

**CITY OF MOUNT VERNON
KNOX COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF MOUNT VERNON
KNOX COUNTY

TABLE OF CONTENTS

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

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants / State's Program	A-C-99-149-1 C-99-149-1 A-T-98-149-1 C-99-149-1 A-F-99-149-1 A-F-98-149-1	14.228	\$375,243
Total U.S. Department of Housing and Urban Development			<u>375,243</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through Ohio Office of Criminal Justice Services:</i>			
Violence Against Women Formula Grants	1999-WF-VA3-8123 2000-WF-VA3-8123	16.588	<u>15,000</u>
Total U.S. Department of Justice			<u>15,000</u>
Totals			<u>\$390,243</u>

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

**CITY OF MOUNT VERNON
KNOX COUNTY**

FISCAL YEAR ENDED DECEMBER 31, 2000

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of the City of Mount Vernon, Knox County, Ohio (the City) as of and for the year ended December 31, 2000, and have issued our report thereon dated June 28, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 28, 2001.

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

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

JIM PETRO
Auditor of State

June 28, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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

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

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

Compliance

We have audited the compliance of the City of Mount Vernon, Knox County, Ohio (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City's complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the City as of and for the year ended December 31, 2000, and have issued our report thereon dated June 28, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole

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

JIM PETRO
Auditor of State

June 28, 2001

CITY OF MOUNT VERNON
KNOX COUNTY
DECEMBER 31, 2000

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant / State's Program - CFDA #14.228
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

THE CITY OF MOUNT VERNON, OHIO

KNOX COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2000

THE CITY OF MOUNT VERNON, OHIO

KNOX COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2000

Prepared by:
Mr. Terry Scott
City Auditor

TABLE OF CONTENTS

CITY OF MOUNT VERNON, OHIO KNOX COUNTY

I

INTRODUCTORY SECTION

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

II

FINANCIAL SECTION

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

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

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

General Bond Retirement Fund 75

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

Capital Improvement Fund 78

Enterprise Funds

Combining Balance Sheet 81

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings 82

Combining Statement of Cash Flows 83

Fiduciary Funds

Combining Balance Sheet 85

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Expendable Trust Funds 86

Statement of Changes in Assets and Liabilities - Agency Fund 87

General Fixed Assets Account Group

Schedule of General Fixed Assets by Source 89

Schedule of General Fixed Assets by Category 90

Schedule of Changes in General Fixed Assets by Function and Activity 91

III

STATISTICAL SECTION

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

INTRODUCTORY SECTION



City of Mount Vernon, Ohio

40 Public Square

Mount Vernon, Ohio 43050

Phone (740) 393-9523

Fax (740) 397-6595

June 28, 2001

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, 2000. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

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

THE REPORT:

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

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

THE REPORTING ENTITY:

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

The Knox County Emergency Management Agency (EMA) is a jointly governed organization whose board is composed of seven members; one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to help insure the most effective use of resources during an emergency. The City did not appoint a majority of the members of the board of the EMA nor is the City accountable for any operating deficits of the EMA. Knox County is the fiscal agent for the EMA. The City appropriated \$6,000 for an operating grant to the EMA for 2000.

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

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

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

The City of Mount Vernon:

The City of Mount Vernon was founded in 1805 and was incorporated on February 22, 1830, under the laws of the State of Ohio. Mount Vernon is located in the center of the state, approximately 50 miles northeast of Columbus, Ohio, and is the county seat of Knox County. Mount Vernon operates under a statutory Mayor-Council form of government, as set forth in the Ohio Revised Code. Mount Vernon's 9.2 square mile area serves a residential population of 14,504. State highways 3, 13 and 229 and U. S. Highway 36 serve as some of the City's major transportation arteries. Mount Vernon is the birthplace of Daniel Decatur Emmett, composer of the southern classic "Dixie" and Paul Lynde, a nationally known comedian.

The Management:

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

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

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

Engineering Department - This department has a total of seven 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, forty-seven people are hired to coordinate and administer organized recreational programs in the City's two major parks and to operate the two municipal swimming pools.

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

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

Water Department - This department operates with ten full-time employees and fourteen 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 5,900 customers and customers located in the Village of Gambier (approximately three miles east of Mount Vernon). All treatment plant employees are required to have a Class I operators license within two years of employment.

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

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

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

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

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

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

The Reporting Standards:

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

Governmental Funds:

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

The special revenue funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by local legislation or state or federal statutes. During 2000, the City maintained seventeen special revenue funds.

The debt service fund is used to account for the accumulation of resources used for, and the payment of, general long-term principal, interest and related costs. During 2000, the City had one debt service fund.

The capital project fund is used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2000, the City utilized one capital project fund.

Proprietary funds:

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City operated two enterprise funds in 2000.

The internal service fund is used to account for the City's self-insured group health benefits program to employees and their eligible dependents. The monies paid into the Self-Insured Fund are available to pay claims and administrative costs. The City operated one internal service fund in 2000.

Fiduciary funds:

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

General fixed assets account group:

Fixed assets of the City, other than those accounted for in the proprietary funds, are accounted for in the general fixed assets account group. General fixed assets included in this report of \$12,805,338 exclude the City's infrastructure. Infrastructure fixed assets are further explained in Note one of the general purpose financial statements.

General long-term obligations account group:

All long-term debt of the City, except that accounted for in the proprietary funds, is accounted for in this account group. These obligations include bonds payable of \$80,000, the accrued vacation and sick leave benefits due to employees in non-proprietary funds payable only upon termination of employment or subsequent thereto of \$610,984. These obligations are further explained in Notes 1, 9, and 10.

Bases of Accounting:

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

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

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 2000 all accounting policies were applied consistently with those of 1999. Accounting policies are further explained in Note 1.

Economic Outlook

January 1, 2000 introduced itself without any Y2K problems for the City. While several precautions had been addressed, and plans were in place, everyone patiently awaited for that golden hour to ring in. Personnel were positioned in several strategic locations including a central command center, and additional police and fire personnel were onhand, should safety for the citizens become a concern. Testing was being performed on integral computer components, however, there were no reportings of any failures due to the new year.

During 2000 the continued growth of residential and commercial development took place within the City of Mount Vernon. As the construction of residential housing begins to recede, it is anticipated that industrial may begin to increase. Installation of a major wastewater line began in the fall of the year for the expanded industrial park area. This will provide the needed utility services for growth in this area. Upon its completion next year, new industrial development can begin to take place. Commercial development continues to support the community. Consideration is being given to bringing new restaurants to the city as well as the relocation of a major grocery store currently located within the city.

Annexation continues to occur on an annual basis. The city welcomes this addition as it increases tax base and generates additional revenues in several areas. With this increase, however comes the need to provide services to additional citizens and businesses. The city's labor force has remained rather constant over the past years, however, as growth in size occurs, so does the need for personnel to continue providing the services our citizens expect. The City has taken an active approach to additional personnel. In the coming year, three additional police officers, and three additional firefighters will be hired. Funding for these new positions will have an impact on the appropriations, however the City feels sufficient revenues will be generated to support the new positions.

The citizens of this community welcomed the purchase of approximately 86 acres for a nature's park. The property was a former gravel pit which includes two large lakes and an abundant amount of natural grasslands and trees. In the upcoming years, this park will be developed as a nature trail park, with emphasis towards retaining all the natural undergrowth that currently exists. Trails, shelterhouses, and picnic areas will be added. The two lakes are well stocked for fishing, however recreational swimming will be strictly prohibited. There will be no charge to the public for use of the park, as it is taxpayer supported. The City would like to express a sincere appreciation to the Knox County Community Foundation (formally known as Mount Vernon Community Trust) for their generous contribution of \$151,000 towards the purchase of the land. In recognition of their support, the park will be named "Foundation Park."

In 2000, the City focused on the completion of existing construction and finalizing plans for new construction. During the close of the year, the ongoing project of constructing a new water plant was nearing and everyone was eagerly awaiting the opening of this state of the art facility. In early 2001, the plant is scheduled to become operational and the entire water supply source will be produced from this new plant. Design plans were completed for the road improvements planned for Coshocton Road, located on the east side of town, in the commercial district. The roadway will be widened to include five lanes, storm drainage will be encased, and sidewalks on both sides of the road will be added. Bidding of this project is expected to be in May 2001, and construction to begin shortly thereafter. Construction on this project is estimated to last for up to eighteen months. The estimate for this project has been set at \$4.7 million dollars. The State of

Ohio (ODOT) has confirmed their financial support of \$1.3 million dollars towards this project. Ohio Public Works (known as Issue II) has confirmed their financial support of \$415,000 towards this project and the State Infrastructure Bank (SIB, a division of Ohio Economic Development) has provided a loan for the remaining amount. Continued design plans for South Main Street roadway improvements are still ongoing however, the State of Ohio (ODOT) is undertaking an evaluation of the project, therefore delaying the construction in the new year. Roadway widening and improvements to Mount Vernon Avenue intersection are the major items to be performed. The State of Ohio has confirmed their financial support in the amount of \$1 million dollars towards this project.

A waterline will be extended along Avlon Road to provide water to the Mount Vernon Development Center (a State operated facility) in the new year. Design plans have been completed, and bidding shall take place in January 2001. Construction shall be completed in 2001, providing water to a major customer for the water operations. The project is estimated at \$350,000 and will be financed with current operating funds.

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 three building permits in 2000 and one hundred ninety-one in 1999, an increase of twelve permits. Due to a modification in the permit structure, certain items were classified as no longer needing a permit. This resulted in only a slight increase in permits issued.

Employee Relations:

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

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

Unemployment Rates:

The City of Mount Vernon's economic outlook continued to be stable for 2000. In 2000, the unemployment rate held a steady margin of near four percent during the year but managed to level out with a decrease of four tenths of a percent (0.4%) over 1999. The 1999 unemployment rate of 4.2 percent decreased 3.8 percent in 2000. The decrease in unemployment was the result of steady growth in industry and the nation's positive economic outlook.

Major Initiatives

Municipal Court:

The Municipal Court received a newly elected Judge beginning January 1, 2000. Judge Paul Spurgeon was elected during the general election in 1999 and began his duties the first of the year. Under Judge Spurgeon's jurisdiction, the court took on new operating procedures to increase the efficiency of the court. Trial times were given an earlier start time, a new fine waiver schedule was adopted, court costs were increased and the mediation program was removed.

Additional personnel were added due to the implementation of new programs within the court system. *Enforcement Department* – In the fall of 2000, the Knox County Commissioners offered the Court the opportunity to have any criminal or traffic offender who is unable to pay his/her fine to work off the fine at the Knox County Recycling Center. The offender is credited with five dollars (\$5.00) on her/his fine for each hour worked at the center. Any person appearing before the Court who is unable to pay his/her fine is now given the option of working it off. Indigence is no longer an excuse for not paying a fine. An enforcement officer has been assigned to serve notice to those offenders who have failed to comply with a court order or pay their fine. The order summons the offender to court and to state their valid reason for non compliance. Valid reasons are afforded an extended amount of time to satisfy the charge, and non valid reasons are imposed with jail time that may have been suspended earlier.

Probation Department – The Court often requires criminal and traffic offenders to obtain assessments for alcohol or drug abuse and those who are determined to have been abusing alcohol or drugs are required to follow through with recommended treatment. Some offenders are also required to obtain counseling at the Freedom Center or at Mound Builders or participate in treatment programs such as Alcoholics Anonymous (AA), Narcotics Anonymous (NA) or state approved driver intervention programs. Those who have had jail time suspended upon the conditions they attend a treatment program(s) to which they are assigned face probable jail time for their failure to comply with the treatment requirements placed upon them. A program for chronic repeat offenders who often have an unacknowledged pattern of alcohol or substance abuse and have exhibited a disregard of prior court ordered treatment or counseling shall be subject to Intensive Supervised Probation. An officer of the court has been employed to monitor the compliance of this program, and failure to comply will subject the offender to jail time that was suspended earlier.

Traffic cases filed numbered 6,779, a decrease of 236 from those filed in 1999, while criminal case filings of 1,179 also decreased by 56 cases from those filed in 1999. There was an increase in civil case filings, 764 in 2000 compared to 603 in 1999.

Fire Department:

The Fire Department relocated into the new building in April of 2000. The building has been awarded state approval as a training facility statewide. Equipment and modifications will be installed to provide audio/visual equipment for future training needs. The City purchased various pieces of equipment for the department throughout the year. Training and certification of paramedics were two major concentrations during the year. Each paramedic is required to maintain continued education and recertification every two years. Each firefighter holds Emergency Medical Technician certification which requires recertification and continued education also.

Police Department:

The department continued its program of managed capital replacement with the purchase of three marked police cruisers. Total criminal, traffic and juvenile citations and charges filed by the department for 2000 equals 4,495, an increase of 166 from 1999. Structural renovations to the police department were completed during the year and the department personnel began utilizing the new facility. The entire dispatch center as well as a new shift change room, and office space for the sergeant and corporals were created. Law enforcement within the City maintains a safe and secure environment for all of its citizens and visitors.

Street Department:

The Street Department was the recipient of continuous equipment replacement in 2000. The department received a new dump truck, monitoring equipment to test traffic light controllers, and traffic direction arrow boards. Crack sealing became an important maintenance mechanism for prolonging life of asphalt roads. This new mechanism is expected to be expanded in the coming year. A moderate snow fall during the months of winter helped to provide a strengthening financial base into the next year. Other routine projects completed by the Street Department included street sweeping, traffic line painting, traffic signals repairs, traffic sign replacement and leaf pick-up. The ongoing street resurfacing program provided for the resurfacing of a total of 16 streets in 2000.

Cemetery Department:

The Cemetery Department continued a restoration project on the chapel located within the cemetery. This structure has been dated back to as early as 1884, and is currently being petitioned for recognition as a historical structure in Ohio. This structure will undergo extensive improvements in the coming years. The department received a new above ground fuel tank, and construction of a new storage building was underway prior to the end of the year. Completion is set for early 2001.

Engineering Department:

The Engineering Department continued to serve the needs of new construction within the City in 2000. Two hundred three building permits, representing approximately eight million dollars in increased property values were issued in 2000. The Engineering department provided assistance for all new construction and upgrade projects that were conducted by the City in 2000.

Public Buildings and Land and Parks Department:

The Public Buildings and Land Department and Parks Department share employees on an as needed basis. The salary of the superintendent and foreman is paid one half from each department. The Public Buildings and Land Department is responsible for a total of thirteen buildings and property. The Parks Department maintains eight parks with a total acreage of 176.576 acres of land. Several parks received new or upgraded fencing throughout the year. The continued upgrading of lights at the softball fields were installed at various parks, along with new playground equipment. Starting blocks for swimming competition were acquired for the Community pool in conjunction with fifty meter competitor racing lane ropes for the Olympic pool.

Water Department:

The Water Distribution Division of the Water Department performed various maintenance activities to the lines in 2000. Ongoing construction of a new water plant continued throughout the year. Bonds were issued in 1997 to fund approximately half of the estimated cost. The remaining portion of the project was bonded in February 1999. Wellhead protection has been a major concern for the City and in the next year, a well-head protection plan will be designed to deter water contamination into our supply of raw water. Backflow prevention has been implemented to prevent contaminates through the water service connection into the public water system. High risk consumers will be the first users the City will require to comply with these new regulations. Future service connections to be required will be industrial, commercial and residential users. This will include current and new service connections.

