

**CITY OF MOUNT VERNON**  
**KNOX COUNTY**  
**REGULAR AUDIT**  
**JANUARY 1, 2019 – DECEMBER 31, 2019**





OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

Members of 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, 2019 through December 31, 2019. 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. The Auditor of State is currently conducting an investigation on the City of Mount Vernon. The investigation is ongoing and control or compliance issues, if any, related to this investigation will be addressed in future audit reports.

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 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

October 14, 2020

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**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 and Management:

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, 2019 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 28, 2020, wherein we noted the City considered the financial impact of COVID-19 as disclosed in Note 17.

***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.

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 report is not suitable for any other purpose.

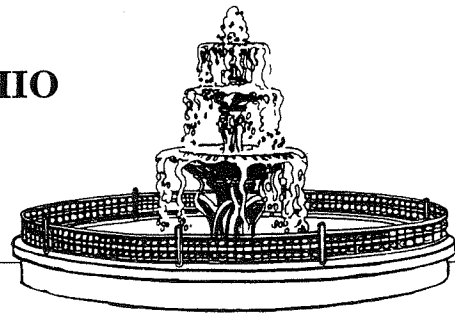
*Wilson, Shannon & Snow, Inc.*

Newark, Ohio  
July 28, 2020



# THE CITY OF MOUNT VERNON, OHIO

CITY AUDITOR'S OFFICE  
40 Public Square  
Mount Vernon, Ohio 43050



## CITY OF MOUNT VERNON KNOX COUNTY

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2019

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Monthly Cash Reconciliations – Municipal Court	Corrective Action Taken and Finding is Fully Corrected	
2018-002	Non-Cash Adjustments – Municipal Court	Corrective Action Taken and Finding is Fully Corrected	
2018-003	Timeliness of Deposits – Municipal Court	Corrective Action Taken and Finding is Fully Corrected	

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# City of Mount Vernon, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2019



**Mount Vernon**

## **ABOUT THE FRONT COVER**

Buchwald Plaza, on the corner of South Main and West Gambier streets, has been reimagined into South Main Plaza, a space that will bring new energy and increased vitality into the neighborhood by creating a whimsical water feature focal point. Inspired by world-renowned landscape architect Claude Cormier's fountain in Toronto's Berczy Park, south Main Plaza's fountain included cast iron sculptures of 18 dogs, one cat, a pair of birds, a pony and an apple.

The concept of creating such a fountain park was derived from the thoughtfulness of a local resident of the county. After having traveled to Toronto, Canada to view the inspiring fountain it was evident that Mount Vernon could shine in the same excitement and expressions visitors boasted at Berczy Park.

Award-winning designer Claude Cormier made a visit to Mount Vernon during the design phase of the project and expressed his vision and understanding of the redevelopment of the South Main Plaza land.

For those who may not have looked close enough, the bone at the top of the fountain's centerpiece is what each dog is admiring and inspiring to have for their own.

The placement of the plaza next to the Buchwald Center art building is counter to Mount Vernon Nazarene University's art program housed within the Buchwald Center.

The project, was funded through a grant from the Ariel Foundation, and sponsored by other generous community donors. Further donations to the project will establish an endowment at the Knox County Foundation to cover future maintenance of the plaza. The first \$50,000 in donations to the endowment will be matched dollar-for dollar.

The city is greatly appreciative of all the donations, designing, work and implementation of this inspiring water feature located in the historic downtown Mount Vernon, Ohio.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2019

*Prepared by the Auditor's Office*

Terry Scott  
City Auditor



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KNOX COUNTY, OHIO

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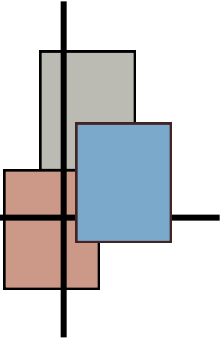
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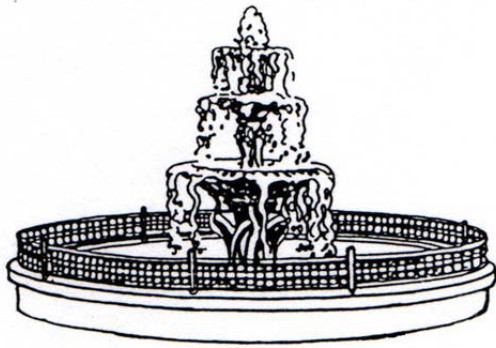
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# Introductory Section







# CITY OF MOUNT VERNON

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

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fax (740)-397-5288

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July 28, 2020

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, 2019. 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/emergency medical service 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, 2019***

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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 2019.

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 \$55,000 for operations of the combined District for 2019.

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, 2019***

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**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 five firefighters, thirty-four 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.

Property Maintenance and Code Enforcement Department – This department has one full-time inspector who is responsible to address non-compliant property maintenance issues as well as zoning code related violations. This would include buildings as well as general property grounds.

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

Public Building and Land and Parks Department - These two departments work very closely together under the leadership of a single department head. There is a total of five full-time employees and up to 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.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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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.

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 6,638 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 2.0% 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, one Victim's Advocate, and three full-time employees, who along with the Law Director are responsible for writing all legislation, assisting victims of crime, 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, except for the months of June, July, and August in which they meet only the fourth Monday 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, 2019***

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**Economic Outlook**

The Mount Vernon Avenue bridge replacement project got started just as the local schools were ending their school year. Since the flow of school buses and vehicular traffic in this area is extremely heavy in the morning hours as school is beginning and again in the afternoon hours as school is letting out, the Ohio Department of Transportation (ODOT) didn't want to close the roadway down to a single lane of traffic for both east and west bound traffic, until early June. The project was initially slated to be completed by August, 2020; however the latest estimate now has it moved to the spring of 2021. ODOT is providing substantial grant funding for the project with the City providing approximately \$1.2 million dollars as matching funding. The finished project will allow for three lanes of traffic coupled with dedicated bike lanes on both sides for more safe travels of those preparing to use the Kokosing Gap Trail which is located at this bridge's location.

Resurfacing of highways is an ongoing program, however due to the asphalt contractor not being able to complete the 2018 contract in 2018, 2019 allowed for combining two years of resurfacing into one. Fourteen streets were resurfaced in 2019 at a total cost of \$658,292.

With the support of a local foundation, the City was able to enter into a contract for approximately one million dollar sidewalk improvement project. Newark Road and Blackjack Road Sidewalk Improvement project will provide sidewalks from the beginning point of Newark Road to Blackjack Road, and then from Blackjack Road to Industrial Park Drive. While the Industrial Park provides a significant amount of employment from within the city, the major issue in helping people find jobs is they don't have a means to get to work. A number of non-profit organizations have been purchasing bicycles for new hires to help assist them with a means of travel. Obviously walking is also another means, of which these sidewalks will provide for both means for anyone. The city is greatly appreciative for the significant grant donation of this project which is scheduled for completion in late summer of 2020.

The second phase of the Beech Street Sidewalk project was completed during the year. In 2018 the city had leveraged financial resources from Community Development Block Grant (CDBG) funds to establish a sidewalk from Vernonview Drive west on Beech Street. In 2019, the city was able to utilize additional CDBG funding to extend this sidewalk to Sycar Road with a completed cost of \$109,695.00. These sidewalks will now match up with prior walkways constructed in the area with CDBG funding. The city continues to provide a means of outdoor exercise avenues for our residents to get out and experience the great outdoors. It's what keeps us all young.

The Hiawatha Water Park still continues to be an establishment that many look forward to attending every summer. During the year, an addition was added to the pump house/mechanical building to allow for the heating units to be relocated into a separate structure. With the original pool structure built in 2017, the heaters were included within the chemical processing building which has cause significant deterioration of the heating units over the years. Having these new heating units excluded from the chemical environment will give them extended useful life in the coming years. These improvements were completed with a total cost of \$166,684.

## ***CITY OF MOUNT VERNON, OHIO***

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### ***Letter of Transmittal For the Year Ended December 31, 2019***

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With the upcoming extension of Yellow Jacket Drive, a new twelve inch waterline is being constructed in the area. The estimated cost of the project is estimated to be \$150,000.00. This was the first phase of a two-phase project in conjunction with the Mount Vernon City School District and the Mount Vernon Nazarene University. This location will also be the home of a new field house and several soccer fields being provided by both educational establishments. The city will extend Yellow Jacket Drive to intersect with Cougar Drive to provide more efficient vehicular traffic flow within the area.

In an effort to expand our water services to an area of town not already being served, the Dixie Drive/Newark Road Waterline Improvement project was started this year. Approximately thirty new customers will be served by this improvement project in the Dixie Drive area, and approximately four additional water services will be added on the Newark Road area. This mapped area is the result of an annexation that took place several years ago, however, water services were not added at the time of annexation. The estimated cost of the improvements is estimated to be \$1,004,447.

The city has a number of waterline improvement projects on the drawing board at this time of which several will be constructed in 2019. Some will be within the city limits and a couple are within our contracted water service area. The contracted areas are not expected start until at least 2021. The city expects to garner several new water customers once the improvements are completed in these areas.

The police department was able to upgrade several body armor vests with funding provided by a grant from the Federal Government. Total costs for the vests were \$23,140; half of the cost was reimbursed by the grant. All cruisers received upgrade mobile data terminals (MDT's) costing \$9,763.00.

The department's Emergency Services Unit (ESU) responds to critical incidents to assist the police force as needed. To be as efficient as they can be, training is focused on marksmanship skills, tactical entry and movement, and unit cohesion. This unit trains on a monthly basis. To enhance their training skills, the ESU participated in the Rastin Challenge, which is an obstacle course of the roughest nature ever possible to complete.

The ESU provided support in conjunction with a number of warrants being issued not only within the city limits but also in conjunction with Knox County Sherriff's office and adjoining counties law enforcement agencies as well.

The Mount Vernon Police Department retired Chief Roger Monroe on November 30, 2019. Chief Monroe strived to bring the department in to the 21<sup>st</sup> century with the development of the department's first K-9 program fully funded with private donations. Implemented body cameras and Taser devices for the Patrol Division and equipped the department with SUV vehicles to provide better mobility, visibility and officer comfort.

Training continues to be at the forefront for police officers and staff. Over 1,486 hours were dedicated to police employees engaging in various training programs. The top three topics covered evidence training, incident command training, and specialized skills. All of these topics encompass the day-to-day work performed by the employees of the department. Department reports continue to cover the number one item that most communities large and small face daily and that is the "war on drugs." Through traffic stops, probation house checks as well as undercover trafficking provided the detective division with a large number of arrests and convictions over the year. It's a difficult world out there.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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In 2019 the Mount Vernon Fire became a “Safe Station.” The department parented up with the Knox County Health Department to develop a “Knox C.A.R.E.S.” program (Community Action to Reduce and Eliminate Substance Abuse) to help battle the drug issues in our community. Community members suffering from a substance use disorder (SUD) can come to the fire station at any time and request help without the risk of law enforcement being involved. Patients will be evaluated and either be transported to the Health Department or to the local hospital for further evaluation with the goal of getting into a treatment facility such as Recovery Works. There are several options available for people who suffer from SUD and the Fire Department Safe Station program is another piece of the recovery puzzle for community members seeking help.

The Fire Department continues to search and apply for various grants to help meet the needs of the department. In 2019, the department was awarded a federal grant in the amount of \$164,950.00 to acquire new Self Contained Breathing Apparatus (SCBA) equipment along with breathing air face pieces. With these funds, the department was able to acquire 25 air packs, 50 air bottles, and 42 face pieces, enough to provide for each Firefighter/Paramedic on staff. This equipment will replace the current SCBA’s and related equipment that has reached their life of sixteen years.

The City has been actively continuing its tree plantings and tree replacement program over the past several years. This ongoing project continued for 2019 merely due to the extreme generosity of the Ariel Foundation. This Foundation has contributed tens of thousands of dollars into tree plantings and tree replacements over the past years and in 2019, an additional \$105,000 was provided to continue the ongoing efforts. Our tree lined streets and recreation parks all have been the beneficiary of this project and more is planned for the upcoming year as well.

The City recognizes that it has been a large benefactor in grant awards distributed on behalf of the Ariel Foundation as well as Ariel Corporation. The numerous projects and ongoing improvements throughout the city will be everlasting and certainly provides for the wonderful aesthetics that continues to make Mount Vernon, Ohio a great place to live, work and raise a family. We say “Thank You” to Ariel Foundation and Ariel Corporation for your heartfelt support.

Thanks to the foresight of City management, coupled with the cooperation of the City's department heads, the growth in the local economy resulted in a favorable impact on the City's ability to provide quality services to the public. The Engineering Department issued two hundred thirty building permits in 2019 and two hundred in 2018, an increase of thirty permits.

**Long-term Financial Planning:**

The city is adorned with nine miles of brick streets which accents our historical districts greatly with the renowned architecture of homes within these districts. The ongoing task has been how best to rebuild, restore and repair these brick roadways. Burgess Street and Hamtramck Street from North Main Street east are the two largest brick street projects facing the city at this time. The engineering department has completed most of the survey work, and now the task of prepare drawings in order to establish a cost value of these improvements is the next step. Both street cover at least five to seven city blocks and being located within a heavily populated residential community, on-street parking is all that is available for the vast majority of residents. Discussions with council members have been centered on the possibility of issuing debt to raise the necessary resources to make these much needed improvements. Estimated costs could be in the range of \$2,000,000 to perhaps as much as \$3,000,000 to rehabilitate both streets completely.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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This would take several community meeting with the residents affected within the area to inform them what the improvements would consist of, how the improvements would be done (block-by-block, or multiple blocks at a time), and how parking would affect them during the project. Ideally one street would be done at a time and would span over a two year construction period.

**Employee Relations:**

The City of Mount Vernon is in the second year of a three year contract with the City's three unions. All union contracts were effective January 1, 2018, through December 31, 2020, with raises beginning on January 1, 2018 through December 31, 2020 for the OCSEA union, and April 8, 2018 for the FOP and IAFF. Both the FOP & IAFF members received a stipend of \$250 each to cover the period of January 1, 2018 through April 7, 2018 and a wage increase through the remainder of 2018. A reopener clause for wages only with the FOP and IAFF unions took place during February, 2019 to negotiate the wage increases for years 2019 and 2020. Both unions accepted the offer of 3% for 2019 and 2.5% for 2020. During the negotiation period, the administration entertained the OCSEA union to reopen their contract for wage years of 2019 and 2020 to reflect the same percentages as the other two unions had agreed to. Prior to this reopener, the OCSEA had agreed to a 1% increase for all three years of the contract.

The first is, the Dan Emmett Chapter of the Ohio Civil Service Employees Association (OCSEA), Local 11/American Federation of State, County and Municipal Employees, AFL-CIO, which consists of fifty-seven members from the public service departments (Engineering, Public Building and Land, Parks, Street, Cemetery, Water and Wastewater). The second is the Ohio Association of Professional Firefighters, The Mount Vernon Firefighters and Paramedics Local 3712 which consists of thirty-seven members of the fire department. The final bargaining unit is the Kokosing Chapter of the Fraternal Order of Police, Ohio Labor Council, Inc. (FOP) which consists of twenty-seven members of the police department. The remaining departments along with all the department heads are not represented by any union.

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

**Unemployment Rates:**

The City of Mount Vernon's economic outlook showed signs of steady improvement for 2019. Starting out the year at 4.5 percent, the unemployment rate fluctuated over the first half of the year to end at 4.1 percent, and then plunged to 3.8 percent to finish the year. Employers in the city continue to advertise and post for additional workers. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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**Major Initiatives**

Various equipment purchases were made for various departments within the City. A new front-end loader and updated computers for the Street Department, a tractor with mower, a pickup truck for the Parks Department were a few of the equipment purchases made during the year. Two new parking lots were installed during the year, one at Harmony Playground and the other at Shellmar Park. The Cemetery Department received two new mowers along with a utility vehicle and land purchase for the expansion of South Sandusky Street was acquired during the year.

**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.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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**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.

**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, 2018. 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-eight consecutive years (fiscal years ended 1991-2018). 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.

***Letter of Transmittal  
For the Year Ended December 31, 2019***

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**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 2019 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,

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

Terry Scott  
City Auditor

**CITY OF MOUNT VERNON, OHIO**

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***List of Principal Officials  
For the Year Ended December 31, 2019***

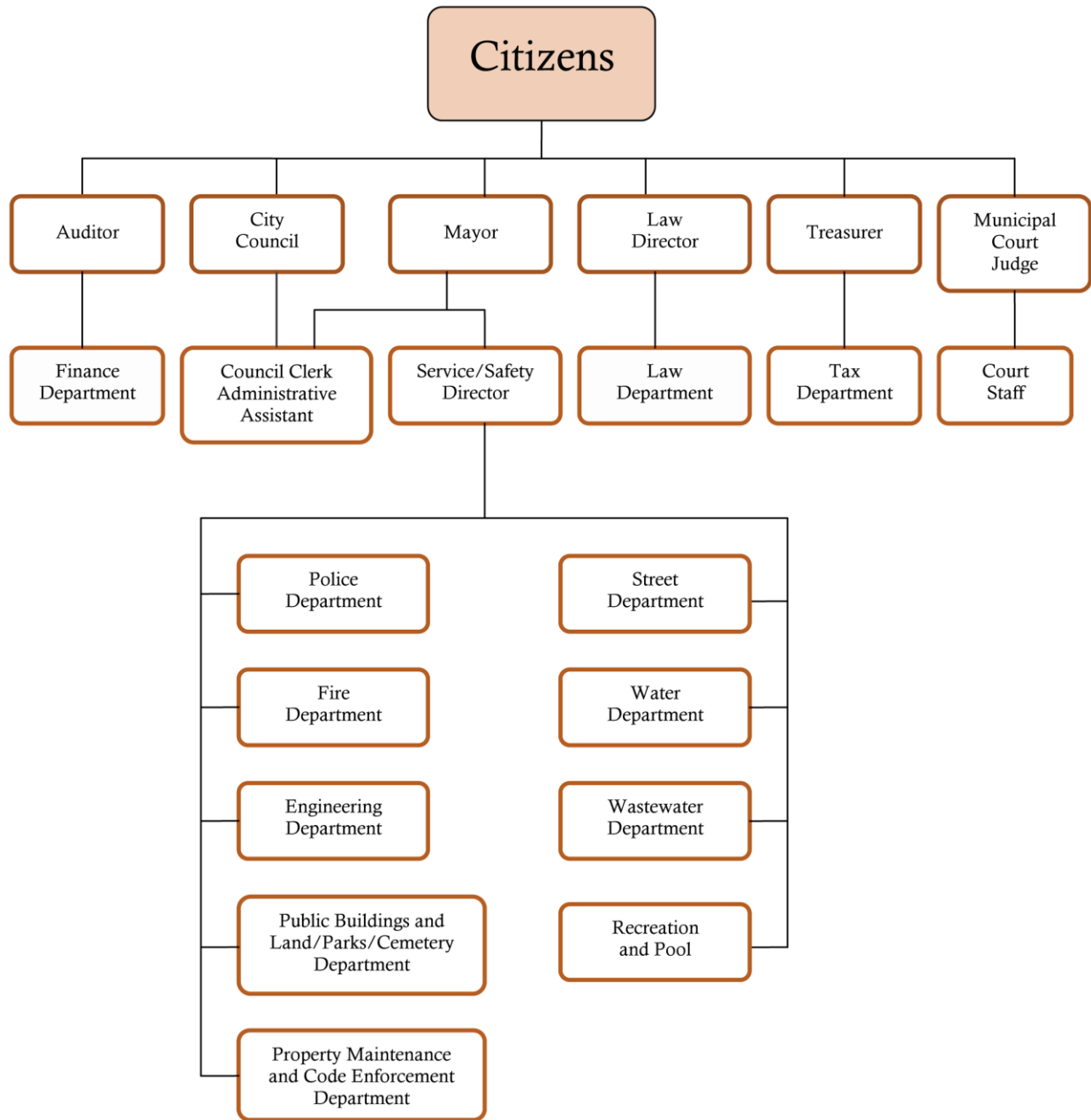
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<b><i>NAME</i></b>	<b><i>TITLE</i></b>	<b><i>YEARS OF SERVICE</i></b>
<b><u>City Council</u></b>		
Bruce Hawkins	President	13
Sam Barone	First Ward Member	8
John Francis	Second Ward Member	8
Nancy Vail	Third Ward Member	10
Michael Hillier	Fourth Ward Member	1
Tanner Salyers	Member At-Large	1
Matt Starr	Member At-Large	2
Janis Seavolt	Member At-Large	8
<b><u>City Administration</u></b>		
Richard K. Mavis	Mayor	24
Terry Scott	Auditor	25
P. Robert Broren	Law Director	6
David M. Stuller	Treasurer	2
Joel Daniels, II	Safety-Service Director	12
Tanya Newell	Clerk of Council	8
<b><u>Department Heads</u></b>		
Lisa Brown	Income Tax Administrator	5
Roger Monroe	Police Chief	30
Chad Christopher	Fire Chief	18
David Carpenter	Parks, Public Buildings and Land, Cemetery Superintendent	29
Thomas Hinkle	Street Superintendent	14
Mathias Orndorf	Public Utility Director	29



***City Organizational Chart  
For the Year Ended December 31, 2019***

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

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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

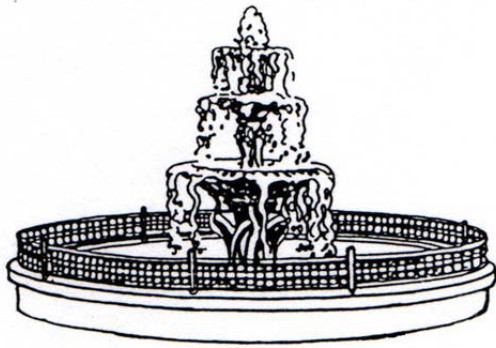
**December 31, 2018**

*Christopher P. Morill*

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 and Management:

### *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, 2019, 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 such 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.

