,100	9,100	9,131	31
All Other Revenues	<u>0</u>	<u>0</u>	<u>458</u>	<u>458</u>
Total Revenues	<u>151,779</u>	<u>151,779</u>	<u>154,722</u>	<u>2,943</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	705,932	750,332	577,613	172,719
General Government:				
Contractual Services	<u>2,500</u>	<u>2,500</u>	<u>1,571</u>	<u>929</u>
Total Expenditures	<u>708,432</u>	<u>752,832</u>	<u>579,184</u>	<u>173,648</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(556,653)	(601,053)	(424,462)	176,591
Other Financing Sources (Uses):				
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>378,500</u>	<u>(121,500)</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>378,500</u>	<u>(121,500)</u>
Net Change in Fund Balance	(56,653)	(101,053)	(45,962)	55,091
Fund Balance at Beginning of Year	56,653	56,653	56,653	0
Prior Year Encumbrances	<u>44,400</u>	<u>44,400</u>	<u>44,400</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 44,400</u>	<u>\$ 0</u>	<u>\$ 55,091</u>	<u>\$ 55,091</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, 2014***

	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 10	\$ 10	\$ 3	\$ (7)
Total Revenues	<u>10</u>	<u>10</u>	<u>3</u>	<u>(7)</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	1,692	5,352	4,445	907
Total Expenditures	<u>1,692</u>	<u>5,352</u>	<u>4,445</u>	<u>907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,682)	(5,342)	(4,442)	900
Fund Balance at Beginning of Year	1,682	1,682	1,682	0
Prior Year Encumbrances	<u>3,660</u>	<u>3,660</u>	<u>3,660</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,660</u>	<u>\$ 0</u>	<u>\$ 900</u>	<u>\$ 900</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, 2014***

VETERANS HONOR WALKWAY				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 1,200	\$ 1,200	\$ 1,400	\$ 200
Investment Earnings	10	10	9	(1)
Total Revenues	<u>1,210</u>	<u>1,210</u>	<u>1,409</u>	<u>199</u>
Expenditures:				
Leisure Time Activities				
Materials and Supplies	63,904	63,924	244	63,680
Contractual Services	5,000	5,000	440	4,560
Total Expenditures	<u>68,904</u>	<u>68,924</u>	<u>684</u>	<u>68,240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,694)	(67,714)	725	68,439
Fund Balance at Beginning of Year	67,694	67,694	67,694	0
Prior Year Encumbrances	20	20	20	0
Fund Balance at End of Year	<u>\$ 20</u>	<u>\$ 0</u>	<u>\$ 68,439</u>	<u>\$ 68,439</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2014***

	GENERAL BOND RETIREMENT - INCOME TAX			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Tax	\$ 143,607	\$ 143,607	\$ 143,215	\$ (392)
Total Revenues	143,607	143,607	143,215	(392)
Expenditures:				
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	99,190	99,190	87,174	12,016
Total Expenditures	299,190	299,190	287,174	12,016
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,583)	(155,583)	(143,959)	11,624
Other Financing Sources (Uses):				
Transfers In	143,615	143,615	143,587	(28)
Total Other Financing Sources (Uses)	143,615	143,615	143,587	(28)
Net Change in Fund Balance	(11,968)	(11,968)	(372)	11,596
Fund Balance at Beginning of Year	11,968	11,968	11,968	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 11,596	\$ 11,596

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, 2014**

B & O RAILROAD DEPOT				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Materials and Supplies	<u>8,238</u>	<u>8,238</u>	<u>0</u>	<u>8,238</u>
Total Expenditures	<u>8,238</u>	<u>8,238</u>	<u>0</u>	<u>8,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,238)	(8,238)	0	8,238
Fund Balance at Beginning of Year	<u>8,238</u>	<u>8,238</u>	<u>8,238</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, 2014**

TIF DISTRICT-INDUSTRIAL AREA				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 43,000	\$ 43,000	\$ 46,952	\$ 3,952
Total Revenues	43,000	43,000	46,952	3,952
Expenditures:				
Transportation:				
Street:				
Contractual Services	1,200	1,200	823	377
Total Expenditures	1,200	1,200	823	377
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,800	41,800	46,129	4,329
Other Financing Sources (Uses):				
Transfers Out	(42,916)	(42,916)	(42,916)	0
Total Other Financing Sources (Uses)	(42,916)	(42,916)	(42,916)	0
Net Change in Fund Balance	(1,116)	(1,116)	3,213	4,329
Fund Balance at Beginning of Year	1,116	1,116	1,116	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 4,329	\$ 4,329

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, 2014***

	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	\$ 10,000	\$ 10,000	\$ 11,602	\$ 1,602
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>11,602</u>	<u>1,602</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	11,602	1,602
Fund Balance at Beginning of Year	<u>405,566</u>	<u>405,566</u>	<u>405,566</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 415,566</u>	<u>\$ 415,566</u>	<u>\$ 417,168</u>	<u>\$ 1,602</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

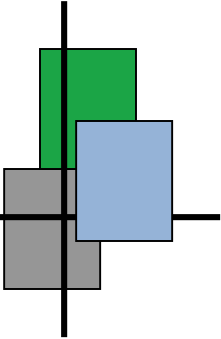
To account for funds that flow through the municipal court office.