Wastewater Department:

The Wastewater Treatment Plant Division of the Wastewater Department performed routine maintenance of the facility and equipment throughout 2000. Major capital improvements are being designed for expanded growth in the City. The secondary treatment units received their final phase of upgrading during 2000. A new wastewater trunk line is being designed for the expanded Industrial Park, and bidding is expected to occur in early 2001, an equalization basin for inflow of surface water being studied and engineered for the next two years.

Financial Information

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

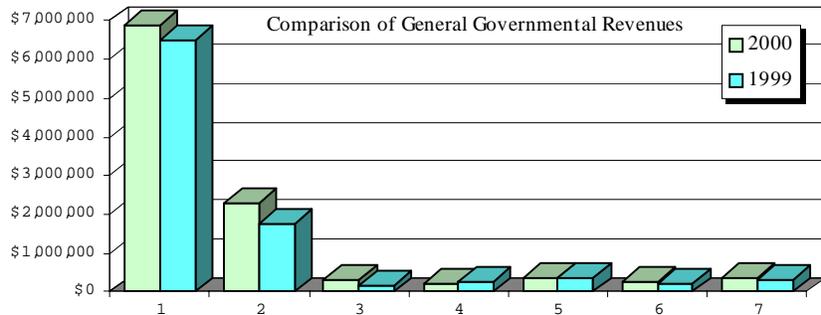
All internal control evaluations occur within this framework. It is the belief of the administration and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Mount Vernon City Council. All funds are included in the annual appropriated budget. The level of budgetary control (that is, the levels at which expenditures cannot legally exceed the appropriated amount) is at the object level within each department. Budgetary control is maintained within the personal services, operating expenses, and capital outlay categories with each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Encumbered appropriations carry forward to the following year(s) until expended or liquidated. Unencumbered amounts lapse at year end. Open encumbrances as of December 31, 2000, that have not been included as an accrued item are reported as reservations of fund balances with this report.

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

General Governmental Functions:

The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital projects fund revenues for the year ended December 31, 2000 and the percentage of total revenues for 2000 and the amount of increase/(decrease) in relation to 1999's revenue:

Revenue Source	Total 2000 Revenues	Percent of Total	Total 1999 Revenues	Increase (Decrease) over 1999	Percent of Change
1 Taxes	\$6,874,972	64.55%	\$6,473,941	\$401,031	6.19%
2 Intergovernmental Revenue	2,281,644	21.42%	1,664,366	617,278	37.09%
3 Charges for Services	299,651	2.81%	282,226	17,425	6.17%
4 Licenses and Permits	205,464	1.93%	249,816	(44,352)	(17.75%)
5 Investment Earnings	347,948	3.27%	373,343	(25,395)	(6.80%)
6 Fines and Forfeitures	269,339	2.53%	221,500	47,839	21.60%
7 All Other Revenue	372,238	3.49%	333,256	38,982	11.70%
Total	\$10,651,256	100.00%	\$9,598,448	\$1,052,808	

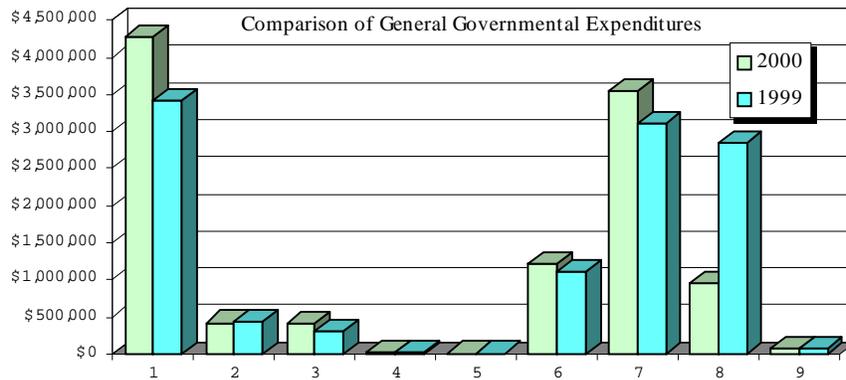


Revenue Narrative:

Taxes continue to be the primary revenue source for governmental fund types. The major source of tax revenue is the city's 1.5% municipal income tax, of which 81% of the 1% portion of the tax is credited to the General fund, as well as 100% of the .5% remaining portion of the tax. The remaining 19% of the 1% portion of the tax is credited as follows: Street Maintenance and Construction 3%, Cemetery Fund 4%, Police Pension Fund 1%, Fire Pension Fund 1%, and Capital Improvement Fund 10%. In 2000, the Municipal Income Tax revenue totaled \$6,067,579, an increase of \$244,480 over 1999. The growth in the City's income tax base and healthy economy are primary factors contributing to the overall increase. Additional estate taxes of approximately \$286,000 and additional state grants of approximately \$336,000 for rehab housing and downtown redevelopment contributed to the increase in intergovernmental revenues. Licenses and permits decreased due to a new permit schedule which eliminated the need to obtain permits for certain items. The continued redirection of interest earnings to the enterprise funds pursuant to the trust indentures on outstanding debt obligations has resulted in a decrease of investment earnings. Fines and forfeitures increased as a result of the aggressive collection of delinquent fines and an increase in the fine schedule. A refund of workers' compensation premiums from the State resulted in an increase in other revenue.

The following schedule presents a summary of general fund, special revenue funds, debt service fund and capital projects fund expenditures for the year ended December 31, 2000, and the percentage of total expenditures for 2000 and the amount of increase/(decrease) in relation to 1999's expenditures:

Expenditures	Total 2000 Expenditures	Percent of Total	Total 1999 Expenditures	Increase (Decrease) over 1999	Percent of Change
1 Security of Persons and Property	\$4,269,853	39.05%	\$3,410,094	\$859,759	25.21%
2 Public Health and Welfare	420,591	3.85%	429,415	(8,824)	(2.05%)
3 Leisure Time Activities	407,091	3.72%	301,104	105,987	35.20%
4 Community Environment	25,168	0.23%	23,986	1,182	4.93%
5 Basic Utility Services	12,265	0.11%	11,296	969	8.58%
6 Transportation	1,210,017	11.06%	1,111,667	98,350	8.85%
7 General Government	3,552,996	32.49%	3,099,619	453,377	14.63%
8 Capital Outlay	955,032	8.73%	2,855,040	(1,900,008)	(66.55%)
9 Debt Service	82,856	0.76%	77,275	5,581	7.22%
Total	\$10,935,869	100.00%	\$11,319,496	(\$383,627)	



Expenditure Narrative:

The major increase in expenditures for security of persons and property in 2000 were for the finalization of the new fire station and police dispatch renovations. These projects contributed approximately \$1.5 million in capital outlay expenditures. General government costs of personal services increased by nearly \$118,800 along with related items of workers' compensation and employee retirements. An increase of \$97,000 in outside engineering services also contributed to the increase of general government expenditures. Leisure time activities expenditures increased by \$61,000, due to the acquisition of additional park land. An increase in personal services of \$36,600 for transportation expenditures contributed to the overall increase in this area. Capital Outlay experienced the completion of ongoing projects in 2000, therefor resulting in a reduction of expenditures compared to 1999.

The general fund balance at year end 2000 was \$3,570,058, which represented an increase of \$881,026 over 1999.

Enterprise Operations:

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

The Water Utility includes the water treatment plant and the water distribution system. In 2000, the water treatment plant treated 980,335,000 gallons of water which was more than the 979,153,000 gallons treated in 1999. The increase of 1,182,000 is attributable to varying weather conditions between the two years.

The Wastewater Utility includes a sewerage treatment plant and a collection system. In 2000, the wastewater treatment plant treated 1,094,642,000 gallons of sewage, compared to the 1,047,240,000 gallons treated in 1999. The increase of 47,402,000 gallons is indicative of the reduction caused by very low rain fall during the year. Infiltration and inflow problem continue to be a concern in years of high rainfall due to the age of the sanitary sewer lines.

Fiduciary Operations:

The Perpetual Care Fund is used for care of the Cemetery. When the City sells a grave lot, approximately 34% of the revenue from the sale goes for Perpetual Care. During 1999, the City began increasing the price per lot with the entire increase to be allocated to perpetual care. In 2000, the City received \$5,641 compared to \$4,877 in 1999, which is an increase of approximately 16%.

The Bond and Inspection Fee Trust Fund is used to insure construction is completed to City code and is held until inspected by the City. In 2000, the City received \$800 compared to \$4,500 in 1999 and released \$4,600 in 2000 compared to \$1,100 in 1999.

The Mausoleum Trust Fund is used to care for the Mausoleum in the Cemetery. All the crypts have been sold, but the City now charges for services for the upkeep and receives income from interest. In 2000 and 1999, charges for services was zero respectfully. Interest earned was \$82 compared to \$73 in 1999.

Debt Administration

The debt service fund accumulates resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment long-term debt. Resources are derived from property taxes (real and personal), income taxes and operating transfers. The total bonded debt of the City as of December 31, 2000 was as follows:

Unvoted General Obligation Bonds	\$80,000
Voted General Obligation Bonds	0
General Obligation Bonds which are Self-Supporting	8,305,000

The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position. The City's debt position as of December 31, 2000 was as follows:

Overall Legal Debt Margin	\$29,048,424
Unvoted Legal Debt Margin	15,195,433
Gross General Obligation Bonded Debt Payable from Property Taxes	80,000

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

Risk Management:

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

The City has contracted with Gallagher Pipino, Inc. for all insurance coverages. The provision of underlying bodily injury, personal injury, property damage, and general liability coverage are provided in conjunction with coverage that includes Emergency Medical Technician professional liability, gap police professional liability, and an overlying umbrella liability policy. Bower's Insurance Agency provides protection for honesty bonding requirements. Due to a very aggressive posture on maintaining the insurance relationship and in claims avoidance, the City has experienced a rate decrease for the eighth year in a row.

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

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

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

Cash Management

Cash temporarily idle during the year was invested in certificates of deposit, money market savings and interest bearing checking accounts. As of December 31, 2000, the City's cash resources were divided between cash and investments as follows:

<u>Cash Resources</u>	<u>Amount</u>	<u>Percentage</u>
Cash	\$2,787,660	16.49%
Certificates of Deposit	\$2,407,116	14.23%
STAR Ohio	<u>11,714,249</u>	<u>69.28%</u>
Totals	<u>\$16,909,025</u>	<u>100.00%</u>

The City implemented an investment policy in 1997 and requires all depositories to comply with its deposit and investment ordinance and with state law governing collateralization of deposits. See Note 2 to the financial statements for additional information on deposits and investments.

Other Information

Independent Audit:

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

Awards:

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mount Vernon, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 1999. 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 nine consecutive years (fiscal years ended 1991-1999). I believe this current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA.

Public Disclosure:

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

Acknowledgments:

I would like to thank my staff and extend special recognition to all related departments within the City, who assisted with the preparation of the 2000 Comprehensive Annual Financial Report and annual independent audit.

Special appreciation is extended to Julie Rine and Cory Thompson, Auditor's of the City's audit by the Auditor of the State of Ohio, for their assistance and review during this project.

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

Respectfully,

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

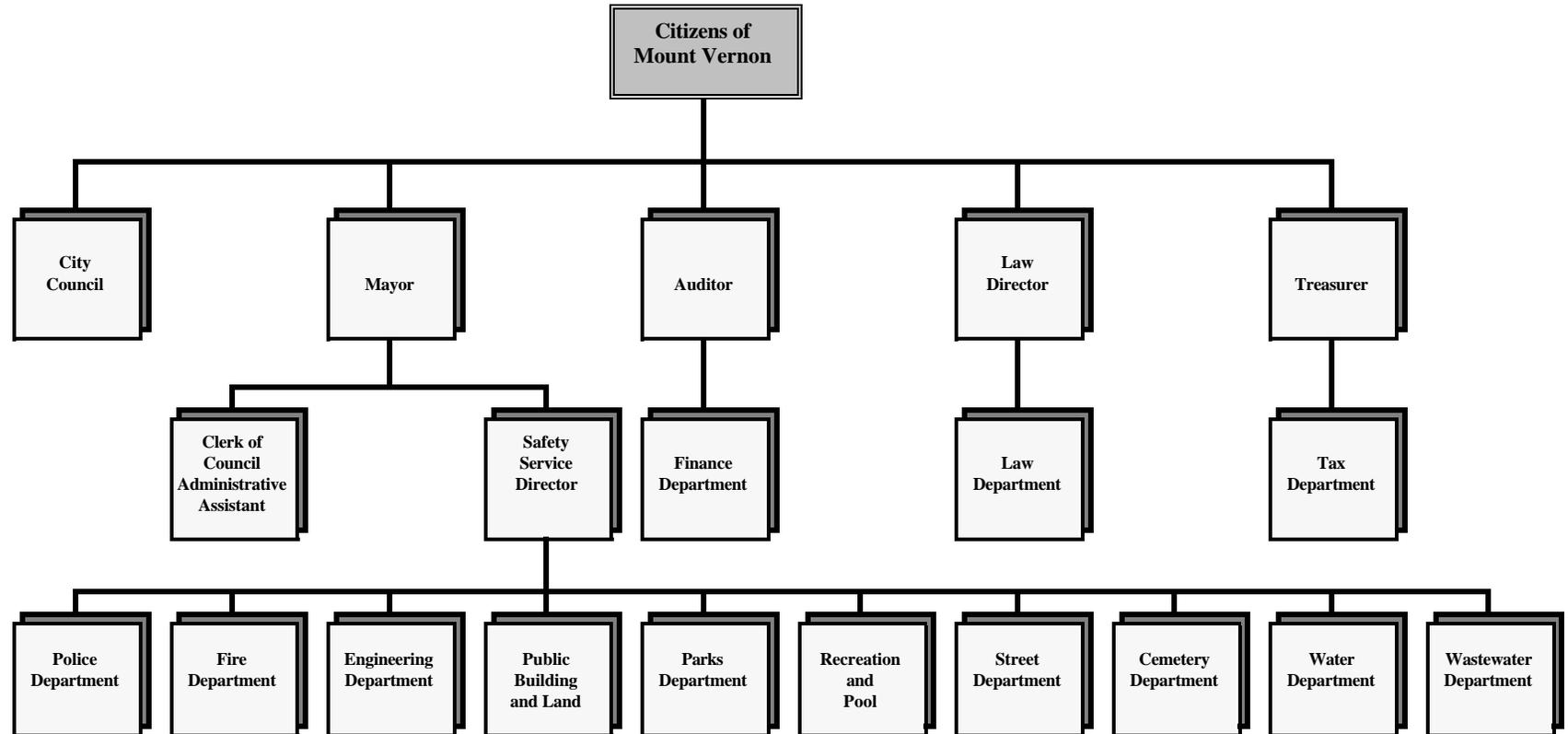
Terry Scott,
City Auditor

THE CITY OF MOUNT VERNON, OHIO
LIST OF PRINCIPAL OFFICIALS
SHOWING YEARS OF MUNICIPAL SERVICE
DECEMBER 31, 2000

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF SERVICE</u>
<u>City Council</u>		
John Booth	President	27
Paula Barone	First Ward Member	3
Charles K. Dice	Second Ward Member	2
Bruce Hawkins	Third Ward Member	1
John Fair	Fourth Ward Member	1
Anna M. Kinnard	Member At-Large	7
Larry Schafer	Member At-Large	1
D. Derk Demaree	Member At-Large	5
<u>City Administration</u>		
Richard K. Mavis	Mayor	5
Terry Scott	Auditor	6
William D. Smith	Law Director	20
James Shipley	Treasurer	1
Joel Daniels, II	Safety-Service Director	5
Janet M. Brown	Clerk of Council	8
<u>Department Heads</u>		
Bette J. Kellogg	Income Tax Administrator	26
Thomas E. Bartlett	Police Chief	37
Robert W. Beach	Fire Chief	24
James Petrak	City Engineer	2
Paul G. Oliver	Parks, Public Buildings and Land Superintendent	18
David Carpenter	Street Superintendent	9
Deborah S. Briscoe	Cemetery Foreman	20
Pam Murault	Water and Wastewater Meter and Customer Service Administrator	20
Judith Scott	Water and Wastewater Treatment and Distribution Administrator	18

The City of Mount Vernon, Ohio

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mount Vernon,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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



Anne Spray Kinsey
President

Jeffrey L. Esser
Executive Director



FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general purpose financial statements of the City of Mount Vernon, Knox County, Ohio (the City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Mount Vernon, Knox County, Ohio, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

City Council
City of Mount Vernon
Knox County
Report of Independent Accountants
Page 2

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

JIM PETRO
Auditor of State

June 28, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2000 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.