***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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Municipal Income Tax #1 ½% (Voted) Fund, and Municipal Income Tax #2 ½% (Voted) Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 17 to the financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

***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, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 are 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

City of Mount Vernon  
Knox County  
Independent Auditor's Report

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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2020 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 & Sons, Inc.*

Newark, Ohio  
July 28, 2020





***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

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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, 2019. 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 2019 are as follows:

- ❑ In total, net position increased \$14,830,498. Net position of governmental activities increased \$13,561,427 which represents a 43.4% increase from 2018. Net position of business-type activities increased \$1,269,071 from 2018.
- ❑ General revenues accounted for \$20,546,865 in revenue or 56.59% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$15,760,978 or 43.41% of total revenues of \$36,307,843.
- ❑ The City had \$13,906,847 in expenses related to governmental activities; only \$6,921,409 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$20,546,865 provided for these programs.
- ❑ Among major funds, the general fund had \$9,846,621 in revenues and other financing sources and \$8,920,346 in expenditures and other financing uses. The general fund's fund balance increased from \$2,850,020 to \$3,776,239.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, 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 Municipal Income Tax ½% #2 (Voted) Fund, the General Bond Retirement Fund, the Capital Improvement Fund, the TIF District-Coshocton Road Fund, and the Roads and Bridges Capital Improvement 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, 2019**

**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 2019 compared to 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$22,759,135	\$16,386,158	\$7,949,430	\$7,246,008	\$30,708,565	\$23,632,166
Capital assets, Net	55,657,223	52,467,460	32,880,504	32,560,840	88,537,727	85,028,300
Total assets	78,416,358	68,853,618	40,829,934	39,806,848	119,246,292	108,660,466
Deferred outflows of resources	7,291,224	3,961,747	1,224,972	760,127	8,516,196	4,721,874
Long-term liabilities outstanding	9,074,266	6,684,718	10,208,833	11,195,645	19,283,099	17,880,363
Net pension liability	22,136,184	15,970,653	3,027,937	1,716,102	25,164,121	17,686,755
Net OPEB liability	4,808,637	14,103,922	1,519,469	1,261,522	6,328,106	15,365,444
Other liabilities	955,563	1,148,351	521,098	432,871	1,476,661	1,581,222
Total liabilities	36,974,650	37,907,644	15,277,337	14,606,140	52,251,987	52,513,784
Deferred inflows of resources	3,935,664	3,671,880	43,881	496,218	3,979,545	4,168,098
Net position:						
Net investment in capital assets	48,096,358	47,275,648	23,092,516	21,803,319	71,188,874	69,078,967
Restricted	12,532,422	8,250,183	1,207,733	1,421,106	13,740,155	9,671,289
Unrestricted (Deficit)	(15,831,512)	(24,289,990)	2,433,439	2,240,192	(13,398,073)	(22,049,798)
Total net position	\$44,797,268	\$31,235,841	\$26,733,688	\$25,464,617	\$71,530,956	\$56,700,458

The implementation of GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27” and GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” significantly revised accounting for costs and liabilities related to pensions and other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

**CITY OF MOUNT VERNON, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Changes in Net Position – The following table shows the changes in net position for 2019 compared to 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,075,497	\$3,088,011	\$8,839,569	\$8,805,202	\$11,915,066	\$11,893,213
Operating Grants and Contributions	2,853,036	2,141,509	0	0	2,853,036	2,141,509
Capital Grants and Contributions	992,876	226,249	0	0	992,876	226,249
Total Program Revenues	6,921,409	5,455,769	8,839,569	8,805,202	15,760,978	14,260,971
General Revenues:						
Property Taxes	2,481,836	2,368,794	0	0	2,481,836	2,368,794
Income Taxes	16,733,601	16,401,453	0	0	16,733,601	16,401,453
Other Local Taxes	143,452	141,874	0	0	143,452	141,874
Intergovernmental Revenues, Unrestricted	405,550	319,344	0	0	405,550	319,344
Investment Earnings	362,606	161,072	0	972	362,606	162,044
Miscellaneous	419,820	699,326	0	0	419,820	699,326
Total General Revenues	20,546,865	20,091,863	0	972	20,546,865	20,092,835
Total Revenues	27,468,274	25,547,632	8,839,569	8,806,174	36,307,843	34,353,806
Program Expenses						
Security of Persons and Property	606,058	10,283,448	0	0	606,058	10,283,448
Public Health and Welfare Services	598,796	585,043	0	0	598,796	585,043
Leisure Time Activities	1,080,378	1,271,709	0	0	1,080,378	1,271,709
Community Environment	424,589	891,732	0	0	424,589	891,732
Transportation	2,791,472	2,695,510	0	0	2,791,472	2,695,510
General Government	8,128,518	7,789,359	0	0	8,128,518	7,789,359
Interest and Fiscal Charges	277,036	196,125	0	0	277,036	196,125
Water	0	0	3,636,006	3,146,692	3,636,006	3,146,692
Sewer	0	0	3,934,492	3,476,860	3,934,492	3,476,860
Total Expenses	13,906,847	23,712,926	7,570,498	6,623,552	21,477,345	30,336,478
Total Change in Net Position	13,561,427	1,834,706	1,269,071	2,182,622	14,830,498	4,017,328
Beginning Net Position	31,235,841	29,401,135	25,464,617	23,281,995	56,700,458	52,683,130
Ending Net Position	\$44,797,268	\$31,235,841	\$26,733,688	\$25,464,617	\$71,530,956	\$56,700,458

***Management’s Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

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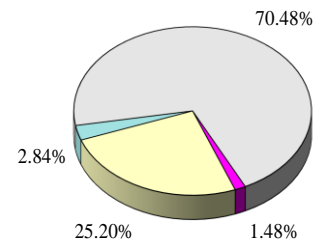
***Governmental Activities***

Net position of the City’s governmental activities increased by \$13,561,427 compared to 2018. This substantial increase is primarily attributed to the change to retiree OP&F OPEB liabilities which resulted in a negative OPEB expense in the amount of \$8,566,880. This change was related to a change in the medical plans offered to the OP&F retirees. The reduction in expenses is reflected in Security of Person and Property. The increase in Net Position is the result of revenues exceeding expenses.

The City receives an income tax, which is based on 2.0% of all salaries, wages, commissions and other compensation and on net profits earned from those working in the City.

Income taxes and property taxes made up 60.92% and 9.04% respectively of revenues for governmental activities for the City in 2019. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 70.48% of total revenues from general tax revenues:

Revenue Sources	2019	Percent of Total
General Tax Revenues	\$19,358,889	70.48%
Intergovernmental Revenues, Unrestricted	405,550	1.48%
Program Revenues	6,921,409	25.20%
General Other	782,426	2.84%
Total Revenue	<u>\$27,468,274</u>	<u>100.00%</u>



**CITY OF MOUNT VERNON, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

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**Business-Type Activities**

Net position of the business type activities increased by \$1,269,071. This increase is the result of actively addressing delinquent accounts, shut offs, and liens coupled with customers having better knowledge of the monthly billing process.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$17,448,540, which is an increase from last year's balance of \$11,223,428. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2019 and 2018:

	Fund Balance December 31, 2019	Fund Balance December 31, 2018	Increase (Decrease)
General	\$3,776,239	\$2,850,020	\$926,219
Municipal Income Tax 1/2% (Voted)	938,746	625,370	313,376
Municipal Income Tax #2 1/2% (Voted)	2,163,396	1,038,775	1,124,621
Capital Improvement	2,290,709	1,329,179	961,530
TIF District-Coshocton Road	4,164,253	3,529,311	634,942
Roads and Bridges Capital Improvement	1,695,112	(65,189)	1,760,301
Other Governmental	2,420,085	1,915,962	504,123
Total	<u>\$17,448,540</u>	<u>\$11,223,428</u>	<u>\$6,225,112</u>

*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:

	2019 Revenues	2018 Revenues	Increase (Decrease)
Property and Other Taxes	\$5,138,283	\$4,714,194	\$424,089
Intergovernmental Revenue	1,282,514	936,899	345,615
Charges for Services	2,048,189	2,044,276	3,913
Licenses and Permits	27,747	56,420	(28,673)
Investment Earnings	355,803	160,770	195,033
Fines and Forfeitures	695,664	674,996	20,668
All Other Revenue	255,032	542,630	(287,598)
Total	<u>\$9,803,232</u>	<u>\$9,130,185</u>	<u>\$673,047</u>

General Fund revenues in 2019 increased approximately 7.37% compared to revenues in 2018. The major increase was caused by additional taxes, both in the form of property and income taxes, interest earnings and intergovernmental revenues from the State of Ohio in the form of local government revenues that were reestablished beginning in July of 2019.

**CITY OF MOUNT VERNON, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

	2019	2018	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$247,623	\$235,741	\$11,882
Public Health and Welfare Services	78,658	102,538	(23,880)
Leisure Time Activities	866,688	850,356	16,332
Community Environment	36,443	37,472	(1,029)
Transportation	35,014	39,894	(4,880)
General Government	7,363,667	7,021,760	341,907
Debt Service:			
Principal Retirement	14,102	13,521	581
Interest and Fiscal Charges	13,773	14,354	(581)
Total	<u>\$8,655,968</u>	<u>\$8,315,636</u>	<u>\$340,332</u>

General Fund expenditures increased by \$340,332 or 4.09% compared to the prior year primarily due to wage increases.

*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 increased from \$625,370 to \$938,746 due to substantial increase in income tax revenues.

*Municipal Income Tax #2 ½% (Voted) Fund* - The Municipal Income Tax ½% (Voted) Fund balance increased from \$1,038,775 to \$2,163,396 due to substantial increase in income tax revenues.

*Capital Improvement Fund* - The Capital Improvement Fund balance increased from \$1,329,179 to \$2,290,709 due to substantial increase in income tax revenues.

*TIF District-Coshocton Road Fund* - The TIF District-Coshocton Road Fund balance increased from \$3,529,311 to \$4,164,253 due to a modest increase in property tax revenues and reduction in roadway repairs performed during the year.

*Roads and Bridges Capital Improvement Fund* - The Roads and Bridges Capital Improvement Fund balance increased from a fund deficit of \$65,189 to \$1,695,112 due to substantial increase in income tax revenues.



***Management's Discussion and Analysis  
For the Year Ended December 31, 2019***

***Unaudited***

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*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 2019 the City amended its General Fund budget several times. The increase in the final budget of \$11,418,278 over the original budget of \$8,684,212 primarily was the result of a grant from Crime Victim Assistance for a Victims of Crime Advocate within the law director's department and Ohio Department of Rehabilitation and Correction Grant for a Probation Improvement and Incentive Program within the municipal court system and local income tax revenues. Actual expenditures and other financing uses were less than the final budget by \$1,966,893 because of the creation of a budget stabilization appropriation formula the legislative body created in 2018 along with conservative fiscal management practices.

For the General Fund, final budget basis revenue of \$9,146,981 increased \$2,216,899 due to the receipt of additional taxes, intergovernmental grants, investment earnings and other revenues.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2019 the City had \$88,537,727 net of accumulated depreciation invested in land, construction in progress, buildings, infrastructure, equipment and vehicles. Of this total, \$55,657,223 was related to governmental activities and \$32,880,504 to the business-type activities. The following table shows 2019 and 2018 balances:

	Governmental Activities		Increase (Decrease)
	2019	2018	
Land	\$14,011,785	\$13,886,123	\$125,662
Construction In Progress	6,000,592	2,617,921	3,382,671
Buildings	16,199,635	15,873,763	325,872
Improvements Other than Buildings	2,480,413	2,454,478	25,935
Infrastructure	48,996,340	48,538,563	457,777
Machinery and Equipment	10,608,927	10,577,888	31,039
Less: Accumulated Depreciation	(42,640,469)	(41,481,276)	(1,159,193)
Totals	<u>\$55,657,223</u>	<u>\$52,467,460</u>	<u>\$3,189,763</u>

Land increased due to the purchase of property for roadway improvements. Constructions in Progress increased due to the engineering design costs for current construction projects. Improvements Other than Buildings had a slight change. Infrastructures increased due to a new intersection being constructed during the year and additional roads being resurfaced in 2019. Machinery and Equipment increased due to acquisition of vehicles for the police department and equipment for the parks and street departments.

**CITY OF MOUNT VERNON, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2019**

**Unaudited**

	Business-Type Activities		Increase (Decrease)
	2019	2018	
Land	\$819,311	\$819,311	\$0
Construction in Progress	1,438,620	207,424	1,231,196
Buildings and Improvements	35,407,975	35,364,749	43,226
Utility Structures in Service	28,621,257	28,375,546	245,711
Machinery and Equipment	5,031,818	4,664,865	366,953
Less: Accumulated Depreciation	(38,438,477)	(36,871,055)	(1,567,422)
Totals	<u>\$32,880,504</u>	<u>\$32,560,840</u>	<u>\$319,664</u>

Business type capital assets increased slightly during the year. Construction in Progress increase is due to line improvements that were started during the year but not yet completed. Machinery and equipment along with Utility Structures in Service were for purchases of equipment and small line improvements made during the year. Additional information on the City's capital assets can be found in Note 8.

**Debt**

At December 31, 2019, the City had \$9,766,900 in general obligation bonds outstanding, \$1,175,000 due within one year. The following table summarizes the City's liabilities outstanding as of December 31, 2019 and 2018.

	2019	2018
Governmental Activities:		
General Obligation Bonds Payable	\$5,849,500	\$3,871,700
Ohio Public Works Commission Loan	730,495	199,375
Special Obligation Bonds Payable	1,032,500	1,147,500
Police and Firemen's Pension Accrued Liability	313,459	327,561
Compensated Absences	1,148,312	1,138,582
Total Governmental Activities	<u>9,074,266</u>	<u>6,684,718</u>
Business-Type Activities:		
General Obligation Bonds Payable	3,917,400	4,450,200
Special Obligation Bonds Payable	1,032,500	1,147,500
Ohio Public Works Commission Loan	98,184	107,535
Ohio Water Development Authority Loan	4,852,509	5,196,426
Compensated Absences	308,240	293,984
Total Business-Type Activities	<u>10,208,833</u>	<u>11,195,645</u>
Totals	<u>\$19,283,099</u>	<u>\$17,880,363</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, 2019, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

**ECONOMIC FACTORS**

The Woodward Opera House restoration project has finally been completed. This long and drawn out restoration project took nearly ten years to get fully completed. This Opera House will become the “oldest Authentic 19<sup>th</sup> Century Opera House theatre in the United States.” While there is one other continuously operating theatre in the United States, it has received significant restoration over the years to the point of being considered rather modern looking. The Woodward Opera House renovations left the theatre with all the significant enhancements and embellishments it had when it first opened in December, 1851. The theatre hosted its first act in February, 2019 to a sold out crowd of more than 425 in attendance and many more fine acts and musicals were performed during the year.

Over the course of the year, the city became the beneficiary of our first brewing company. Stein Brewing opened for business providing over a dozen different types of beer that is brewed on premise coupled with their own restaurant establishment. The owner of Stein Brewing also opened a separate restaurant establishment, Dave’s Cosmic Subs that compliments other dining arrangements within the central business district along with their newest eating establishment, The Joint, where a smash burger topped with every creation known makes for a hearty meal. The city is greatly appreciative of the recent activity this entrepreneur has provided to the community and to have continued success in their business establishments.

Additional improvements to buildings located in the central business district had extensive renovations ongoing during the year. Loft apartments are being designed in some second, third and in some cases fourth floors of existing buildings lining South Main Street area. It is anticipated these apartments will provide for guest professors at the Mount Vernon Nazarene University, business customers and associates with Ariel Corporation along with medical professionals in conjunction with Knox Community Hospital. Each apartment being designed with a variety of style designs and décor provide from 900 square feet to nearly 1200 square feet of living space. Night life will be enlightened for dining and entertainment for guests, as these improvements get completed over the next year.

Siemen’s has completely wrapped up business with the city and the current facilities are on the market for sale to new business operations looking to set up. The complex contains nearly twelve different buildings all of different sizes and uses within them. Knox County Area Foundation has been actively trying to obtain new businesses to either expand their business in Mount Vernon or establish a new business within the city. Interest has been actively ongoing with prospective businesses; however we have not seen any rewarding results as of year-end.

**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, 2019. 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, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 8,099,304	\$ 2,661,779	\$ 10,761,083
Investments	7,265,393	2,734,607	10,000,000
Receivables:			
Taxes	4,659,445	0	4,659,445
Accounts	219,907	2,441,500	2,661,407
Intergovernmental	1,635,412	0	1,635,412
Inventory of Supplies	107,596	82,718	190,314
Prepaid Items	236,586	28,826	265,412
Restricted Assets:			
Cash and Cash Equivalents	494,038	0	494,038
Cash and Cash Equivalents with Fiscal Agent	41,454	0	41,454
Capital Assets			
Capital Assets not Being Depreciated	20,012,377	2,257,931	22,270,308
Capital Assets Being Depreciated	35,644,846	30,622,573	66,267,419
<b>Total Assets</b>	<b>78,416,358</b>	<b>40,829,934</b>	<b>119,246,292</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	96,410	213,161	309,571
Pension	5,941,013	892,648	6,833,661
OPEB	1,253,801	119,163	1,372,964
<b>Total Deferred Outflows of Resources</b>	<b>7,291,224</b>	<b>1,224,972</b>	<b>8,516,196</b>
<b>Liabilities:</b>			
Accounts Payable	329,865	192,465	522,330
Accrued Wages and Benefits	465,699	101,418	567,117
Contracts Payable	109,139	127,504	236,643
Retainage Payable	0	40,170	40,170
Matured Bonds & Interest Payable	0	650	650
Accrued Interest Payable	50,860	58,891	109,751
Long-term Liabilities:			
Due Within One Year	1,180,455	1,124,745	2,305,200
Due in More than One Year:			
Net Pension Liability	22,136,184	3,027,937	25,164,121
Net OPEB Liability	4,808,637	1,519,469	6,328,106
Other Amounts Due in More than One Year	7,893,811	9,084,088	16,977,899
<b>Total Liabilities</b>	<b>36,974,650</b>	<b>15,277,337</b>	<b>52,251,987</b>
<b>Deferred Inflow of Resources:</b>			
Property Taxes	2,479,300	0	2,479,300
Pension	514,631	39,758	554,389
OPEB	941,733	4,123	945,856
<b>Total Deferred Inflows of Resources</b>	<b>3,935,664</b>	<b>43,881</b>	<b>3,979,545</b>

**CITY OF MOUNT VERNON, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	48,096,358	23,092,516	71,188,874
Restricted For:			
Capital Projects	5,918,095	1,207,733	7,125,828
Perpetual Care, Nonexpendable	494,038	0	494,038
Security of Persons and Property	3,513,529	0	3,513,529
Leisure Time Activities	22,221	0	22,221
Community Environment	1,092,634	0	1,092,634
Transportation	841,057	0	841,057
Public Health and Welfare	70,165	0	70,165
General Government	580,683	0	580,683
Unrestricted (Deficit)	(15,831,512)	2,433,439	(13,398,073)
<b>Total Net Position</b>	<b>\$ 44,797,268</b>	<b>\$ 26,733,688</b>	<b>\$ 71,530,956</b>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2019**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 606,058	\$ 1,746,281	\$ 4,261	\$ 0
Public Health and Welfare Services	598,796	68,405	0	0
Leisure Time Activities	1,080,378	323,130	0	0
Community Environment	424,589	9,908	1,756	0
Transportation	2,791,472	1,525	1,132,852	992,876
General Government	8,128,518	926,248	1,714,167	0
Interest and Fiscal Charges	277,036	0	0	0
<b>Total Governmental Activities</b>	<b>13,906,847</b>	<b>3,075,497</b>	<b>2,853,036</b>	<b>992,876</b>
<b>Business-Type Activities:</b>				
Water	3,636,006	4,755,471	0	0
Sewer	3,934,492	4,084,098	0	0
<b>Total Business-Type Activities</b>	<b>7,570,498</b>	<b>8,839,569</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$ 21,477,345</b>	<b>\$ 11,915,066</b>	<b>\$ 2,853,036</b>	<b>\$ 992,876</b>

**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**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ 1,144,484	\$ 0	\$ 1,144,484
(530,391)	0	(530,391)
(757,248)	0	(757,248)
(412,925)	0	(412,925)
(664,219)	0	(664,219)
(5,488,103)	0	(5,488,103)
(277,036)	0	(277,036)
<u>(6,985,438)</u>	<u>0</u>	<u>(6,985,438)</u>
0	1,119,465	1,119,465
0	149,606	149,606
0	1,269,071	1,269,071
<u>(6,985,438)</u>	<u>1,269,071</u>	<u>(5,716,367)</u>
597,681	0	597,681
138,022	0	138,022
144,784	0	144,784
1,601,349	0	1,601,349
16,733,601	0	16,733,601
143,452	0	143,452
405,550	0	405,550
362,606	0	362,606
419,820	0	419,820
<u>20,546,865</u>	<u>0</u>	<u>20,546,865</u>
13,561,427	1,269,071	14,830,498
31,235,841	25,464,617	56,700,458
<u>\$ 44,797,268</u>	<u>\$ 26,733,688</u>	<u>\$ 71,530,956</u>

**CITY OF MOUNT VERNON, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2019**

	General	Municipal Income Tax 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	General Bond Retirement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 800,063	\$ 773,262	\$ 1,847,976	\$ 0
Investments	2,403,856	0	0	0
Receivables:				
Taxes	1,413,485	489,598	489,598	0
Accounts	203,527	15,818	562	0
Intergovernmental	159,883	0	0	0
Inventory of Supplies	434	0	0	0
Prepaid Items	175,894	0	16,488	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
<b>Total Assets</b>	<b>\$ 5,157,142</b>	<b>\$ 1,278,678</b>	<b>\$ 2,354,624</b>	<b>\$ 0</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 165,864	\$ 0	\$ 58,157	\$ 0
Accrued Wages and Benefits Payable	112,813	229,372	9,681	0
Contracts Payable	36,175	0	12,830	0
<b>Total Liabilities</b>	<b>314,852</b>	<b>229,372</b>	<b>80,668</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax	673,500	0	0	0
Unavailable Revenue	392,551	110,560	110,560	0
<b>Total Deferred Inflows of Resources</b>	<b>1,066,051</b>	<b>110,560</b>	<b>110,560</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	176,328	0	16,488	0
Restricted	16,150	938,746	2,146,908	0
Committed	0	0	0	0
Assigned	2,932,004	0	0	0
Unassigned	651,757	0	0	0
<b>Total Fund Balances</b>	<b>3,776,239</b>	<b>938,746</b>	<b>2,163,396</b>	<b>0</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,157,142</b>	<b>\$ 1,278,678</b>	<b>\$ 2,354,624</b>	<b>\$ 0</b>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

<u>Capital Improvement</u>	<u>TIF District-Coshocton Road</u>	<u>Roads and Bridges Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 515,941	\$ 1,000,999	\$ 1,573,023	\$ 1,588,040	\$ 8,099,304
1,653,503	3,208,034	0	0	7,265,393
162,518	1,493,351	163,864	447,031	4,659,445
0	0	0	0	219,907
0	0	0	1,475,529	1,635,412
0	0	0	107,162	107,596
0	0	0	44,204	236,586
0	0	0	494,038	494,038
0	0	0	41,454	41,454
<u>\$ 2,331,962</u>	<u>\$ 5,702,384</u>	<u>\$ 1,736,887</u>	<u>\$ 4,197,458</u>	<u>\$ 22,759,135</u>
\$ 824	\$ 0	\$ 0	\$ 105,020	\$ 329,865
0	0	0	113,833	465,699
0	44,780	0	15,354	109,139
<u>824</u>	<u>44,780</u>	<u>0</u>	<u>234,207</u>	<u>904,703</u>
0	1,475,000	0	330,800	2,479,300
40,429	18,351	41,775	1,212,366	1,926,592
<u>40,429</u>	<u>1,493,351</u>	<u>41,775</u>	<u>1,543,166</u>	<u>4,405,892</u>
0	0	0	645,404	838,220
2,290,709	4,164,253	1,695,112	1,698,831	12,950,709
0	0	0	75,850	75,850
0	0	0	0	2,932,004
0	0	0	0	651,757
<u>2,290,709</u>	<u>4,164,253</u>	<u>1,695,112</u>	<u>2,420,085</u>	<u>17,448,540</u>
<u>\$ 2,331,962</u>	<u>\$ 5,702,384</u>	<u>\$ 1,736,887</u>	<u>\$ 4,197,458</u>	<u>\$ 22,759,135</u>

**CITY OF MOUNT VERNON, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2019***

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<b>Total Governmental Fund Balances</b>		\$ 17,448,540
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.		55,657,223
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		1,926,592
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	5,941,013	
Deferred Inflows - Pension	(514,631)	
Net Pension Liability	<u>(22,136,184)</u>	(16,709,802)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	1,253,801	
Deferred Inflows - OPEB	(941,733)	
Net OPEB Liability	<u>(4,808,637)</u>	(4,496,569)
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	(5,849,500)	
Less: Deferred Charges on Refunding	96,410	
Special Obligation Bonds Payable	(1,032,500)	
Ohio Public Works Commission Loan Payable	(730,495)	
Police and Firemen's Pension Accrued Liability	(313,459)	
Compensated Absences Payable	(1,148,312)	
Accrued Interest Payable	<u>(50,860)</u>	<u>(9,028,716)</u>
<b><i>Net Position of Governmental Activities</i></b>		<b><u>\$ 44,797,268</u></b>

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, 2019**

	General	Municipal Income Tax 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	General Bond Retirement
<b>Revenues:</b>				
Taxes	\$ 5,138,283	\$ 4,302,539	\$ 4,302,539	\$ 0
Intergovernmental Revenues	1,282,514	0	4,261	0
Charges for Services	2,048,189	0	11,284	0
Licenses and Permits	27,747	0	0	0
Investment Earnings	355,803	0	0	0
Fines and Forfeitures	695,664	0	0	0
All Other Revenue	255,032	16,818	4,199	0
<b>Total Revenue</b>	<b>9,803,232</b>	<b>4,319,357</b>	<b>4,322,283</b>	<b>0</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	247,623	4,005,981	2,427,686	0
Public Health and Welfare Services	78,658	0	0	0
Leisure Time Activities	866,688	0	0	0
Community Environment	36,443	0	0	0
Transportation	35,014	0	0	0
General Government	7,363,667	0	0	0
Debt Service:				
Principal Retirement	14,102	0	0	649,700
Interest and Fiscal Charges	13,773	0	0	160,410
<b>Total Expenditures</b>	<b>8,655,968</b>	<b>4,005,981</b>	<b>2,427,686</b>	<b>810,110</b>
Excess (Deficiency) of Revenues Over Expenditures	1,147,264	313,376	1,894,597	(810,110)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	43,389	0	24	0
Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Transfers In	0	0	0	810,110
Transfers Out	(264,378)	0	(770,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(220,989)</b>	<b>0</b>	<b>(769,976)</b>	<b>810,110</b>
Net Change in Fund Balances	926,275	313,376	1,124,621	0
<b>Fund Balances at Beginning of Year</b>	<b>2,850,020</b>	<b>625,370</b>	<b>1,038,775</b>	<b>0</b>
Increase (Decrease) in Inventory	(56)	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 3,776,239</b>	<b>\$ 938,746</b>	<b>\$ 2,163,396</b>	<b>\$ 0</b>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

Capital Improvement	TIF District-Coshocton Road	Roads and Bridges Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 1,608,982	\$ 1,456,794	\$ 1,585,749	\$ 1,326,436	\$ 19,721,322
550,000	0	326,732	1,620,703	3,784,210
0	0	0	56,040	2,115,513
0	0	0	3,810	31,557
0	0	6,467	336	362,606
0	0	0	253,250	948,914
0	0	156	122,942	399,147
<u>2,158,982</u>	<u>1,456,794</u>	<u>1,919,104</u>	<u>3,383,517</u>	<u>27,363,269</u>
3,270	0	0	1,114,117	7,798,677
27,562	0	0	378,327	484,547
73,515	0	0	685	940,888
0	0	0	388,146	424,589
779,145	617,997	3,075,244	1,272,968	5,780,368
313,960	0	0	274,784	7,952,411
0	0	0	115,000	778,802
0	0	31,000	29,819	235,002
<u>1,197,452</u>	<u>617,997</u>	<u>3,106,244</u>	<u>3,573,846</u>	<u>24,395,284</u>
961,530	838,797	(1,187,140)	(190,329)	2,967,985
0	0	0	0	43,413
0	0	558,620	0	558,620
0	0	2,600,000	0	2,600,000
0	0	0	781,240	1,591,350
0	(203,855)	(211,179)	(141,938)	(1,591,350)
<u>0</u>	<u>(203,855)</u>	<u>2,947,441</u>	<u>639,302</u>	<u>3,202,033</u>
961,530	634,942	1,760,301	448,973	6,170,018
1,329,179	3,529,311	(65,189)	1,915,962	11,223,428
0	0	0	55,150	55,094
<u>\$ 2,290,709</u>	<u>\$ 4,164,253</u>	<u>\$ 1,695,112</u>	<u>\$ 2,420,085</u>	<u>\$ 17,448,540</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 6,170,018

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

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

Capital Outlay	5,414,888	
Depreciation Expense	<u>(2,197,656)</u>	3,217,232

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

In the statement of activities, only the gain on the sale of capital assets is reported. However, in governmental funds, the proceeds from the sale increase financial resources.	(43,413)	
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The statement of activities reports gain arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	<u>15,944</u>	(27,469)
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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. (11,325)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,468,728

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,446,149)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities. 8,566,880

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, but has no effect on net position.