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014**

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
<u>Insurance Trust Fund</u>				
Assets:				
Cash and Cash Equivalents	\$27,220	\$5,220	(\$5,220)	\$27,220
Total Assets	<u>\$27,220</u>	<u>\$5,220</u>	<u>(\$5,220)</u>	<u>\$27,220</u>
Liabilities:				
Due to Others	\$27,220	\$5,220	(\$5,220)	\$27,220
Total Liabilities	<u>\$27,220</u>	<u>\$5,220</u>	<u>(\$5,220)</u>	<u>\$27,220</u>
<u>Bonds and Inspection Fee Trust Fund</u>				
Assets:				
Cash	\$18,651	\$22,000	(\$31,000)	\$9,651
Total Assets	<u>\$18,651</u>	<u>\$22,000</u>	<u>(\$31,000)</u>	<u>\$9,651</u>
Liabilities:				
Due to Others	\$18,651	\$22,000	(\$31,000)	\$9,651
Total Liabilities	<u>\$18,651</u>	<u>\$22,000</u>	<u>(\$31,000)</u>	<u>\$9,651</u>
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$81,000	\$972,092	(\$990,848)	\$62,244
Total Assets	<u>\$81,000</u>	<u>\$972,092</u>	<u>(\$990,848)</u>	<u>\$62,244</u>
Liabilities:				
Intergovernmental Payable	\$24,502	\$395,158	(\$390,804)	\$28,856
Due to Others	56,498	576,934	(600,044)	33,388
Total Liabilities	<u>\$81,000</u>	<u>\$972,092</u>	<u>(\$990,848)</u>	<u>\$62,244</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$126,871	\$999,312	(\$1,027,068)	\$99,115
Total Assets	<u>\$126,871</u>	<u>\$999,312</u>	<u>(\$1,027,068)</u>	<u>\$99,115</u>
Liabilities:				
Intergovernmental Payables	\$24,502	\$395,158	(\$390,804)	\$28,856
Due to Others	102,369	604,154	(636,264)	70,259
Total Liabilities	<u>\$126,871</u>	<u>\$999,312</u>	<u>(\$1,027,068)</u>	<u>\$99,115</u>

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.	

City of Mount Vernon, Ohio

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	2005	2006	2007	2008
Governmental Activities:				
Net Investment in Capital Assets	\$32,127,147	\$33,477,918	\$35,789,973	\$37,018,250
Restricted	4,339,253	5,717,336	4,503,529	7,235,132
Unrestricted	2,639,997	3,097,916	4,954,398	4,528,143
Total Governmental Activities Net Position	<u>\$39,106,397</u>	<u>\$42,293,170</u>	<u>\$45,247,900</u>	<u>\$48,781,525</u>
Business-type Activities:				
Net Investment in Capital Assets	\$14,093,254	\$13,580,280	\$13,897,047	\$14,278,602
Restricted	1,258,730	2,353,194	1,391,876	1,248,880
Unrestricted	5,409,331	4,731,739	5,345,814	4,734,074
Total Business-type Activities Net Position	<u>\$20,761,315</u>	<u>\$20,665,213</u>	<u>\$20,634,737</u>	<u>\$20,261,556</u>
Primary Government:				
Net Investment in Capital Assets	\$46,220,401	\$47,058,198	\$49,687,020	\$51,296,852
Restricted	5,597,983	8,070,530	5,895,405	8,484,012
Unrestricted	8,049,328	7,829,655	10,300,212	9,262,217
Total Primary Government Net Position	<u>\$59,867,712</u>	<u>\$62,958,383</u>	<u>\$65,882,637</u>	<u>\$69,043,081</u>

(1) Net Position was restated in 2009 as a result of a prior period adjustment.

Source: City Auditor's Office

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
(1)					
\$36,745,484	\$38,627,947	\$39,308,561	\$39,426,306	\$41,446,062	\$40,927,848
5,911,959	6,397,410	3,034,793	3,094,466	4,315,346	6,576,302
6,241,067	4,489,751	5,784,699	8,349,905	6,347,089	7,227,794
<u>\$48,898,510</u>	<u>\$49,515,108</u>	<u>\$48,128,053</u>	<u>\$50,870,677</u>	<u>\$52,108,497</u>	<u>\$54,731,944</u>
\$15,255,947	\$13,393,510	\$16,312,403	\$15,012,084	\$16,711,092	\$18,252,176
3,475,907	3,329,674	1,847,384	1,008,353	1,646,248	1,758,460
1,297,180	3,398,489	2,603,447	5,388,497	3,616,486	2,598,493
<u>\$20,029,034</u>	<u>\$20,121,673</u>	<u>\$20,763,234</u>	<u>\$21,408,934</u>	<u>\$21,973,826</u>	<u>\$22,609,129</u>
\$52,001,431	\$52,021,457	\$55,620,964	\$54,438,390	\$58,157,154	\$59,180,024
9,387,866	9,727,084	4,882,177	4,102,819	5,961,594	8,334,762
7,538,247	7,888,240	8,388,146	13,738,402	9,963,575	9,826,287
<u>\$68,927,544</u>	<u>\$69,636,781</u>	<u>\$68,891,287</u>	<u>\$72,279,611</u>	<u>\$74,082,323</u>	<u>\$77,341,073</u>