THE CITY OF MOUNT VERNON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000

	<i>Governmental Fund Types</i>				<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
Assets and Other Debits:										
Assets:										
Cash and Cash Equivalents	\$2,642,497	\$1,049,135	\$37,143	\$1,324,901	\$6,545,967	\$30,962	\$58,178	\$0	\$0	\$11,688,783
Receivables (net of allowance for doubtful accounts):										
Taxes	2,021,244	248,707	0	81,533	0	0	0	0	0	2,351,484
Accounts	54,861	8,553	0	0	1,197,787	0	1,022	0	0	1,262,223
Interest	58	0	0	0	0	0	0	0	0	58
Due from Other Funds	31,854	9,759	0	0	0	0	0	0	0	41,613
Intergovernmental Receivables	124,665	149,695	0	0	0	0	0	0	0	274,360
Inventory of Supplies at Cost	79	7,107	0	0	78,453	0	0	0	0	85,639
Prepaid Items	43,747	2,340	0	0	14,644	0	0	0	0	60,731
Restricted Assets:										
Cash and Cash Equivalents	0	0	0	0	3,838,012	0	371,366	0	0	4,209,378
Cash with Fiscal Agent	0	0	0	0	1,010,864	0	0	0	0	1,010,864
Fixed Assets (net of accumulated depreciation)	0	0	0	0	14,350,002	0	0	12,534,638	0	26,884,640
Construction in Progress	0	0	0	0	16,459,711	0	0	270,700	0	16,730,411
Other Debits:										
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	0	37,143	37,143
Amount to be Provided for General Long-Term Obligations	0	0	0	0	0	0	0	0	1,155,710	1,155,710
Total Assets and Other Debits	\$4,919,005	\$1,475,296	\$37,143	\$1,406,434	\$43,495,440	\$30,962	\$430,566	\$12,805,338	\$1,192,853	\$65,793,037

(Continued)

THE CITY OF MOUNT VERNON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000

	<i>Governmental Fund Types</i>			<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets		General Long-Term Obligations
Liabilities, Equity and Other Credits:										
Liabilities:										
Accounts Payable	\$263,693	\$46,883	\$0	\$11,615	\$243,309	\$0	\$0	\$0	\$0	\$565,500
Accrued Wages and Benefits	202,209	143,250	0	0	75,565	0	0	0	0	421,024
Contracts Payable	0	0	0	29,553	573,898	0	0	0	0	603,451
Due to Other Funds	0	0	0	0	0	0	41,613	0	0	41,613
Intergovernmental Payables	0	0	0	0	0	0	22,158	0	0	22,158
Due to Others	0	0	0	0	0	0	33,391	0	0	33,391
Matured Bonds and Interest Payable	0	0	0	0	2,275	0	0	0	0	2,275
Accrued Interest Payable	0	0	0	7,932	80,413	0	0	0	0	88,345
Deferred Revenue	839,910	177,953	0	2,916	0	0	0	0	0	1,020,779
General Obligation Notes Payable	0	0	0	500,000	2,500,000	0	0	0	0	3,000,000
Compensated Absences Payable	43,135	8,431	0	0	208,943	0	0	0	610,984	871,493
Claims Payable	0	0	0	0	0	16,621	0	0	0	16,621
General Obligation Bonds Payable	0	0	0	0	8,305,000	0	0	0	80,000	8,385,000
Revenue Bonds Payable	0	0	0	0	9,800,000	0	0	0	0	9,800,000
Police and Fire Pension Accrued Liability	0	0	0	0	0	0	0	0	501,869	501,869
Total Liabilities	1,348,947	376,517	0	552,016	21,789,403	16,621	97,162	0	1,192,853	25,373,519
Equity and Other Credits:										
Investment in General Fixed Assets	0	0	0	0	0	0	0	12,805,338	0	12,805,338
Contributed Capital	0	0	0	0	4,753,810	0	0	0	0	4,753,810
Retained Earnings:										
Reserved for Revenue Bond Indenture	0	0	0	0	1,010,864	0	0	0	0	1,010,864
Unreserved	0	0	0	0	15,941,363	14,341	0	0	0	15,955,704
Total Retained Earnings	0	0	0	0	16,952,227	14,341	0	0	0	16,966,568
Fund Balances:										
Reserved for Encumbrances	315,620	231,101	0	249,407	0	0	800	0	0	796,928
Reserved for Supplies Inventory	79	7,107	0	0	0	0	0	0	0	7,186
Reserved for Prepaid Items	43,747	2,340	0	0	0	0	0	0	0	46,087
Reserved for Debt Service	0	0	37,143	0	0	0	0	0	0	37,143
Reserved for Endowments	0	0	0	0	0	0	275,226	0	0	275,226
Unreserved:										
Undesignated	3,210,612	858,231	0	605,011	0	0	57,378	0	0	4,731,232
Total Equity and Other Credits	3,570,058	1,098,779	37,143	854,418	21,706,037	14,341	333,404	12,805,338	0	40,419,518
Total Liabilities, Equity and Other Credits	\$4,919,005	\$1,475,296	\$37,143	\$1,406,434	\$43,495,440	\$30,962	\$430,566	\$12,805,338	\$1,192,853	\$65,793,037

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



THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>Governmental Fund Types</i>			<i>Fiduciary Fund Type</i>		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Expendable Trust Funds	
Revenues:						
Tax Revenues	\$5,980,396	\$494,660	\$12,265	\$387,651	\$0	\$6,874,972
Intergovernmental Revenues	1,162,416	1,119,228	0	0	0	2,281,644
Charges for Services	191,240	108,411	0	0	8,934	308,585
Licenses and Permits	201,556	3,908	0	0	0	205,464
Investment Earnings	329,032	13,415	3,100	2,401	82	348,030
Fines and Forfeitures	191,521	77,818	0	0	0	269,339
All Other Revenues	145,391	11,347	0	215,500	800	373,038
Total Revenues	<u>8,201,552</u>	<u>1,828,787</u>	<u>15,365</u>	<u>605,552</u>	<u>9,816</u>	<u>10,661,072</u>
Expenditures:						
Current:						
Security of Persons and Property	3,319,250	514,571	0	436,032	0	4,269,853
Public Health and Welfare Services	235,312	185,279	0	0	0	420,591
Leisure Time Activities	343,284	60,979	0	2,828	0	407,091
Community Environment	25,168	0	0	0	6,842	32,010
Basic Utility Services	0	0	12,265	0	0	12,265
Transportation	62,485	723,588	0	423,944	0	1,210,017
General Government	3,079,486	430,406	0	43,104	0	3,552,996
Capital Outlay	12,459	20,883	0	921,690	0	955,032
Debt Service:						
Principal Retirement	6,342	0	40,000	0	0	46,342
Interest and Fiscal Charges	21,532	0	7,050	7,932	0	36,514
Total Expenditures	<u>7,105,318</u>	<u>1,935,706</u>	<u>59,315</u>	<u>1,835,530</u>	<u>6,842</u>	<u>10,942,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,096,234	(106,919)	(43,950)	(1,229,978)	2,974	(281,639)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	12,093	3,150	0	0	0	15,243
Operating Transfers In	49,000	266,283	10,000	0	0	325,283
Operating Transfers Out	(276,283)	0	0	0	0	(276,283)
Total Other Financing Sources (Uses)	<u>(215,190)</u>	<u>269,433</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>64,243</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	881,044	162,514	(33,950)	(1,229,978)	2,974	(217,396)
Fund Balance Beginning of Year	2,689,032	936,386	71,093	2,084,396	55,204	5,836,111
Decrease in Inventory Reserve	(18)	(121)	0	0	0	(139)
Fund Balance End of Year	<u>\$3,570,058</u>	<u>\$1,098,779</u>	<u>\$37,143</u>	<u>\$854,418</u>	<u>\$58,178</u>	<u>\$5,618,576</u>

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

THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Tax Revenues	\$5,644,960	\$5,963,109	\$318,149	\$443,860	\$493,519	\$49,659
Intergovernmental Revenues	495,094	1,105,125	610,031	1,755,282	1,007,065	(748,217)
Charges for Services	147,500	171,747	24,247	116,500	109,254	(7,246)
Licenses and Permits	250,750	215,172	(35,578)	2,500	3,908	1,408
Investment Earnings	395,000	329,048	(65,952)	11,600	13,415	1,815
Fines and Forfeitures	155,750	191,371	35,621	65,000	70,115	5,115
All Other Revenues	50,000	95,090	45,090	0	4,948	4,948
Total Revenues	<u>7,139,054</u>	<u>8,070,662</u>	<u>931,608</u>	<u>2,394,742</u>	<u>1,702,224</u>	<u>(692,518)</u>
Expenditures:						
<i>Current:</i>						
Security of Persons and Property	3,900,408	3,455,162	445,246	888,952	622,973	265,979
Public Health and Welfare Services	305,583	270,333	35,250	236,679	202,906	33,773
Leisure Time Activities	394,960	384,060	10,900	74,480	60,979	13,501
Community Environment	30,850	25,733	5,117	0	0	0
Basic Utility Services	0	0	0	0	0	0
Transportation	76,500	69,870	6,630	1,041,148	757,364	283,784
General Government	3,817,687	3,310,775	506,912	1,304,614	507,683	796,931
Capital Outlay	29,390	13,359	16,031	104,835	31,868	72,967
<i>Debt Service:</i>						
Principal Retirement	6,400	6,342	58	0	0	0
Interest and Fiscal Charges	21,600	21,532	68	0	0	0
Total Expenditures	<u>8,583,378</u>	<u>7,557,166</u>	<u>1,026,212</u>	<u>3,650,708</u>	<u>2,183,773</u>	<u>1,466,935</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,444,324)	513,496	1,957,820	(1,255,966)	(481,549)	774,417
Other Financing Sources (Uses):						
Proceeds of General Obligation Notes	0	0	0	0	0	0
Proceeds of Sale of Fixed Assets	0	12,093	12,093	0	3,150	3,150
Operating Transfers In	49,500	49,000	(500)	289,500	266,283	(23,217)
Operating Transfers Out	(374,447)	(268,783)	105,664	0	0	0
Total Other Financing Sources (Uses)	<u>(324,947)</u>	<u>(207,690)</u>	<u>117,257</u>	<u>289,500</u>	<u>269,433</u>	<u>(20,067)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,769,271)	305,806	2,075,077	(966,466)	(212,116)	754,350
Fund Balance at Beginning of Year	1,052,324	1,052,324	0	782,511	782,511	0
Prior Year Encumbrances	716,947	716,947	0	201,531	201,531	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$2,075,077</u>	<u>\$2,075,077</u>	<u>\$17,576</u>	<u>\$771,926</u>	<u>\$754,350</u>

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

THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

<i>Debt Service Fund</i>			<i>Capital Projects Fund</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$12,266	\$12,265	(\$1)	\$357,800	\$386,381	\$28,581	\$6,458,886	\$6,855,274	\$396,388
0	0	0	0	0	0	2,250,376	2,112,190	(138,186)
0	0	0	0	0	0	264,000	281,001	17,001
0	0	0	0	0	0	253,250	219,080	(34,170)
5,000	3,100	(1,900)	0	2,401	2,401	411,600	347,964	(63,636)
0	0	0	0	0	0	220,750	261,486	40,736
0	0	0	151,000	215,500	64,500	201,000	315,538	114,538
17,266	15,365	(1,901)	508,800	604,282	95,482	10,059,862	10,392,533	332,671
0	0	0	645,000	630,193	14,807	5,434,360	4,708,328	726,032
0	0	0	0	0	0	542,262	473,239	69,023
0	0	0	0	0	0	469,440	445,039	24,401
0	0	0	0	0	0	30,850	25,733	5,117
12,266	12,265	1	0	0	0	12,266	12,265	1
0	0	0	1,253,000	421,044	831,956	2,370,648	1,248,278	1,122,370
500	0	500	203,434	197,052	6,382	5,326,235	4,015,510	1,310,725
0	0	0	1,102,199	1,014,225	87,974	1,236,424	1,059,452	176,972
700,000	670,833	29,167	0	0	0	706,400	677,175	29,225
737,593	736,496	1,097	0	0	0	759,193	758,028	1,165
1,450,359	1,419,594	30,765	3,203,633	2,262,514	941,119	16,888,078	13,423,047	3,465,031
(1,433,093)	(1,404,229)	28,864	(2,694,833)	(1,658,232)	1,036,601	(6,828,216)	(3,030,514)	3,797,702
0	0	0	502,030	502,030	0	502,030	502,030	0
0	0	0	0	0	0	0	15,243	15,243
1,362,000	1,370,279	8,279	0	0	0	1,701,000	1,685,562	(15,438)
0	0	0	0	0	0	(374,447)	(268,783)	105,664
1,362,000	1,370,279	8,279	502,030	502,030	0	1,828,583	1,934,052	105,469
(71,093)	(33,950)	37,143	(2,192,803)	(1,156,202)	1,036,601	(4,999,633)	(1,096,462)	3,903,171
71,093	71,093	0	1,426,819	1,426,819	0	3,332,747	3,332,747	0
0	0	0	763,709	763,709	0	1,682,187	1,682,187	0
\$0	\$37,143	\$37,143	(\$2,275)	\$1,034,326	\$1,036,601	\$15,301	\$3,918,472	\$3,903,171



THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	<i>Totals (Memorandum Only)</i>
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<u>Operating Revenues:</u>				
Charges for Services	\$4,654,694	\$509,670	\$5,641	\$5,170,005
Other Operating Revenues	14,468	0	0	14,468
Total Operating Revenues	<u>4,669,162</u>	<u>509,670</u>	<u>5,641</u>	<u>5,184,473</u>
<u>Operating Expenses:</u>				
Personal Services	1,683,423	0	0	1,683,423
Materials and Supplies	910,289	0	0	910,289
Contractual Services	446,791	397,328	0	844,119
Utilities	307,176	0	0	307,176
Depreciation	669,921	0	0	669,921
Other Operating Expenses	1,619	0	0	1,619
Total Operating Expenses	<u>4,019,219</u>	<u>397,328</u>	<u>0</u>	<u>4,416,547</u>
Operating Income	649,943	112,342	5,641	767,926
<u>Nonoperating Revenues (Expenses):</u>				
Investment Earnings	732,040	1,484	0	733,524
Interest and Fiscal Charges	(929,064)	0	0	(929,064)
Gain on Disposal of Fixed Assets	3,823	0	0	3,823
Loss on Disposal of Fixed Assets	(203,420)	0	0	(203,420)
Total Nonoperating Revenues (Expenses)	<u>(396,621)</u>	<u>1,484</u>	<u>0</u>	<u>(395,137)</u>
Income Before Operating Transfers	253,322	113,826	5,641	372,789
<u>Operating Transfers:</u>				
Operating Transfers Out	(49,000)	0	0	(49,000)
Total Operating Transfers	<u>(49,000)</u>	<u>0</u>	<u>0</u>	<u>(49,000)</u>
Net Income	204,322	113,826	5,641	323,789
Retained Earnings (Accumulated Deficit)/ Fund Balance at Beginning of Year	<u>16,747,905</u>	<u>(99,485)</u>	<u>269,585</u>	<u>16,918,005</u>
Retained Earnings/Fund Balance at End of Year	<u>\$16,952,227</u>	<u>\$14,341</u>	<u>\$275,226</u>	<u>\$17,241,794</u>

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

THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$4,550,080	\$509,670	\$6,924	\$5,066,674
Cash Payments for Goods and Services	(1,269,074)	(540,065)	0	(1,809,139)
Cash Payments to Employees	(1,656,029)	0	0	(1,656,029)
Net Cash Provided (Used) by Operating Activities	<u>1,624,977</u>	<u>(30,395)</u>	<u>6,924</u>	<u>1,601,506</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers Out to Other Funds	(49,000)	0	0	(49,000)
Net Cash Used for Noncapital Financing Activities	<u>(49,000)</u>	<u>0</u>	<u>0</u>	<u>(49,000)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds from Notes	2,500,000	0	0	2,500,000
Proceeds from Sale of Fixed Assets	15,446	0	0	15,446
Acquisition and Construction of Assets	(7,721,030)	0	0	(7,721,030)
Principal Paid on General Obligation Bonds	(335,000)	0	0	(335,000)
Principal Paid on Revenue Bonds	(410,000)	0	0	(410,000)
Interest Paid on All Debt	(876,383)	0	0	(876,383)
Net Cash Used for Capital and Related Financing Activities	<u>(6,826,967)</u>	<u>0</u>	<u>0</u>	<u>(6,826,967)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipt of Interest	732,040	1,484	0	733,524
Net Cash Provided by Investing Activities	<u>732,040</u>	<u>1,484</u>	<u>0</u>	<u>733,524</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,518,950)	(28,911)	6,924	(4,540,937)
Cash and Cash Equivalents at Beginning of Year	<u>15,913,793</u>	<u>59,873</u>	<u>267,280</u>	<u>16,240,946</u>
Cash and Cash Equivalents at End of Year	<u><u>\$11,394,843</u></u>	<u><u>\$30,962</u></u>	<u><u>\$274,204</u></u>	<u><u>\$11,700,009</u></u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$6,545,967	\$30,962	\$58,178	\$6,635,107
Restricted Cash and Cash Equivalents	3,838,012	0	371,366	4,209,378
Restricted Cash with Fiscal Agent	1,010,864	0	0	1,010,864
Less: Cash and Cash Equivalents in Expendable Trust Funds	0	0	(58,178)	(58,178)
Less: Restricted Cash in Agency Fund	0	0	(97,162)	(97,162)
Cash and Cash Equivalents at End of Year	<u><u>\$11,394,843</u></u>	<u><u>\$30,962</u></u>	<u><u>\$274,204</u></u>	<u><u>\$11,700,009</u></u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income	\$649,943	\$112,342	\$5,641	\$767,926
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	669,921	0	0	669,921
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(119,082)	0	1,283	(117,799)
Increase in Inventory	(13,724)	0	0	(13,724)
Increase in Prepaid Items	(4,891)	0	0	(4,891)
Increase in Accounts Payable	95,319	0	0	95,319
Increase in Accrued Wages and Benefits	9,022	0	0	9,022
Increase in Contracts Payable	320,269	0	0	320,269
Increase in Compensated Absences	18,200	0	0	18,200
Decrease in Claims Payable	0	(142,737)	0	(142,737)
Total Adjustments	<u>975,034</u>	<u>(142,737)</u>	<u>1,283</u>	<u>833,580</u>
Net Cash Provided (Used) by Operating Activities	<u>\$1,624,977</u>	<u>(\$30,395)</u>	<u>\$6,924</u>	<u>\$1,601,506</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2000 the Water and Sewer Funds had outstanding liabilities of \$129,109 and \$124,520, respectively for the purchase of capital assets.

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

THE CITY OF MOUNT VERNON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types and the cash flows of the proprietary and nonexpendable trust funds. The financial statements are presented as of December 31, 2000 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

The City, in conjunction with Knox County, the six villages and the twenty-two townships within Knox County, have created the Knox County Emergency Management Agency (EMA). The EMA is a jointly governed organization whose board is composed of seven members, one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to insure the most effective use of resources during an emergency. The City appropriated \$6,000 for operations of the EMA for 2000.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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

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

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

Capital Projects 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).

Proprietary Funds

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

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

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

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

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

C. Basis of Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Property taxes measurable as of December 31, 2000 but which are not intended to finance 2000 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 3.

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

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

D. Budgetary Process

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

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

2. Estimated Resources (Continued)

amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

3. Appropriations

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

4. Encumbrances

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

5. Lapsing of Appropriations

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

6. Budgetary Basis of Accounting

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

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

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
GAAP Basis (as reported)	\$881,044	\$162,514	(\$33,950)	(\$1,229,978)
Increase (Decrease):				
Accrued Revenues at December 31, 2000 received during 2001	(1,392,772)	(238,761)	0	(78,617)
Accrued Revenues at December 31, 1999 received during 2000	1,261,882	112,198	0	77,347
Accrued Expenditures at December 31, 2000 paid during 2001	509,075	206,141	0	49,100
Accrued Expenditures at December 31, 1999 paid during 2000	(386,647)	(179,100)	0	(183,479)
1999 Prepays for 2000	43,581	4,441	0	0
2000 Prepays for 2001	(43,747)	(2,340)	0	0
Note Proceeds	0	0	0	500,000
Outstanding Encumbrances	(566,610)	(277,209)	0	(290,575)
Budget Basis	<u>\$305,806</u>	<u>(\$212,116)</u>	<u>(\$33,950)</u>	<u>(\$1,156,202)</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Assets Reserve (STAR Ohio), and investments with original maturities of less than three months. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 2, "Cash, Cash Equivalents and Investments."

F. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value. The City allocates interest among the various funds based upon the fund's cash balance at the date of investment. See Note 2, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2000.

G. Inventory

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

H. Fixed Assets and Depreciation

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

1. Property, Plant and Equipment - General Governmental Purposes

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

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

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

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

2. Property, Plant and Equipment - Proprietary Fund

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

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

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

I. Long-Term Obligations

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

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

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

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

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

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

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

K. Pensions

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Transactions

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

- Operating transfers are reported as Other Financing Sources and Uses in the governmental funds, as "Operating transfers-in" by the recipient fund, and "Operating transfers-out" by the disbursing fund.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers in 2000.

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

M. Reservations of Fund Balance

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

N. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

O. Total Columns on Combined Financial Statements - Overview

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

P. Restricted Assets

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

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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 two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

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

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

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

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

Deposits:

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

Investments:

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

A. Deposits

At year end the carrying amount of the City's deposits was \$4,183,912 and the bank balance \$4,234,728. The Federal Deposit Insurance Corporation (FDIC) covered \$418,529 of the bank balance. All remaining deposits were classified as Category 3.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2000 are summarized below:

<u>Non-Categorized Investments</u>	<u>Fair Value</u>
STAR Ohio (Uncollateralized investment pool)	<u>\$11,714,249</u>

C. Cash with Fiscal Agents

In addition to deposits and investments, the City had cash with fiscal agents in the amount of \$1,010,864 for bond reserve accounts, of which \$100,000 was insured by the FDIC and the remaining deposits were uninsured and uncollateralized.

D. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$15,898,161	\$0
Investments:		
STAR Ohio	(11,714,249)	11,714,249
Per GASB Statement No. 3	<u>\$4,183,912</u>	<u>\$11,714,249</u>

NOTE 3 - TAXES

A. Property Taxes

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

NOTE 3 - TAXES (Continued)

A. Property Taxes (Continued)

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

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

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, 2000 was \$3.20 per \$1,000 of assessed value. The 2000 assessed value was \$277,059,819. This amount constitutes \$172,726,940 in real property assessed value, \$9,546,070 in public utility assessed value and \$94,786,809 in tangible personal property assessed value.

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

B. Income Tax

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

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

NOTE 4 - RECEIVABLES

Receivables at December 31, 2000 consisted of taxes, accounts, interest, interfund and intergovernmental receivables.

NOTE 5 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2000:

Fund	Transfer In	Transfer Out
General Fund	\$49,000	\$276,283
Special Revenue Funds:		
Park Development Fund	4,283	0
Parking Fund	5,000	0
Law Enforcement Trust Fund	7,500	0
Police Pension Fund	110,000	0
Fire Pension Fund	134,500	0
SVAW Fund	5,000	0
Total Special Revenue Funds	266,283	0
Debt Service Fund:		
General Bond Retirement Fund	10,000	0
Enterprise Funds:		
Water Fund	0	24,500
Sewer Fund	0	24,500
Total Enterprise Funds	0	49,000
Totals	\$325,283	\$325,283

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2000 consist of the following individual fund receivables and payables:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$31,854	\$0
Special Revenue Funds:		
Indigent Drivers Alcohol Treatment Fund	2,928	0
DUI Enforcement and Education Fund	63	0
Court Computerization Fund	6,768	0
Total Special Revenue Funds	9,759	0
Agency Fund:		
Municipal Court Fund	0	41,613
Totals	\$41,613	\$41,613

NOTE 7 - FIXED ASSETS

A. General Fixed Assets

Summary by category of changes in general fixed assets:

Category	December 31, 1999	Additions	Deletions	December 31, 2000
Land	\$1,122,044	\$302,270	\$0	\$1,424,314
Buildings and Improvements	2,856,343	2,831,230	(112,468)	5,575,105
Improvements Other Than Buildings	492,959	0	(2,434)	490,525
Machinery and Equipment	4,709,902	429,854	(95,062)	5,044,694
Construction in Progress	2,647,014	269,700	(2,646,014)	270,700
Totals	\$11,828,262	\$3,833,054	(\$2,855,978)	\$12,805,338

Schedule of General Fixed Assets at December 31, 2000:

General Fixed Assets	Investment in General Fixed Assets
Land	General Fund \$5,213,975
Buildings and Improvements	Special Revenue Funds 229,767
Improvements Other Than Buildings	Capital Projects Fund 7,079,969
Machinery and Equipment	Proprietary Funds 84,846
Construction in Progress	Contributions 15,058
Total	Federal Grants 103,827
	State Grants 77,896
	Total \$12,805,338

B. Proprietary Fixed Assets

Summary by category at December 31, 2000:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$894,311	\$0	\$894,311
Buildings and Improvements	4,689,438	(2,287,020)	2,402,418
Utility Structures in Services	19,219,590	(8,764,616)	10,454,974
Machinery and Equipment	3,050,160	(2,451,861)	598,299
Construction in Progress	16,459,711	0	16,459,711
Property, Plant and Equipment	\$44,313,210	(\$13,503,497)	\$30,809,713

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

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

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions. The 2000 employer contribution rate for local government employer units was 10.84%, (which is comprised of the average of 13.55% from January through June and 8.13% from July through December) of covered payroll, 6.54% to fund the pension and 4.3% to fund health care. The 1999 and 1998 employer contribution rates were 13.55%. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2000, 1999 and 1998 were \$364,785, \$428,200 and \$395,564, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 4.3% of covered payroll which amounted to \$144,703.

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio’s latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 1999 is \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2000, 1999 and 1998 were \$181,847, \$173,493 and \$167,136 for police and \$220,962, \$208,532 and \$197,001 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The portion of the 2000 covered payroll that was used to fund postemployment health care benefits was \$67,609 representing 7.25% of covered payroll for police and \$66,749 representing 7.25% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1999, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,467 for police and 9,807 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1999 were \$95,004,633, which was net of member contributions of \$5,518,098.

NOTE 9 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2000 were as follows:

		Balance December 31, 1999	Issued (Retired)	Balance December 31, 2000	
Enterprise Funds:					
Mortgage Revenue Bonds:					
3.00 - 4.75%	Water	1999	\$8,085,000	(\$295,000)	\$7,790,000
3.00 - 6.00%	Sewer	1992	2,125,000	(115,000)	2,010,000
Total Mortgage Revenue Bonds Payable			10,210,000	(410,000)	9,800,000
General Obligation Bonds:					
7.125%	Waterworks	1986	80,000	(40,000)	40,000
6.525%	Waterworks	1997	8,560,000	(295,000)	8,265,000
Total General Obligation Bonds Payable			8,640,000	(335,000)	8,305,000
Total Enterprise Long-Term Debt			\$18,850,000	(\$745,000)	\$18,105,000
General Long-Term Debt:					
General Obligation Bond:					
5.875%	Plaza Building	1987	\$120,000	(\$40,000)	\$80,000
Total General Long-Term Debt			120,000	(40,000)	80,000
Other Long-Term Obligations:					
Compensated Absences			592,778	18,206	610,984
Police and Firemen's Pension Accrued Liability			508,211	(6,342)	501,869
Total Other Long-Term Obligations			1,100,989	11,864	1,112,853
Total General Long-Term Debt and Other Long-Term Obligations			\$1,220,989	(\$28,136)	\$1,192,853

NOTE 9 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Police and Firemen's Pension Fund

The City's liability for past service costs related to the Police and Firemen's Pension Fund at December 31, 2000 was \$960,240 in principal and interest payments through the year 2035. Only the principal amount is included in the General Long-Term Obligations Account Group.

B. Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2000 are as follows:

Years	General Obligation Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2001	\$385,000	\$398,478	\$425,000	\$448,862
2002	360,000	382,095	440,000	432,132
2003	335,000	368,334	460,000	414,042
2004	345,000	354,136	480,000	394,457
2005	365,000	339,123	500,000	373,558
2006-2010	2,080,000	1,434,127	2,880,000	1,503,307
2011-2015	2,608,000	894,480	2,870,000	787,715
2016-2035	1,907,000	198,337	1,745,000	167,252
Totals	<u>\$8,385,000</u>	<u>\$4,369,110</u>	<u>\$9,800,000</u>	<u>\$4,521,325</u>

Years	Police/Fire Pension Liability		Totals	
	Principal	Interest	Principal	Interest
2001	\$6,615	\$21,260	\$816,615	\$868,600
2002	6,899	20,976	806,899	835,203
2003	7,195	20,680	802,195	803,056
2004	7,504	20,370	832,504	768,963
2005	7,827	20,148	872,827	732,829
2006-2010	44,474	94,802	5,004,474	3,032,236
2011-2015	55,053	84,491	5,533,053	1,766,686
2016-2035	366,302	175,644	4,018,302	541,233
Totals	<u>\$501,869</u>	<u>\$458,371</u>	<u>\$18,686,869</u>	<u>\$9,348,806</u>

NOTE 10 – COMPENSATED ABSENCES

The City provides a liability for accumulated unpaid sick leave, vacation and compensatory time benefits when earned by employees. Accrued employee benefits for Governmental Funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. At December 31, 2000, the total accumulated unpaid sick, vacation and compensatory time recorded in the General Long-Term Obligations Account Group and governmental funds was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	82,995	\$489,347
Vacation	14,324	147,303
Compensatory Time	<u>1,785</u>	<u>25,900</u>
Total	<u>99,104</u>	662,550
Less: Current Portion		<u>(51,566)</u>
Other Long-Term Obligations		<u>\$610,984</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 11 - NOTES PAYABLE

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

The City has two short-term general obligation bond anticipation note payable, one in the Capital Improvement Fund and one in the Wastewater Fund at December 31, 2000. These notes are secured by the full faith and credit of the City and they will mature during the year of 2001. Below is a summary of notes payable activity during 2000:

	<u>Balance January 1, 2000</u>	<u>Issued (Retired)</u>	<u>Balance December 31, 2000</u>
Capital Projects Notes Payable			
Capital Improvement Fund:			
4.82% Building Project	\$0	\$500,000	\$500,000
Enterprise Notes Payable:			
Wastewater Fund:			
4.82% Wastewater Improvement	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total Notes Payable	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>

NOTE 12 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City financed primarily by user charges are water treatment and distribution and wastewater collection and treatment. The key financial information for the year ended December 31, 2000 for these enterprise activities is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues	\$2,370,732	\$2,298,430	\$4,669,162
Depreciation Expense	310,468	359,453	669,921
Operating Income	386,067	263,876	649,943
Operating Transfers Out	(24,500)	(24,500)	(49,000)
Net Income	65,141	139,181	204,322
Property, Plant and Equipment:			
Additions	5,675,160	1,120,376	6,795,536
Deletions	(26,879)	(248,641)	(275,520)
Total Assets	27,291,039	16,204,401	43,495,440
Net Working Capital	2,524,582	1,839,084	4,363,666
Bonds Payable	16,095,000	2,010,000	18,105,000
Total Equity	10,625,496	11,080,541	21,706,037

NOTE 13 - CONTRIBUTED CAPITAL

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

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Contributed Capital at December 31, 2000	<u>\$853,938</u>	<u>\$3,899,872</u>	<u>\$4,753,810</u>

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2000 the City contracted with one insurance provider for various insurance coverages as follows:

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

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

NOTE 14 - RISK MANAGEMENT (Continued)

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

In 1997, the City elected to provide group health benefits to employees and their eligible dependents through a self-insured program. Premiums are paid into an internal service fund by all funds having compensated employees based on the number of active participating employees. The monies paid into the Self-Insurance Fund (internal service fund) are available to pay claims and administrative costs. The plan is administered by a third party administrator. The claims liability of \$16,621 reported in the fund at December 31, 2000 is based on requirements of GASB No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim can be reasonable estimated. Changes in the fund's claims liability amount in 2000 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
1999	\$69,741	\$944,058	\$854,441	\$159,358
2000	\$159,358	\$397,328	\$540,065	\$16,621

On May 31, 2000, the City terminated its group health benefits to employees through a self-insured program. Effective June 1, 2000, health benefits to employees were provided by a fully insured group health benefit program. Run out claims still remained at year end for services that were incurred in 2000, but not paid until 2001. The bank accounts will be closed out in 2001.

NOTE 15 - CONDUIT DEBT OBLIGATIONS

The City has issued Industrial Revenue Bonds to provided financial assistance to private sector entities for the acquisition and construction of industrial and commercial 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.

As of December 31, 2000, there was one Industrial Revenue Bond outstanding with an aggregate principal amount payable of \$3,720,000.

NOTE 16 - CONSTRUCTION COMMITMENTS

As of December 31, 2000, the City had the following contracts with respect to capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Contract</u>	<u>Expected Date of Completion</u>
Water Treatment Plant	\$812,685	April 2001
Cemetery Storage Building	1,456	May 2001
Brown and Chestnut Street Water and Wastewater Improvements	130,385	July 2001
Oak, Center and Cedar Streets Sanitary Sewer Replacement Project	58,417	July 2001
Radial Collector Well Project	379,568	August 2001
Delano Run sanitary Sewer Improvements	1,771,222	July 2001

NOTE 17 - CONTINGENCIES

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

NOTE 18 – SUBSEQUENT EVENT

On September 26, 2000, the City issued a \$3 million dollar Various Purpose Note, Series 2000. The note was issued to finance the cost of constructing a major wastewater line from the plant to the industrial park and acquire a building and make certain renovations to house the city income tax department and the customer service office of the water and wastewater department. The note will mature on September 26, 2001. The City is uncertain at this time whether they will issue bonds or renew the note for an extended period of time. As construction is still ongoing with the wastewater line project, renovations to the building have yet to begin. Design plans have been submitted for state approval, and construction should begin by late summer.

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

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

GENERAL FUND

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

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Tax Revenues:			
Property Taxes	\$529,900	\$631,613	\$101,713
Municipal Income Tax	5,115,000	5,331,413	216,413
Other Local Taxes	60	83	23
Total Tax Revenues	5,644,960	5,963,109	318,149
Intergovernmental Revenues:			
State Levied Shared Taxes	494,594	1,104,347	609,753
Intergovernmental Revenues	500	778	278
Total Intergovernmental Revenues	495,094	1,105,125	610,031
Charges for Services	147,500	171,747	24,247
Licenses and Permits	250,750	215,172	(35,578)
Investment Earnings	395,000	329,048	(65,952)
Fines and Forfeitures	155,750	191,371	35,621
All Other Revenues	50,000	95,090	45,090
Total Revenues	7,139,054	8,070,662	931,608
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Division:			
Personal Services	1,192,563	1,068,739	123,824
Travel and Transportation	16,070	10,285	5,785
Contractual Services	2,000	1,997	3
Supplies and Materials	166,577	148,705	17,872
Capital Outlay	138,275	132,228	6,047
Total Police Division	1,515,485	1,361,954	153,531
Fire and E.M.S. Division:			
Personal Services	1,646,817	1,494,361	152,456
Travel and Transportation	39,841	28,798	11,043
Contractual Services	2,500	2,500	0
Supplies and Materials	197,006	185,885	11,121
Capital Outlay	323,059	228,352	94,707
Total Fire and E.M.S. Division	2,209,223	1,939,896	269,327

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Miscellaneous:			
Street Lighting/Radio Repair/Sirens Supplies and Materials	172,700	150,312	22,388
Public Defender			
Contract Services	3,000	3,000	0
Debt Services:			
Principal Retirement	6,400	6,342	58
Interest and Fiscal Charges	21,600	21,532	68
Total Miscellaneous	<u>203,700</u>	<u>181,186</u>	<u>22,514</u>
Total Security of Persons and Property	<u>3,928,408</u>	<u>3,483,036</u>	<u>445,372</u>
Public Health and Welfare Services:			
Police Division:			
Contractual Services	197,021	195,271	1,750
Total Police Division	<u>197,021</u>	<u>195,271</u>	<u>1,750</u>
Humane Officer:			
Contractual Services	37,455	19,783	17,672
Supplies and Materials	32,607	16,779	15,828
Total Humane Officer	<u>70,062</u>	<u>36,562</u>	<u>33,500</u>
Health Department:			
Contractual Services	38,500	38,500	0
Total Health Department	<u>38,500</u>	<u>38,500</u>	<u>0</u>
Total Public Health and Welfare Services	<u>305,583</u>	<u>270,333</u>	<u>35,250</u>
Leisure Time Activities:			
Parks:			
Personal Services	130,150	126,293	3,857
Travel and Transportation	660	147	513
Supplies and Materials	108,926	105,686	3,240
Capital Outlay	24,163	23,820	343
Total Parks	<u>263,899</u>	<u>255,946</u>	<u>7,953</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Recreation:			
Personal Services	13,780	13,715	65
Contractual Services	7,000	7,000	0
Supplies and Materials	5,182	4,855	327
Total Recreation	<u>25,962</u>	<u>25,570</u>	<u>392</u>
Pool:			
Personal Services	50,343	50,343	0
Supplies and Materials	32,801	30,248	2,553
Capital Outlay	21,955	21,953	2
Total Pool	<u>105,099</u>	<u>102,544</u>	<u>2,555</u>
Total Leisure Time Activities	<u>394,960</u>	<u>384,060</u>	<u>10,900</u>
Community Environment:			
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning: Supplies and Materials	<u>30,850</u>	<u>25,733</u>	<u>5,117</u>
Total Community Environment	<u>30,850</u>	<u>25,733</u>	<u>5,117</u>
Transportation:			
Miscellaneous: Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail: Supplies and Materials	<u>76,500</u>	<u>69,870</u>	<u>6,630</u>
Total Transportation	<u>76,500</u>	<u>69,870</u>	<u>6,630</u>
General Government:			
Council:			
Personal Services	47,960	47,631	329
Travel and Transportation	10,000	1,859	8,141
Contractual Services	1,350	650	700
Supplies and Materials	3,082	2,305	777
Total Council	<u>62,392</u>	<u>52,445</u>	<u>9,947</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Mayor:			
Personal Services	71,075	71,048	27
Travel and Transportation	500	165	335
Supplies and Materials	8,872	5,854	3,018
Other Expenditures	200	0	200
Total Mayor	<u>80,647</u>	<u>77,067</u>	<u>3,580</u>
Auditor:			
Personal Services	203,867	162,553	41,314
Travel and Transportation	8,250	5,309	2,941
Contractual Services	8,695	8,694	1
Supplies and Materials	27,361	21,331	6,030
Total Auditor	<u>248,173</u>	<u>197,887</u>	<u>50,286</u>
Treasurer:			
Personal Services	5,821	5,741	80
Supplies and Materials	1,000	183	817
Total Treasurer	<u>6,821</u>	<u>5,924</u>	<u>897</u>
Law Director:			
Personal Services	119,068	118,964	104
Travel and Transportation	1,000	0	1,000
Supplies and Materials	37,594	33,416	4,178
Total Law Director	<u>157,662</u>	<u>152,380</u>	<u>5,282</u>
Income Tax:			
Personal Services	95,000	91,335	3,665
Travel and Transportation	3,500	1,226	2,274
Supplies and Materials	128,892	93,906	34,986
Capital Outlay	5,000	0	5,000
Total Income Tax	<u>232,392</u>	<u>186,467</u>	<u>45,925</u>
Municipal Court:			
Personal Services	347,151	319,478	27,673
Travel and Transportation	4,331	3,830	501
Contractual Services	3,000	2,000	1,000
Supplies and Materials	50,511	44,940	5,571
Total Municipal Court	<u>404,993</u>	<u>370,248</u>	<u>34,745</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Civil Service:			
Personal Services	6,000	5,484	516
Travel and Transportation	100	0	100
Supplies and Materials	7,110	4,748	2,362
Total Civil Service	<u>13,210</u>	<u>10,232</u>	<u>2,978</u>
Safety Service:			
Personal Services	80,500	79,323	1,177
Travel and Transportation	800	250	550
Contractual Services	58,000	56,939	1,061
Supplies and Materials	9,157	8,524	633
Total Safety Service	<u>148,457</u>	<u>145,036</u>	<u>3,421</u>
Engineering:			
Personal Services	246,900	230,051	16,849
Travel and Transportation	2,700	2,204	496
Contractual Services	564,548	336,784	227,764
Supplies and Materials	25,400	20,751	4,649
Capital Outlay	24,390	13,359	11,031
Total Engineering	<u>863,938</u>	<u>603,149</u>	<u>260,789</u>
Public Land and Buildings:			
Personal Services	67,310	63,557	3,753
Travel and Transportation	760	141	619
Contractual Services	32,286	30,902	1,384
Supplies and Materials	262,372	226,193	36,179
Total Public Land and Buildings	<u>362,728</u>	<u>320,793</u>	<u>41,935</u>
Miscellaneous:			
Personal Services	1,025,169	989,787	35,382
Contractual Services	6,000	6,000	0
Supplies and Materials	234,495	206,719	27,776
Total Miscellaneous	<u>1,265,664</u>	<u>1,202,506</u>	<u>63,158</u>
Total General Government	<u>3,847,077</u>	<u>3,324,134</u>	<u>522,943</u>
Total Expenditures	<u>8,583,378</u>	<u>7,557,166</u>	<u>1,026,212</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over Expenditures	(1,444,324)	513,496	1,957,820
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	12,093	12,093
Operating Transfers In	49,500	49,000	(500)
Operating Transfers Out	(374,447)	(268,783)	105,664
Total Other Financing Sources (Uses):	(324,947)	(207,690)	117,257
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(1,769,271)	305,806	2,075,077
Fund Balance at Beginning of Year	1,052,324	1,052,324	0
Prior Year Encumbrances	716,947	716,947	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$2,075,077</u>	<u>\$2,075,077</u>

SPECIAL REVENUE FUNDS

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Permissive Auto License Tax Fund

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

Cemeteries Fund

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

Park Development Fund

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

Community Development Block Grant Fund

To account for state grants designated for community environmental improvements.

Parking Fund

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

Law Enforcement Trust Fund

To account for the proceeds from the confiscation of contraband.

Drug Enforcement Trust Fund

To account for mandatory fines collected for drug offenses.