Proceeds from General Obligation Bonds	(2,600,000)	
Proceeds from OPWC Loan	<u>(558,620)</u>	(3,158,620)

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	622,200	
Special Obligation Bond Principal Payment	115,000	
Ohio Public Works Commission Loan Payment	27,500	
Police Firemen's Pension Accrued Liability Principal Payment	<u>14,102</u>	778,802



**CITY OF MOUNT VERNON, OHIO**

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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (31,322)

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	(9,730)	
Amortization of Deferred Charge on Refunding	(10,712)	
Change in Inventory	55,094	34,652
	<hr/>	<hr/>

***Change in Net Position of Governmental Activities*** \$ 13,561,427

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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,867,357	\$ 4,368,617	\$ 5,080,496	\$ 711,879
Intergovernmental Revenue	407,774	1,618,163	1,277,083	(341,080)
Charges for Services	1,909,950	1,958,854	2,062,730	103,876
Licenses and Permits	9,500	15,920	27,747	11,827
Investment Earnings	100,000	345,000	355,803	10,803
Fines and Forfeitures	525,000	578,000	688,125	110,125
All Other Revenues	110,501	262,427	398,908	136,481
Total Revenues	<u>6,930,082</u>	<u>9,146,981</u>	<u>9,890,892</u>	<u>743,911</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	285,051	366,429	351,264	15,165
Public Health and Welfare Services	83,500	95,000	95,000	0
Leisure Time Activities	858,967	987,251	911,165	76,086
Community Environment	52,530	52,658	39,541	13,117
Transportation	44,000	40,871	34,878	5,993
General Government	7,014,939	9,607,661	7,755,159	1,852,502
Total Expenditures	<u>8,338,987</u>	<u>11,149,870</u>	<u>9,187,007</u>	<u>1,962,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,408,905)	(2,002,889)	703,885	2,706,774
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	42,551	43,389	838
Transfers Out	(345,225)	(268,408)	(264,378)	4,030
Total Other Financing Sources (Uses):	<u>(345,225)</u>	<u>(225,857)</u>	<u>(220,989)</u>	<u>4,868</u>
Net Change in Fund Balance	(1,754,130)	(2,228,746)	482,896	2,711,642
Fund Balance at Beginning of Year	1,772,450	1,772,450	1,772,450	0
Prior Year Encumbrances	474,619	474,619	474,619	0
Fund Balance at End of Year	<u>\$ 492,939</u>	<u>\$ 18,323</u>	<u>\$ 2,729,965</u>	<u>\$ 2,711,642</u>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

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**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Municipal Income Tax #1 ½% (Voted) Fund  
For the Year Ended December 31, 2019**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,300,000	\$ 3,575,000	\$ 4,239,435	\$ 664,435
All Other Revenues	0	1,000	17,397	16,397
Total Revenues	<u>3,300,000</u>	<u>3,576,000</u>	<u>4,256,832</u>	<u>680,832</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	<u>3,771,168</u>	<u>4,047,168</u>	<u>3,954,738</u>	<u>92,430</u>
Total Expenditures	<u>3,771,168</u>	<u>4,047,168</u>	<u>3,954,738</u>	<u>92,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(471,168)	(471,168)	302,094	773,262
Fund Balance at Beginning of Year	<u>471,168</u>	<u>471,168</u>	<u>471,168</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 773,262</u>	<u>\$ 773,262</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 – Municipal Income Tax #2 ½% (Voted) Fund  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,300,000	\$ 3,300,000	\$ 4,239,435	\$ 939,435
Intergovernmental Revenues	0	4,261	4,261	0
Charges for Services	13,000	13,000	11,284	(1,716)
All Other Revenues	0	0	4,031	4,031
Total Revenues	3,313,000	3,317,261	4,259,011	941,750
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	3,072,687	3,272,250	2,580,172	692,078
Total Expenditures	3,072,687	3,272,250	2,580,172	692,078
Excess (Deficiency) of Revenues Over (Under) Expenditures	240,313	45,011	1,678,839	1,633,828
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	24	24
Transfers Out	(770,000)	(770,000)	(770,000)	0
Total Other Financing Sources (Uses)	(770,000)	(770,000)	(769,976)	24
Net Change in Fund Balance	(529,687)	(724,989)	908,863	1,633,852
Fund Balance at Beginning of Year	582,851	582,851	582,851	0
Prior Year Encumbrances	191,802	191,802	191,802	0
Fund Balance at End of Year	\$ 244,966	\$ 49,664	\$ 1,683,516	\$ 1,633,852

See accompanying notes to the basic financial statements



**CITY OF MOUNT VERNON, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2019**

	Business-Type Activities		
	Enterprise Funds		Total
	Water	Sewer	
<b>ASSETS</b>			
Current assets:			
Cash and Cash Equivalents	\$ 1,842,130	\$ 819,649	\$ 2,661,779
Investments	1,868,683	865,924	2,734,607
Accounts receivable (net of allowance for uncollectibles)	1,279,846	1,161,654	2,441,500
Inventory of Supplies	51,163	31,555	82,718
Prepaid Items	19,354	9,472	28,826
Total current assets	5,061,176	2,888,254	7,949,430
Noncurrent assets:			
Capital assets:			
Capital Assets Not Being Depreciated	1,406,260	851,671	2,257,931
Capital Assets Being Depreciated	11,814,639	18,807,934	30,622,573
Total noncurrent assets	13,220,899	19,659,605	32,880,504
<b>Total Assets</b>	<b>18,282,075</b>	<b>22,547,859</b>	<b>40,829,934</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charges on Refunding	29,002	184,159	213,161
Pension	442,124	450,524	892,648
OPEB	59,021	60,142	119,163
<b>Total Deferred Outflows of Resources</b>	<b>530,147</b>	<b>694,825</b>	<b>1,224,972</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	91,992	100,473	192,465
Accrued Wages and Benefits	51,477	49,941	101,418
Contracts Payable	63,397	64,107	127,504
Retainage Payable	40,170	0	40,170
Matured Bonds and Interest Payable	650	0	650
Accrued Interest Payable	8,905	49,986	58,891
General Obligation Bonds Payable - Current	37,525	516,175	553,700
OWDA Loans Payable - Current	0	347,918	347,918
OPWC Loans Payable - Current	9,351	0	9,351
Compensated Absences Payable - Current	49,247	47,029	96,276
Special Obligation Bonds Payable - Current	58,750	58,750	117,500
Total Current Liabilities	411,464	1,234,379	1,645,843

**CITY OF MOUNT VERNON, OHIO**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<b>Noncurrent Liabilities:</b>			
General Obligation Bonds Payable	242,875	3,120,825	3,363,700
OWDA Loans Payable	0	4,504,591	4,504,591
OPWC Loans Payable	88,833	0	88,833
Special Obligation Bonds Payable	457,500	457,500	915,000
Compensated Absences Payable	89,252	122,712	211,964
Net Pension Liability	1,499,723	1,528,214	3,027,937
Net OPEB Liability	752,586	766,883	1,519,469
Total noncurrent liabilities	3,130,769	10,500,725	13,631,494
<b>Total Liabilities</b>	<b>3,542,233</b>	<b>11,735,104</b>	<b>15,277,337</b>
<b>Deferred Inflows of Resources:</b>			
Pension	19,692	20,066	39,758
OPEB	2,042	2,081	4,123
<b>Total Deferred Inflows of Resources</b>	<b>21,734</b>	<b>22,147</b>	<b>43,881</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	12,292,397	10,800,119	23,092,516
Restricted for Capital Projects	718,490	489,243	1,207,733
Unrestricted	2,237,368	196,071	2,433,439
<b>Total Net Position</b>	<b>\$ 15,248,255</b>	<b>\$ 11,485,433</b>	<b>\$ 26,733,688</b>

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, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 4,725,861	\$ 4,045,602	\$ 8,771,463
Other Operating Revenues	29,610	38,496	68,106
<b>Total Operating Revenues</b>	<b>4,755,471</b>	<b>4,084,098</b>	<b>8,839,569</b>
<b>Operating Expenses:</b>			
Personal Services	1,694,386	1,725,915	3,420,301
Contractual Services	120,063	500,280	620,343
Materials and Supplies	524,508	485,357	1,009,865
Utilities	217,539	246,988	464,527
Depreciation	855,573	763,432	1,619,005
<b>Total Operating Expenses</b>	<b>3,412,069</b>	<b>3,721,972</b>	<b>7,134,041</b>
<b>Operating Income</b>	<b>1,343,402</b>	<b>362,126</b>	<b>1,705,528</b>
<b>Non-Operating Revenues (Expenses):</b>			
Interest and Fiscal Charges	(33,667)	(212,520)	(246,187)
Loss on Disposal of Capital Assets	(190,270)	0	(190,270)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(223,937)</b>	<b>(212,520)</b>	<b>(436,457)</b>
<b>Change in Net Position</b>	<b>1,119,465</b>	<b>149,606</b>	<b>1,269,071</b>
Net Position Beginning of Year	14,128,790	11,335,827	25,464,617
<b>Net Position End of Year</b>	<b>\$ 15,248,255</b>	<b>\$ 11,485,433</b>	<b>\$ 26,733,688</b>

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, 2019**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$4,751,156	\$4,081,109	\$8,832,265
Cash Payments for Goods and Services	(761,698)	(1,210,725)	(1,972,423)
Cash Payments to Employees	(1,341,982)	(1,431,521)	(2,773,503)
Net Cash Provided by Operating Activities	2,647,476	1,438,863	4,086,339
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(1,766,138)	(302,415)	(2,068,553)
Principal Paid on General Obligation Bonds	(35,775)	(497,025)	(532,800)
Principal Paid on Ohio Public Works Commission Loan	(9,351)	0	(9,351)
Principal Paid on Special Obligation Bonds	(57,500)	(57,500)	(115,000)
Principal Paid on OWDA Loan	0	(343,917)	(343,917)
Interest Paid on All Debt	(22,926)	(174,602)	(197,528)
Net Cash Used for Capital and Related Financing Activities	(1,891,690)	(1,375,459)	(3,267,149)
<u>Cash Flows from Investing Activities:</u>			
Proceeds from Sale of Investments	0	619,796	619,796
Purchase of Investments	(41,484)	0	(41,484)
Net Cash Provided (Used) by Investing Activities	(41,484)	619,796	578,312
Net Increase in Cash and Cash Equivalents	714,302	683,200	1,397,502
Cash and Cash Equivalents at Beginning of Year	1,127,828	136,449	1,264,277
Cash and Cash Equivalents at End of Year	\$1,842,130	\$819,649	\$2,661,779

(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	\$1,343,402	\$362,126	\$1,705,528
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	855,573	763,432	1,619,005
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Increase in Accounts Receivable	(4,315)	(2,989)	(7,304)
Decrease in Inventory	56,736	66,368	123,104
Increase in Prepaid Items	(17)	(15)	(32)
Increase Deferred Outflows-Pension	(236,729)	(236,619)	(473,348)
Increase Deferred Outflows-OPEB	(13,546)	(12,783)	(26,329)
Decrease in Accounts Payable	(24,764)	(61,076)	(85,840)
Increase in Accrued Wages and Benefits	12,100	10,440	22,540
Increase in Retainage Payable	40,170	0	40,170
Increase in Contracts Payable	24,297	12,847	37,144
Increase (Decrease) in Compensated Absences	22,197	(7,941)	14,256
Increase in Net Pension Liability	659,086	652,749	1,311,835
Increase in Net OPEB Liability	134,626	123,321	257,947
Decrease Deferred Intflows-Pension	(177,348)	(185,137)	(362,485)
Decrease Deferred Outflows-OPEB	(43,992)	(45,860)	(89,852)
Total Adjustments	<u>1,304,074</u>	<u>1,076,737</u>	<u>2,380,811</u>
Net Cash Provided by Operating Activities	<u>\$2,647,476</u>	<u>\$1,438,863</u>	<u>\$4,086,339</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2019 the Water and Sewer Funds had outstanding liabilities of \$22,500 and \$37,886 respectively, for certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

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***Statement of Assets and Liabilities  
Fiduciary Fund  
December 31, 2019***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 191,766
<b>Total Assets</b>	<u>\$ 191,766</u>
<b>Liabilities:</b>	
Intergovernmental Payable	\$ 34,196
Due to Others	<u>157,570</u>
<b>Total Liabilities</b>	<u>\$ 191,766</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**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, 2019 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 2019.

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, 2019***

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**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 \$55,000 for operations of the combined District for 2019.

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.

Municipal Income Tax #2 ½% (Voted) – This fund is used to account for income tax levied in 2017, 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, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

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

Capital Improvement Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

Roads and Bridges Capital Improvement Fund – This fund is used to account for income tax and other financial resources to be used for the expenses of road improvements, road reconstruction, road resurfacing, drainage and drainage systems, curbing and gutters, land acquisition, right-of-way acquisition, traffic control devices, Americans with Disabilities Act (ADA) compliance requirements, and all necessary appurtenances.

***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, 2019***

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**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, 2019***

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**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 resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution 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 a resolution of the City Council.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**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 2019.

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, 2019**

**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 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)
GAAP Basis (as reported)	\$926,275	\$313,376	\$1,124,621
Increase (Decrease):			
Accrued Revenues at December 31, 2019 received during 2020	(760,024)	(394,856)	(379,600)
Accrued Revenues at December 31, 2018 received during 2019	847,683	332,331	316,328
Accrued Expenditures at December 31, 2019 paid during 2020	314,852	229,372	80,668
Accrued Expenditures at December 31, 2018 paid during 2019	(415,355)	(178,129)	(74,323)
2018 Prepays for 2019	169,322	0	22,117
2019 Prepays for 2020	(175,894)	0	(16,488)
Outstanding Encumbrances	(423,963)	0	(164,460)
Budget Basis	<u>\$482,896</u>	<u>\$302,094</u>	<u>\$908,863</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

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

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value. Fair value is determined by quoted market prices, except for nonparticipating investment contracts (certificates of deposit) which are reported at cost. All investment income, including changes in the fair value of investments is recognized as revenue in the operating statements. The City allocates interest among the various funds based upon state statutes and City legislation. See Note 4, "Cash, Cash Equivalents and Investments."

During 2019, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

**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, 2019, 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, 2019***

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**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 acquisition value at the date received. Capital assets include land, buildings, and 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 acquisition 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, 2019***

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**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
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 Net Pension Liability Net OPEB Liability	General Fund, Street Construction Maintenance and Repair Fund, Cemetery Fund, Income Tax Fund-Voted, Income Tax Fund Fund-Voted #2, 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, 2019***

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**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 of 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Pensions/Other Postemployment Benefits (OPEB)**

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**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.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. Fund Balances** (Continued)

*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, which are equally binding. 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 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 Auditor 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.

*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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 reports deferred outflows for the deferred charge on debt refunding and for deferred pension and OPEB amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position and proprietary funds statement 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. Deferred outflows of resources are reported for pension and OPEB plans on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

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. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

**U. Fair Value**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES**

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance.”

GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by extending the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. This statement had no effect on beginning net position/fund balance.

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General	Municipal	Municipal	Capital	TIF District-	Roads and	Other	Total
	Fund	Income Tax 1/2% (Voted)	Income Tax #2 1/2% (Voted)	Improvement Fund	Coshocton Road Fund	Bridges Capital Imp Fund	Governmental Funds	Governmental Funds
<b>Nonspendable:</b>								
Prepaid Items	\$175,894	\$0	\$16,488	\$0	\$0	\$0	\$44,204	\$236,586
Supplies Inventory	434	0	0	0	0	0	107,162	107,596
Endowment	0	0	0	0	0	0	494,038	494,038
<b>Total Nonspendable</b>	<b>176,328</b>	<b>0</b>	<b>16,488</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>645,404</b>	<b>838,220</b>
<b>Restricted:</b>								
Transportation Projects	0	0	0	2,290,709	4,164,253	1,695,112	444,471	8,594,545
Cemetery	0	0	0	0	0	0	87,170	87,170
Court Projects	0	0	0	0	0	0	498,503	498,503
Public Safety	16,150	938,746	2,146,908	0	0	0	265,244	3,367,048
Community Development	0	0	0	0	0	0	373,625	373,625
Debt Retirement	0	0	0	0	0	0	12,035	12,035
Parks and Recreation	0	0	0	0	0	0	17,783	17,783
<b>Total Restricted</b>	<b>16,150</b>	<b>938,746</b>	<b>2,146,908</b>	<b>2,290,709</b>	<b>4,164,253</b>	<b>1,695,112</b>	<b>1,698,831</b>	<b>12,950,709</b>
<b>Committed:</b>								
Parks and Recreation	0	0	0	0	0	0	73,378	73,378
Capital Improvements	0	0	0	0	0	0	2,472	2,472
<b>Total Committed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,850</b>	<b>75,850</b>
<b>Assigned:</b>								
Projected Budgetary Deficit	2,729,965	0	0	0	0	0	0	2,729,965
Services and Supplies	202,039	0	0	0	0	0	0	202,039
<b>Total Assigned</b>	<b>2,932,004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,932,004</b>
<b>Unassigned:</b>								
	651,757	0	0	0	0	0	0	651,757
<b>Total Fund Balances</b>	<b>\$3,776,239</b>	<b>\$938,746</b>	<b>\$2,163,396</b>	<b>\$2,290,709</b>	<b>\$4,164,253</b>	<b>\$1,695,112</b>	<b>\$2,420,085</b>	<b>\$17,448,540</b>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds. The City has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Auditor and Treasurer to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- 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, 2019***

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**NOTE 4 - 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;
- Nothing in the above classifications of eligible obligations shall be construed to authorize any investment in stripped principal or interest obligations of such eligible obligations, 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). Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State

At year end the carrying amount of the City's deposits was \$12,952,761 and the bank balance \$13,311,286. The Federal Deposit Insurance Corporation (FDIC) covered \$10,500,000 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 Ohio Pooled Collateral System	<u>\$2,811,286</u>
Total Balance	<u><u>\$2,811,286</u></u>

Investment earnings of \$295,537 earned by other funds were credited to the General Fund as required by state statute.

**CITY OF MOUNT VERNON, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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

**B. Investments**

The City's investments at December 31, 2019 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	<u>\$8,535,580</u>	AAAm <sup>1</sup>	<u>\$8,535,580</u>
Total Investments	<u><u>\$8,535,580</u></u>		<u><u>\$8,535,580</u></u>

<sup>1</sup> 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 \$41,454 being held by Knox County.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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

**D. Reconciliation of Cash, Cash Equivalents and Investments**

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per GASB Statement No. 9	\$11,488,341	\$10,000,000
Certificates of Deposit (with maturities of more than 3 months)	10,000,000	(10,000,000)
Investments:		
STAR Ohio	(8,535,580)	8,535,580
Per GASB Statement No. 3	<u>\$12,952,761</u>	<u>\$8,535,580</u>

**NOTE 5 - 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 2019 were levied after October 1, 2019 on assessed values as of January 1, 2019, 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 2016. 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, 2019 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2019 tax receipts were based was \$273,502,070. This amount constitutes \$254,836,110 in real property assessed value and \$18,665,960 in public utility assessed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 5 - 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 2.0% 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: 52% of the unvoted 1% portion of the income tax is credited to the General Fund, 19.5% to the Capital Improvement Fund, 19.5% to the Roads & Bridges 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, and 100% of the voted 0.5% portion of the income tax is credited to the Municipal Income Tax #2 ½% (Voted) Fund.

**C. Tax Abatement**

As of December 31, 2019, the City provides tax abatements through two programs—Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 5 - TAXES (Continued)**

**C. Tax Abatement (Continued)**

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The City has entered into agreements to abate property taxes through these programs. During 2019, the City's property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>		<u>City</u>
<u>CRA</u>	<u>Ezone</u>	<u>Taxes Abated</u>
\$ 6,241	\$ 160,550	\$ 166,791

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**CITY OF MOUNT VERNON, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2019 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	
Homestead and Rollback Reimbursement	\$39,564
Local Government	109,497
Victims of Crime Act Grant	3,634
School Resource Officer Grant	6,862
Lodging Tax	326
Total General Fund	<u>159,883</u>
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Gasoline Tax	383,064
Motor Vehicle Tax	47,082
Total Street Construction, Maintenance and Repair Fund	<u>430,146</u>
State Highway Improvement Fund	
Gasoline Tax	31,060
Motor Vehicle Tax	3,817
Total State Highway Improvement Fund	<u>34,877</u>
CDBG Fund - CDBG Grants	979,661
Permissive License Registration Fund - Permissive Tax	17,601
Driver's Interlock and Alcohol Monitoring - Fines and Forfeitures	1,427
Police Pension Fund - Homestead and Rollback Reimbursement and School Resource Officer Grant	7,242
Fire Pension Fund - Homestead and Rollback Reimbursement	4,575
Total Nonmajor Special Revenue Funds	<u>1,475,529</u>
Total Governmental Fund Types	<u>\$1,635,412</u>

**CITY OF MOUNT VERNON, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 7 - TRANSFERS**

Following is a summary of Transfers in and out for all funds for 2019:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$264,378
Municipal Income Tax #2 1/2% (Voted)	0	770,000
General Bond Retirement Fund	810,110	0
TIF District-Coshocton Road Fund	0	203,855
Roads and Bridges Capital Improvement	0	211,179
Other Governmental Funds	781,240	141,938
Total Governmental Funds	<u>\$1,591,350</u>	<u>\$1,591,350</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, 2019**

**NOTE 8 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets as of December 31, 2019:

*Historical Cost:*

Class	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
<i>Capital assets not being depreciated:</i>				
Land	\$13,886,123	\$138,162	(\$12,500)	\$14,011,785
Construction in Progress	2,617,921	3,442,901	(60,230)	6,000,592
Subtotal	16,504,044	3,581,063	(72,730)	20,012,377
<i>Capital assets being depreciated:</i>				
Buildings	15,873,763	389,752	(63,880)	16,199,635
Improvements Other than Buildings	2,454,478	29,991	(4,056)	2,480,413
Infrastructure	48,538,563	649,620	(191,843)	48,996,340
Machinery and Equipment	10,577,888	824,692	(793,653)	10,608,927
Subtotal	77,444,692	1,894,055	(1,053,432)	78,285,315
Total Cost	\$93,948,736	\$5,475,118	(\$1,126,162)	\$98,297,692

*Accumulated Depreciation:*

Class	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Buildings	(\$8,078,418)	(\$522,340)	\$51,613	(\$8,549,145)
Improvements	(857,869)	(80,430)	4,056	(934,243)
Infrastructure	(24,940,198)	(947,958)	191,843	(25,696,313)
Machinery and Equipment	(7,604,791)	(646,928)	790,951	(7,460,768)
Total Depreciation	(\$41,481,276)	(\$2,197,656)	\$1,038,463	(\$42,640,469)
<i>Net Value:</i>	\$52,467,460			\$55,657,223

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$463,122
Leisure Time Activities	305,015
Public Health & Welfare	34,485
Transportation	1,102,284
General Government	292,750
Total Depreciation Expense	\$2,197,656

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 8 – CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by category of changes in business-type activities capital assets as of December 31, 2019:

***Historical Cost:***

Class	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$819,311	\$0	\$0	\$819,311
Construction in Progress	207,424	1,266,868	(35,672)	1,438,620
Subtotal	1,026,735	1,266,868	(35,672)	2,257,931
<b><i>Capital assets being depreciated:</i></b>				
Buildings	35,364,749	61,976	(18,750)	35,407,975
Utility Structures in Service	28,375,546	437,456	(191,745)	28,621,257
Machinery and Equipment	4,664,865	398,311	(31,358)	5,031,818
Subtotal	68,405,160	897,743	(241,853)	69,061,050
Total Cost	\$69,431,895	\$2,164,611	(\$277,525)	\$71,318,981

***Accumulated Depreciation:***

Class	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Buildings	(\$18,090,466)	(\$948,117)	\$18,750	(\$19,019,833)
Utility Structures in Service	(15,221,888)	(406,639)	1,475	(15,627,052)
Machinery and Equipment	(3,558,701)	(264,249)	31,358	(3,791,592)
Total Depreciation	(\$36,871,055)	(\$1,619,005)	\$51,583	(\$38,438,477)
<b><i>Net Value:</i></b>	\$32,560,840			\$32,880,504

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *accrued wages and benefits payable* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2019 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$649,352 for 2019. Of this amount, \$55,817 is reported as an accrued wages and benefits payable.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2019 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %
<b>2019 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,013,866 for 2019. Of this amount, \$75,329 is reported as an accrued wages and benefits payable.