City of Mount Vernon, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2005	2006	2007	2008
Expenses				
Governmental Activities:				
Security of Persons and Property	\$4,875,188	\$5,506,801	\$5,599,365	\$5,728,419
Public Health and Welfare Services	593,592	567,989	666,167	644,241
Leisure Time Activities	332,477	407,254	777,880	952,192
Community Environment	245,735	446,970	745,733	211,150
Transportation	2,392,740	1,730,910	2,097,746	2,433,003
General Government	3,955,560	3,915,618	4,627,294	4,627,134
Interest and Fiscal Charges	130,057	126,090	355,174	263,523
<i>Total Governmental Activities Expenses</i>	<u>12,525,349</u>	<u>12,701,632</u>	<u>14,869,359</u>	<u>14,859,662</u>
Business-type Activities:				
Water	3,215,544	3,135,091	3,216,980	3,379,191
Sewer	2,436,112	2,847,417	2,873,468	2,858,183
<i>Total Business-type Activities Expenses</i>	<u>5,651,656</u>	<u>5,982,508</u>	<u>6,090,448</u>	<u>6,237,374</u>
<i>Total Primary Government Expenses</i>	<u>\$18,177,005</u>	<u>\$18,684,140</u>	<u>\$20,959,807</u>	<u>\$21,097,036</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$367,877	\$529,972	\$939,779	\$1,016,173
Public Health and Welfare Services	58,751	51,710	54,678	56,052
Leisure Time Activities	54,994	52,904	294,296	309,238
Community Environment	421	585	953	3,989
Transportation	2,254	9,712	1,400	500
General Government	877,480	845,758	897,668	863,175
Operating Grants and Contributions	1,439,733	898,391	871,919	1,761,824
Capital Grants and Contributions	1,376,854	884,203	1,508,148	447,392
<i>Total Governmental Activities Program Revenues</i>	<u>4,178,364</u>	<u>3,273,235</u>	<u>4,568,841</u>	<u>4,458,343</u>

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
\$6,257,913	\$5,950,098	\$6,372,507	\$6,188,789	\$6,492,718	\$6,370,982
769,637	693,029	709,622	723,360	709,251	757,435
881,252	963,163	1,143,295	719,024	980,442	1,279,240
293,474	1,560,761	591,187	528,995	648,532	323,093
2,898,557	2,586,915	4,440,371	4,228,585	3,367,249	5,070,430
4,685,914	4,711,970	4,188,865	4,852,231	5,316,607	6,294,609
321,941	350,672	287,411	510,896	276,071	263,497
<u>16,108,688</u>	<u>16,816,608</u>	<u>17,733,258</u>	<u>17,751,880</u>	<u>17,790,870</u>	<u>20,359,286</u>
3,388,734	3,347,380	3,180,709	3,019,406	3,049,583	3,028,624
2,885,616	3,103,781	3,035,080	3,194,971	3,118,011	3,256,742
<u>6,274,350</u>	<u>6,451,161</u>	<u>6,215,789</u>	<u>6,214,377</u>	<u>6,167,594</u>	<u>6,285,366</u>
<u>\$22,383,038</u>	<u>\$23,267,769</u>	<u>\$23,949,047</u>	<u>\$23,966,257</u>	<u>\$23,958,464</u>	<u>\$26,644,652</u>
\$1,141,818	\$1,200,644	\$1,172,890	\$1,175,624	\$1,119,039	\$1,252,995
68,352	83,842	82,027	80,494	82,513	48,631
256,078	296,300	296,650	291,563	255,558	246,341
6,621	20,387	14,411	16,471	18,872	9,423
3,070	2,702	200	313	750	1,094
819,170	898,161	910,868	866,410	768,254	698,554
2,336,173	1,807,522	888,663	2,024,553	1,937,129	1,470,114
854,233	880,033	173,557	2,169,916	1,590,955	2,781,681
<u>5,485,515</u>	<u>5,189,591</u>	<u>3,539,266</u>	<u>6,625,344</u>	<u>5,773,070</u>	<u>6,508,833</u>

(continued)

City of Mount Vernon, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2005	2006	2007	2008
Business-type Activities:				
Charges for Services and Sales				
Water	2,931,081	2,991,511	3,197,165	3,308,139
Sewer	2,475,962	2,681,466	2,675,408	2,515,147
Operating Grants and Contributions	14,776	0	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>5,421,819</u>	<u>5,672,977</u>	<u>5,872,573</u>	<u>5,823,286</u>
<i>Total Primary Government Program Revenues</i>	<u>9,600,183</u>	<u>8,946,212</u>	<u>10,441,414</u>	<u>10,281,629</u>
Net (Expense)/Revenue				
Governmental Activities	(8,346,985)	(9,428,397)	(10,300,518)	(10,401,319)
Business-type Activities	(229,837)	(309,531)	(217,875)	(414,088)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$8,576,822)</u>	<u>(\$9,737,928)</u>	<u>(\$10,518,393)</u>	<u>(\$10,815,407)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$628,011	\$590,185	\$736,982	\$632,956
Special Purposes	0	0	0	0
Debt Service	151,338	131,866	181,624	158,796
Capital Outlay	566,001	919,577	1,058,750	1,176,352
Income Taxes	8,018,764	9,035,177	9,260,355	10,359,164
Other Local Taxes	2,899	107,926	106,968	99,236
Grants and Entitlements not Restricted to Specific Programs	971,834	1,239,375	1,057,943	842,850
Investment Earnings	214,335	471,742	675,429	421,642
Miscellaneous	107,067	119,322	177,197	243,948
<i>Total Governmental Activities</i>	<u>10,660,249</u>	<u>12,615,170</u>	<u>13,255,248</u>	<u>13,934,944</u>
Business-type Activities:				
Investment Earnings	0	213,429	187,399	40,907
<i>Total Business-type Activities</i>	<u>0</u>	<u>213,429</u>	<u>187,399</u>	<u>40,907</u>
<i>Total Primary Government</i>	<u>\$10,660,249</u>	<u>\$12,828,599</u>	<u>\$13,442,647</u>	<u>\$13,975,851</u>
Change in Net Position				
Governmental Activities	\$2,313,264	\$3,186,773	\$2,954,730	\$3,533,625
Business-type Activities	(229,837)	(96,102)	(30,476)	(373,181)
<i>Total Primary Government Change in Net Position</i>	<u>\$2,083,427</u>	<u>\$3,090,671</u>	<u>\$2,924,254</u>	<u>\$3,160,444</u>