Permissive License Registration Fund

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

(Continued)

SPECIAL REVENUE FUNDS

Indigent Drivers Alcohol Treatment Fund

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

DUI - Enforcement and Education Fund

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

Probation Services Fund

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

Police Pension Fund

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

Fire Pension Fund

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

Court Computerization Fund

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

Stop Violence Against Women (SVAW) Grant Fund

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

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2000

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemeteries
<u>Assets:</u>				
Cash and Cash Equivalents	\$170,547	\$91,598	\$627	\$121,141
Receivables (net of allowance for doubtful accounts):				
Taxes	24,460	0	0	32,613
Accounts	4,266	0	0	3,576
Due from Other Funds	0	0	0	0
Intergovernmental Receivables	57,608	4,671	73,037	0
Inventory of Supplies at Cost	6,949	0	0	158
Prepaid Items	1,575	0	0	765
Total Assets	<u>\$265,405</u>	<u>\$96,269</u>	<u>\$73,664</u>	<u>\$158,253</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$14,822	\$11,297	\$0	\$7,873
Accrued Wages and Benefits	21,860	0	0	7,320
Deferred Revenue	875	0	0	1,166
Compensated Absences Payable	7,136	0	0	1,295
Total Liabilities	<u>44,693</u>	<u>11,297</u>	<u>0</u>	<u>17,654</u>
Fund Equity:				
Reserved for Encumbrances	19,457	9,427	0	19,024
Reserved for Supplies Inventory	6,949	0	0	158
Reserved for Prepaid Items	1,575	0	0	765
Unreserved	192,731	75,545	73,664	120,652
Total Fund Equity	<u>220,712</u>	<u>84,972</u>	<u>73,664</u>	<u>140,599</u>
Total Liabilities and Fund Equity	<u>\$265,405</u>	<u>\$96,269</u>	<u>\$73,664</u>	<u>\$158,253</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2000

Park Development	Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration
\$12,067	\$96,894	\$13,598	\$19,152	\$1,744	\$92,001
0	0	0	0	0	0
0	0	711	0	0	0
0	0	0	0	0	0
0	0	0	0	0	14,379
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$12,067</u>	<u>\$96,894</u>	<u>\$14,309</u>	<u>\$19,152</u>	<u>\$1,744</u>	<u>\$106,380</u>
\$0	\$0	\$132	\$0	\$0	\$9,932
0	0	3,423	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>3,555</u>	<u>0</u>	<u>0</u>	<u>9,932</u>
0	40,548	1,663	0	0	10,971
0	0	0	0	0	0
0	0	0	0	0	0
12,067	56,346	9,091	19,152	1,744	85,477
<u>12,067</u>	<u>96,894</u>	<u>10,754</u>	<u>19,152</u>	<u>1,744</u>	<u>96,448</u>
<u>\$12,067</u>	<u>\$96,894</u>	<u>\$14,309</u>	<u>\$19,152</u>	<u>\$1,744</u>	<u>\$106,380</u>

(Continued)

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2000

	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Probation Services	Police Pension
<u>Assets:</u>				
Cash and Cash Equivalents	\$1,605	\$21,114	\$1,242	\$162,070
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	95,817
Accounts	0	0	0	0
Due from Other Funds	2,928	63	0	0
Intergovernmental Receivables	0	0	0	0
Inventory of Supplies at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$4,533</u>	<u>\$21,177</u>	<u>\$1,242</u>	<u>\$257,887</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$1,605	\$0	\$419	\$0
Accrued Wages and Benefits	0	0	0	47,938
Deferred Revenue	0	0	0	87,956
Compensated Absences Payable	0	0	0	0
Total Liabilities	<u>1,605</u>	<u>0</u>	<u>419</u>	<u>135,894</u>
Reserved for Encumbrances	0	0	441	43,320
Reserved for Supplies Inventory	0	0	0	0
Reserved for Prepaid Items	0	0	0	0
Unreserved	2,928	21,177	382	78,673
Total Fund Equity	<u>2,928</u>	<u>21,177</u>	<u>823</u>	<u>121,993</u>
Total Liabilities and Fund Equity	<u>\$4,533</u>	<u>\$21,177</u>	<u>\$1,242</u>	<u>\$257,887</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2000

Fire Pension	Court Computerization	Stop Violence Against Women	Total
\$204,424	\$35,165	\$4,146	\$1,049,135
95,817	0	0	248,707
0	0	0	8,553
0	6,768	0	9,759
0	0	0	149,695
0	0	0	7,107
0	0	0	2,340
<u>\$300,241</u>	<u>\$41,933</u>	<u>\$4,146</u>	<u>\$1,475,296</u>
\$0	\$803	\$0	\$46,883
62,235	0	474	143,250
87,956	0	0	177,953
0	0	0	8,431
<u>150,191</u>	<u>803</u>	<u>474</u>	<u>376,517</u>
55,250	31,000	0	231,101
0	0	0	7,107
0	0	0	2,340
94,800	10,130	3,672	858,231
<u>150,050</u>	<u>41,130</u>	<u>3,672</u>	<u>1,098,779</u>
<u>\$300,241</u>	<u>\$41,933</u>	<u>\$4,146</u>	<u>\$1,475,296</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemeteries
Revenues:				
Tax Revenues	\$116,295	\$0	\$0	\$155,061
Intergovernmental Revenues	420,568	34,100	73,037	0
Charges for Services	0	0	0	46,376
Licenses and Permits	458	0	0	0
Investment Earnings	347	197	0	12,751
Fines and Forfeitures	0	0	0	0
All Other Revenues	5,751	0	0	1,550
Total Revenues	543,419	34,297	73,037	215,738
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	185,279
Leisure Time Activities	0	0	0	0
Transportation	547,705	27,946	62,377	0
General Government	0	0	0	0
Capital Outlay	2,215	0	0	18,668
Total Expenditures	549,920	27,946	62,377	203,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,501)	6,351	10,660	11,791
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	3,150	0	0	0
Operating Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	3,150	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,351)	6,351	10,660	11,791
Fund Balance at Beginning of Year	224,272	78,621	63,004	128,720
Increase (Decrease) in Inventory Reserve	(209)	0	0	88
Fund Balance at End of Year	\$220,712	\$84,972	\$73,664	\$140,599

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

Park Development	Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration
\$0	\$0	\$0	\$0	\$0	\$0
0	454,719	0	0	0	109,574
4,283	0	57,608	0	0	0
0	0	3,450	0	0	0
0	120	0	0	0	0
0	0	30,294	0	0	0
0	0	801	3,245	0	0
4,283	454,839	92,153	3,245	0	109,574
0	0	92,554	6,176	4,949	0
0	0	0	0	0	0
60,979	0	0	0	0	0
0	0	0	0	0	85,560
0	375,243	0	0	0	0
0	0	0	0	0	0
60,979	375,243	92,554	6,176	4,949	85,560
(56,696)	79,596	(401)	(2,931)	(4,949)	24,014
0	0	0	0	0	0
4,283	0	5,000	7,500	0	0
4,283	0	5,000	7,500	0	0
(52,413)	79,596	4,599	4,569	(4,949)	24,014
64,480	17,298	6,155	14,583	6,693	72,434
0	0	0	0	0	0
\$12,067	\$96,894	\$10,754	\$19,152	\$1,744	\$96,448

(Continued)

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Probation Services	Police Pension
Revenues:				
Tax Revenues	\$0	\$0	\$0	\$111,652
Intergovernmental Revenues	0	0	0	6,115
Charges for Services	0	0	144	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	16,844	2,331	0	0
All Other Revenues	0	0	0	0
Total Revenues	16,844	2,331	144	117,767
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	185,471
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	14,248	0	3,713	0
Capital Outlay	0	0	0	0
Total Expenditures	14,248	0	3,713	185,471
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,596	2,331	(3,569)	(67,704)
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	0	0	0	0
Operating Transfers In	0	0	0	110,000
Total Other Financing Sources (Uses)	0	0	0	110,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,596	2,331	(3,569)	42,296
Fund Balance at Beginning of Year	332	18,846	4,392	79,697
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balance at End of Year	\$2,928	\$21,177	\$823	\$121,993

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

Fire Pension	Court Computerization	Stop Violence Against Women	Totals
\$111,652	\$0	\$0	\$494,660
6,115	0	15,000	1,119,228
0	0	0	108,411
0	0	0	3,908
0	0	0	13,415
0	28,349	0	77,818
0	0	0	11,347
<u>117,767</u>	<u>28,349</u>	<u>15,000</u>	<u>1,828,787</u>
225,421	0	0	514,571
0	0	0	185,279
0	0	0	60,979
0	0	0	723,588
0	14,601	22,601	430,406
0	0	0	20,883
<u>225,421</u>	<u>14,601</u>	<u>22,601</u>	<u>1,935,706</u>
(107,654)	13,748	(7,601)	(106,919)
0	0	0	3,150
<u>134,500</u>	<u>0</u>	<u>5,000</u>	<u>266,283</u>
<u>134,500</u>	<u>0</u>	<u>5,000</u>	<u>269,433</u>
26,846	13,748	(2,601)	162,514
123,204	27,382	6,273	936,386
0	0	0	(121)
<u>\$150,050</u>	<u>\$41,130</u>	<u>\$3,672</u>	<u>\$1,098,779</u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

STREET CONSTRUCTION, MAINTENANCE AND REPAIR

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Municipal Income Taxes	\$107,300	\$115,914	\$8,614
Intergovernmental Revenues	391,700	391,177	(523)
License and Permits	0	458	458
Investment Earnings	1,000	347	(653)
All Other Revenues	0	1,485	1,485
Total Revenues	500,000	509,381	9,381
<u>Expenditures:</u>			
Transportation:			
Personal Services	530,684	478,027	52,657
Travel and Transportation	4,045	3,349	696
Supplies and Materials	123,758	76,790	46,968
Capital Outlay	25,692	2,215	23,477
Total Expenditures	684,179	560,381	123,798
Excess (Deficiency) of Revenues Over Expenditures	(184,179)	(51,000)	133,179
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	3,150	3,150
Total Other Financing Sources (Uses):	0	3,150	3,150
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(184,179)	(47,850)	136,329
Fund Balance at Beginning of Year	163,442	163,442	0
Prior Year Encumbrances	20,737	20,737	0
Fund Balance at End of Year	\$0	\$136,329	\$136,329

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

STATE HIGHWAY IMPROVEMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$29,500	\$31,717	\$2,217
Investment Earnings	500	197	(303)
Total Revenues	30,000	31,914	1,914
<u>Expenditures:</u>			
Transportation:			
Supplies and Materials	106,651	37,692	68,959
Total Expenditures	106,651	37,692	68,959
Excess (Deficiency) of Revenues Over Expenditures	(76,651)	(5,778)	70,873
Fund Balance at Beginning of Year	75,886	75,886	0
Prior Year Encumbrances	765	765	0
Fund Balance at End of Year	\$0	\$70,873	\$70,873

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

PERMISSIVE AUTO LICENSE TAX

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$50,000	\$0	(\$50,000)
Total Revenues	50,000	0	(50,000)
<u>Expenditures:</u>			
Transportation:			
Supplies and Materials	113,004	62,377	50,627
Total Expenditures	113,004	62,377	50,627
Excess (Deficiency) of Revenues Over Expenditures	(63,004)	(62,377)	627
Fund Balance at Beginning of Year	63,004	63,004	0
Fund Balance at End of Year	\$0	\$627	\$627

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

CEMETERIES

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Municipal Income Taxes	\$143,000	\$154,553	\$11,553
Charges for Services	50,000	47,219	(2,781)
Investment Earnings	10,000	12,751	2,751
All Other Revenues	0	128	128
Total Revenues	203,000	214,651	11,651
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Personal Services	186,471	169,952	16,519
Travel and Transportation	670	658	12
Contractual Services	24,100	10,565	13,535
Supplies and Materials	24,438	20,979	3,459
Other Expenses	1,000	752	248
Capital Outlay	79,143	29,653	49,490
Total Expenditures	315,822	232,559	83,263
Excess (Deficiency) of Revenues Over Expenditures	(112,822)	(17,908)	94,914
Fund Balance at Beginning of Year	79,462	79,462	0
Prior Year Encumbrances	33,360	33,360	0
Fund Balance at End of Year	\$0	\$94,914	\$94,914

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

PARK DEVELOPMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$5,000	\$4,283	(\$717)
Total Revenues	5,000	4,283	(717)
<u>Expenditures:</u>			
Leisure Time Activities:			
Supplies and Material	74,480	60,979	13,501
Total Expenditures	74,480	60,979	13,501
Excess (Deficiency) of Revenues Over Expenditures	(69,480)	(56,696)	12,784
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	5,000	4,283	(717)
Total Other Financing Sources (Uses):	5,000	4,283	(717)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(64,480)	(52,413)	12,067
Fund Balance at Beginning of Year	64,480	64,480	0
Fund Balance at End of Year	\$0	\$12,067	\$12,067

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

COMMUNITY DEVELOPMENT BLOCK GRANT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$1,162,282	\$454,719	(\$707,563)
Investment Earnings	100	120	20
Total Revenues	1,162,382	454,839	(707,543)
<u>Expenditures:</u>			
General Government:			
Contractual Services	1,179,680	415,791	763,889
Total Expenditures	1,179,680	415,791	763,889
Excess (Deficiency) of Revenues Over Expenditures	(17,298)	39,048	56,346
Fund Balance at Beginning of Year	3,908	3,908	0
Prior Year Encumbrances	13,390	13,390	0
Fund Balance at End of Year	\$0	\$56,346	\$56,346

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

PARKING

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$54,500	\$57,608	\$3,108
License and Permits	2,500	3,450	950
Fines and Forfeitures	28,000	30,294	2,294
All Other Revenues	0	90	90
Total Revenues	85,000	91,442	6,442
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	73,380	72,341	1,039
Supplies and Materials	31,124	29,761	1,363
Total Expenditures	104,504	102,102	2,402
Excess (Deficiency) of Revenues Over Expenditures	(19,504)	(10,660)	8,844
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	2,000	5,000	3,000
Total Other Financing Sources (Uses):	2,000	5,000	3,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(17,504)	(5,660)	11,844
Fund Balance at Beginning of Year	10,714	10,714	0
Prior Year Encumbrances	6,790	6,790	0
Fund Balance at End of Year	\$0	\$11,844	\$11,844

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

LAW ENFORCEMENT TRUST

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$0	\$3,245	\$3,245
Total Revenues	0	3,245	3,245
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	6,200	6,176	24
Total Expenditures	6,200	6,176	24
Excess (Deficiency) of Revenues Over Expenditures	(6,200)	(2,931)	3,269
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	7,500	7,500	0
Total Other Financing Sources (Uses):	7,500	7,500	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,300	4,569	3,269
Fund Balance at Beginning of Year	14,583	14,583	0
Fund Balance at End of Year	\$15,883	\$19,152	\$3,269

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

DRUG ENFORCEMENT TRUST

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	5,000	4,949	51
Total Expenditures	5,000	4,949	51
Excess (Deficiency) of Revenues Over Expenditures	(5,000)	(4,949)	51
Fund Balance at Beginning of Year	6,693	6,693	0
Fund Balance at End of Year	\$1,693	\$1,744	\$51

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

PERMISSIVE LICENSE REGISTRATION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$95,000	\$102,222	\$7,222
Total Revenues	95,000	102,222	7,222
<u>Expenditures:</u>			
Transportation:			
Supplies and Materials	163,006	99,129	63,877
Total Expenditures	163,006	99,129	63,877
Excess (Deficiency) of Revenues Over Expenditures	(68,006)	3,093	71,099
Fund Balance at Beginning of Year	54,305	54,305	0
Prior Year Encumbrances	13,701	13,701	0
Fund Balance at End of Year	\$0	\$71,099	\$71,099

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

INDIGENT DRIVERS ALCOHOL TREATMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$15,500	\$14,248	(\$1,252)
Total Revenues	15,500	14,248	(1,252)
<u>Expenditures:</u>			
General Government:			
Supplies and Materials	20,793	19,541	1,252
Total Expenditures	20,793	19,541	1,252
Excess (Deficiency) of Revenues Over Expenditures	(5,293)	(5,293)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	5,293	5,293	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

DUI - ENFORCEMENT AND EDUCATION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$1,500	\$2,324	\$824
Total Revenues	1,500	2,324	824
<u>Expenditures:</u>			
General Government:			
Supplies and Materials	20,290	0	20,290
Total Expenditures	20,290	0	20,290
Excess (Deficiency) of Revenues Over Expenditures	(18,790)	2,324	21,114
Fund Balance at Beginning of Year	18,790	18,790	0
Fund Balance at End of Year	\$0	\$21,114	\$21,114