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

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$9,021,598	\$16,142,523	\$25,164,121
Proportion of the Net Pension Liability-2019	0.032940%	0.197761%	
Proportion of the Net Pension Liability-2018	<u>0.032618%</u>	<u>0.204802%</u>	
Percentage Change	<u>0.000322%</u>	<u>(0.007041%)</u>	
Pension Expense	\$2,063,533	\$2,076,561	\$4,140,094

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$785,351	\$427,961	\$1,213,312
Differences between expected and actual experience	416	663,234	663,650
Net difference between projected and actual earnings on pension plan investments	1,224,485	1,988,743	3,213,228
Change in proportionate share	0	80,253	80,253
City contributions subsequent to the measurement date	649,352	1,013,866	1,663,218
Total Deferred Outflows of Resources	<u>\$2,659,604</u>	<u>\$4,174,057</u>	<u>\$6,833,661</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$118,458	\$15,074	\$133,532
Change in proportionate share	0	420,857	420,857
Total Deferred Inflows of Resources	<u>\$118,458</u>	<u>\$435,931</u>	<u>\$554,389</u>

\$1,663,218 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$813,762	\$882,951	\$1,696,713
2021	394,963	448,073	843,036
2022	113,595	530,478	644,073
2023	569,474	823,542	1,393,016
2024	0	39,216	39,216
Total	<u>\$1,891,794</u>	<u>\$2,724,260</u>	<u>\$4,616,054</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018 and December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2017
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$13,327,524	\$9,021,598	\$5,443,335

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, compared with January 1, 2017, are presented below.

	January 1, 2018	January 1, 2017
Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2018 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2018 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016; the prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds *	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** For 2018, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2017 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$21,218,234	\$16,142,523	\$11,901,034

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *accrued wages and benefits payable* on both the accrual and modified accrual bases of accounting.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (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 trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2019.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. 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 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also 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.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$23,453 for 2019. Of this amount, \$1,744 is reported as an accrued wages and benefits payable.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$4,527,189	\$1,800,917	\$6,328,106
Proportion of the Net OPEB Liability-2019	0.034724%	0.197761%	
Proportion of the Net OPEB Liability-2018	<u>0.034640%</u>	<u>0.204802%</u>	
Percentage Change	<u>0.000084%</u>	<u>(0.007041%)</u>	
OPEB Expense	\$419,383	(\$8,566,880)	(\$8,147,497)

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$145,962	\$933,509	\$1,079,471
Differences between expected and actual experience	1,534	0	1,534
Net difference between projected and actual earnings on OPEB plan investments	207,544	60,962	268,506
City contributions subsequent to the measurement date	<u>0</u>	<u>23,453</u>	<u>23,453</u>
Total Deferred Outflows of Resources	<u>\$355,040</u>	<u>\$1,017,924</u>	<u>\$1,372,964</u>
<b>Deferred Inflows of Resources</b>			
Changes in assumptions	\$0	\$498,579	\$498,579
Differences between expected and actual experience	12,284	48,251	60,535
Change in proportionate share	<u>0</u>	<u>386,742</u>	<u>386,742</u>
Total Deferred Inflows of Resources	<u>\$12,284</u>	<u>\$933,572</u>	<u>\$945,856</u>

\$23,453 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$162,265	\$16,125	\$178,390
2021	41,751	16,125	57,876
2022	34,185	16,121	50,306
2023	104,555	34,562	139,117
2024	0	5,492	5,492
2025	0	(18,763)	(18,763)
2026	<u>0</u>	<u>(8,763)</u>	<u>(8,763)</u>
Total	<u>\$342,756</u>	<u>\$60,899</u>	<u>\$403,655</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.50 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

**Discount Rate** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$5,791,963	\$4,527,189	\$3,521,361

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$4,351,612	\$4,527,189	\$4,729,409



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	4.66 percent	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016; the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$2,194,009	\$1,800,917	\$1,470,951

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

**Changes since prior Measurement Date and to Report Date** Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

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

Long-term debt and other long-term obligations of the City at December 31, 2019 were as follows:

			Balance December 31, 2018	Additions	(Reductions)	Balance December 31, 2019	Amounts Due Within One Year
<b>Business-Type Activities:</b>							
General Obligation Bonds:							
1.86%	Wastewater Refunding 2003	2012	\$456,770	\$0	(\$111,650)	\$345,120	\$114,550
1.86%	Wastewater Refunding 2003	2012	332,230	0	(80,850)	251,380	82,950
1.86%	Water Refunding 2003	2012	23,775	0	(5,775)	18,000	5,925
1.86%	Wastewater Refunding 2003	2012	23,775	0	(5,775)	18,000	5,925
2.61%	W/W Refunding 2009B	2015	1,625,000	0	(130,000)	1,495,000	135,000
2.51%	Water Refunding 2007	2015	292,400	0	(30,000)	262,400	31,600
2.51%	W/W Refunding 2007	2015	1,696,250	0	(168,750)	1,527,500	177,750
	Total General Obligation Bonds Payable		4,450,200	0	(532,800)	3,917,400	553,700
Special Obligation Bonds:							
2.60%	Water - Building Project	2012	573,750	0	(57,500)	516,250	58,750
2.60%	Wastewater -Building Project	2012	573,750	0	(57,500)	516,250	58,750
	Total Special Obligation Bonds Payable		1,147,500	0	(115,000)	1,032,500	117,500
Ohio Public Works Commission Loan - Direct Borrowing:							
0.000%	Water Improvements	2009	107,535	0	(9,351)	98,184	9,351
Ohio Water Development Authority - Direct Borrowing:							
1.160%	Wastewater Improvements	2011	5,196,426	0	(343,917)	4,852,509	347,918
Compensated Absences							
			293,984	199,167	(184,911)	308,240	96,276
	Total Business-Type Activities		\$11,195,645	\$199,167	(\$1,185,979)	\$10,208,833	\$1,124,745

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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

			Balance December 31, 2018	Additions	(Reductions)	Balance December 31, 2019	Amounts Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bond:							
2.00- 4.250%	Highway Project	2009	\$1,355,000	\$0	(\$100,000)	\$1,255,000	\$105,000
1.86%	Building Refunding 2003	2012	47,550	0	(11,550)	36,000	11,850
1.86%	Highway Refunding 2003	2012	697,400	0	(169,400)	528,000	173,800
2.51%	Water Park Refund 2007	2015	1,771,750	0	(176,250)	1,595,500	185,650
2.78%	Highway Project	2019	0	2,600,000	(165,000)	2,435,000	145,000
	Total General Obligation Bonds Payable		<u>3,871,700</u>	<u>2,600,000</u>	<u>(622,200)</u>	<u>5,849,500</u>	<u>621,300</u>
Special Obligation Bonds:							
2.60%	Building Project	2012	1,147,500	0	(115,000)	1,032,500	117,500
	Total Special Obligation Bonds Payable		<u>1,147,500</u>	<u>0</u>	<u>(115,000)</u>	<u>1,032,500</u>	<u>117,500</u>
Ohio Public Works Commission Loans - Direct Borrowing:							
0.000%	OPWC Loan Payable	2003	127,500	0	(21,250)	106,250	21,250
0.000%	OPWC Loan Payable	2009	71,875	0	(6,250)	65,625	6,250
0.000%	OPWC Loan Payable	2019	0	558,620	0	558,620	13,966
	Total OPWC Loans Payable		<u>199,375</u>	<u>558,620</u>	<u>(27,500)</u>	<u>730,495</u>	<u>41,466</u>
	Compensated Absences		1,138,582	1,258,181	(1,248,451)	1,148,312	385,482
	Police and Firemen's Pension Accrued Liability		327,561	0	(14,102)	313,459	14,707
	Total Governmental Activities		<u>\$6,684,718</u>	<u>\$4,416,801</u>	<u>(\$2,027,253)</u>	<u>\$9,074,266</u>	<u>\$1,180,455</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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

**A. Long-term Debt Purpose**

**Business Type Activities:** 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.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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

**A. Long-term Debt Purpose (Continued)**

Ohio Water Development Authority, as administrator for the U. S. Environmental Protection Agency (EPA), provided funding for the construct a septage receiving station and electrical and instrumentation upgrades in 2011. In 2015, Advanced Refunding Bonds were issued to pay off the 2007 Various Purpose bonds for Waterworks and Wastewater Treatment Facility. These bonds were for the construction of a water line and wastewater improvements to the influent screening process. Wastewater Improvement Refunding Bonds were issued to retire Various Purpose Bonds, Series 2012 (**B**) that provided for relining of two main inceptor lines.

		Original Issue
		<u>                    </u>
<b>Business-Type Activities</b>		
General Obligation Bonds:		
Wastewater Refunding	2012	\$1,020,800
Wastewater Refunding	2012	739,200
Wastewater Refunding	2012	52,800
Water Refunding	2012	52,800
Water Refunding 2007	2015	330,000
Wastewater Refunding 2007	2015	2,095,000
Total General Obligation Bonds		<u>4,290,600</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 Loan:		
Wastewater Improvements	2011	7,178,446
Total Business Type Activities		<u><u>\$13,369,408</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

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

**A. Long-term Debt Purpose (Continued)**

**Governmental Activities:** Building Project (2003) was for the acquisition and renovation of a building for the City Income Tax Department. Highway Project (2003) was for the widening of a portion of State Route 36 East, including drainage and traffic lights. Water Park Facility (2007) was for the construction of a new water park/pool complex. Highway Project (2009) was for road improvements to Blackjack Road. 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. Water Park Facility Refunding (2015) was for the construction of a new water park/pool complex.

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
Water Park Facility Refunding 2007	2015		2,007,500
Highway Project	2019		2,600,000
Total General Obligation Bonds			<u>11,461,900</u>
Special Obligation Bonds:			
Building Project	2012		<u>1,775,000</u>
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
OPWC Loan Payable	2019		558,620
Total Ohio Public Works Commission Loan Payable			<u>1,108,620</u>
Total Governmental Activities			<u>\$14,345,520</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, 2019 was \$430,802 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, 2019**

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

**C. Principal and Interest Requirements**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019 are as follows:

**Business-type Activities:**

Years	General Obligation Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest
2020	\$553,700	\$96,275	\$9,351	\$0
2021	559,000	83,494	9,351	0
2022	571,950	70,630	9,351	0
2023	364,950	57,453	9,351	0
2024	375,550	48,147	9,351	0
2025-2029	1,492,250	99,210	46,753	0
2030-2032	0	0	4,676	0
Totals	<u>\$3,917,400</u>	<u>\$455,209</u>	<u>\$98,184</u>	<u>\$0</u>

Years	Ohio Water Development Authority Loan		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2020	\$347,918	\$55,283	\$117,500	\$26,918
2021	351,965	51,235	120,000	23,790
2022	356,060	47,141	125,000	20,670
2023	360,202	42,999	127,500	17,420
2024	364,393	38,808	130,000	14,144
2025-2029	1,886,548	129,457	412,500	21,580
2030-2032	1,185,423	24,180	0	0
Totals	<u>\$4,852,509</u>	<u>\$389,103</u>	<u>\$1,032,500</u>	<u>\$124,522</u>

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019**

**NOTE 11 - 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
	2020	\$621,300	\$170,353	\$14,707	\$13,167	\$41,466
2021	636,000	153,951	15,339	12,536	55,431	0
2022	653,050	137,098	15,998	11,876	55,431	0
2023	470,050	119,743	16,685	11,190	55,431	0
2024	484,450	105,800	17,402	10,473	55,431	0
2025-2029	2,194,650	306,764	98,882	40,489	170,904	0
2030-2034	790,000	55,600	122,024	17,348	142,780	0
2035-2040	0	0	12,422	264	153,621	0
Totals	\$5,849,500	\$1,049,309	\$313,459	\$117,343	\$730,495	\$0

Years	Special Obligation Bonds	
	Principal	Interest
2020	\$117,500	\$26,918
2021	120,000	23,790
2022	125,000	20,670
2023	127,500	17,420
2024	130,000	14,144
2025-2029	412,500	21,580
Totals	\$1,032,500	\$124,522

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 12 – COMPENSATED ABSENCES**

The City provides a liability for accumulated unpaid sick leave, vacation and compensatory time benefits when earned by employees. Accrued employee benefits for Governmental Funds not currently due and payable at yearend are recorded as Long-Term Obligations in the government-wide statements. At December 31, 2019, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	58,247	\$700,391
Vacation	15,037	382,194
Compensatory Time	<u>2,564</u>	<u>65,727</u>
Total	<u><u>75,848</u></u>	<u><u>\$1,148,312</u></u>

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

**NOTE 13 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, 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 York. 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, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. As a result of this risk analysis, PEP has elected to increase its retention for casualty and property claims to \$500,000 and \$250,000, respectively, effective January 1, 2019.

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, 2019***

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**NOTE 13 - RISK MANAGEMENT (Continued)**

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2018 and 2019:

	<u>2018</u>	<u>2019</u>
Assets	\$ 49,921,998	\$ 54,973,597
Liabilities	<u>14,676,199</u>	<u>16,440,940</u>
Net Assets	<u>\$ 35,245,799</u>	<u>\$ 38,532,657</u>

At December 31, 2018 and 2019, respectively, the liabilities above include approximately \$12.9 million and \$14.7 million of estimated incurred claims payable. The assets above also include approximately \$11.8 million and \$11.7 million of unpaid claims to be billed. The Pool's membership increased from 538 members in 2018 to 553 members in 2019. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2019, the City's share of these unpaid claims collectible in future years is approximately \$346,932.

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>
2018	\$ 170,608
2019	173,466

After one year of membership, members may withdraw on the anniversary of the date of joined PEP, if the member notifies PEP in writing 60 days prior to 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 PEP. 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, 2019**

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**NOTE 14 - SIGNIFICANT COMMITMENTS**

**A. Construction Commitments**

As of December 31, 2019, the City had the following commitments with respect to capital projects:

<u>Contractual Commitments</u>	<u>Remaining Contractual Commitments</u>	<u>Expected Date of Completion</u>
2019 Newark Road Water Main Extension	\$222,809	July 2020
Newark Road & Blackjack Road Sidewalk Improvements Project	45,853	July 2020

**B. Encumbrances**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, cash basis commitments for encumbrances in the City's funds were as follows:

Governmental Funds:	
General Fund	\$423,964
1/2% Tax#2 Voted	164,460
Community Development Block Grant Fund	104,095
Capital Improvement Fund	174,738
TIF District - Coshocton Road Fund	46,433
Other Governmental Funds	<u>174,950</u>
Total Governmental Funds	1,088,640
Enterprise Funds:	
Water Fund	263,002
Sewer Fund	<u>368,784</u>
Total Enterprise Funds	631,786
Agency Funds	<u>60,281</u>
Total	<u><u>\$1,780,707</u></u>

**NOTE 15 - CONTINGENCIES**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2019***

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**NOTE 16 - CONDUIT DEBT OBLIGATIONS**

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

The City has issued Economic Development Revenue Refunding Bonds, Series 2016, in the amount of \$8,933,334 for the above described bonds, on September 1, 2016. All related provisions as described above remain in place and the City has no financial obligation for repayment of the bonds. As December 31, 2019, Economic Development Revenue Refunding Bonds outstanding for the Mount Vernon Nazarene University totaled \$7,836,749.

**NOTE 17 –SUBSEQUENT EVENT**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The investments of the pension and other employee benefit plans in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

*REQUIRED SUPPLEMENTARY INFORMATION*

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**CITY OF MOUNT VERNON, OHIO**

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***Schedule of City's Proportionate Share of the Net Pension Liability  
Last Six Years***

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**Ohio Public Employees Retirement System**

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability	0.033673%	0.033673%	0.033191%
City's proportionate share of the net pension liability	\$3,969,608	\$4,061,340	\$5,749,100
City's covered payroll	\$4,439,377	\$3,719,758	\$4,089,550
City's proportionate share of the net pension liability as a percentage of its covered payroll	89.42%	109.18%	140.58%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability	0.1944451%	0.1944451%	0.191546%
City's proportionate share of the net pension liability	\$9,470,086	\$10,073,067	\$12,322,265
City's covered payroll	\$3,624,240	\$3,757,673	\$3,788,456
City's proportionate share of the net pension liability as a percentage of its covered payroll	261.30%	268.07%	325.26%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability which is prior year end.



**CITY OF MOUNT VERNON, OHIO**

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<u>2017</u>	<u>2018</u>	<u>2019</u>
0.033942%	0.032618%	0.032940%
\$7,707,651	\$5,117,132	\$9,021,598
\$4,548,125	\$4,310,262	\$4,525,193
169.47%	118.72%	199.36%
77.25%	84.66%	74.70%

<u>2017</u>	<u>2018</u>	<u>2019</u>
0.199149%	0.204802%	0.197761%
\$12,613,957	\$12,569,623	\$16,142,523
\$4,187,303	\$4,394,677	\$4,380,180
301.24%	286.02%	368.54%
68.36%	70.91%	63.07%

**CITY OF MOUNT VERNON, OHIO**

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***Schedule of City Pension Contributions  
Last Seven Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$577,119	\$446,371	\$490,746
Contributions in relation to the contractually required contribution	<u>577,119</u>	<u>446,371</u>	<u>490,746</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,439,377	\$3,719,758	\$4,089,550
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$672,896	\$814,678	\$821,716
Contributions in relation to the contractually required contribution	<u>672,896</u>	<u>814,678</u>	<u>821,716</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$3,624,240	\$3,757,673	\$3,788,456
Contributions as a percentage of covered payroll	18.57%	21.68%	21.69%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.  
Information prior to 2013 is not available.

**CITY OF MOUNT VERNON, OHIO**

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$545,775	\$560,334	\$633,527	\$649,352
<u>545,775</u>	<u>560,334</u>	<u>633,527</u>	<u>649,352</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229
12.00%	13.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$905,295	\$944,416	\$946,995	\$1,013,866
<u>905,295</u>	<u>944,416</u>	<u>946,995</u>	<u>1,013,866</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652
21.62%	21.49%	21.62%	21.61%



**CITY OF MOUNT VERNON, OHIO**

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**Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability  
Last Three Years**

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**Ohio Public Employees Retirement System**

Year	2017	2018	2019
City's proportion of the net OPEB liability	0.036070%	0.034640%	0.034724%
City's proportionate share of the net OPEB liability	\$3,643,193	\$3,761,649	\$4,527,189
City's covered payroll	\$4,548,125	\$4,310,262	\$4,525,193
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	80.10%	87.27%	100.04%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	2017	2018	2019
City's proportion of the net OPEB liability	0.199149%	0.204802%	0.197761%
City's proportionate share of the net OPEB liability	\$9,453,155	\$11,603,795	\$1,800,917
City's covered payroll	\$4,187,303	\$4,394,677	\$4,380,180
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	225.76%	264.04%	41.12%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is prior year end.

**CITY OF MOUNT VERNON, OHIO**

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***Schedule of City's Other Postemployment Benefit (OPEB) Contributions  
Last Seven Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$44,394	\$74,395	\$81,791
Contributions in relation to the contractually required contribution	<u>44,394</u>	<u>74,395</u>	<u>81,791</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,439,377	\$3,719,758	\$4,089,550
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$138,488	\$18,716	\$18,945
Contributions in relation to the contractually required contribution	<u>138,488</u>	<u>18,716</u>	<u>18,945</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$3,624,240	\$3,757,673	\$3,788,456
Contributions as a percentage of covered payroll	3.82%	0.50%	0.50%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available. Additional years' information will be displayed as it becomes available.

**CITY OF MOUNT VERNON, OHIO**

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$90,963	\$43,100	\$0	\$0
<u>90,963</u>	<u>43,100</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229
2.00%	1.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$20,969	\$21,976	\$21,902	\$23,453
<u>20,969</u>	<u>21,976</u>	<u>21,902</u>	<u>23,453</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652
0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2019***

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**NET PENSION LIABILITY**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2019.

*Changes in assumptions:*

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2019.

*Changes in assumptions:*

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.



***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2019***

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**NET OPEB LIABILITY**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* There were no changes in benefit terms for the periods 2018-2019.

*Changes in assumptions:*

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:*

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

*Changes in assumptions:*

2018: There were no changes in assumptions.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Construction, Maintenance and Repair Fund**

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

**State Highway Improvement Fund**

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

**Permissive Auto License Tax Fund**

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

**Cemetery Fund**

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

**Park Development Fund**

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

**Community Development Block Grant Fund**

To account for state grants designated for community environmental improvements.

**Parking Fund**

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

**Law Enforcement Trust Fund**

To account for the proceeds from the confiscation of contraband.

**Drug Enforcement Trust Fund**

To account for mandatory fines collected for drug offenses.

**Permissive License Registration Fund**

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

**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.

(Continued)

***Special Revenue Funds (Continued)***

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**DUI - Enforcement and Education Fund**

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

**Court Computerization Fund**

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

**Probation Services Fund**

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

**Municipal Court Special Projects Fund**

To account for revenues from fines to be used for future special projects and programs within the court.

**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.

**Available Petition Fund**

To account for revenues from lodging excise tax to be used for small grant projects related to arts, cultural development, economic development and other related community programs.

(Continued)

***Special Revenue Funds (Continued)***

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**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.

**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***

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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.

(Continued)

***Capital Projects Funds***

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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.

**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.

**TIF District-Sandusky Street Corridor Fund**

To account for financial resources used for the improvements within the described boundaries of the Sandusky Street Corridor. The TIF (tax increment financing) district will expire in January 2046 due to the thirty year maximum lifetime.