Source: City Auditor's Office

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
3,287,232	3,392,757	3,371,924	3,559,198	3,450,880	3,684,807
2,718,245	3,105,361	3,290,355	3,257,271	3,243,715	3,197,847
41,618	40,709	42,936	42,069	37,266	37,591
<u>6,047,095</u>	<u>6,538,827</u>	<u>6,853,950</u>	<u>6,858,538</u>	<u>6,731,861</u>	<u>6,920,245</u>
<u>11,532,610</u>	<u>11,728,418</u>	<u>10,393,216</u>	<u>13,483,882</u>	<u>12,504,931</u>	<u>13,429,078</u>
(10,623,173)	(11,627,017)	(14,193,992)	(11,126,536)	(12,017,800)	(13,850,453)
(227,255)	87,666	638,161	644,161	564,267	634,879
<u>(\$10,850,428)</u>	<u>(\$11,539,351)</u>	<u>(\$13,555,831)</u>	<u>(\$10,482,375)</u>	<u>(\$11,453,533)</u>	<u>(\$13,215,574)</u>
\$682,820	\$589,285	\$556,875	\$571,710	\$552,305	\$536,836
0	0	0	134,352	130,272	131,724
175,254	167,876	152,820	32,707	143,647	143,215
1,263,314	1,381,766	1,521,575	1,441,186	720,963	1,249,984
9,383,772	8,688,085	9,262,187	10,566,350	10,805,563	12,503,753
94,493	87,796	84,821	98,030	94,973	103,876
992,167	1,087,350	963,370	725,574	451,426	890,797
190,437	60,858	21,582	37,698	29,448	11,260
152,110	180,599	243,707	261,553	327,023	902,455
<u>12,934,367</u>	<u>12,243,615</u>	<u>12,806,937</u>	<u>13,869,160</u>	<u>13,255,620</u>	<u>16,473,900</u>
6,394	4,973	3,400	1,539	625	424
<u>6,394</u>	<u>4,973</u>	<u>3,400</u>	<u>1,539</u>	<u>625</u>	<u>424</u>
<u>\$12,940,761</u>	<u>\$12,248,588</u>	<u>\$12,810,337</u>	<u>\$13,870,699</u>	<u>\$13,256,245</u>	<u>\$16,474,324</u>
\$2,311,194	\$616,598	(\$1,387,055)	\$2,742,624	\$1,237,820	\$2,623,447
(220,861)	92,639	641,561	645,700	564,892	635,303
<u>\$2,090,333</u>	<u>\$709,237</u>	<u>(\$745,494)</u>	<u>\$3,388,324</u>	<u>\$1,802,712</u>	<u>\$3,258,750</u>

City of Mount Vernon, Ohio

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

	2005	2006	2007	2008	2009
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	230,254	301,509	607,319	395,128	442,209
Unreserved	2,335,202	3,338,049	4,212,879	4,458,073	4,216,231
<i>Total General Fund</i>	<u>2,565,456</u>	<u>3,639,558</u>	<u>4,820,198</u>	<u>4,853,201</u>	<u>4,658,440</u>
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Reserved	278,367	371,377	322,041	271,232	156,330
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	824,716	900,067	1,189,268	1,479,376	1,894,352
Debt Service Funds	0	840	0	0	10,568
Capital Projects Funds	1,623,553	801,833	2,655,574	4,463,434	3,529,741
Permanent Fund	318,268	325,010	334,058	343,534	350,823
<i>Total All Other Governmental Funds</i>	<u>3,044,904</u>	<u>2,399,127</u>	<u>4,500,941</u>	<u>6,557,576</u>	<u>5,941,814</u>
<i>Total Governmental Funds</i>	<u><u>\$5,610,360</u></u>	<u><u>\$6,038,685</u></u>	<u><u>\$9,321,139</u></u>	<u><u>\$11,410,777</u></u>	<u><u>\$10,600,254</u></u>

Source: City Auditor's Office

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

City of Mount Vernon, Ohio

2010	2011	2012	2013	2014
\$0	\$130,262	\$127,232	\$135,855	\$147,536
0	8,080	8,080	8,080	8,080
0	16,480	16,480	16,480	4,741
0	374,348	3,152,283	2,680,908	2,754,129
0	4,175,053	1,787,773	970,240	1,254,772
416,367	0	0	0	0
4,593,098	0	0	0	0
<u>5,009,465</u>	<u>4,704,223</u>	<u>5,091,848</u>	<u>3,811,563</u>	<u>4,169,258</u>
0	408,506	420,915	454,286	443,738
0	3,116,931	4,653,008	4,653,741	6,299,667
0	84,729	138,982	134,995	124,561
403,850	0	0	0	0
1,182,665	0	0	0	0
0	0	0	0	0
3,071,740	0	0	0	0
369,072	0	0	0	0
<u>5,027,327</u>	<u>3,610,166</u>	<u>5,212,905</u>	<u>5,243,022</u>	<u>6,867,966</u>
<u>\$10,036,792</u>	<u>\$8,314,389</u>	<u>\$10,304,753</u>	<u>\$9,054,585</u>	<u>\$11,037,224</u>