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

PROBATION SERVICES

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$7,000	\$144	(\$6,856)
Total Revenues	7,000	144	(6,856)
<u>Expenditures:</u>			
General Government:			
Supplies and Materials	11,492	4,254	7,238
Total Expenditures	11,492	4,254	7,238
Excess (Deficiency) of Revenues Over Expenditures	(4,492)	(4,110)	382
Fund Balance at Beginning of Year	4,092	4,092	0
Prior Year Encumbrances	400	400	0
Fund Balance at End of Year	\$0	\$382	\$382

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

POLICE PENSION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$61,000	\$72,888	\$11,888
Municipal Income Taxes	35,780	38,638	2,858
Intergovernmental Revenues	5,900	6,115	215
Total Revenues	102,680	117,641	14,961
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	348,344	229,981	118,363
Supplies and Materials	2,000	1,574	426
Total Expenditures	350,344	231,555	118,789
Excess (Deficiency) of Revenues Over Expenditures	(247,664)	(113,914)	133,750
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	125,000	110,000	(15,000)
Total Other Financing Sources (Uses):	125,000	110,000	(15,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(122,664)	(3,914)	118,750
Fund Balance at Beginning of Year	74,994	74,994	0
Prior Year Encumbrances	47,670	47,670	0
Fund Balance at End of Year	\$0	\$118,750	\$118,750

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

FIRE PENSION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$61,000	\$72,888	\$11,888
Municipal Income Taxes	35,780	38,638	2,858
Intergovernmental Revenues	5,900	6,115	215
Total Revenues	<u>102,680</u>	<u>117,641</u>	<u>14,961</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	420,904	276,617	144,287
Supplies and Materials	2,000	1,574	426
Total Expenditures	<u>422,904</u>	<u>278,191</u>	<u>144,713</u>
Excess (Deficiency) of Revenues Over Expenditures	(320,224)	(160,550)	159,674
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	145,000	134,500	(10,500)
Total Other Financing Sources (Uses):	<u>145,000</u>	<u>134,500</u>	<u>(10,500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(175,224)	(26,050)	149,174
Fund Balance at Beginning of Year	119,683	119,683	0
Prior Year Encumbrances	55,541	55,541	0
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$149,174</u></u>	<u><u>\$149,174</u></u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

COURT COMPUTERIZATION

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$20,000	\$23,249	\$3,249
Total Revenues	20,000	23,249	3,249
<u>Expenditures:</u>			
General Government:			
Supplies and Materials	45,714	45,598	116
Total Expenditures	45,714	45,598	116
Excess (Deficiency) of Revenues Over Expenditures	(25,714)	(22,349)	3,365
Fund Balance at Beginning of Year	21,830	21,830	0
Prior Year Encumbrances	3,884	3,884	0
Fund Balance at End of Year	\$0	\$3,365	\$3,365

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

STOP VIOLENCE AGAINST WOMEN

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$15,000	\$15,000	\$0
Total Revenues	15,000	15,000	0
<u>Expenditures:</u>			
General Government:			
Personal Services	26,645	22,499	4,146
Total Expenditures	26,645	22,499	4,146
Excess (Deficiency) of Revenues Over Expenditures	(11,645)	(7,499)	4,146
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	5,000	5,000	0
Total Other Financing Sources (Uses):	5,000	5,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(6,645)	(2,499)	4,146
Fund Balance at Beginning of Year	6,645	6,645	0
Fund Balance at End of Year	\$0	\$4,146	\$4,146

DEBT SERVICE FUND

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

General Bond Retirement Fund

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



THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

GENERAL BOND RETIREMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$12,266	\$12,265	(\$1)
Investment Earnings	5,000	3,100	(1,900)
Total Revenues	17,266	15,365	(1,901)
<u>Expenditures:</u>			
Basic Utility Service:			
Supplies and Materials	12,266	12,265	1
General Government:			
Supplies and Materials	500	0	500
Debt Service:			
Principal Retirement	700,000	670,833	29,167
Interest and Fiscal Charges	737,593	736,496	1,097
Total Expenditures	1,450,359	1,419,594	30,765
Excess (Deficiency) of Revenues over Expenditures	(1,433,093)	(1,404,229)	28,864
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,362,000	1,370,279	8,279
Total Other Financing Sources (Uses):	1,362,000	1,370,279	8,279
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(71,093)	(33,950)	37,143
Fund Balance at Beginning of Year	71,093	71,093	0
Fund Balance at End of Year	\$0	\$37,143	\$37,143



CAPITAL PROJECTS FUND

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

Capital Improvement Fund

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

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

CAPITAL IMPROVEMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Municipal Income Taxes	\$357,800	\$386,381	\$28,581
Investment Earnings	0	2,401	2,401
All Other Revenues	151,000	215,500	64,500
Total Revenues	508,800	604,282	95,482
<u>Expenditures:</u>			
Security of Persons and Property:			
Police:			
Contractual Services	45,000	43,004	1,996
Fire:			
Contractual Services	600,000	587,189	12,811
Total Security of Persons and Property	645,000	630,193	14,807
Public Health and Welfare Services			
Cemetery:			
Capital Outlay	60,000	49,604	10,396
Total Public Health and Welfare Services	60,000	49,604	10,396
Leisure Time Activities:			
Parks:			
Capital Outlay	350,000	347,858	2,142
Pool:			
Capital Outlay	54,063	3,526	50,537
Total Leisure Time Activities	404,063	351,384	52,679
Transportation:			
Street:			
Contractual Services	1,253,000	421,044	831,956
Capital Outlay	300,636	291,623	9,013
Total Transportation	1,553,636	712,667	840,969

(Continued)

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

CAPITAL IMPROVEMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Government:			
Law Director			
Capital Outlay	10,000	8,275	1,725
Municipal Court:			
Capital Outlay	55,000	45,964	9,036
Safety - Service:			
Capital Outlay	2,500	2,077	423
Engineering:			
Contractual Services	200,000	195,022	4,978
Capital Outlay	5,000	5,000	0
Public Buildings and Land:			
Contractual Services	3,434	2,030	1,404
Capital Outlay	265,000	260,298	4,702
Total General Government	<u>540,934</u>	<u>518,666</u>	<u>22,268</u>
Total Expenditures	<u>3,203,633</u>	<u>2,262,514</u>	<u>941,119</u>
Excess (Deficiency) of Revenues over Expenditures	(2,694,833)	(1,658,232)	1,036,601
<u>Other Financing Sources (Uses):</u>			
Proceeds of General Obligation Notes	<u>502,030</u>	<u>502,030</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>502,030</u>	<u>502,030</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(2,192,803)	(1,156,202)	1,036,601
Fund Balance at Beginning of Year	1,426,819	1,426,819	0
Prior Year Encumbrances	<u>763,709</u>	<u>763,709</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$2,275)</u></u>	<u><u>\$1,034,326</u></u>	<u><u>\$1,036,601</u></u>

ENTERPRISE FUNDS

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

Water Fund

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

Sewer Fund

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

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2000

	Water Fund	Sewer Fund	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$2,370,911	\$4,175,056	\$6,545,967
Receivables (net of allowances for doubtful accounts):			
Accounts	576,228	621,559	1,197,787
Inventory of Supplies at Cost	43,139	35,314	78,453
Prepaid Items	7,768	6,876	14,644
Restricted Assets:			
Cash and Cash Equivalents	1,682,524	2,155,488	3,838,012
Cash with Fiscal Agent	734,533	276,331	1,010,864
Property Plant and Equipment	10,981,470	16,872,029	27,853,499
Less Accumulated Depreciation	(5,011,195)	(8,492,302)	(13,503,497)
Net Fixed Assets	5,970,275	8,379,727	14,350,002
Construction in Progress	15,905,661	554,050	16,459,711
Total Assets	<u>\$27,291,039</u>	<u>\$16,204,401</u>	<u>\$43,495,440</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$160,956	\$82,353	\$243,309
Accrued Wages and Benefits	37,070	38,495	75,565
Contracts Payable	244,518	329,380	573,898
Matured Bonds and Interest Payable	2,275	0	2,275
Accrued Interest Payable	30,920	49,493	80,413
General Obligation Notes Payable	0	2,500,000	2,500,000
Compensated Absences Payable	94,804	114,139	208,943
General Obligation Bonds Payable	8,305,000	0	8,305,000
Revenue Bonds Payable	7,790,000	2,010,000	9,800,000
Total Liabilities	<u>16,665,543</u>	<u>5,123,860</u>	<u>21,789,403</u>
Fund Equity:			
Contributed Capital	853,938	3,899,872	4,753,810
Retained Earnings:			
Reserved for Revenue Bond Indenture	734,533	276,331	1,010,864
Unreserved	9,037,025	6,904,338	15,941,363
Total Retained Earnings	<u>9,771,558</u>	<u>7,180,669</u>	<u>16,952,227</u>
Total Fund Equity	<u>10,625,496</u>	<u>11,080,541</u>	<u>21,706,037</u>
Total Liabilities and Fund Equity	<u>\$27,291,039</u>	<u>\$16,204,401</u>	<u>\$43,495,440</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Water Fund	Sewer Fund	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$2,363,885	\$2,290,809	\$4,654,694
Other Operating Revenues	6,847	7,621	14,468
Total Operating Revenues	<u>2,370,732</u>	<u>2,298,430</u>	<u>4,669,162</u>
<u>Operating Expenses:</u>			
Personal Services	803,174	880,249	1,683,423
Materials and Supplies	510,138	400,151	910,289
Contractual Services	235,212	211,579	446,791
Utilities	124,863	182,313	307,176
Depreciation	310,468	359,453	669,921
Other Operating Expenses	810	809	1,619
Total Operating Expenses	<u>1,984,665</u>	<u>2,034,554</u>	<u>4,019,219</u>
Operating Income	386,067	263,876	649,943
<u>Nonoperating Revenues (Expenses):</u>			
Investment Earnings	465,629	266,411	732,040
Interest and Fiscal Charges	(765,878)	(163,186)	(929,064)
Gain on Disposal of Fixed Assets	3,823	0	3,823
Loss on Disposal of Fixed Assets	0	(203,420)	(203,420)
Total Nonoperating Revenues (Expenses)	<u>(296,426)</u>	<u>(100,195)</u>	<u>(396,621)</u>
Income Before Operating Transfers	89,641	163,681	253,322
<u>Operating Transfers:</u>			
Operating Transfers Out	(24,500)	(24,500)	(49,000)
Total Operating Transfers	<u>(24,500)</u>	<u>(24,500)</u>	<u>(49,000)</u>
Net Income	65,141	139,181	204,322
Retained Earnings at Beginning of Year	9,706,417	7,041,488	16,747,905
Retained Earnings at End of Year	<u>\$9,771,558</u>	<u>\$7,180,669</u>	<u>\$16,952,227</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Water	Sewer	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,311,257	\$2,238,823	\$4,550,080
Cash Payments for Goods and Services	(666,882)	(602,192)	(1,269,074)
Cash Payments to Employees	(791,045)	(864,984)	(1,656,029)
Net Cash Provided by Operating Activities	<u>853,330</u>	<u>771,647</u>	<u>1,624,977</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	(24,500)	(24,500)	(49,000)
Net Cash Used by Noncapital Financing Activities	<u>(24,500)</u>	<u>(24,500)</u>	<u>(49,000)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Notes	0	2,500,000	2,500,000
Proceeds from Sale of Fixed Assets	7,723	7,723	15,446
Acquisition and Construction of Assets	(6,725,174)	(995,856)	(7,721,030)
Principal Paid on General Obligation Bonds	(335,000)	0	(335,000)
Principal Paid on Revenue Bonds	(295,000)	(115,000)	(410,000)
Interest Paid on All Debt	(752,354)	(124,029)	(876,383)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(8,099,805)</u>	<u>1,272,838</u>	<u>(6,826,967)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	465,629	266,411	732,040
Net Cash Provided by Investing Activities	<u>465,629</u>	<u>266,411</u>	<u>732,040</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,805,346)	2,286,396	(4,518,950)
Cash and Cash Equivalents at Beginning of Year	11,593,314	4,320,479	15,913,793
Cash and Cash Equivalents at End of Year	<u>\$4,787,968</u>	<u>\$6,606,875</u>	<u>\$11,394,843</u>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$386,067	\$263,876	\$649,943
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	310,468	359,453	669,921
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(59,475)	(59,607)	(119,082)
Increase in Inventory	(10,052)	(3,672)	(13,724)
Increase in Prepaid Items	(3,680)	(1,211)	(4,891)
Increase (Decrease) in Accounts Payable	102,543	(7,224)	95,319
Increase in Accrued Wages and Benefits	4,183	4,839	9,022
Increase in Contracts Payable	115,409	204,860	320,269
Increase in Compensated Absences	7,867	10,333	18,200
Total Adjustments	<u>467,263</u>	<u>507,771</u>	<u>975,034</u>
Net Cash Provided by Operating Activities	<u>\$853,330</u>	<u>\$771,647</u>	<u>\$1,624,977</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2000 the Water and Sewer Funds had outstanding liabilities of \$129,109 and \$124,520, respectively, for the purchase of capital assets.

FIDUCIARY FUND TYPES

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

EXPENDABLE TRUST FUNDS

Mausoleum Trust Fund

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

Bonds and Inspection Fee Trust Fund

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

Veterans Honor Walk Trust Fund

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

NONEXPENDABLE TRUST FUND

Perpetual Care Trust Fund

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

AGENCY FUND

Municipal Court Fund

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

THE CITY OF MOUNT VERNON, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2000

	<i>Expendable Trust Funds</i>			<i>Nonexpendable Trust Fund</i>	<i>Agency Fund</i>	Totals
	Mausoleum Trust	Bonds and Inspection Fee Trust	Veterans Honor Walk Trust	Perpetual Care Trust	Municipal Court	
<u>Assets:</u>						
Cash and Cash Equivalents	\$1,723	\$1,351	\$55,104	\$0	\$0	\$58,178
Receivables (net of allowance for doubtful accounts):						
Accounts	0	0	0	1,022	0	1,022
<u>Restricted Assets:</u>						
Cash and Cash Equivalents	0	0	0	274,204	97,162	371,366
Total Assets	<u>\$1,723</u>	<u>\$1,351</u>	<u>\$55,104</u>	<u>\$275,226</u>	<u>\$97,162</u>	<u>\$430,566</u>
<u>Liabilities and Fund Equity:</u>						
<u>Liabilities:</u>						
Due to Other Funds	\$0	\$0	\$0	\$0	\$41,613	\$41,613
Intergovernmental Payables	0	0	0	0	22,158	22,158
Due to Others	0	0	0	0	33,391	33,391
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>97,162</u>	<u>97,162</u>
<u>Fund Equity:</u>						
Reserved for Encumbrances	0	800	0	0	0	800
Reserved for Endowments	0	0	0	275,226	0	275,226
Unreserved	1,723	551	55,104	0	0	57,378
Total Fund Equity	<u>1,723</u>	<u>1,351</u>	<u>55,104</u>	<u>275,226</u>	<u>0</u>	<u>333,404</u>
Total Liabilities and Fund Equity	<u>\$1,723</u>	<u>\$1,351</u>	<u>\$55,104</u>	<u>\$275,226</u>	<u>\$97,162</u>	<u>\$430,566</u>