***Permanent Fund***

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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, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 1,563,296	\$ 12,035	\$ 12,709	\$ 0	\$ 1,588,040
Receivables:					
Taxes	272,031	0	175,000	0	447,031
Intergovernmental	1,475,529	0	0	0	1,475,529
Inventory of Supplies	107,162	0	0	0	107,162
Prepaid Items	44,204	0	0	0	44,204
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	494,038	494,038
Cash and Cash Equivalents with Fiscal Agent	41,454	0	0	0	41,454
<b>Total Assets</b>	<b>\$ 3,503,676</b>	<b>\$ 12,035</b>	<b>\$ 187,709</b>	<b>\$ 494,038</b>	<b>\$ 4,197,458</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 105,020	\$ 0	\$ 0	\$ 0	\$ 105,020
Accrued Wages and Benefits Payable	113,833	0	0	0	113,833
Contracts Payable	15,354	0	0	0	15,354
<b>Total Liabilities</b>	<b>234,207</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234,207</b>
<b>Deferred Inflows of Resources:</b>					
Deferred Inflow-Property Tax	155,800	0	175,000	0	330,800
Unavailable Revenue	1,212,366	0	0	0	1,212,366
<b>Total Deferred Inflows of Resources</b>	<b>1,368,166</b>	<b>0</b>	<b>175,000</b>	<b>0</b>	<b>1,543,166</b>
<b>Fund Balances:</b>					
Nonspendable	151,366	0	0	494,038	645,404
Restricted	1,674,087	12,035	12,709	0	1,698,831
Committed	75,850	0	0	0	75,850
<b>Total Fund Balances</b>	<b>1,901,303</b>	<b>12,035</b>	<b>12,709</b>	<b>494,038</b>	<b>2,420,085</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,503,676</b>	<b>\$ 12,035</b>	<b>\$ 187,709</b>	<b>\$ 494,038</b>	<b>\$ 4,197,458</b>



**CITY OF MOUNT VERNON, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 1,024,487	\$ 144,784	\$ 157,165	\$ 0	\$ 1,326,436
Intergovernmental Revenues	1,620,703	0	0	0	1,620,703
Charges for Services	56,040	0	0	0	56,040
Licenses and Permits	3,810	0	0	0	3,810
Investment Earnings	336	0	0	0	336
Fines and Forfeitures	253,250	0	0	0	253,250
All Other Revenue	108,137	0	0	14,805	122,942
<b>Total Revenue</b>	<b>3,066,763</b>	<b>144,784</b>	<b>157,165</b>	<b>14,805</b>	<b>3,383,517</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	1,114,117	0	0	0	1,114,117
Public Health and Welfare Services	378,327	0	0	0	378,327
Leisure Time Activities	685	0	0	0	685
Community Environment	388,146	0	0	0	388,146
Transportation	1,270,450	0	2,518	0	1,272,968
General Government	274,784	0	0	0	274,784
Debt Service:					
Principal Retirement	0	115,000	0	0	115,000
Interest and Fiscal Charges	0	29,819	0	0	29,819
<b>Total Expenditures</b>	<b>3,426,509</b>	<b>144,819</b>	<b>2,518</b>	<b>0</b>	<b>3,573,846</b>
Excess (Deficiency) of Revenues Over Expenditures					
	(359,746)	(35)	154,647	14,805	(190,329)
<b>Other Financing Sources (Uses):</b>					
Transfers In	781,240	0	0	0	781,240
Transfers Out	0	0	(141,938)	0	(141,938)
<b>Total Other Financing Sources (Uses)</b>	<b>781,240</b>	<b>0</b>	<b>(141,938)</b>	<b>0</b>	<b>639,302</b>
Net Change in Fund Balances	421,494	(35)	12,709	14,805	448,973
<b>Fund Balances at Beginning of Year</b>	<b>1,424,659</b>	<b>12,070</b>	<b>0</b>	<b>479,233</b>	<b>1,915,962</b>
Increase in Inventory	55,150	0	0	0	55,150
<b>Fund Balances End of Year</b>	<b>\$ 1,901,303</b>	<b>\$ 12,035</b>	<b>\$ 12,709</b>	<b>\$ 494,038</b>	<b>\$ 2,420,085</b>

**CITY OF MOUNT VERNON, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 224,329	\$ 60,035	\$ 0	\$ 81,631
Receivables:				
Taxes	25,003	0	0	33,337
Intergovernmental	430,146	34,877	0	0
Inventory of Supplies	106,408	0	0	754
Prepaid Items	3,849	0	0	1,111
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	41,454	0
<b>Total Assets</b>	<b>\$ 789,735</b>	<b>\$ 94,912</b>	<b>\$ 41,454</b>	<b>\$ 116,833</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 12,604	\$ 659	\$ 0	\$ 3,476
Accrued Wages and Benefits Payable	45,375	0	0	17,824
Contracts Payable	5,467	2,455	0	70
<b>Total Liabilities</b>	<b>63,446</b>	<b>3,114</b>	<b>0</b>	<b>21,370</b>
<b>Deferred Inflows of Resources:</b>				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	292,984	23,251	41,454	8,293
<b>Total Deferred Inflows of Resources</b>	<b>292,984</b>	<b>23,251</b>	<b>41,454</b>	<b>8,293</b>
<b>Fund Balances:</b>				
Nonspendable	110,257	0	0	1,865
Restricted	323,048	68,547	0	85,305
Committed	0	0	0	0
<b>Total Fund Balances</b>	<b>433,305</b>	<b>68,547</b>	<b>0</b>	<b>87,170</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 789,735</b>	<b>\$ 94,912</b>	<b>\$ 41,454</b>	<b>\$ 116,833</b>

**CITY OF MOUNT VERNON, OHIO**

Park Development	Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration
\$ 17,783	\$ 112,973	\$ 2,568	\$ 12,103	\$ 71,695	\$ 34,179
0	0	0	0	0	0
0	979,661	0	0	0	17,601
0	0	0	0	0	0
0	0	0	0	0	51
0	0	0	0	0	0
<u>\$ 17,783</u>	<u>\$ 1,092,634</u>	<u>\$ 2,568</u>	<u>\$ 12,103</u>	<u>\$ 71,695</u>	<u>\$ 51,831</u>
\$ 0	\$ 0	\$ 972	\$ 0	\$ 0	\$ 9,186
0	0	35	0	0	0
0	0	0	0	0	2,427
0	0	1,007	0	0	11,613
0	0	0	0	0	0
0	797,844	0	0	0	0
0	797,844	0	0	0	0
0	0	0	0	0	51
17,783	294,790	0	12,103	71,695	40,167
0	0	1,561	0	0	0
<u>17,783</u>	<u>294,790</u>	<u>1,561</u>	<u>12,103</u>	<u>71,695</u>	<u>40,218</u>
<u>\$ 17,783</u>	<u>\$ 1,092,634</u>	<u>\$ 2,568</u>	<u>\$ 12,103</u>	<u>\$ 71,695</u>	<u>\$ 51,831</u>

(Continued)

**CITY OF MOUNT VERNON, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019**

	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Court Computerization	Probation Services
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 43,702	\$ 42,987	\$ 4,609	\$ 122,439
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	3,960	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
<b>Total Assets</b>	<b>\$ 43,702</b>	<b>\$ 42,987</b>	<b>\$ 8,569</b>	<b>\$ 122,439</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 377
Accrued Wages and Benefits Payable	0	0	0	0
Contracts Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>377</b>
<b>Deferred Inflows of Resources:</b>				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	3,960	0
Restricted	43,702	42,987	4,609	122,062
Committed	0	0	0	0
<b>Total Fund Balances</b>	<b>43,702</b>	<b>42,987</b>	<b>8,569</b>	<b>122,062</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 43,702</b>	<b>\$ 42,987</b>	<b>\$ 8,569</b>	<b>\$ 122,439</b>

**CITY OF MOUNT VERNON, OHIO**

Municipal Court Special Projects	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair	Hiawatha Water Park Scholarship
\$ 89,550	\$ 91,604	\$ 0	\$ 146,222	\$ 911	\$ 4,438
0	0	5,435	0	0	0
0	0	0	1,427	0	0
0	0	0	0	0	0
0	35,233	0	0	0	0
0	0	0	0	0	0
<u>\$ 89,550</u>	<u>\$ 126,837</u>	<u>\$ 5,435</u>	<u>\$ 147,649</u>	<u>\$ 911</u>	<u>\$ 4,438</u>
\$ 0	\$ 673	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	4,935	0	0	0
<u>0</u>	<u>673</u>	<u>4,935</u>	<u>0</u>	<u>0</u>	<u>0</u>
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>
0	35,233	0	0	0	0
89,550	90,931	500	147,649	0	0
0	0	0	0	911	4,438
<u>89,550</u>	<u>126,164</u>	<u>500</u>	<u>147,649</u>	<u>911</u>	<u>4,438</u>
<u>\$ 89,550</u>	<u>\$ 126,837</u>	<u>\$ 5,435</u>	<u>\$ 147,649</u>	<u>\$ 911</u>	<u>\$ 4,438</u>

(Continued)

**CITY OF MOUNT VERNON, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019**

	Available Petition	Police Pension	Fire Pension	Mausoleum
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 77,791	\$ 69,892	\$ 181,050	\$ 1,865
Receivables:				
Taxes	544	103,856	103,856	0
Intergovernmental	0	7,242	4,575	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
<b>Total Assets</b>	<b>\$ 78,335</b>	<b>\$ 180,990</b>	<b>\$ 289,481</b>	<b>\$ 1,865</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 28,646	\$ 48,427	\$ 0
Accrued Wages and Benefits Payable	0	19,285	31,314	0
Contracts Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>47,931</b>	<b>79,741</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Deferred Inflows-Property Tax	0	77,900	77,900	0
Unavailable Revenue	0	24,270	24,270	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>102,170</b>	<b>102,170</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	78,335	30,889	107,570	1,865
Committed	0	0	0	0
<b>Total Fund Balances</b>	<b>78,335</b>	<b>30,889</b>	<b>107,570</b>	<b>1,865</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 78,335</b>	<b>\$ 180,990</b>	<b>\$ 289,481</b>	<b>\$ 1,865</b>

**CITY OF MOUNT VERNON, OHIO**

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Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 68,940	\$ 1,563,296
0	272,031
0	1,475,529
0	107,162
0	44,204
<u>0</u>	<u>41,454</u>
<u>\$ 68,940</u>	<u>\$ 3,503,676</u>
\$ 0	\$ 105,020
0	113,833
0	15,354
<u>0</u>	<u>234,207</u>
0	155,800
0	1,212,366
<u>0</u>	<u>1,368,166</u>
0	151,366
0	1,674,087
68,940	75,850
<u>68,940</u>	<u>1,901,303</u>
<u>\$ 68,940</u>	<u>\$ 3,503,676</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, 2019**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
<b>Revenues:</b>				
Taxes	\$ 247,536	\$ 0	\$ 0	\$ 330,048
Intergovernmental Revenues	778,748	69,432	93,025	0
Charges for Services	0	0	0	53,600
Licenses and Permits	1,525	0	0	0
Investment Earnings	10	1	0	273
Fines and Forfeitures	0	0	0	0
All Other Revenue	16,512	696	0	6,073
<b>Total Revenue</b>	<b>1,044,331</b>	<b>70,129</b>	<b>93,025</b>	<b>389,994</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	378,327
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	946,381	86,675	85,372	0
General Government	0	0	0	0
<b>Total Expenditures</b>	<b>946,381</b>	<b>86,675</b>	<b>85,372</b>	<b>378,327</b>
Excess (Deficiency) of Revenues Over Expenditures	97,950	(16,546)	7,653	11,667
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	97,950	(16,546)	7,653	11,667
<b>Fund Balances at Beginning of Year</b>	<b>278,054</b>	<b>85,093</b>	<b>(7,653)</b>	<b>77,654</b>
Increase (Decrease) in Inventory	57,301	0	0	(2,151)
<b>Fund Balances End of Year</b>	<b>\$ 433,305</b>	<b>\$ 68,547</b>	<b>\$ 0</b>	<b>\$ 87,170</b>



**CITY OF MOUNT VERNON, OHIO**

Park Development	Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	551,156	0	0	0	108,418
1,740	0	0	0	0	0
0	0	1,825	0	0	0
0	12	0	0	0	0
0	0	8,722	485	54,700	0
0	33,775	392	0	0	3,815
<u>1,740</u>	<u>584,943</u>	<u>10,939</u>	<u>485</u>	<u>54,700</u>	<u>112,233</u>
0	0	21,100	1,972	44,528	0
0	0	0	0	0	0
0	0	0	0	0	0
0	388,146	0	0	0	0
0	0	0	0	0	148,527
0	0	0	0	0	0
<u>0</u>	<u>388,146</u>	<u>21,100</u>	<u>1,972</u>	<u>44,528</u>	<u>148,527</u>
1,740	196,797	(10,161)	(1,487)	10,172	(36,294)
<u>1,740</u>	<u>0</u>	<u>9,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,740</u>	<u>0</u>	<u>9,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,480	196,797	(661)	(1,487)	10,172	(36,294)
14,303	97,993	2,222	13,590	61,523	76,512
0	0	0	0	0	0
<u>\$ 17,783</u>	<u>\$ 294,790</u>	<u>\$ 1,561</u>	<u>\$ 12,103</u>	<u>\$ 71,695</u>	<u>\$ 40,218</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, 2019**

	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Court Computerization	Probation Services
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	14,801	39	18,940	53,924
All Other Revenue	0	0	0	43,946
<b>Total Revenue</b>	<b>14,801</b>	<b>39</b>	<b>18,940</b>	<b>97,870</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	308	0	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	360	0	16,048	31,168
<b>Total Expenditures</b>	<b>360</b>	<b>308</b>	<b>16,048</b>	<b>31,168</b>
Excess (Deficiency) of Revenues Over Expenditures	14,441	(269)	2,892	66,702
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	14,441	(269)	2,892	66,702
<b>Fund Balances at Beginning of Year</b>	<b>29,261</b>	<b>43,256</b>	<b>5,677</b>	<b>55,360</b>
Increase (Decrease) in Inventory	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 43,702</b>	<b>\$ 42,987</b>	<b>\$ 8,569</b>	<b>\$ 122,062</b>

**CITY OF MOUNT VERNON, OHIO**

Municipal Court Special Projects	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair	Hiawatha Water Park Scholarship
\$ 0	\$ 0	\$ 123,670	\$ 0	\$ 0	\$ 0
0	0	0	1,427	0	0
0	0	0	0	0	0
0	0	0	0	460	0
0	0	0	0	0	0
27,803	63,743	0	10,093	0	0
0	148	0	0	0	0
<u>27,803</u>	<u>63,891</u>	<u>123,670</u>	<u>11,520</u>	<u>460</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	3,495	0
9,555	72,802	123,170	4,280	0	0
<u>9,555</u>	<u>72,802</u>	<u>123,170</u>	<u>4,280</u>	<u>3,495</u>	<u>0</u>
18,248	(8,911)	500	7,240	(3,035)	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>
18,248	(8,911)	500	7,240	(3,035)	0
71,302	135,075	0	140,409	3,946	4,438
0	0	0	0	0	0
<u>\$ 89,550</u>	<u>\$ 126,164</u>	<u>\$ 500</u>	<u>\$ 147,649</u>	<u>\$ 911</u>	<u>\$ 4,438</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, 2019**

	Available Petition	Police Pension	Fire Pension	Mausoleum
<b>Revenues:</b>				
Taxes	\$ 12,367	\$ 155,433	\$ 155,433	\$ 0
Intergovernmental Revenues	0	9,192	9,305	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	1
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	2,780	0	0
<b>Total Revenue</b>	<u>12,367</u>	<u>167,405</u>	<u>164,738</u>	<u>1</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	384,500	661,709	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	14,260	1,593	1,548	0
<b>Total Expenditures</b>	<u>14,260</u>	<u>386,093</u>	<u>663,257</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,893)	(218,688)	(498,519)	1
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	225,000	545,000	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>225,000</u>	<u>545,000</u>	<u>0</u>
Net Change in Fund Balances	(1,893)	6,312	46,481	1
<b>Fund Balances at Beginning of Year</b>	80,228	24,577	61,089	1,864
Increase (Decrease) in Inventory	0	0	0	0
<b>Fund Balances End of Year</b>	<u>\$ 78,335</u>	<u>\$ 30,889</u>	<u>\$ 107,570</u>	<u>\$ 1,865</u>

**CITY OF MOUNT VERNON, OHIO**

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Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 1,024,487
0	1,620,703
700	56,040
0	3,810
39	336
0	253,250
0	108,137
739	3,066,763
0	1,114,117
0	378,327
685	685
0	388,146
0	1,270,450
0	274,784
685	3,426,509
54	(359,746)
0	781,240
0	781,240
54	421,494
68,886	1,424,659
0	55,150
\$ 68,940	\$ 1,901,303

**CITY OF MOUNT VERNON, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2019**

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	TIF District- Industrial Area	TIF District- Sandusky Street Corridor	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 79	\$ 12,630	\$ 12,709
Receivables:			
Taxes	150,000	25,000	175,000
<b>Total Assets</b>	<u>\$ 150,079</u>	<u>\$ 37,630</u>	<u>\$ 187,709</u>
<b>Liabilities:</b>			
<b>Deferred Inflows of Resources:</b>			
Deferred Inflows-Property Tax	150,000	25,000	175,000
<b>Total Deferred Inflows of Resources</b>	<u>150,000</u>	<u>25,000</u>	<u>175,000</u>
<b>Fund Balances:</b>			
Restricted	79	12,630	12,709
<b>Total Fund Balances</b>	<u>79</u>	<u>12,630</u>	<u>12,709</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 150,079</u>	<u>\$ 37,630</u>	<u>\$ 187,709</u>

**CITY OF MOUNT VERNON, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019***

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	TIF District- Industrial Area	TIF District- Sandusky Street Corridor	Total Nonmajor Capital Project Funds
<b>Revenues:</b>			
Taxes	\$ 144,389	\$ 12,776	\$ 157,165
<b>Total Revenue</b>	<u>144,389</u>	<u>12,776</u>	<u>157,165</u>
<b>Expenditures:</b>			
Current:			
Transportation	<u>2,372</u>	<u>146</u>	<u>2,518</u>
<b>Total Expenditures</b>	<u>2,372</u>	<u>146</u>	<u>2,518</u>
Excess (Deficiency) of Revenues Over Expenditures	142,017	12,630	154,647
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(141,938)</u>	<u>0</u>	<u>(141,938)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(141,938)</u>	<u>0</u>	<u>(141,938)</u>
Net Change in Fund Balances	79	12,630	12,709
<b>Fund Balances at Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances End of Year</b>	<u>\$ 79</u>	<u>\$ 12,630</u>	<u>\$ 12,709</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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 599,500	\$ 630,760	\$ 631,143	\$ 383
Municipal Income Tax	3,261,357	3,731,357	4,441,938	710,581
Other Local Taxes	6,500	6,500	7,415	915
Total Tax Revenues	3,867,357	4,368,617	5,080,496	711,879
Intergovernmental Revenues:				
State Levied Shared Taxes	292,825	309,076	332,145	23,069
Intergovernmental Revenues	114,949	1,309,087	944,938	(364,149)
Total Intergovernmental Revenues	407,774	1,618,163	1,277,083	(341,080)
Charges for Services	1,909,950	1,958,854	2,062,730	103,876
Licenses and Permits	9,500	15,920	27,747	11,827
Investment Earnings	100,000	345,000	355,803	10,803
Fines and Forfeitures	525,000	578,000	688,125	110,125
All Other Revenues	110,501	262,427	398,908	136,481
Total Revenues	6,930,082	9,146,981	9,890,892	743,911
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Division:				
Travel and Transportation	15,676	15,676	12,562	3,114
Materials and Supplies	0	2,250	2,064	186
Contractual Services	6,000	6,000	6,000	0
Capital Outlay	0	8,564	8,564	0
Total Police Division	21,676	32,490	29,190	3,300
Fire and E.M.S. Division:				
Personal Services	0	525	200	325
Materials and Supplies	0	569	569	0
Contractual Services	0	245	0	245
Capital Outlay	0	840	840	0
Total Fire and E.M.S. Division	0	2,179	1,609	570

(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, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	20,000	20,760	17,650	3,110
Contractual Services	215,000	237,625	229,803	7,822
Public Defender:				
Contractual Services	500	45,500	45,137	363
Debt Services:				
Principal Retirement	14,102	14,102	14,102	0
Interest and Fiscal Charges	13,773	13,773	13,773	0
Total Miscellaneous	<u>263,375</u>	<u>331,760</u>	<u>320,465</u>	<u>11,295</u>
Total Security of Persons and Property	<u>285,051</u>	<u>366,429</u>	<u>351,264</u>	<u>15,165</u>
Public Health and Welfare Services:				
Humane Officer:				
Travel and Transportation	4,500	6,000	6,000	0
Contractual Services	24,000	34,000	34,000	0
Total Humane Officer	<u>28,500</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Health Department:				
Contractual Services	55,000	55,000	55,000	0
Total Health Department	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
Total Public Health and Welfare Services	<u>83,500</u>	<u>95,000</u>	<u>95,000</u>	<u>0</u>
Leisure Time Activities:				
Parks:				
Personal Services	270,850	288,485	274,290	14,195
Travel and Transportation	500	500	219	281
Materials and Supplies	12,500	14,667	11,069	3,598
Contractual Services	166,000	211,346	190,180	21,166
Capital Outlay	5,000	12,000	11,833	167
Total Parks	<u>454,850</u>	<u>526,998</u>	<u>487,591</u>	<u>39,407</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, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Recreation:</b>				
Personal Services	14,500	14,500	13,473	1,027
Materials and Supplies	4,966	5,046	4,467	579
Contractual Services	8,951	8,951	8,820	131
<b>Total Recreation</b>	<b>28,417</b>	<b>28,497</b>	<b>26,760</b>	<b>1,737</b>
<b>Pool:</b>				
Personal Services	182,400	207,400	207,035	365
Travel and Transportation	2,500	2,680	900	1,780
Materials and Supplies	95,800	104,776	86,731	18,045
Contractual Services	88,000	105,400	91,080	14,320
Capital Outlay	7,000	11,500	11,068	432
<b>Total Pool</b>	<b>375,700</b>	<b>431,756</b>	<b>396,814</b>	<b>34,942</b>
<b>Total Leisure Time Activities</b>	<b>858,967</b>	<b>987,251</b>	<b>911,165</b>	<b>76,086</b>
<b>Community Environment:</b>				
<b>Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:</b>				
Materials and Supplies	26,500	26,628	26,381	247
Contractual Services	26,030	26,030	13,160	12,870
<b>Total Community Environment</b>	<b>52,530</b>	<b>52,658</b>	<b>39,541</b>	<b>13,117</b>
<b>Transportation:</b>				
<b>Miscellaneous:</b>				
<b>Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:</b>				
Materials and Supplies	34,000	33,918	33,731	187
Contractual Services	10,000	6,953	1,147	5,806
<b>Total Transportation</b>	<b>44,000</b>	<b>40,871</b>	<b>34,878</b>	<b>5,993</b>
<b>General Government:</b>				
<b>Council:</b>				
Personal Services	67,024	67,024	66,314	710
Travel and Transportation	1,500	1,403	1,376	27
Materials and Supplies	950	1,145	1,137	8
<b>Total Council</b>	<b>69,474</b>	<b>69,572</b>	<b>68,827</b>	<b>745</b>

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Mayor:</b>				
Personal Services	117,557	118,374	118,374	0
Travel and Transportation	500	500	450	50
Materials and Supplies	3,250	3,176	2,674	502
Contractual Services	250	250	225	25
Total Mayor	121,557	122,300	121,723	577
<b>Auditor:</b>				
Personal Services	291,057	304,932	286,533	18,399
Travel and Transportation	500	375	160	215
Materials and Supplies	103,500	106,127	94,405	11,722
Contractual Services	23,400	24,799	20,684	4,115
Total Auditor	418,457	436,233	401,782	34,451
<b>Treasurer:</b>				
Personal Services	8,888	8,888	8,888	0
Materials and Supplies	300	300	0	300
Total Treasurer	9,188	9,188	8,888	300
<b>Law Director:</b>				
Personal Services	346,786	369,642	365,933	3,709
Travel and Transportation	1,969	1,787	1,481	306
Materials and Supplies	16,975	15,671	14,405	1,266
Contractual Services	16,500	19,857	16,208	3,649
Total Law Director	382,230	406,957	398,027	8,930
<b>Income Tax:</b>				
Personal Services	153,600	153,600	153,354	246
Travel and Transportation	1,500	1,500	755	745
Materials and Supplies	22,800	25,264	23,560	1,704
Contractual Services	165,000	198,822	196,831	1,991
Capital Outlay	5,000	5,000	4,900	100
Total Income Tax	347,900	384,186	379,400	4,786

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	621,300	894,851	837,915	56,936
Travel and Transportation	8,500	9,000	7,100	1,900
Materials and Supplies	46,705	80,297	57,385	22,912
Contractual Services	3,559	276,379	190,843	85,536
Capital Outlay	0	1,985	1,697	288
Total Municipal Court	680,064	1,262,512	1,094,940	167,572
Civil Services:				
Personal Services	10,825	10,857	10,855	2
Materials and Supplies	7,500	8,527	8,116	411
Total Civil Services	18,325	19,384	18,971	413
Safety Service:				
Personal Services	173,352	173,484	172,850	634
Travel and Transportation	250	250	110	140
Materials and Supplies	7,750	11,418	9,936	1,482
Contractual Services	69,800	77,664	59,114	18,550
Total Safety Service	251,152	262,816	242,010	20,806
Engineering:				
Personal Services	377,602	347,974	332,676	15,298
Travel and Transportation	3,000	2,966	2,705	261
Materials and Supplies	16,000	16,792	15,515	1,277
Contractual Services	735,000	954,003	720,114	233,889
Capital Outlay	14,400	16,744	15,027	1,717
Total Engineering	1,146,002	1,338,479	1,086,037	252,442
Public Land and Buildings:				
Personal Services	79,000	80,605	77,256	3,349
Travel and Transportation	500	500	213	287
Materials and Supplies	34,010	41,876	29,078	12,798
Contractual Services	427,500	536,668	498,325	38,343
Total Public Land and Buildings	541,010	659,649	604,872	54,777