City of Mount Vernon, Ohio

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

	2005	2006	2007	2008
Revenues:				
Taxes	\$9,237,011	\$10,980,389	\$11,440,727	\$12,456,495
Intergovernmental Revenues	3,329,519	2,995,086	3,138,477	1,910,413
Charges for Services	661,031	689,374	1,422,430	1,464,750
Licenses and Permits	34,329	34,776	21,786	15,661
Investment Earnings	214,335	471,742	675,429	421,642
Fines and Forfeitures	656,958	758,950	761,462	759,240
All Other Revenue	174,126	247,003	782,894	301,400
Total Revenue	<u>14,307,309</u>	<u>16,177,320</u>	<u>18,243,205</u>	<u>17,329,601</u>
Expenditures:				
Current:				
Security of Persons and Property	4,617,588	5,197,207	5,274,270	5,517,450
Public Health and Welfare Services	578,186	564,521	654,455	631,418
Leisure Time Activities	287,260	1,325,158	655,489	683,733
Community Environment	446,243	301,064	745,733	211,150
Transportation	2,852,792	2,735,444	2,393,098	4,177,685
General Government	4,017,230	5,295,380	7,721,022	5,567,468
Debt Service:				
Principal Retirement	212,377	217,413	217,763	325,179
Interest and Fiscal Charges	125,645	121,678	350,762	250,142
Total Expenditures	<u>13,137,321</u>	<u>15,757,865</u>	<u>18,012,592</u>	<u>17,364,225</u>
Excess (Deficiency) of Revenues Over Expenditures	1,169,988	419,455	230,613	(34,624)

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
\$11,494,371	\$10,836,690	\$11,205,072	\$12,728,720	\$12,820,372	\$14,018,827
3,395,984	4,269,553	2,710,045	2,736,097	2,243,029	2,727,769
1,529,878	1,632,849	1,642,971	1,628,400	1,538,771	1,565,290
15,471	16,952	11,545	20,135	10,252	18,747
190,437	60,858	21,582	37,698	29,448	11,260
746,363	845,195	812,749	785,523	696,006	675,007
157,238	191,701	232,273	1,224,294	1,004,302	1,549,515
<u>17,529,742</u>	<u>17,853,798</u>	<u>16,636,237</u>	<u>19,160,867</u>	<u>18,342,180</u>	<u>20,566,415</u>
5,828,902	5,584,614	6,166,170	5,548,197	6,201,515	6,173,136
754,709	677,715	694,326	707,922	696,102	747,707
706,685	728,146	718,703	700,979	762,156	848,879
293,474	1,560,761	591,187	528,995	648,532	323,093
3,940,483	3,675,011	3,901,070	4,047,663	2,868,350	3,526,598
6,369,728	5,443,844	5,590,698	6,627,844	7,660,676	6,202,716
2,434,814	422,401	436,723	484,756	500,756	515,327
329,738	339,425	287,960	359,602	279,021	264,038
<u>20,658,533</u>	<u>18,431,917</u>	<u>18,386,837</u>	<u>19,005,958</u>	<u>19,617,108</u>	<u>18,601,494</u>
(3,128,791)	(578,119)	(1,750,600)	154,909	(1,274,928)	1,964,921

(Continued)

City of Mount Vernon, Ohio

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

	2005	2006	2007	2008
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	4,541	2,784	23,688	12,298
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	0	3,035,000	0
General Obligation Notes Issued	0	0	0	2,100,000
General Obligation Refunding Bonds Issued	0	0	0	0
Special Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Notes	0	0	0	7,245
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	1,519,676	1,546,311	1,712,982	2,785,286
Transfers Out	(1,519,676)	(1,546,311)	(1,712,982)	(2,785,286)
Total Other Financing Sources (Uses)	<u>4,541</u>	<u>2,784</u>	<u>3,058,688</u>	<u>2,119,543</u>
Net Change in Fund Balance	<u>\$1,174,529</u>	<u>\$422,239</u>	<u>\$3,289,301</u>	<u>\$2,084,919</u>
 Debt Service as a Percentage of Noncapital Expenditures	 3.14%	 3.05%	 4.29%	 4.41%

Source: City Auditor's Office

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
17,865	3,259	38,177	11,342	31,689	3,148
125,000	0	0	0	0	0
2,165,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,654,000	0	0
0	0	0	1,775,000	0	0
8,232	0	0	0	0	0
0	0	0	(1,600,053)	0	0
1,286,170	827,126	1,028,456	1,275,651	1,656,139	1,252,978
(1,286,170)	(827,126)	(1,028,456)	(1,275,651)	(1,656,139)	(1,252,978)
<u>2,316,097</u>	<u>3,259</u>	<u>38,177</u>	<u>1,840,289</u>	<u>31,689</u>	<u>3,148</u>
<u>(\$812,694)</u>	<u>(\$574,860)</u>	<u>(\$1,712,423)</u>	<u>\$1,995,198</u>	<u>(\$1,243,239)</u>	<u>\$1,968,069</u>
16.75%	5.10%	4.72%	5.51%	5.03%	4.53%

City of Mount Vernon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$396,137	\$416,840	\$434,109	\$451,730
Total Tax Collected	\$7,815,703	\$8,887,353	\$9,448,716	\$10,273,944
Income Tax Receipts				
Withholding	6,142,087	6,571,546	7,098,813	7,083,885
Percentage	78.58%	73.94%	75.13%	68.95%
Corporate	1,032,072	1,555,469	1,696,194	2,486,687
Percentage	13.21%	17.50%	17.95%	24.20%
Individuals	641,544	760,338	653,709	703,372
Percentage	8.21%	8.56%	6.92%	6.85%

Source: City Income Tax Department

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

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$462,638	\$513,183	\$542,270	\$580,616	\$606,203	\$606,203
\$9,446,804	\$8,556,302	\$9,017,691	\$10,128,973	\$11,210,717	\$11,725,532
7,159,863	6,967,691	7,408,369	7,854,868	8,088,514	8,450,570
75.79%	81.43%	82.15%	77.55%	72.15%	72.07%
1,673,288	926,225	961,045	1,578,706	2,396,265	2,522,261
17.71%	10.83%	10.66%	15.59%	21.37%	21.51%
613,653	662,386	648,277	695,399	725,938	752,701
6.50%	7.74%	7.19%	6.86%	6.48%	6.42%



City of Mount Vernon, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2014

Income Tax Filers	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	\$328,593,200	42.04%	\$4,928,898	42.04%
All Others	453,108,933	57.96%	6,796,634	57.96%
Total	<u>\$781,702,133</u>	<u>100.00%</u>	<u>\$11,725,532</u>	<u>100.00%</u>

Calendar Year 2005

Income Tax Filers	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	\$241,298,533	46.31%	\$3,619,478	46.31%
All Others	\$279,748,333	53.69%	4,196,225	53.69%
Total	<u>\$521,046,867</u>	<u>100.00%</u>	<u>\$7,815,703</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Mount Vernon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2005	2006	2007	2008
Governmental Activities ⁽¹⁾				
Long-Term Notes Payable	\$0	\$0	\$0	\$2,100,000
General Obligation Bonds Payable	3,056,065	2,868,065	5,715,065	5,420,015
Special Obligation Bonds Payable	0	0	0	0
Ohio Public Works Commission Loan Payable	393,125	371,875	350,625	329,375
Business-type Activities ⁽¹⁾				
Ohio Public Works Commission Loan Payable	\$0	\$0	\$0	\$0
Ohio Water Development Authority	0	0	0	0
General Obligation Bonds Payable	10,053,935	9,461,935	12,229,935	11,469,985
Special Obligation Bonds Payable	0	0	0	0
Mortgage Revenue Bonds Payable	6,155,000	5,790,000	5,410,000	5,015,000
Total Primary Government	<u>\$19,658,125</u>	<u>\$18,491,875</u>	<u>\$23,705,625</u>	<u>\$24,334,375</u>
Population ⁽²⁾				
City of Mount Vernon	15,256	15,256	15,256	15,256
Outstanding Debt Per Capita	\$1,289	\$1,212	\$1,554	\$1,595
Income ⁽³⁾				
Personal (in thousands)	396,137	416,840	434,109	451,730
Percentage of Personal Income	4.96%	4.44%	5.46%	5.39%

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

2009	2010	2011	2012	2013	2014
\$0	\$0	\$0	\$0	\$0	\$0
7,280,711	6,881,718	6,482,568	6,177,200	5,812,400	5,436,000
0	0	0	1,775,000	1,677,500	1,577,500
433,125	419,375	391,875	364,375	336,875	309,375
\$125,362	\$122,228	\$115,960	\$109,692	\$103,424	\$97,156
0	0	2,303,347	6,289,243	6,476,726	6,500,028
13,274,289	12,348,282	11,392,432	10,522,800	9,582,600	8,604,000
0	0	0	1,775,000	1,677,500	1,577,500
4,420,000	4,020,000	3,620,000	3,205,000	2,780,000	2,345,000
<u>\$25,533,487</u>	<u>\$23,791,603</u>	<u>\$24,306,182</u>	<u>\$30,218,310</u>	<u>\$28,447,025</u>	<u>\$26,446,559</u>
15,256	16,990	16,990	16,990	16,990	16,990
\$1,674	\$1,400.33	\$1,430.62	\$1,778.59	\$1,674.34	\$1,556.60
462,638	513,183	542,270	580,616	606,203	606,203
5.52%	4.64%	4.48%	5.20%	4.69%	4.36%

City of Mount Vernon, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2005	2006	2007	2008
Population ⁽¹⁾	15,256	15,256	15,256	15,256
Assessed Value ⁽²⁾	\$296,485,180	\$282,994,466	\$285,828,244	\$258,440,860
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$13,110,000	\$12,330,000	\$17,945,000	\$16,890,000
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$840	\$0	\$0
Net General Bonded Debt	\$13,110,000	\$12,329,160	\$17,945,000	\$16,890,000
Ratio of Net Bonded Debt to Assessed Value	4.42%	4.36%	6.28%	6.54%
Net Bonded Debt per Capita	\$859.33	\$808.15	\$1,176.26	\$1,107.11

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
15,256	16,990	16,990	16,990	16,990	16,990
\$261,803,090	\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840
\$20,555,000	\$19,230,000	\$17,875,000	\$16,700,000	\$15,395,000	\$14,040,000
\$10,568	\$0	\$0	\$966	\$0	\$0
\$20,544,432	\$19,230,000	\$17,875,000	\$16,699,034	\$15,395,000	\$14,040,000
7.85%	7.42%	7.23%	6.74%	6.18%	5.64%
\$1,346.65	\$1,131.84	\$1,052.09	\$982.87	\$906.12	\$826.37



City of Mount Vernon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2014*

<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	\$7,322,875	100.00%	\$7,322,875
Overlapping:			
Knox County	12,420,000	21.07%	2,616,894
Mount Vernon School District	4,009,039	46.36%	1,858,590
Knox County Career Center	6,909,000	23.41%	1,617,397
		Subtotal	<u>6,092,881</u>
		Total	<u><u>\$13,415,756</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	2005	2006	2007	2008
Total Debt				
Net Assessed Valuation	\$296,485,180	\$282,994,466	\$285,828,244	\$258,440,860
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	31,130,944	29,714,419	30,011,966	27,136,290
City Debt Outstanding (2)	218,395	4,206,395	3,229,395	3,116,945
Less: Applicable Debt Service Fund Amounts	0	(840)	0	0
Net Indebtedness Subject to Limitation	<u>218,395</u>	<u>4,205,555</u>	<u>3,229,395</u>	<u>3,116,945</u>
Overall Legal Debt Margin	<u>\$30,912,549</u>	<u>\$25,508,864</u>	<u>\$26,782,571</u>	<u>\$24,019,345</u>
Unvoted Debt				
Net Assessed Valuation	\$296,485,180	\$282,994,466	\$285,828,244	\$258,440,860
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	16,306,685	15,564,696	15,720,553	14,214,247
City Debt Outstanding (2)	218,395	4,206,395	3,229,395	3,116,945
Less: Applicable Debt Service Fund Amounts	0	(840)	0	0
Net Indebtedness Subject to Limitation	<u>218,395</u>	<u>4,205,555</u>	<u>3,229,395</u>	<u>3,116,945</u>
Overall Legal Debt Margin	<u>\$16,088,290</u>	<u>\$11,359,141</u>	<u>\$12,491,158</u>	<u>\$11,097,302</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