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	53,471	53,208	263
Materials and Supplies	0	305,880	304,900	980
Total Summer Work Program	0	359,351	358,108	1,243
Miscellaneous:				
Personal Services	1,654,227	2,867,524	2,599,250	268,274
Materials and Supplies	8,439	8,339	8,119	220
Contractual Services	1,366,914	1,401,171	364,205	1,036,966
Total Miscellaneous	3,029,580	4,277,034	2,971,574	1,305,460
Total General Government	7,014,939	9,607,661	7,755,159	1,852,502
Total Expenditures	8,338,987	11,149,870	9,187,007	1,962,863
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,408,905)	(2,002,889)	703,885	2,706,774
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	42,551	43,389	838
Transfers Out	(345,225)	(268,408)	(264,378)	4,030
Total Other Financing Sources (Uses)	(345,225)	(225,857)	(220,989)	4,868
Net Change in Fund Balance	(1,754,130)	(2,228,746)	482,896	2,711,642
Fund Balance at Beginning of Year	1,772,450	1,772,450	1,772,450	0
Prior Year Encumbrances	474,619	474,619	474,619	0
Fund Balance at End of Year	\$ 492,939	\$ 18,323	\$ 2,729,965	\$ 2,711,642

**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 #1 ½% (Voted) Fund  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,300,000	\$ 3,575,000	\$ 4,239,435	\$ 664,435
All Other Revenues	0	1,000	17,397	16,397
Total Revenues	3,300,000	3,576,000	4,256,832	680,832
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	3,770,668	4,046,668	3,954,601	92,067
Contractual Services	500	500	137	363
Total Expenditures	3,771,168	4,047,168	3,954,738	92,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	(471,168)	(471,168)	302,094	773,262
Fund Balance at Beginning of Year	471,168	471,168	471,168	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 773,262	\$ 773,262

**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 #2 ½% (Voted) Fund  
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,300,000	\$ 3,300,000	\$ 4,239,435	\$ 939,435
Intergovernmental Revenues	0	4,261	4,261	0
Charges for Services	13,000	13,000	11,284	(1,716)
All Other Revenues	0	0	4,031	4,031
Total Revenues	<u>3,313,000</u>	<u>3,317,261</u>	<u>4,259,011</u>	<u>941,750</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	2,041,800	2,052,336	1,513,250	539,086
Materials and Supplies	260,850	295,253	266,034	29,219
Contractual Services	735,037	888,758	770,078	118,680
Capital Outlay	35,000	35,903	30,810	5,093
Total Expenditures	<u>3,072,687</u>	<u>3,272,250</u>	<u>2,580,172</u>	<u>692,078</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	240,313	45,011	1,678,839	1,633,828
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	24	24
Transfers Out	(770,000)	(770,000)	(770,000)	0
Total Other Financing Sources (Uses)	<u>(770,000)</u>	<u>(770,000)</u>	<u>(769,976)</u>	<u>24</u>
Net Change in Fund Balance	(529,687)	(724,989)	908,863	1,633,852
Fund Balance at Beginning of Year	582,851	582,851	582,851	0
Prior Year Encumbrances	191,802	191,802	191,802	0
Fund Balance at End of Year	<u>\$ 244,966</u>	<u>\$ 49,664</u>	<u>\$ 1,683,516</u>	<u>\$ 1,633,852</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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	484,700	649,700	649,700	0
Interest and Fiscal Charges	114,275	160,454	160,410	44
Total Expenditures	598,975	810,154	810,110	44
Excess (Deficiency) of Revenues Over (Under) Expenditures	(598,975)	(810,154)	(810,110)	44
<b>Other Financing Sources (Uses):</b>				
Transfers In	598,975	810,154	810,110	(44)
Total Other Financing Sources (Uses)	598,975	810,154	810,110	(44)
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0



**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, 2019***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 1,210,000	\$ 1,210,000	\$ 1,581,185	\$ 371,185
Intergovernmental Revenues	0	1,100,000	550,000	(550,000)
Total Revenues	<u>1,210,000</u>	<u>2,310,000</u>	<u>2,131,185</u>	<u>(178,815)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police:				
Capital Outlay	0	3,321	3,270	51
Total Security of Persons and Property	<u>0</u>	<u>3,321</u>	<u>3,270</u>	<u>51</u>
Public Health and Welfare:				
Capital Outlay	28,000	28,000	27,562	438
Total Public Health and Welfare	<u>28,000</u>	<u>28,000</u>	<u>27,562</u>	<u>438</u>
Leisure Time Activities:				
Parks:				
Capital Outlay	72,700	113,420	111,676	1,744
Total Leisure Time Activities	<u>72,700</u>	<u>113,420</u>	<u>111,676</u>	<u>1,744</u>
Transportation:				
Street:				
Capital Outlay	695,372	1,795,372	910,070	885,302
Total Transportation	<u>695,372</u>	<u>1,795,372</u>	<u>910,070</u>	<u>885,302</u>
General Government:				
Mayor:				
Capital Outlay	1,370	1,370	1,358	12
Auditor:				
Contractual Services	100	100	53	47
Capital Outlay	20,900	21,000	1,508	19,492
Income Tax:				
Capital Outlay	0	33,654	33,414	240
Safety - Service:				
Capital Outlay	2,740	2,740	2,716	24
Public Lands and Buildings:				
Capital Outlay	1,385,113	1,398,613	292,108	1,106,505
Total General Government	<u>1,410,223</u>	<u>1,457,477</u>	<u>331,157</u>	<u>1,126,320</u>
Total Expenditures	<u>2,206,295</u>	<u>3,397,590</u>	<u>1,383,735</u>	<u>2,013,855</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(996,295)	(1,087,590)	747,450	1,835,040
Fund Balance at Beginning of Year	1,155,962	1,155,962	1,155,962	0
Prior Year Encumbrances	91,294	91,294	91,294	0
Fund Balance at End of Year	<u>\$ 250,961</u>	<u>\$ 159,666</u>	<u>\$ 1,994,706</u>	<u>\$ 1,835,040</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 – TIF District-Coshocton Road Fund  
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 1,300,000	\$ 1,325,000	\$ 1,456,794	\$ 131,794
Total Revenues	1,300,000	1,325,000	1,456,794	131,794
<b>Expenditures:</b>				
Transportation:				
Street:				
Contractual Services	402,000	427,000	426,633	367
Capital Outlay	4,208,038	4,227,706	203,412	4,024,294
Total Expenditures	4,610,038	4,654,706	630,045	4,024,661
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,310,038)	(3,329,706)	826,749	4,156,455
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(210,000)	(210,000)	(203,855)	6,145
Total Other Financing Sources (Uses)	(210,000)	(210,000)	(203,855)	6,145
Net Change in Fund Balance	(3,520,038)	(3,539,706)	622,894	4,162,600
Fund Balance at Beginning of Year	3,520,038	3,520,038	3,520,038	0
Prior Year Encumbrances	19,668	19,668	19,668	0
Fund Balance at End of Year	\$ 19,668	\$ 0	\$ 4,162,600	\$ 4,162,600

**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 – Roads and Bridges Capital Improvement Fund  
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,210,000	\$ 1,210,000	\$ 1,581,185	\$ 371,185
Intergovernmental Revenues	827,000	1,014,000	885,352	(128,648)
Investment Earnings	0	0	6,467	6,467
All Other Revenues	0	0	156	156
Total Revenues	2,037,000	2,224,000	2,473,160	249,160
<b>Expenditures:</b>				
Transportation:				
Street:				
Contractual Services	100	100	53	47
Capital Outlay	2,036,669	4,585,072	3,306,605	1,278,467
Debt Service:				
Interest and Fiscal Charges	0	31,000	31,000	0
Total Expenditures	2,036,769	4,616,172	3,337,658	1,278,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	231	(2,392,172)	(864,498)	1,527,674
<b>Other Financing Sources (Uses):</b>				
Proceeds from General Obligation Bonds	0	2,600,000	2,600,000	0
Transfers Out	0	(211,180)	(211,179)	1
Total Other Financing Sources (Uses)	0	2,388,820	2,388,821	1
Fund Balance at Beginning of Year	24,587	24,587	24,587	0
Prior Year Encumbrances	3,583	3,583	3,583	0
Fund Balance at End of Year	\$ 28,401	\$ 24,818	\$ 1,552,493	\$ 1,527,675

**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, 2019***

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 211,000	\$ 211,000	\$ 243,259	\$ 32,259
Intergovernmental Revenues	605,000	642,775	730,706	87,931
Licenses and Permits	500	500	1,525	1,025
Investment Earnings	0	0	10	10
All Other Revenues	0	723	16,512	15,789
Total Revenues	<u>816,500</u>	<u>854,998</u>	<u>992,012</u>	<u>137,014</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	819,500	830,378	801,000	29,378
Travel and Transportation	1,500	1,660	1,290	370
Materials and Supplies	68,518	109,990	89,256	20,734
Contractual Services	44,700	55,646	43,141	12,505
Capital Outlay	10,000	7,802	7,255	547
Total Expenditures	<u>944,218</u>	<u>1,005,476</u>	<u>941,942</u>	<u>63,534</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,718)	(150,478)	50,070	200,548
Fund Balance at Beginning of Year	127,717	127,717	127,717	0
Prior Year Encumbrances	22,761	22,761	22,761	0
Fund Balance at End of Year	<u>\$ 22,760</u>	<u>\$ 0</u>	<u>\$ 200,548</u>	<u>\$ 200,548</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, 2019***

	<b>STATE HIGHWAY IMPROVEMENT</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 49,500	\$ 49,500	\$ 57,806	\$ 8,306
Investment Earnings	0	0	1	1
All Other Revenues	0	0	696	696
Total Revenues	<u>49,500</u>	<u>49,500</u>	<u>58,503</u>	<u>9,003</u>
<b>Expenditures:</b>				
Transportation:				
Capital Outlay	<u>125,883</u>	<u>127,070</u>	<u>79,534</u>	<u>47,536</u>
Total Expenditures	<u>125,883</u>	<u>127,070</u>	<u>79,534</u>	<u>47,536</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,383)	(77,570)	(21,031)	56,539
Fund Balance at Beginning of Year	76,383	76,383	76,383	0
Prior Year Encumbrances	<u>1,187</u>	<u>1,187</u>	<u>1,187</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,187</u>	<u>\$ 0</u>	<u>\$ 56,539</u>	<u>\$ 56,539</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 30,000</u>	<u>\$ 93,025</u>	<u>\$ 93,025</u>	<u>\$ 0</u>
Total Revenues	<u>30,000</u>	<u>93,025</u>	<u>93,025</u>	<u>0</u>
<b>Expenditures:</b>				
Transportation:				
Capital Outlay	<u>32,663</u>	<u>96,663</u>	<u>96,663</u>	<u>0</u>
Total Expenditures	<u>32,663</u>	<u>96,663</u>	<u>96,663</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,663)	(3,638)	(3,638)	0
Fund Balance at Beginning of Year	2,663	2,663	2,663	0
Prior Year Encumbrances	<u>975</u>	<u>975</u>	<u>975</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 975</u>	<u>\$ 0</u>	<u>\$ 0</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, 2019***

<b>CEMETERY FUND</b>				Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 281,200	\$ 281,200	\$ 324,346	\$ 43,146
Charges for Services	55,000	55,000	53,600	(1,400)
Investment Earnings	200	200	273	73
All Other Revenues	0	0	6,073	6,073
Total Revenues	<u>336,400</u>	<u>336,400</u>	<u>384,292</u>	<u>47,892</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	333,900	343,920	337,102	6,818
Travel and Transportation	100	100	5	95
Materials and Supplies	12,600	13,816	10,599	3,217
Contractual Services	44,515	45,369	33,902	11,467
Capital Outlay	2,000	3,860	3,709	151
Total Expenditures	<u>393,115</u>	<u>407,065</u>	<u>385,317</u>	<u>21,748</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,715)	(70,665)	(1,025)	69,640
Fund Balance at Beginning of Year	56,715	56,715	56,715	0
Prior Year Encumbrances	13,950	13,950	13,950	0
Fund Balance at End of Year	<u>\$ 13,950</u>	<u>\$ 0</u>	<u>\$ 69,640</u>	<u>\$ 69,640</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, 2019***

<b>PARK DEVELOPMENT</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 1,000	\$ 1,000	\$ 1,740	\$ 740
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,740</u>	<u>740</u>
<b>Expenditures:</b>				
Leisure Time Activities:				
Capital Outlay	16,303	16,303	0	16,303
Total Expenditures	<u>16,303</u>	<u>16,303</u>	<u>0</u>	<u>16,303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,303)	(15,303)	1,740	17,043
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,000	1,000	1,740	740
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>1,740</u>	<u>740</u>
Net Change in Fund Balance	(14,303)	(14,303)	3,480	17,783
Fund Balance at Beginning of Year	14,303	14,303	14,303	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,783</u>	<u>\$ 17,783</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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>COMMUNITY DEVELOPMENT BLOCK GRANT</b>				
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,422,000	\$ 1,422,000	\$ 443,839	\$ (978,161)
Investment Earnings	0	0	12	12
All Other Revenues	0	0	33,775	33,775
Total Revenues	<u>1,422,000</u>	<u>1,422,000</u>	<u>477,626</u>	<u>(944,374)</u>
<b>Expenditures:</b>				
Community Environment:				
Contractual Services	<u>1,419,987</u>	<u>1,422,462</u>	<u>492,241</u>	<u>930,221</u>
Total Expenditures	<u>1,419,987</u>	<u>1,422,462</u>	<u>492,241</u>	<u>930,221</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,013	(462)	(14,615)	(14,153)
Fund Balance at Beginning of Year	21,018	21,018	21,018	0
Prior Year Encumbrances	<u>2,475</u>	<u>2,475</u>	<u>2,475</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25,506</u>	<u>\$ 23,031</u>	<u>\$ 8,878</u>	<u>\$ (14,153)</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, 2019***

	<b>PARKING</b>			Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
<b>Revenues:</b>				
Licenses and Permits	\$ 0	\$ 0	\$ 1,825	\$ 1,825
Fines and Forfeitures	5,000	5,000	8,722	3,722
All Other Revenues	0	0	392	392
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>10,939</u>	<u>5,939</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	15,560	15,800	15,079	721
Materials and Supplies	250	250	0	250
Contractual Services	6,708	9,340	7,827	1,513
Total Expenditures	<u>22,518</u>	<u>25,390</u>	<u>22,906</u>	<u>2,484</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,518)	(20,390)	(11,967)	8,423
<b>Other Financing Sources (Uses):</b>				
Transfers In	15,000	16,500	9,500	(7,000)
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>16,500</u>	<u>9,500</u>	<u>(7,000)</u>
Net Change in Fund Balance	(2,518)	(3,890)	(2,467)	1,423
Fund Balance at Beginning of Year	2,518	2,518	2,518	0
Prior Year Encumbrances	1,372	1,372	1,372	0
Fund Balance at End of Year	<u>\$ 1,372</u>	<u>\$ 0</u>	<u>\$ 1,423</u>	<u>\$ 1,423</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	LAW ENFORCEMENT TRUST			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 0</u>	<u>\$ 485</u>	<u>\$ 485</u>	<u>\$ 0</u>
Total Revenues	<u>0</u>	<u>485</u>	<u>485</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>0</u>	<u>1,972</u>	<u>1,972</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,972</u>	<u>1,972</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(1,487)	(1,487)	0
Fund Balance at Beginning of Year	<u>13,590</u>	<u>13,590</u>	<u>13,590</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,590</u>	<u>\$ 12,103</u>	<u>\$ 12,103</u>	<u>\$ 0</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 0</u>	<u>\$ 54,700</u>	<u>\$ 54,700</u>	<u>\$ 0</u>
Total Revenues	<u>0</u>	<u>54,700</u>	<u>54,700</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>0</u>	<u>44,528</u>	<u>44,528</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>44,528</u>	<u>44,528</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	10,172	10,172	0
Fund Balance at Beginning of Year	<u>61,523</u>	<u>61,523</u>	<u>61,523</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 61,523</u>	<u>\$ 71,695</u>	<u>\$ 71,695</u>	<u>\$ 0</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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<b>PERMISSIVE LICENSE REGISTRATION</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 115,000	\$ 115,000	\$ 107,932	\$ (7,068)
All Other Revenues	<u>0</u>	<u>1,000</u>	<u>3,815</u>	<u>2,815</u>
Total Revenues	<u>115,000</u>	<u>116,000</u>	<u>111,747</u>	<u>(4,253)</u>
<b>Expenditures:</b>				
Transportation:				
Materials and Supplies	137,540	145,419	125,871	19,548
Contractual Services	<u>30,500</u>	<u>31,860</u>	<u>31,493</u>	<u>367</u>
Total Expenditures	<u>168,040</u>	<u>177,279</u>	<u>157,364</u>	<u>19,915</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,040)	(61,279)	(45,617)	15,662
Fund Balance at Beginning of Year	53,040	53,040	53,040	0
Prior Year Encumbrances	<u>8,239</u>	<u>8,239</u>	<u>8,239</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,239</u>	<u>\$ 0</u>	<u>\$ 15,662</u>	<u>\$ 15,662</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, 2019***

**INDIGENT DRIVERS ALCOHOL TREATMENT**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 14,890	\$ 2,890
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>14,890</u>	<u>2,890</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>40,361</u>	<u>40,611</u>	<u>360</u>	<u>40,251</u>
Total Expenditures	<u>40,361</u>	<u>40,611</u>	<u>360</u>	<u>40,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,361)	(28,611)	14,530	43,141
Fund Balance at Beginning of Year	28,361	28,361	28,361	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>\$ 43,141</u>	<u>\$ 43,141</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$          500</u>	<u>\$          500</u>	<u>\$          39</u>	<u>\$         (461)</u>
Total Revenues	<u>          500</u>	<u>          500</u>	<u>          39</u>	<u>         (461)</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>         43,756</u>	<u>         43,756</u>	<u>          308</u>	<u>         43,448</u>
Total Expenditures	<u>         43,756</u>	<u>         43,756</u>	<u>          308</u>	<u>         43,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(43,256)</u>	<u>(43,256)</u>	<u>(269)</u>	<u>         42,987</u>
Fund Balance at Beginning of Year	<u>         43,256</u>	<u>         43,256</u>	<u>         43,256</u>	<u>          0</u>
Fund Balance at End of Year	<u><u>\$          0</u></u>	<u><u>\$          0</u></u>	<u><u>\$     42,987</u></u>	<u><u>\$     42,987</u></u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 15,000	\$ 16,800	\$ 18,316	\$ 1,516
Total Revenues	<u>15,000</u>	<u>16,800</u>	<u>18,316</u>	<u>1,516</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	19,084	22,770	21,010	1,760
Total Expenditures	<u>19,084</u>	<u>22,770</u>	<u>21,010</u>	<u>1,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,084)	(5,970)	(2,694)	3,276
Fund Balance at Beginning of Year	4,084	4,084	4,084	0
Prior Year Encumbrances	1,886	1,886	1,886	0
Fund Balance at End of Year	<u>\$ 1,886</u>	<u>\$ 0</u>	<u>\$ 3,276</u>	<u>\$ 3,276</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, 2019***

	<b>PROBATION SERVICES</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 52,000	\$ 52,000	\$ 52,786	\$ 786
All Other Revenues	<u>0</u>	<u>0</u>	<u>43,946</u>	<u>43,946</u>
Total Revenues	<u>52,000</u>	<u>52,000</u>	<u>96,732</u>	<u>44,732</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	50,000	50,740	31,803	18,937
Materials and Supplies	<u>53,401</u>	<u>53,401</u>	<u>0</u>	<u>53,401</u>
Total Expenditures	<u>103,401</u>	<u>104,141</u>	<u>31,803</u>	<u>72,338</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,401)	(52,141)	64,929	117,070
Fund Balance at Beginning of Year	51,401	51,401	51,401	0
Prior Year Encumbrances	<u>740</u>	<u>740</u>	<u>740</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 740</u>	<u>\$ 0</u>	<u>\$ 117,070</u>	<u>\$ 117,070</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 26,883</u>	<u>\$ 2,883</u>
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>26,883</u>	<u>2,883</u>
<b>Expenditures:</b>				
General Government:				
Materials and Supplies	<u>94,187</u>	<u>94,187</u>	<u>9,555</u>	<u>84,632</u>
Total Expenditures	<u>94,187</u>	<u>94,187</u>	<u>9,555</u>	<u>84,632</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(70,187)</u>	<u>(70,187)</u>	<u>17,328</u>	<u>87,515</u>
Fund Balance at Beginning of Year	<u>70,187</u>	<u>70,187</u>	<u>70,187</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 87,515</u>	<u>\$ 87,515</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				Variance with Final Budget Positive Negative
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 149,955	\$ 0	\$ (149,955)
Total Revenues	<u>0</u>	<u>149,955</u>	<u>0</u>	<u>(149,955)</u>
<b>Expenditures:</b>				
General Government:				
Materials and Supplies	0	149,955	0	149,955
Total Expenditures	<u>0</u>	<u>149,955</u>	<u>0</u>	<u>149,955</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
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>\$ 0</u>	<u>\$ 0</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 55,000	\$ 55,000	\$ 61,606	\$ 6,606
All Other Revenues	0	0	148	148
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>61,754</u>	<u>6,754</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	3,672	3,672	3,666	6
Contractual Services	<u>149,928</u>	<u>150,138</u>	<u>71,561</u>	<u>78,577</u>
Total Expenditures	<u>153,600</u>	<u>153,810</u>	<u>75,227</u>	<u>78,583</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,600)	(98,810)	(13,473)	85,337
Fund Balance at Beginning of Year	98,600	98,600	98,600	0
Prior Year Encumbrances	<u>210</u>	<u>210</u>	<u>210</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 210</u>	<u>\$ 0</u>	<u>\$ 85,337</u>	<u>\$ 85,337</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Other Local Taxes	<u>\$ 124,000</u>	<u>\$ 124,000</u>	<u>\$ 123,941</u>	<u>\$ (59)</u>
Total Revenues	<u>124,000</u>	<u>124,000</u>	<u>123,941</u>	<u>(59)</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>124,000</u>	<u>124,000</u>	<u>123,941</u>	<u>59</u>
Total Expenditures	<u>124,000</u>	<u>124,000</u>	<u>123,941</u>	<u>59</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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>\$ 0</u>	<u>\$ 0</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>DRIVERS INTERLOCK &amp; ALCOHOL MONITORING</b>				
<b>Revenues:</b>				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 10,285	\$ 285
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,285</u>	<u>285</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	150,731	150,731	8,223	142,508
Total Expenditures	<u>150,731</u>	<u>150,731</u>	<u>8,223</u>	<u>142,508</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,731)	(140,731)	2,062	142,793
Fund Balance at Beginning of Year	<u>140,731</u>	<u>140,731</u>	<u>140,731</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 142,793</u>	<u>\$ 142,793</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<b>PUBLIC SERVICE STREET REPAIR</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Licenses and Permits	\$ 1,050	\$ 1,050	\$ 460	\$ (590)
Total Revenues	<u>1,050</u>	<u>1,050</u>	<u>460</u>	<u>(590)</u>
<b>Expenditures:</b>				
General Government:				
Capital Outlay	4,996	4,996	3,495	1,501
Total Expenditures	<u>4,996</u>	<u>4,996</u>	<u>3,495</u>	<u>1,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,946)	(3,946)	(3,035)	911
Fund Balance at Beginning of Year	<u>3,946</u>	<u>3,946</u>	<u>3,946</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 911</u></u>	<u><u>\$ 911</u></u>

**CITY OF MOUNT VERNON, OHIO**

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**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, 2019**

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<b>HIAWATHA WATER PARK SCHOLARSHIP</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
General Government:				
Materials and Supplies	4,438	4,438	0	4,438
Total Expenditures	4,438	4,438	0	4,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,438)	(4,438)	0	4,438
Fund Balance at Beginning of Year	4,438	4,438	4,438	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,438</u>	<u>\$ 4,438</u>