2009	2010	2011	2012	2013	2014
\$261,803,090	\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
27,489,324	27,213,898	25,944,529	26,014,202	26,150,657	26,158,213
2,999,195	2,876,145	2,752,795	2,607,800	2,477,600	2,342,400
(10,568)	0	0	(966)	0	0
2,988,627	2,876,145	2,752,795	2,606,834	2,477,600	2,342,400
\$24,500,697	\$24,337,753	\$23,191,734	\$23,407,368	\$23,673,057	\$23,815,813
\$261,803,090	\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
14,399,170	14,254,899	13,589,991	13,626,487	13,697,963	13,701,921
2,999,195	2,876,145	2,752,795	2,607,800	2,477,600	2,342,400
(10,568)	0	0	(966)	0	0
2,988,627	2,876,145	2,752,795	2,606,834	2,477,600	2,342,400
\$11,410,543	\$11,378,754	\$10,837,196	\$11,019,653	\$11,220,363	\$11,359,521

City of Mount Vernon, Ohio

Pledged Revenue Coverage Last Ten Years

	2005	2006	2007	2008
Water System Bonds 1999 Series (1)				
Gross Revenues (2)	\$2,931,081	\$3,091,208	\$3,348,689	\$3,344,136
Direct Operating Expenses (3)	(1,698,652)	(1,648,878)	(1,784,855)	(1,956,474)
Net Revenue Available for Debt Service	1,232,429	1,442,330	1,563,834	1,387,662
Annual Debt Service Requirement	634,158	635,858	636,623	636,612
Coverage	1.94	2.27	2.46	2.18
Tax Increment Financing (TIF) Bonds (4)				
Payment In Lieu of Taxes (PILOT) Collections	\$566,671	\$917,141	\$1,060,626	\$1,155,370
Debt Service				
Principal	171,600	176,000	176,000	182,600
Interest	98,857	95,397	91,905	88,297
Coverage	2.10	3.38	3.96	4.26

(1) 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

2009	2010	2011	2012	2013	2014
\$3,292,955	\$3,394,458	\$3,373,589	\$3,560,407	\$3,451,448	\$3,685,199
(1,991,293)	(2,026,472)	(1,933,228)	(1,805,985)	(1,853,530)	(1,874,612)
1,301,662	1,367,986	1,440,361	1,754,422	1,597,918	1,810,587
638,600	542,383	539,650	542,650	540,200	537,450
2.04	2.52	2.67	3.23	2.96	3.37
\$1,232,200	\$1,320,086	\$1,262,210	\$1,572,036	\$748,799	\$1,214,761
186,554	190,943	195,800	231,000	149,600	156,200
84,361	79,136	72,745	87,076	74,120	28,627
4.55	4.89	4.70	4.94	3.35	6.57

City of Mount Vernon, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2005	2006	2007	2008
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)	396,137	416,840	434,109	451,730
Per Capita	25,966	27,323	28,455	29,610
Unemployment Rate (3)				
Federal	5.5%	5.0%	4.6%	5.8%
State	6.0%	5.9%	5.6%	6.6%
Knox County	5.4%	5.1%	5.4%	6.3%
Civilian Work Force Estimates (3)				
State	5,900,400	5,934,000	5,976,500	5,986,400
Knox County	30,100	30,500	31,000	30,800

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2013 for the presentation of 2014 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. Information is not available at the City level.

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
15,256	16,990	16,990	16,990	16,990	16,990
54,500	60,921	60,921	60,921	60,705	60,705
462,638	513,183	542,270	580,616	606,203	606,203
30,325	30,205	31,917	34,174	35,680	35,680
5.8%	9.1%	8.3%	7.6%	7.4%	6.2%
6.6%	9.3%	7.6%	6.6%	7.4%	5.7%
6.3%	9.1%	7.6%	6.2%	6.7%	5.2%
5,986,400	5,986,400	5,806,000	5,701,000	5,726,000	5,719,000
30,800	30,800	29,600	29,400	30,500	31,100



City of Mount Vernon, Ohio

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2014	
		Number of Employees	Rank
Ariel Corporation	Manufacturing	1,550	1
Rolls Royce Energy Systems, Inc	Manufacturing	1,185	2
Knox Community Hospital	Medical Care	936	3
Jeld-Wen Windows & Doors	Manufacturing	495	4
Knox County	Government	425	5
Mount Vernon City Schools	Education	414	6
Mount Vernon Nazarene University	Education	370	7
Wal-Mart	Retail	325	8
Sanoh America, Inc.	Manufacturing	295	9
First Knox National Bank	Financial	206	10
Total		<u>6,201</u>	

Employer	Nature of Business	2005	
		Number of Employees	Rank
Rolls-Royce Energy Systems, Inc.	Manufacturing	950	1
Knox Community Hospital	Medical Care	550	2
Knox County	Government	535	3
Kelsey-Hayes	Manufacturing	500	4
Mount Vernon Nazarene College	Education	456	5
Ariel Corporation	Manufacturing	445	6
Board of Education (City)	Education	436	7
Jeld-Wen, Inc.	Manufacturing	275	8
Wal-Mart	Retail	200	9
Breon, Inc.	Restaurant	149	10
Total		<u>4,496</u>	

Source:

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

	2005	2006	2007	2008	2009
Governmental Activities					
General Government					
Administration	1.00	1.00	1.00	1.00	1.00
Finance	2.00	2.00	2.00	2.00	2.00
Law Director	4.00	4.00	4.00	4.00	4.00
Income Tax	3.00	3.00	3.00	3.00	3.00
Legal/Court	10.50	10.50	10.50	11.00	11.00
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	5.00	5.50	6.00	6.50	6.50
Public Buildings/Lands	1.75	1.75	1.75	1.75	1.75
Security of Persons and Property					
Police	29.00	28.50	32.00	31.00	32.00
Fire	31.00	33.00	40.00	40.00	40.00
Transportation					
Street	12.75	13.00	12.50	12.50	12.50
Leisure Time Activities					
Parks/Recreation	16.75	16.75	58.25	53.75	53.75
Public Health and Welfare					
Cemetery	5.00	5.00	6.00	6.00	6.00
Business-Type Activities					
Utilities					
Water	17.50	17.50	17.50	17.50	17.50
Sewer	19.00	19.00	19.50	19.50	19.50
<i>Total Employees</i>	<u>160.75</u>	<u>163.00</u>	<u>216.50</u>	<u>212.00</u>	<u>213.00</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</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
11.00	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
6.50	6.50	6.50	6.50	6.00
1.75	1.75	1.75	1.75	1.75
32.00	32.00	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
53.75	55.25	56.50	56.50	56.50
5.25	5.25	5.25	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>212.25</u>	<u>213.75</u>	<u>215.00</u>	<u>215.00</u>	<u>214.50</u>

City of Mount Vernon, Ohio

Operating Indicators by Function Last Ten Years

	2005	2006	2007	2008
Governmental Activities				
General Government				
Court				
Number of Civil Cases	1,098	1,078	1,252	1,484
Number of Criminal Cases	1,146	1,170	1,088	1,335
Number of Traffic Cases	6,002	6,571	5,491	5,811
Number of Open Cases	985	928	1,020	1,003
Licenses and Permits				
Number of Building Permits	218	211	119	160
Security of Persons and Property				
Police				
Number of Citations Issued	3,608	3,322	3,081	3,857
Fire				
Number of Fire Calls	4,003	868	752	871
Number of EMS Runs		2,814	2,911	3,259
Number of Inspections	325	125	375	1,250
Business-Type Activities				
Water				
Number of Service Connections	6,307	6,369	6,421	6,449
Daily Average Consumption (thousands of gallons)	2,252,603	2,465,836	2,508,356	2,704,110
Sewer				
Number of Service Connections	6,536	6,590	6,637	6,655
Daily Average Sewage Treatment (thousands of gallons)	3,524,293	3,122,181	3,145,699	3,282,192

Source: City Auditor's Office

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
1,425	1,259	1,394	1,258	780	823
1,246	1,378	1,551	1,365	1,280	1,272
5,867	6,234	5,825	5,500	4,978	4,573
1,038	884	514	547	440	322
162	159	157	150	122	140
3,295	3,640	3,117	2,557	3,117	1,971
1,032	1,067	1,032	1,185	918	1,049
3,282	3,386	3,649	3,817	3,583	3,581
1,009	685	820	750	740	580
6,469	6,484	6,495	6,507	6,514	6,527
3,026,000	2,565,381	2,409,501	2,530,735	2,748,137	2,542,049
6,682	6,704	6,717	6,726	6,734	6,745
2,979,515	2,881,773	3,524,871	2,676,145	2,779,449	2,794,266

City of Mount Vernon, Ohio

Capital Asset Statistics by Function Last Ten Years

	2005	2006	2007	2008
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	9.2	9.2	9.2	9.8
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 (center line miles)	82	82	82	82
Street Lights	1,470	1,470	1,470	1,470
Traffic Signals	50	50	51	52
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	176.58	210.32	241.86	241.86
Buildings	14	14	14	14
Parks	8	8	8	8
Playgrounds	4	4	4	4
Swimming Pools	2	2	4	4
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	2,252,603	2,465,836	2,508,356	2,704,110
Storage Capacity (thousands of gallons)	7,000	7,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	3,524,293	3,122,181	3,145,699	3,282,192
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

City of Mount Vernon, Ohio

2009	2010	2011	2012	2013	2014
9.8 9	12.4 9	12.4 9	12.4 9	12.7 9	12.7 9
1 13	1 13	1 13	1 13	1 13	1 13
2 11	2 11	2 11	2 11	2 11	2 11
82 1,470 53 13	82 1,470 53 13	82 1,470 53 13	82 1,470 54 13	82 1,470 54 13	92 1,470 54 13
241.86 14 8 4 4 10 11 2	244.98 14 8 4 4 10 11 2	244.98 14 8 4 4 10 11 2	244.98 14 8 4 4 10 11 2	244.98 14 8 4 4 10 11 2	269.98 14 8 4 4 10 11 2
63 484 3,026,000 7,000	63 484 2,565,381 7,000	63 484 2,409,501 7,000	63 484 2,530,735 7,000	63 484 2,748,137 7,000	63 484 2,542,049 7,000
62 2,979,515 5,000	62 2,881,773 5,000	62 3,524,871 5,000	62 2,676,145 5,000	62 2,779,449 5,000	62 2,794,266 5,000



CITY OF MOUNT VERNON
KNOX COUNTY
REGULAR AUDIT
JANUARY 1, 2014 – DECEMBER 31, 2014



**CITY OF MOUNT VERNON
KNOX COUNTY**

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**INDEPENDENT AUDITOR'S 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 City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

City of Mount Vernon
Knox County
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 26, 2015



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
SEPTEMBER 17, 2015**