**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	<b>AVAILABLE PETITION</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Other Local Taxes	\$ 10,000	\$ 10,000	\$ 12,394	\$ 2,394
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>12,394</u>	<u>2,394</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	89,657	89,657	15,560	74,097
Total Expenditures	<u>89,657</u>	<u>89,657</u>	<u>15,560</u>	<u>74,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(79,657)	(79,657)	(3,166)	76,491
Fund Balance at Beginning of Year	<u>79,657</u>	<u>79,657</u>	<u>79,657</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 76,491</u>	<u>\$ 76,491</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, 2019***

	<b>POLICE PENSION</b>			Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
<b>Revenues:</b>				
Property Taxes	\$ 69,000	\$ 69,000	\$ 72,921	\$ 3,921
Municipal Income Taxes	50,719	50,719	81,086	30,367
Intergovernmental Revenues	9,200	9,200	9,305	105
All Other Revenues	0	0	2,780	2,780
Total Revenues	<u>128,919</u>	<u>128,919</u>	<u>166,092</u>	<u>37,173</u>
<b>Expenditures:</b>				
Security of Persons and Property				
Personal Services	417,118	463,138	428,585	34,553
General Government:				
Contractual Services	1,950	1,950	1,593	357
Total Expenditures	<u>419,068</u>	<u>465,088</u>	<u>430,178</u>	<u>34,910</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(290,149)	(336,169)	(264,086)	72,083
<b>Other Financing Sources (Uses):</b>				
Transfers In	261,191	261,191	225,000	(36,191)
Total Other Financing Sources (Uses)	<u>261,191</u>	<u>261,191</u>	<u>225,000</u>	<u>(36,191)</u>
Net Change in Fund Balance	(28,958)	(74,978)	(39,086)	35,892
Fund Balance at Beginning of Year	28,958	28,958	28,958	0
Prior Year Encumbrances	46,020	46,020	46,020	0
Fund Balance at End of Year	<u>\$ 46,020</u>	<u>\$ 0</u>	<u>\$ 35,892</u>	<u>\$ 35,892</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, 2019***

	<b>FIRE PENSION</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 69,000	\$ 69,000	\$ 72,921	\$ 3,921
Municipal Income Taxes	50,719	50,719	81,086	30,367
Intergovernmental Revenues	9,200	9,200	9,305	105
Total Revenues	<u>128,919</u>	<u>128,919</u>	<u>163,312</u>	<u>34,393</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	746,724	839,364	730,718	108,646
General Government:				
Contractual Services	1,950	1,950	1,548	402
Total Expenditures	<u>748,674</u>	<u>841,314</u>	<u>732,266</u>	<u>109,048</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(619,755)	(712,395)	(568,954)	143,441
<b>Other Financing Sources (Uses):</b>				
Transfers In	562,191	562,191	545,000	(17,191)
Total Other Financing Sources (Uses)	<u>562,191</u>	<u>562,191</u>	<u>545,000</u>	<u>(17,191)</u>
Net Change in Fund Balance	(57,564)	(150,204)	(23,954)	126,250
Fund Balance at Beginning of Year	57,564	57,564	57,564	0
Prior Year Encumbrances	92,640	92,640	92,640	0
Fund Balance at End of Year	<u>\$ 92,640</u>	<u>\$ 0</u>	<u>\$ 126,250</u>	<u>\$ 126,250</u>

**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 0	\$ 1	\$ 1
Total Revenues	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	1,864	1,864	0	1,864
Total Expenditures	<u>1,864</u>	<u>1,864</u>	<u>0</u>	<u>1,864</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,864)	(1,864)	1	1,865
Fund Balance at Beginning of Year	1,864	1,864	1,864	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,865</u>	<u>\$ 1,865</u>

**CITY OF MOUNT VERNON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019***

<b>VETERANS HONOR WALKWAY</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for Services	\$ 500	\$ 500	\$ 700	\$ 200
Investment Earnings	15	15	39	24
Total Revenues	<u>515</u>	<u>515</u>	<u>739</u>	<u>224</u>
<b>Expenditures:</b>				
Leisure Time Activities				
Materials and Supplies	66,853	66,901	473	66,428
Contractual Services	2,500	2,500	260	2,240
Total Expenditures	<u>69,353</u>	<u>69,401</u>	<u>733</u>	<u>68,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,838)	(68,886)	6	68,892
Fund Balance at Beginning of Year	68,838	68,838	68,838	0
Prior Year Encumbrances	48	48	48	0
Fund Balance at End of Year	<u>\$ 48</u>	<u>\$ 0</u>	<u>\$ 68,892</u>	<u>\$ 68,892</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, 2019***

**GENERAL BOND RETIREMENT - INCOME TAX**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 144,801	\$ 144,801	\$ 144,784	\$ (17)
Total Revenues	<u>144,801</u>	<u>144,801</u>	<u>144,784</u>	<u>(17)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	115,000	115,000	115,000	0
Interest and Fiscal Charges	<u>41,871</u>	<u>41,871</u>	<u>29,819</u>	<u>12,052</u>
Total Expenditures	<u>156,871</u>	<u>156,871</u>	<u>144,819</u>	<u>12,052</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,070)	(12,070)	(35)	12,035
Fund Balance at Beginning of Year	12,070	12,070	12,070	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,035</u>	<u>\$ 12,035</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, 2019**

<b>TIF DISTRICT-INDUSTRIAL AREA</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 61,000	\$ 144,386	\$ 144,389	\$ 3
Total Revenues	<u>61,000</u>	<u>144,386</u>	<u>144,389</u>	<u>3</u>
<b>Expenditures:</b>				
Transportation:				
Street:				
Contractual Services	1,100	2,372	2,372	0
Total Expenditures	<u>1,100</u>	<u>2,372</u>	<u>2,372</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	59,900	142,014	142,017	3
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(59,900)	(142,014)	(141,938)	76
Total Other Financing Sources (Uses)	<u>(59,900)</u>	<u>(142,014)</u>	<u>(141,938)</u>	<u>76</u>
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>\$ 79</u>	<u>\$ 79</u>

**CITY OF MOUNT VERNON, OHIO**

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**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, 2019**

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**TIF DISTRICT-SANDUSKY STREET CORRIDOR**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 12,776	\$ 12,776	\$ 0
Total Revenues	<u>0</u>	<u>12,776</u>	<u>12,776</u>	<u>0</u>
<b>Expenditures:</b>				
Transportation:				
Street:				
Contractual Services	0	12,776	146	12,630
Total Expenditures	<u>0</u>	<u>12,776</u>	<u>146</u>	<u>12,630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	12,630	12,630
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>\$ 12,630</u>	<u>\$ 12,630</u>



**CITY OF MOUNT VERNON, OHIO**

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***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, 2019***

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	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
All Other Revenues	\$ 10,000	\$ 10,000	\$ 14,805	\$ 4,805
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>14,805</u>	<u>4,805</u>
<b>Expenditures:</b>				
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	14,805	4,805
Fund Balance at Beginning of Year	<u>479,233</u>	<u>479,233</u>	<u>479,233</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 489,233</u>	<u>\$ 489,233</u>	<u>\$ 494,038</u>	<u>\$ 4,805</u>

***Fiduciary Funds***

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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***

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**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.

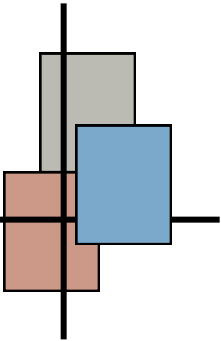
**CITY OF MOUNT VERNON, OHIO**

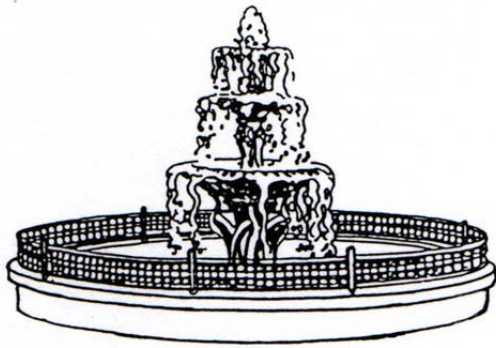
**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2019**

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
<b><u>Insurance Trust Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$43,070	\$9,011	(\$15,850)	\$36,231
Total Assets	<u>\$43,070</u>	<u>\$9,011</u>	<u>(\$15,850)</u>	<u>\$36,231</u>
Liabilities:				
Due to Others	\$43,070	\$9,011	(\$15,850)	\$36,231
Total Liabilities	<u>\$43,070</u>	<u>\$9,011</u>	<u>(\$15,850)</u>	<u>\$36,231</u>
<b><u>Bonds and Inspection Fee Trust Fund</u></b>				
Assets:				
Cash	\$19,651	\$15,000	(\$10,000)	\$24,651
Total Assets	<u>\$19,651</u>	<u>\$15,000</u>	<u>(\$10,000)</u>	<u>\$24,651</u>
Liabilities:				
Due to Others	\$19,651	\$15,000	(\$10,000)	\$24,651
Total Liabilities	<u>\$19,651</u>	<u>\$15,000</u>	<u>(\$10,000)</u>	<u>\$24,651</u>
<b><u>Municipal Court Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$102,234	\$1,091,167	(\$1,062,517)	\$130,884
Total Assets	<u>\$102,234</u>	<u>\$1,091,167</u>	<u>(\$1,062,517)</u>	<u>\$130,884</u>
Liabilities:				
Intergovernmental Payable	\$26,601	\$427,192	(\$419,597)	\$34,196
Due to Others	75,633	663,975	(642,920)	96,688
Total Liabilities	<u>\$102,234</u>	<u>\$1,091,167</u>	<u>(\$1,062,517)</u>	<u>\$130,884</u>
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$164,955	\$1,115,178	(\$1,088,367)	\$191,766
Total Assets	<u>\$164,955</u>	<u>\$1,115,178</u>	<u>(\$1,088,367)</u>	<u>\$191,766</u>
Liabilities:				
Intergovernmental Payables	\$26,601	\$427,192	(\$419,597)	\$34,196
Due to Others	138,354	687,986	(668,770)	157,570
Total Liabilities	<u>\$164,955</u>	<u>\$1,115,178</u>	<u>(\$1,088,367)</u>	<u>\$191,766</u>



# Statistical Section





## ***STATISTICAL TABLES***

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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***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	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.	
<b>Debt Capacity</b>	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.	
<b>Economic and Demographic Information</b>	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.	
<b>Operating Information</b>	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.	
<b>Sources Note:</b>	
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)*

	2010	2011	2012	2013
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$38,627,947	\$39,308,561	\$39,426,306	\$41,446,062
Restricted	6,397,410	3,034,793	3,094,466	4,315,346
Unrestricted	4,489,751	5,784,699	8,349,905	6,347,089
Total Governmental Activities Net Position	<u>\$49,515,108</u>	<u>\$48,128,053</u>	<u>\$50,870,677</u>	<u>\$52,108,497</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$13,393,510	\$16,312,403	\$15,012,084	\$16,711,092
Restricted	3,329,674	1,847,384	1,008,353	1,646,248
Unrestricted	3,398,489	2,603,447	5,388,497	3,616,486
Total Business-type Activities Net Postion	<u>\$20,121,673</u>	<u>\$20,763,234</u>	<u>\$21,408,934</u>	<u>\$21,973,826</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$52,021,457	\$55,620,964	\$54,438,390	\$58,157,154
Restricted	9,727,084	4,882,177	4,102,819	5,961,594
Unrestricted	7,888,240	8,388,146	13,738,402	9,963,575
Total Primary Government Net Position	<u>\$69,636,781</u>	<u>\$68,891,287</u>	<u>\$72,279,611</u>	<u>\$74,082,323</u>

(1) Net Position was restated in 2014 as a result of implementing GASB 68.

(2) Net Position was restated in 2017 as a result of implementing GASB 75.

Source: City Auditor's Office



*City of Mount Vernon, Ohio*

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2014	2015	2016	2017	2018	2019
(1)			(2)		
\$40,927,848	\$43,612,477	\$45,177,791	\$45,255,324	\$47,275,648	\$48,096,358
6,576,302	6,512,955	6,521,108	6,176,687	8,250,183	12,532,422
(3,435,859)	(4,782,532)	(8,162,671)	(22,030,876)	(24,289,990)	(15,831,512)
<u>\$44,068,291</u>	<u>\$45,342,900</u>	<u>\$43,536,228</u>	<u>\$29,401,135</u>	<u>\$31,235,841</u>	<u>\$44,797,268</u>
\$18,252,176	\$18,610,103	\$19,396,615	\$19,432,673	\$21,803,319	\$23,092,516
1,758,460	1,783,244	1,504,036	1,473,090	1,421,106	1,207,733
1,083,501	924,045	735,523	2,376,232	2,240,192	2,433,439
<u>\$21,094,137</u>	<u>\$21,317,392</u>	<u>\$21,636,174</u>	<u>\$23,281,995</u>	<u>\$25,464,617</u>	<u>\$26,733,688</u>
\$59,180,024	\$62,222,580	\$64,574,406	\$64,687,997	\$69,078,967	\$71,188,874
8,334,762	8,296,199	8,025,144	7,649,777	9,671,289	13,740,155
(2,352,358)	(3,858,487)	(7,427,148)	(19,654,644)	(22,049,798)	(13,398,073)
<u>\$65,162,428</u>	<u>\$66,660,292</u>	<u>\$65,172,402</u>	<u>\$52,683,130</u>	<u>\$56,700,458</u>	<u>\$71,530,956</u>

**City of Mount Vernon, Ohio**

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

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$5,950,098	\$6,372,507	\$6,188,789	\$6,492,718
Public Health and Welfare Services	693,029	709,622	723,360	709,251
Leisure Time Activities	963,163	1,143,295	719,024	980,442
Community Environment	1,560,761	591,187	528,995	648,532
Transportation	2,586,915	4,440,371	4,228,585	3,367,249
General Government	4,711,970	4,188,865	4,852,231	5,316,607
Interest and Fiscal Charges	350,672	287,411	510,896	276,071
<i>Total Governmental Activities Expenses</i>	<u>16,816,608</u>	<u>17,733,258</u>	<u>17,751,880</u>	<u>17,790,870</u>
Business-type Activities:				
Water	3,347,380	3,180,709	3,019,406	3,049,583
Sewer	3,103,781	3,035,080	3,194,971	3,118,011
<i>Total Business-type Activities Expenses</i>	<u>6,451,161</u>	<u>6,215,789</u>	<u>6,214,377</u>	<u>6,167,594</u>
<i>Total Primary Government Expenses</i>	<u><u>\$23,267,769</u></u>	<u><u>\$23,949,047</u></u>	<u><u>\$23,966,257</u></u>	<u><u>\$23,958,464</u></u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$1,200,644	\$1,172,890	\$1,175,624	\$1,119,039
Public Health and Welfare Services	83,842	82,027	80,494	82,513
Leisure Time Activities	296,300	296,650	291,563	255,558
Community Environment	20,387	14,411	16,471	18,872
Transportation	2,702	200	313	750
General Government	898,161	910,868	866,410	768,254
Operating Grants and Contributions	1,807,522	888,663	2,024,553	1,937,129
Capital Grants and Contributions	880,033	173,557	2,169,916	1,590,955
<i>Total Governmental Activities Program Revenues</i>	<u>5,189,591</u>	<u>3,539,266</u>	<u>6,625,344</u>	<u>5,773,070</u>

*City of Mount Vernon, Ohio*

2014	2015	2016	2017	2018	2019
\$6,370,982	\$7,035,151	\$7,735,685	\$8,259,679	\$10,283,448	\$606,058
757,435	711,222	783,628	760,614	585,043	598,796
1,279,240	870,144	1,210,663	1,362,160	1,271,709	1,080,378
323,093	763,019	1,012,146	355,354	891,732	424,589
5,070,430	6,448,854	2,890,767	3,648,289	2,695,510	2,791,472
6,294,609	5,154,298	7,057,974	7,297,638	7,789,359	8,128,518
263,497	277,043	206,340	212,742	196,125	277,036
<u>20,359,286</u>	<u>21,259,731</u>	<u>20,897,203</u>	<u>21,896,476</u>	<u>23,712,926</u>	<u>13,906,847</u>
3,028,624	3,085,297	3,115,505	3,066,560	3,146,692	3,636,006
3,256,742	3,538,970	3,281,725	3,750,082	3,476,860	3,934,492
<u>6,285,366</u>	<u>6,624,267</u>	<u>6,397,230</u>	<u>6,816,642</u>	<u>6,623,552</u>	<u>7,570,498</u>
<u>\$26,644,652</u>	<u>\$27,883,998</u>	<u>\$27,294,433</u>	<u>\$28,713,118</u>	<u>\$30,336,478</u>	<u>\$21,477,345</u>
\$1,252,995	\$1,098,742	\$1,333,712	\$1,732,071	\$1,707,975	\$1,746,281
48,631	90,889	83,441	68,440	57,821	68,405
246,341	261,876	307,643	280,239	284,339	323,130
9,423	21,127	2,016	13,871	9,688	9,908
1,094	6,527	825	2,756	12,638	1,525
698,554	882,275	765,663	837,308	1,015,550	926,248
1,470,114	1,114,030	2,763,295	1,747,093	2,141,509	2,853,036
2,781,681	4,682,427	1,281,804	1,168,867	226,249	992,876
<u>6,508,833</u>	<u>8,157,893</u>	<u>6,538,399</u>	<u>5,850,645</u>	<u>5,455,769</u>	<u>6,921,409</u>

(continued)

**City of Mount Vernon, Ohio**

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

	2010	2011	2012	2013
<b>Business-type Activities:</b>				
Charges for Services and Sales				
Water	3,392,757	3,371,924	3,559,198	3,450,880
Sewer	3,105,361	3,290,355	3,257,271	3,243,715
Operating Grants and Contributions	40,709	42,936	42,069	37,266
<i>Total Business-type Activities Program Revenues</i>	<u>6,538,827</u>	<u>6,853,950</u>	<u>6,858,538</u>	<u>6,731,861</u>
<i>Total Primary Government Program Revenues</i>	<u>11,728,418</u>	<u>10,393,216</u>	<u>13,483,882</u>	<u>12,504,931</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(11,627,017)	(14,193,992)	(11,126,536)	(12,017,800)
Business-type Activities	87,666	638,161	644,161	564,267
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$11,539,351)</u>	<u>(\$13,555,831)</u>	<u>(\$10,482,375)</u>	<u>(\$11,453,533)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$589,285	\$556,875	\$571,710	\$552,305
Special Purposes	0	0	134,352	130,272
Debt Service	167,876	152,820	32,707	143,647
Capital Outlay	1,381,766	1,521,575	1,441,186	720,963
Income Taxes	8,688,085	9,262,187	10,566,350	10,805,563
Other Local Taxes	87,796	84,821	98,030	94,973
Grants and Entitlements not Restricted to Specific Programs	1,087,350	963,370	725,574	451,426
Investment Earnings	60,858	21,582	37,698	29,448
Miscellaneous	180,599	243,707	261,553	327,023
<i>Total Governmental Activities</i>	<u>12,243,615</u>	<u>12,806,937</u>	<u>13,869,160</u>	<u>13,255,620</u>
Business-type Activities:				
Investment Earnings	4,973	3,400	1,539	625
<i>Total Business-type Activities</i>	<u>4,973</u>	<u>3,400</u>	<u>1,539</u>	<u>625</u>
<i>Total Primary Government</i>	<u>\$12,248,588</u>	<u>\$12,810,337</u>	<u>\$13,870,699</u>	<u>\$13,256,245</u>
<b>Change in Net Position</b>				
Governmental Activities	\$616,598	(\$1,387,055)	\$2,742,624	\$1,237,820
Business-type Activities	92,639	641,561	645,700	564,892
<i>Total Primary Government Change in Net Position</i>	<u>\$709,237</u>	<u>(\$745,494)</u>	<u>\$3,388,324</u>	<u>\$1,802,712</u>

Source: City Auditor's Office

*City of Mount Vernon, Ohio*

2014	2015	2016	2017	2018	2019
3,684,807	3,562,765	3,537,845	5,114,590	4,683,774	4,755,471
3,197,847	3,284,201	3,177,531	4,534,373	4,121,428	4,084,098
37,591	0	0	0	0	0
6,920,245	6,846,966	6,715,376	9,648,963	8,805,202	8,839,569
13,429,078	15,004,859	13,253,775	15,499,608	14,260,971	15,760,978
(13,850,453)	(13,101,838)	(14,358,804)	(16,045,831)	(18,257,157)	(6,985,438)
634,879	222,699	318,146	2,832,321	2,181,650	1,269,071
<u>(\$13,215,574)</u>	<u>(\$12,879,139)</u>	<u>(\$14,040,658)</u>	<u>(\$13,213,510)</u>	<u>(\$16,075,507)</u>	<u>(\$5,716,367)</u>
\$536,836	\$434,944	\$582,788	\$677,443	\$706,874	\$597,681
131,724	105,810	132,590	156,590	162,492	138,022
143,215	143,874	143,606	145,590	145,217	144,784
1,249,984	1,339,046	1,403,568	1,288,174	1,354,211	1,601,349
12,503,753	11,753,826	9,501,005	10,390,679	16,401,453	16,733,601
103,876	106,100	121,627	131,785	141,874	143,452
890,797	164,502	322,917	342,555	319,344	405,550
11,260	27,083	44,327	91,431	161,072	362,606
902,455	301,262	299,704	510,361	699,326	419,820
16,473,900	14,376,447	12,552,132	13,734,608	20,091,863	20,546,865
424	556	636	20,902	972	0
424	556	636	20,902	972	0
<u>\$16,474,324</u>	<u>\$14,377,003</u>	<u>\$12,552,768</u>	<u>\$13,755,510</u>	<u>\$20,092,835</u>	<u>\$20,546,865</u>
\$2,623,447	\$1,274,609	(\$1,806,672)	(\$2,311,223)	\$1,834,706	\$13,561,427
635,303	223,255	318,782	2,853,223	2,182,622	1,269,071
<u>\$3,258,750</u>	<u>\$1,497,864</u>	<u>(\$1,487,890)</u>	<u>\$542,000</u>	<u>\$4,017,328</u>	<u>\$14,830,498</u>

**City of Mount Vernon, Ohio**

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

	2010	2011	2012	2013
General Fund				
Nonspendable	\$0	\$130,262	\$127,232	\$135,855
Restricted	0	8,080	8,080	8,080
Committed	0	16,480	16,480	16,480
Assigned	0	374,348	3,152,283	2,680,908
Unassigned	0	4,175,053	1,787,773	970,240
Reserved	416,367	0	0	0
Unreserved	4,593,098	0	0	0
<i>Total General Fund</i>	<u>5,009,465</u>	<u>4,704,223</u>	<u>5,091,848</u>	<u>3,811,563</u>
All Other Governmental Funds				
Nonspendable	0	408,506	420,915	454,286
Restricted	0	3,116,931	4,653,008	4,653,741
Committed	0	84,729	138,982	134,995
Unassigned	0	0	0	0
Reserved	403,850	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,182,665	0	0	0
Capital Projects Funds	3,071,740	0	0	0
Permanent Fund	369,072	0	0	0
<i>Total All Other   Governmental Funds</i>	<u>5,027,327</u>	<u>3,610,166</u>	<u>5,212,905</u>	<u>5,243,022</u>
<i>Total Governmental Funds</i>	<u><u>\$10,036,792</u></u>	<u><u>\$8,314,389</u></u>	<u><u>\$10,304,753</u></u>	<u><u>\$9,054,585</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*

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2014	2015	2016	2017	2018	2019
\$147,536	\$159,479	\$186,763	\$186,886	\$169,812	\$176,328
8,080	8,080	8,080	676	15,855	16,150
4,741	426	2,405	7,105	9,060	0
2,754,129	3,576,344	2,459,740	1,586,448	2,103,484	2,932,004
1,254,772	1,397,417	649,074	557,397	551,809	651,757
0	0	0	0	0	0
0	0	0	0	0	0
4,169,258	5,141,746	3,306,062	2,338,512	2,850,020	3,776,239
443,738	493,536	530,833	536,108	592,883	661,892
6,299,667	6,560,177	5,047,602	5,357,929	7,773,875	12,934,559
124,561	117,413	103,467	90,696	79,492	75,850
0	0	(1,009)	0	(72,842)	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,867,966	7,171,126	5,680,893	5,984,733	8,373,408	13,672,301
\$11,037,224	\$12,312,872	\$8,986,955	\$8,323,245	\$11,223,428	\$17,448,540

## City of Mount Vernon, Ohio

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

	2010	2011	2012	2013
<b>Revenues:</b>				
Taxes	\$10,836,690	\$11,205,072	\$12,728,720	\$12,820,372
Intergovernmental Revenues	4,269,553	2,710,045	2,736,097	2,243,029
Charges for Services	1,632,849	1,642,971	1,628,400	1,538,771
Licenses and Permits	16,952	11,545	20,135	10,252
Investment Earnings	60,858	21,582	37,698	29,448
Fines and Forfeitures	845,195	812,749	785,523	696,006
All Other Revenue	191,701	232,273	1,224,294	1,004,302
<b>Total Revenue</b>	<u>17,853,798</u>	<u>16,636,237</u>	<u>19,160,867</u>	<u>18,342,180</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	5,584,614	6,166,170	5,548,197	6,201,515
Public Health and Welfare Services	677,715	694,326	707,922	696,102
Leisure Time Activities	728,146	718,703	700,979	762,156
Community Environment	1,560,761	591,187	528,995	648,532
Transportation	3,675,011	3,901,070	4,047,663	2,868,350
General Government	5,443,844	5,590,698	6,627,844	7,660,676
Debt Service:				
Principal Retirement	422,401	436,723	484,756	500,756
Interest and Fiscal Charges	339,425	287,960	359,602	279,021
<b>Total Expenditures</b>	<u>18,431,917</u>	<u>18,386,837</u>	<u>19,005,958</u>	<u>19,617,108</u>
Excess (Deficiency) of Revenues Over Expenditures	(578,119)	(1,750,600)	154,909	(1,274,928)



*City of Mount Vernon, Ohio*

2014	2015	2016	2017	2018	2019
\$14,018,827	\$14,994,697	\$11,782,401	\$12,742,449	\$18,596,443	\$19,721,322
2,727,769	4,464,177	3,005,589	2,900,021	3,409,113	3,784,210
1,565,290	1,592,629	1,645,697	2,092,297	2,113,540	2,115,513
18,747	46,275	20,353	20,496	69,777	31,557
11,260	27,083	44,327	91,431	161,072	362,606
675,007	687,259	805,303	822,688	976,333	948,914
1,549,515	442,234	321,651	509,548	604,706	399,147
<u>20,566,415</u>	<u>22,254,354</u>	<u>17,625,321</u>	<u>19,178,930</u>	<u>25,930,984</u>	<u>27,363,269</u>
6,173,136	6,277,707	6,627,332	6,751,717	7,733,103	7,798,677
747,707	693,979	725,904	687,038	525,850	484,547
848,879	825,430	883,875	960,435	934,831	940,888
323,093	763,019	1,012,146	355,354	891,732	424,589
3,526,598	5,509,975	3,687,931	3,316,511	4,170,486	5,780,368
6,202,716	6,176,909	7,228,697	6,968,691	8,049,543	7,952,411
515,327	537,568	579,980	596,714	606,021	778,802
264,038	275,624	205,623	205,820	172,629	235,002
<u>18,601,494</u>	<u>21,060,211</u>	<u>20,951,488</u>	<u>19,842,280</u>	<u>23,084,195</u>	<u>24,395,284</u>
1,964,921	1,194,143	(3,326,167)	(663,350)	2,846,789	2,967,985

(Continued)

**City of Mount Vernon, Ohio**

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

	2010	2011	2012	2013
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	3,259	38,177	11,342	31,689
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
General Obligation Refunding Bonds Issued	0	0	1,654,000	0
Special Obligation Bonds Issued	0	0	1,775,000	0
Payment to Refunded Bond Escrow Agent	0	0	(1,600,053)	0
Transfers In	827,126	1,028,456	1,275,651	1,656,139
Transfers Out	(827,126)	(1,028,456)	(1,275,651)	(1,656,139)
<b>Total Other Financing Sources (Uses)</b>	<u>3,259</u>	<u>38,177</u>	<u>1,840,289</u>	<u>31,689</u>
<b>Net Change in Fund Balance</b>	<u>(\$574,860)</u>	<u>(\$1,712,423)</u>	<u>\$1,995,198</u>	<u>(\$1,243,239)</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 5.10%	 4.72%	 5.51%	 5.03%

Source: City Auditor's Office

*City of Mount Vernon, Ohio*

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2014	2015	2016	2017	2018	2019
3,148	42,156	7,238	4,450	25,309	43,413
0	0	0	0	0	558,620
0	0	0	0	0	2,600,000
0	1,995,150	0	0	0	0
0	0	0	0	0	0
0	(1,969,258)	0	0	0	0
1,252,978	1,242,974	1,187,721	1,319,499	1,337,426	1,591,350
(1,252,978)	(1,242,974)	(1,187,721)	(1,319,499)	(1,337,426)	(1,591,350)
3,148	68,048	7,238	4,450	25,309	3,202,033
\$1,968,069	\$1,262,191	(\$3,318,929)	(\$658,900)	\$2,872,098	\$6,170,018
4.53%	4.21%	4.37%	4.42%	4.11%	5.34%

## *City of Mount Vernon, Ohio*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$513,183	\$542,270	\$580,616	\$606,203
Total Tax Collected	\$8,556,302	\$9,017,691	\$10,128,973	\$11,210,717
Income Tax Receipts				
Withholding	6,967,691	7,408,369	7,854,868	8,088,514
Percentage	81.43%	82.15%	77.55%	72.15%
Corporate	926,225	961,045	1,578,706	2,396,265
Percentage	10.83%	10.66%	15.59%	21.37%
Individuals	662,386	648,277	695,399	725,938
Percentage	7.74%	7.19%	6.86%	6.48%

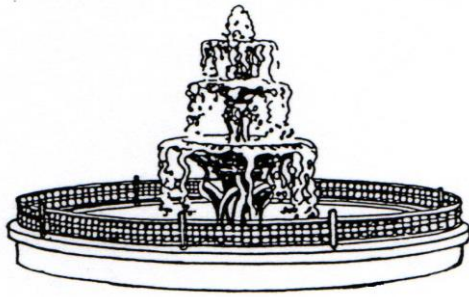
Source: City Income Tax Department

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

*City of Mount Vernon, Ohio*

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2014	2015	2016	2017	2018	2019
1.50%	1.50%	1.50%	1.50%	2.00%	2.00%
\$641,916	\$668,472	\$673,501	\$690,338	\$716,332	\$716,332
\$11,725,532	\$12,409,133	\$11,261,723	\$10,660,851	\$16,016,993	\$16,958,416
8,450,570	8,673,622	9,042,251	8,591,242	11,675,758	12,183,379
72.07%	69.90%	80.29%	80.59%	72.90%	71.84%
2,522,261	2,889,193	1,373,619	1,229,520	3,427,601	3,713,148
21.51%	23.28%	12.20%	11.53%	21.40%	21.90%
752,701	846,318	845,853	840,089	913,634	1,061,889
6.42%	6.82%	7.51%	7.88%	5.70%	6.26%



**City of Mount Vernon, Ohio**

*Income Tax Collections  
Current Year and Nine Years Ago*

Calendar Year 2019				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$468,986,800	55.31%	\$9,379,736	55.31%
All Others	378,934,000	44.69%	7,578,680	44.69%
Total	<u>\$847,920,800</u>	<u>100.00%</u>	<u>\$16,958,416</u>	<u>100.00%</u>

Calendar Year 2010				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$218,627,600	38.33%	\$3,279,414	38.33%
All Others	351,792,533	61.67%	5,276,888	61.67%
Total	<u>\$570,420,133</u>	<u>100.00%</u>	<u>\$8,556,302</u>	<u>100.00%</u>

Source: City Income Tax Department

## City of Mount Vernon, Ohio

### Ratio of Outstanding Debt By Type Last Ten Years

	2010	2011	2012	2013
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$6,881,718	\$6,482,568	\$6,177,200	\$5,812,400
Special Obligation Bonds Payable	0	0	1,775,000	1,677,500
Ohio Public Works Commission Loan Payable	419,375	391,875	364,375	336,875
<b>Business-type Activities</b> <sup>(1)</sup>				
Ohio Public Works Commission Loan Payable	\$122,228	\$115,960	\$109,692	\$103,424
Ohio Water Development Authority	0	2,303,347	6,289,243	6,476,726
General Obligation Bonds Payable	12,348,282	11,392,432	10,522,800	9,582,600
Special Obligation Bonds Payable	0	0	1,775,000	1,677,500
Mortgage Revenue Bonds Payable	4,020,000	3,620,000	3,205,000	2,780,000
Total Primary Government	<u>\$23,791,603</u>	<u>\$24,306,182</u>	<u>\$30,218,310</u>	<u>\$28,447,025</u>
<b>Population</b> <sup>(2)</sup>				
City of Mount Vernon	16,990	16,990	16,990	16,990
Outstanding Debt Per Capita	\$1,400.33	\$1,430.62	\$1,778.59	\$1,674.34
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	513,183	542,270	580,616	606,203
Percentage of Personal Income	4.64%	4.48%	5.20%	4.69%

**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*

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2014	2015	2016	2017	2018	2019
\$5,436,000	\$5,205,500	\$4,770,450	\$4,324,200	\$3,871,700	\$5,849,500
1,577,500	1,475,000	1,370,000	1,260,000	1,147,500	1,032,500
309,375	281,875	254,375	226,875	199,375	730,495
\$97,156	\$90,888	\$126,237	\$116,886	\$107,535	\$98,184
6,500,028	6,154,888	5,872,440	5,536,388	5,196,426	4,852,509
8,604,000	7,828,650	6,747,950	5,617,700	4,450,200	3,917,400
1,577,500	1,475,000	1,370,000	1,260,000	1,147,500	1,032,500
2,345,000	1,895,000	1,430,000	950,000	0	0
<u>\$26,446,559</u>	<u>\$24,406,801</u>	<u>\$21,941,452</u>	<u>\$19,292,049</u>	<u>\$16,120,236</u>	<u>\$17,513,088</u>
16,990	16,990	16,990	16,990	16,990	16,990
\$1,556.60	\$1,436.54	\$1,291.43	\$1,135.49	\$948.81	\$1,030.79
641,916	668,472	673,501	690,338	716,332	716,332
4.12%	3.65%	3.26%	2.79%	2.25%	2.44%

**City of Mount Vernon, Ohio**

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

Year	2010	2011	2012	2013
<b>Population</b> <sup>(1)</sup>	16,990	16,990	16,990	16,990
<b>Assessed Value</b> <sup>(2)</sup>	\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$19,230,000	\$17,875,000	\$16,700,000	\$15,395,000
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$0	\$0	\$966	\$0
<b>Net General Bonded Debt</b>	\$19,230,000	\$17,875,000	\$16,699,034	\$15,395,000
<b>Ratio of Net Bonded Debt to Assessed Value</b>	7.42%	7.23%	6.74%	6.18%
<b>Net Bonded Debt per Capita</b>	\$1,131.84	\$1,052.09	\$982.87	\$906.12

**Sources:**

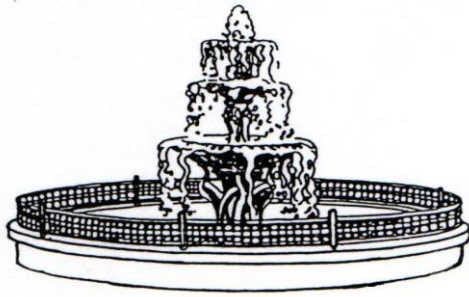
- (1) U.S. Bureau of Census of Population
- (2) Knox County Auditor
- (3) Includes all general obligation bonded debt.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*City of Mount Vernon, Ohio*

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2014	2015	2016	2017	2018	2019
16,990	16,990	16,990	16,990	16,990	16,990
\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460
\$14,040,000	\$13,034,150	\$11,518,400	\$9,941,900	\$8,321,900	\$9,766,900
\$0	\$0	\$0	\$0	\$0	\$0
\$14,040,000	\$13,034,150	\$11,518,400	\$9,941,900	\$8,321,900	\$9,766,900
5.64%	5.17%	4.53%	3.66%	3.03%	3.54%
\$826.37	\$767.17	\$677.95	\$585.16	\$489.81	\$574.86



**City of Mount Vernon, Ohio**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2019*

<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>
<b>Direct:</b>			
City of Mount Vernon	\$7,612,495	100.00%	\$7,612,495
<b>Overlapping:</b>			
Knox County	10,994,000	53.84%	5,919,170
Knox County Career Center	7,754,000	42.01%	3,257,455
		Subtotal	<u>9,176,625</u>
		Total	<u><u>\$16,789,120</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	2010	2011	2012	2013
<b>Total Debt</b>				
Net Assessed Valuation	\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	27,213,898	25,944,529	26,014,202	26,150,657
City Debt Outstanding (2)	2,876,145	2,752,795	2,607,800	2,477,600
Less: Applicable Debt Service Fund Amounts	0	0	(966)	0
Net Indebtedness Subject to Limitation	<u>2,876,145</u>	<u>2,752,795</u>	<u>2,606,834</u>	<u>2,477,600</u>
Overall Legal Debt Margin	<u>\$24,337,753</u>	<u>\$23,191,734</u>	<u>\$23,407,368</u>	<u>\$23,673,057</u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,254,899	13,589,991	13,626,487	13,697,963
City Debt Outstanding (2)	2,876,145	2,752,795	2,607,800	2,477,600
Less: Applicable Debt Service Fund Amounts	0	0	(966)	0
Net Indebtedness Subject to Limitation	<u>2,876,145</u>	<u>2,752,795</u>	<u>2,606,834</u>	<u>2,477,600</u>
Overall Legal Debt Margin	<u>\$11,378,754</u>	<u>\$10,837,196</u>	<u>\$11,019,653</u>	<u>\$11,220,363</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*

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2014	2015	2016	2017	2018	2019
\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
26,158,213	26,476,456	26,670,750	28,486,792	28,792,541	28,938,573
2,342,400	2,360,300	2,185,850	2,004,600	1,819,300	1,631,500
0	0	0	0	0	0
2,342,400	2,360,300	2,185,850	2,004,600	1,819,300	1,631,500
\$23,815,813	\$24,116,156	\$24,484,900	\$26,482,192	\$26,973,241	\$27,307,073
\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
13,701,921	13,868,620	13,970,393	14,921,653	15,081,807	15,158,300
2,342,400	2,360,300	2,185,850	2,004,600	1,819,300	1,631,500
0	0	0	0	0	0
2,342,400	2,360,300	2,185,850	2,004,600	1,819,300	1,631,500
\$11,359,521	\$11,508,320	\$11,784,543	\$12,917,053	\$13,262,507	\$13,526,800

**City of Mount Vernon, Ohio**

*Pledged Revenue Coverage  
Last Ten Years*

	2010	2011	2012	2013
<b>Water System Bonds 1999 Series (1)</b>				
Gross Revenues (2)	\$3,394,458	\$3,373,589	\$3,560,407	\$3,451,448
Direct Operating Expenses (3)	(2,026,472)	(1,933,228)	(1,805,985)	(1,853,530)
Net Revenue Available for Debt Service	1,367,986	1,440,361	1,754,422	1,597,918
Annual Debt Service Requirement	542,383	539,650	542,650	540,200
Coverage	2.52	2.67	3.23	2.96
<b>Tax Increment Financing (TIF) Bonds (4)</b>				
Payment In Lieu of Taxes (PILOT) Collections	\$1,320,086	\$1,262,210	\$1,572,036	\$748,799
Debt Service				
Principal	190,943	195,800	231,000	149,600
Interest	79,136	72,745	87,076	74,120
Coverage	4.89	4.70	4.94	3.35

(1) The Water system 1st Mortgage Revenue Bonds were issued in 1999, in the amount of \$8,370,000 and fully matured in 2018.

(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*

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2014	2015	2016	2017	2018	2019
\$3,685,199	\$3,563,294	\$3,538,481	\$5,118,429	\$4,684,746	\$4,755,471
(1,874,612)	(1,982,573)	(1,989,032)	(2,040,514)	(2,274,456)	(2,556,496)
1,810,587	1,580,721	1,549,449	3,077,915	2,410,290	2,198,975
537,450	539,400	540,900	539,625	985,625	0
3.37	2.93	2.86	5.70	2.45	N/A
\$1,214,761	\$1,278,656	\$1,301,697	\$1,256,931	\$1,293,260	\$1,456,794
156,200	158,400	160,600	165,000	167,200	169,400
28,627	25,569	22,628	19,521	16,393	13,205
6.57	6.95	7.10	6.81	7.04	7.98

## *City of Mount Vernon, Ohio*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2010	2011	2012	2013
<b>Population</b> (1)				
City of Mount Vernon	16,990	16,990	16,990	16,990
Knox County	60,921	60,921	60,921	60,705
<b>Income</b> (2) (a)				
Total Personal (in thousands)	513,183	542,270	580,616	606,203
Per Capita	30,205	31,917	34,174	35,680
<b>Unemployment Rate</b> (3)				
Federal	9.1%	8.3%	7.6%	7.4%
State	9.3%	7.6%	6.6%	7.4%
Knox County	9.1%	7.6%	6.2%	6.7%
<b>Civilian Work Force Estimates</b> (3)				
State	5,986,400	5,806,000	5,701,000	5,726,000
Knox County	30,800	29,600	29,400	30,500

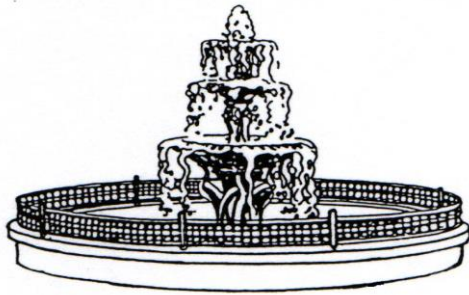
**Sources:**

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2018 for the presentation of 2019 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*

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2014	2015	2016	2017	2018	2019
16,990	16,990	16,990	16,990	16,990	16,990
61,167	61,061	60,814	61,261	61,893	61,893
641,916	668,472	673,501	690,338	716,332	716,332
37,782	39,345	39,641	40,632	42,162	42,162
6.2%	5.3%	4.9%	4.4%	3.9%	3.4%
5.7%	4.9%	4.9%	5.0%	4.6%	3.8%
5.2%	4.7%	4.5%	4.5%	4.3%	3.6%
5,719,000	5,700,300	5,713,100	5,780,000	5,754,900	5,586,800
31,100	31,000	31,300	31,300	31,200	31,200



## City of Mount Vernon, Ohio

### Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2019	
		Number of Employees	Rank
Ariel Corporation	Manufacturing	1,500	1
Knox Community Hospital	Medical Care	900	2
Knox County	Government	425	3
Jeld-Wen, Inc.	Manufacturing	470	4
Mount Vernon City Schools	Education	400	5
Mount Vernon Nazarene University	Education	370	6
Wal-Mart	Retail	325	7
Sanoh America, Inc.	Manufacturing	230	8
First Knox National Bank	Financial	200	9
AMG Industries, LLC	Manufacturing	125	10
Total		4,945	

Employer	Nature of Business	2010	
		Number of Employees	Rank
Rolls-Royce Energy Systems, Inc.	Manufacturing	1,200	1
Ariel Corporation	Manufacturing	918	2
Knox Community Hospital	Medical Care	816	3
Mount Vernon City Schools	Education	547	4
Knox County	Government	434	5
Mount Vernon Nazarene University	Education	400	6
Wal-Mart	Retail	365	7
Jeld-Wen Windows & Doors	Manufacturing	277	8
Sanoh America, Inc.	Manufacturing	224	9
First Knox National Bank	Financial	223	10
Total		5,404	

**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

	2010	2011	2012	2013	2014
<b>Governmental Activities</b>					
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	11.00	11.00	11.00	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	6.50	6.50	6.50	6.50	6.00
Public Buildings/Lands	1.75	1.75	1.75	1.75	1.75
Security of Persons and Property					
Police	32.00	32.00	32.00	32.00	32.00
Fire	40.00	40.00	40.00	40.00	40.00
Transportation					
Street	12.50	12.50	12.50	12.50	12.50
Leisure Time Activities					
Parks/Recreation	53.75	55.25	56.50	56.50	56.50
Public Health and Welfare					
Cemetery	5.25	5.25	5.25	5.25	5.25
<b>Business-Type Activities</b>					
Utilities					
Water	17.50	17.50	17.50	17.50	17.50
Sewer	19.50	19.50	19.50	19.50	19.50
<i>Total Employees</i>	<u>212.25</u>	<u>213.75</u>	<u>215.00</u>	<u>215.00</u>	<u>214.50</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*

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<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</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
6.00	6.00	6.00	6.00	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
56.50	56.50	56.50	56.50	56.50
5.25	5.25	5.25	5.25	5.25
17.50	17.50	17.00	17.00	17.00
<u>19.50</u>	<u>19.50</u>	<u>19.00</u>	<u>19.00</u>	<u>19.00</u>
<u>214.50</u>	<u>214.50</u>	<u>213.50</u>	<u>213.50</u>	<u>213.50</u>

## City of Mount Vernon, Ohio

### Operating Indicators by Function Last Ten Years

	2010	2011	2012
<b>Governmental Activities</b>			
General Government			
Court			
Number of Civil Cases	1,259	1,394	1,258
Number of Criminal Cases	1,378	1,551	1,365
Number of Traffic Cases	6,234	5,825	5,500
Number of Open Cases	884	514	547
Licenses and Permits			
Number of Building Permits	159	157	150
Security of Persons and Property			
Police			
Number of Citations Issued	3,640	3,117	2,557
Fire			
Number of Fire Calls	1,067	1,032	1,185
Number of EMS Runs	3,386	3,649	3,817
Number of Inspections	685	820	750
<b>Business-Type Activities</b>			
Water			
Number of Service Connections	6,484	6,495	6,507
Daily Average Consumption (thousands of gallons)	2,565,381	2,409,501	2,530,735
Sewer			
Number of Service Connections	6,704	6,717	6,726
Daily Average Sewage Treatment (thousands of gallons)	2,881,773	3,524,871	2,676,145

Source: City Auditor's Office



*City of Mount Vernon, Ohio*

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2013	2014	2015	2016	2017	2018	2019
780	823	932	1,443	1,496	1,407	1,462
1,280	1,272	1,163	967	1,201	1,731	1,190
4,978	4,573	4,664	4,603	4,387	4,721	4,700
440	322	678	829	833	868	661
122	140	132	137	184	200	230
3,117	1,971	1,832	2,274	2,713	2,791	2,708
918	1,049	1,108	1,055	1,322	1,170	1,020
3,583	3,581	3,850	3,777	4,050	4,151	4,255
740	580	420	641	570	454	498
6,514	6,527	6,540	6,559	6,575	6,594	6,638
2,748,137	2,542,049	2,728,019	2,761,211	2,756,540	2,906,855	2,726,490
6,734	6,745	6,764	6,783	6,792	6,805	6,821
2,779,449	2,794,266	2,783,184	2,567,540	3,021,038	3,468,123	3,240,389

## City of Mount Vernon, Ohio

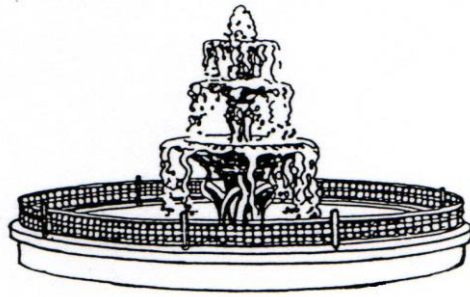
### Capital Asset Statistics by Function Last Ten Years

	2010	2011	2012	2013
<b>Governmental Activities</b>				
General Government				
Public Land and Buildings				
Land (acres)	12.4	12.4	12.4	12.7
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	53	53	54	54
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	244.98	244.98	244.98	244.98
Buildings	14	14	14	14
Parks	8	8	8	8
Playgrounds	4	4	4	4
Swimming Pools	4	4	4	4
Tennis Courts	10	10	10	10
Baseball/Softball Diamonds	11	11	11	11
Soccer Fields	2	2	2	2
<b>Business-Type Activities</b>				
Utilities				
Water				
Waterlines (Miles)	63	63	63	63
Number of Hydrants	484	484	484	484
Average Daily Consumption	2,565,381	2,409,501	2,530,735	2,748,137
Storage Capacity (thousands of gallons)	7,000	7,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	2,881,773	3,524,871	2,676,145	2,779,449
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

*City of Mount Vernon, Ohio*

2014	2015	2016	2017	2018	2019
12.7 9	12.7 9	12.7 9	12.7 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
92 1,470 54 13	92 1,470 54 13	92 1,470 54 13	92 1,470 54 13	92 1,470 54 13	92 1,470 54 13
269.98 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2
63 484 2,542,049 7,000	63 484 2,728,019 7,000	63 484 2,761,211 7,000	63 484 2,756,540 7,000	63 484 2,906,855 7,000	63 484 2,726,490 7,000
62 2,794,266 5,000	62 2,783,184 5,000	62 2,567,540 5,000	62 3,021,038 5,000	62 3,468,123 5,000	62 3,240,389 5,000



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF MOUNT VERNON**

**KNOX COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/5/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)