THE CITY OF MOUNT VERNON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Mausoleum Trust	Bonds and Inspection Fee Trust	Veterans Honor Walk Trust	Totals
<u>Revenues:</u>				
Charges for Services	\$0	\$0	\$8,934	\$8,934
Investment Earnings	82	0	0	82
All Other Revenues	0	800	0	800
Total Revenues	<u>82</u>	<u>800</u>	<u>8,934</u>	<u>9,816</u>
<u>Expenditures:</u>				
Community Environment	0	4,600	2,242	6,842
Total Expenditures	<u>0</u>	<u>4,600</u>	<u>2,242</u>	<u>6,842</u>
Excess (Deficiency) of Revenues Over Expenditures	82	(3,800)	6,692	2,974
Fund Balance at Beginning of Year	<u>1,641</u>	<u>5,151</u>	<u>48,412</u>	<u>55,204</u>
Fund Balance at End of Year	<u><u>\$1,723</u></u>	<u><u>\$1,351</u></u>	<u><u>\$55,104</u></u>	<u><u>\$58,178</u></u>

THE CITY OF MOUNT VERNON, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Balance December 31, 1999	Additions	Deductions	Balance December 31, 2000
<u>Municipal Court</u>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$99,087	\$1,140,913	(\$1,142,838)	\$97,162
Total Assets	<u>\$99,087</u>	<u>\$1,140,913</u>	<u>(\$1,142,838)</u>	<u>\$97,162</u>
Liabilities:				
Due to Other Funds	\$28,903	\$602,872	(\$590,162)	\$41,613
Intergovernmental Payables	21,197	334,308	(333,347)	22,158
Due to Others	48,987	203,733	(219,329)	33,391
Total Liabilities	<u>\$99,087</u>	<u>\$1,140,913</u>	<u>(\$1,142,838)</u>	<u>\$97,162</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2000

<u>General Fixed Assets</u>	
Land	\$1,424,314
Buildings and Improvements	5,575,105
Improvements Other Than Buildings	490,525
Machinery and Equipment	5,044,694
Construction In Progress	270,700
Total General Fixed Assets	<u><u>\$12,805,338</u></u>
<u>Investment in General Fixed Assets</u>	
General Fund	\$5,213,975
Special Revenue Funds	229,767
Capital Projects Fund	7,079,969
Proprietary Funds	84,846
Contributions	15,058
Federal Grants	103,827
State Grants	77,896
Total Investment in General Fixed Assets	<u><u>\$12,805,338</u></u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2000

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Construction In Progress</u>	<u>Total</u>
<u>General Government:</u>						
Administration	\$109,975	\$1,158,167	\$7,752	\$0	\$0	\$1,275,894
City Council	0	3,990	0	18,310	0	22,300
Mayor	0	0	0	23,353	0	23,353
City Auditor	0	0	0	76,438	0	76,438
Law Director	0	0	0	35,797	0	35,797
Income Tax	0	0	0	31,491	0	31,491
Municipal Court	0	4,587	0	172,400	0	176,987
Civil Service	0	0	0	350	0	350
Safety and Service	0	0	0	67,628	0	67,628
Engineer	0	0	0	226,214	0	226,214
Public Lands and Buildings	2,382	158,127	3,143	137,585	220,953	522,190
Total	<u>112,357</u>	<u>1,324,871</u>	<u>10,895</u>	<u>789,566</u>	<u>220,953</u>	<u>2,458,642</u>
<u>Security of Persons and Property:</u>						
Police	0	255,909	0	878,671	0	1,134,580
Fire	809,550	2,624,371	4,056	1,879,246	0	5,317,223
Total	<u>809,550</u>	<u>2,880,280</u>	<u>4,056</u>	<u>2,757,917</u>	<u>0</u>	<u>6,451,803</u>
<u>Transportation:</u>						
Street	0	90,061	20,437	1,020,666	11,406	1,142,570
<u>Leisure Time Activities:</u>						
Parks and Recreation	454,372	1,245,634	365,878	325,434	0	2,391,318
<u>Public Health and Welfare:</u>						
Cemetery	48,035	34,259	89,259	151,111	38,341	361,005
Total General Fixed Assets	<u>\$1,424,314</u>	<u>\$5,575,105</u>	<u>\$490,525</u>	<u>\$5,044,694</u>	<u>\$270,700</u>	<u>\$12,805,338</u>

THE CITY OF MOUNT VERNON, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2000

Function and Activity	December 31, 1999	Additions	Deletions	December 31, 2000
<u>General Government:</u>				
Administration	\$1,275,894	\$0	\$0	\$1,275,894
City Council	22,300	0	0	22,300
Mayor	23,353	0	0	23,353
City Auditor	87,709	0	(11,271)	76,438
Law Director	33,043	3,272	(518)	35,797
Income Tax	31,189	302	0	31,491
Municipal Court	162,319	14,668	0	176,987
Civil Service	692	0	(342)	350
Safety and Service	67,628	0	0	67,628
Engineer	162,472	63,742	0	226,214
Public Lands and Buildings	299,837	222,353	0	522,190
Total	<u>2,166,436</u>	<u>304,337</u>	<u>(12,131)</u>	<u>2,458,642</u>
<u>Security of Persons and Property:</u>				
Police	1,086,394	311,966	(263,780)	1,134,580
Fire	5,152,180	2,740,012	(2,574,969)	5,317,223
Total	<u>6,238,574</u>	<u>3,051,978</u>	<u>(2,838,749)</u>	<u>6,451,803</u>
<u>Transportation:</u>				
Street	<u>1,063,308</u>	<u>79,262</u>	<u>0</u>	<u>1,142,570</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	<u>2,051,169</u>	<u>340,504</u>	<u>(355)</u>	<u>2,391,318</u>
<u>Public Health and Welfare:</u>				
Cemetery	308,775	56,973	(4,743)	361,005
Total General Fixed Assets	<u>\$11,828,262</u>	<u>\$3,833,054</u>	<u>(\$2,855,978)</u>	<u>\$12,805,338</u>



STATISTICAL SECTION

STATISTICAL TABLES

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

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

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Trans- portation	General Government	Capital Outlay	Debt Service	Total
1991	\$1,911,946	\$242,812	\$157,905	\$8,651	\$6,646	\$1,694,665	\$78,598	\$27,875	\$4,129,098
1992	2,058,837	213,548	158,944	11,648	4,312	1,678,636	172,758	35,467	4,334,150
1993	2,093,070	186,384	169,492	12,469	5,604	1,883,429	60,088	27,875	4,438,411
1994	2,009,070	199,127	182,262	17,809	16,228	1,990,182	66,472	27,875	4,509,025
1995	2,120,562	182,406	216,522	23,111	35,595	2,054,523	352,973	27,875	5,013,567
1996	2,427,691	192,696	258,487	24,590	122,725	1,994,580	169,034	27,875	5,217,678
1997	2,572,669	188,363	283,896	23,614	76,254	2,198,836 *	124,809	27,875	5,496,316
1998	2,686,857	230,957	304,307	22,345	56,043	2,411,408	177,728	27,875	5,917,520
1999	2,786,548	233,959	301,104	23,986	65,337	2,905,006	373,524	27,875	6,717,339
2000	3,319,250	235,312	343,284	25,168	62,485	3,079,486	12,459	27,874	7,105,318

* 1997 Includes Other Expenditures

Source: Mount Vernon City Auditor

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

Year	Tax Revenues	Inter- Governmental Revenues	Charges for Services	Licenses and Permits	Investment Earnings	Fines and Forfeitures	All Other Revenues	Total
1991	\$3,922,408	\$68,656	\$43,995	\$159,548	\$150,068	\$130,380	\$894	\$4,475,949
1992	4,310,749	64,450	37,135	162,366	118,995	116,848	72,865	4,883,408
1993	4,561,600	69,674	44,740	201,332	112,538	125,345	69,438	5,184,667
1994	4,326,449	677,803	53,006	230,432	184,643	143,736	36,072	5,652,141
1995	4,583,336	750,867	54,368	228,939	329,796	156,429	61,685	6,165,420
1996	4,842,514	855,294	49,522	252,530	444,799	162,971	128,751	6,736,381
1997	5,423,778	818,170	43,618	247,298	541,575	172,019	73,181	7,319,639
1998	5,708,650	916,301	49,376	244,308	522,895	170,003	149,156	7,760,689
1999	5,637,207	840,998	153,162	245,069	351,739	153,143	83,365	7,464,683
2000	5,980,396	1,162,416	191,240	201,556	329,032	191,521	145,391	8,201,552

Source: Mount Vernon City Auditor

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

<u>Collection Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections (1)</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
1991	\$5,419,924	\$4,594,476	\$221,253	\$4,815,729	88.85%
1992	5,514,371	5,040,109	276,575	5,316,684	96.42%
1993	5,479,892	5,273,904	168,034	5,441,938	99.31%
1994	6,830,781	5,029,614	181,241	5,210,855	76.28%
1995	7,043,288	5,284,801	167,927	5,452,728	77.42%
1996	7,238,700	5,475,218	216,883	5,692,101	78.63%
1997	9,150,925	6,585,125	176,187	6,761,312	73.89%
1998	9,039,881	6,544,003	234,581	6,778,584	74.99%
1999	9,163,744	6,746,147	267,693	7,013,840	76.54%
2000	10,024,266	7,137,114	260,369	7,397,483	73.80%

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

Source: Knox County Auditor

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

Tax Year	Real Property (1)		Tangible Personal Property (2)		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1991	\$104,234,650	\$297,813,286	\$62,800,615	\$135,833,200	\$167,035,265	\$433,646,486	38.52%
1992	105,214,300	300,612,286	75,803,045	165,847,430	181,017,345	466,459,716	38.81%
1993	117,080,400	334,436,816	65,153,304	141,007,600	182,233,704	475,444,416	38.33%
1994	115,694,040	330,499,162	65,868,360	232,096,748	181,562,400	562,595,910	32.27%
1995	121,223,370	346,294,787	68,378,788	243,355,677	189,602,158	589,650,464	32.16%
1996	139,825,320	399,500,914	65,661,320	231,981,147	205,486,640	631,482,061	32.54%
1997	140,425,920	401,216,914	73,889,229	266,431,730	214,315,149	667,648,644	32.10%
1998	144,456,903	412,734,009	82,024,998	297,688,660	226,481,901	710,422,669	31.88%
1999	167,620,327	478,915,221	84,346,665	308,947,142	251,966,992	787,862,363	31.98%
2000	172,726,940	493,540,019	104,332,879	389,960,565	277,059,819	883,500,584	31.36%

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

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

Source: Knox County Auditor

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

Collection Year	City of Mount Vernon			Total City	Mount Vernon*	Knox County	Special Taxing Districts	Total	
	General Fund	Police Pension	Fire Pension		Knox County Career Center** School District				
1991	2.60	0.30	0.30	3.20	33.70	*	8.70	0.80	46.40 *
					4.70	**			4.70 **
1992	2.60	0.30	0.30	3.20	33.60	*	8.70	0.90	46.40 *
					4.70	**			4.70 **
1993	2.60	0.30	0.30	3.20	36.20	*	8.70	0.80	48.90 *
					4.70	**			4.70 **
1994	2.60	0.30	0.30	3.20	36.20	*	8.70	0.80	48.90 *
					6.40	**			6.40 **
1995	2.60	0.30	0.30	3.20	35.60	*	8.70	0.80	48.30 *
					6.40	**			6.40 **
1996	2.60	0.30	0.30	3.20	40.59	*	8.70	0.80	53.29 *
					6.40	**			6.40 **
1997	2.60	0.30	0.30	3.20	39.87	*	8.70	0.80	52.57 *
					6.40	**			6.40 **
1998	2.60	0.30	0.30	3.20	39.87	*	8.70	0.80	52.57 *
					6.40	**			6.40 **
1999	2.60	0.30	0.30	3.20	37.54	*	8.70	0.80	50.24 *
					6.40	**			6.40 **
2000	2.60	0.30	0.30	3.20	36.74	*	8.70	0.80	49.44 *
					6.40	**			6.40 **

Source: Knox County Auditor
Knox County Treasurer

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

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1991	\$58,984	\$53,984	91.52%
1992	17,246	8,802	51.04%
1993	0 (1)	0	0.00%
1994	0 (1)	0	0.00%
1995	0 (1)	0	0.00%
1996	0 (1)	0	0.00%
1997	0 (1)	0	0.00%
1998	0 (1)	0	0.00%
1999	0 (1)	0	0.00%
2000	0 (1)	0	0.00%

(1) There were no Special Assessments during the years 1993 through 2000.

Source: Knox County Auditor

**THE CITY OF MOUNT VERNON, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2000**

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$277,059,819	\$277,059,819
Legal Debt Limitation (%) (1)	<u>10.50%</u>	<u>5.50%</u>
Legal Debt Limitation (\$) (1)	29,091,281	15,238,290
Applicable City Debt Outstanding (2)	80,000	80,000
Less: Applicable Debt Service Fund Amounts	<u>(37,143)</u>	<u>(37,143)</u>
Net Indebtedness Subject to Limitation	<u>42,857</u>	<u>42,857</u>
Legal Debt Margin	<u><u>\$29,048,424</u></u>	<u><u>\$15,195,433</u></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 Only
 Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin

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

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1991	14,504	\$167,035,265	\$440,000	\$292,541	\$147,459	0.09%	\$10.17
1992	14,504	181,017,345	400,000	296,953	103,047	0.06%	7.10
1993	14,504	182,233,704	360,000	305,502	54,498	0.03%	3.76
1994	14,504	181,562,400	320,000	316,902	3,098	0.00%	0.21
1995	14,504	189,602,158	280,000	330,920	0	0.00%	0.00
1996	14,504	205,486,640	240,000	203,592	36,408	0.02%	2.51
1997	14,504	214,315,149	200,000	159,245	40,755	0.02%	2.81
1998	14,504	226,481,901	160,000	115,058	44,942	0.02%	3.10
1999	14,504	251,966,992	120,000	71,093	48,907	0.02%	3.37
2000	14,375	277,059,819	80,000	37,143	42,857	0.02%	2.98

(1) Source: U.S. Bureau of Census, Federal 1990 Census (1991-1999); Federal 2000 Census

(2) Source: Knox County Auditor

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

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

<u>Year</u>	<u>Debt Service on General Tax Supported Debt (1)</u>	<u>Debt Service on Self Supporting Debt</u>	<u>Total Bonded Debt Service</u>	<u>General Fund Expenditures (2)</u>	<u>Ratio of Tax Supported Debt Service to General Fund Expenditures</u>
1991	\$68,198	\$151,075	\$219,273	\$4,129,098	1.65%
1992	65,849	145,025	210,874	4,334,150	1.52%
1993	63,499	138,975	202,474	4,438,411	1.43%
1994	61,420	117,925	179,345	4,509,025	1.36%
1995	58,836	112,544	171,380	5,013,567	1.17%
1996	56,449	111,156	167,605	5,217,678	1.08%
1997	54,100	110,298	164,398	5,496,316	0.98%
1998	51,750	468,763	520,513	5,917,520	0.87%
1999	49,400	750,914	800,314	6,717,339	0.74%
2000	47,050	742,840	789,890	7,105,318	0.66%

(1) Does not include special assessment debt

(2) Excludes operating transfers-out

THE CITY OF MOUNT VERNON, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING
GOVERNMENTAL DEBT
DECEMBER 31, 2000

<u>Jurisdiction (1)</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Mount Vernon</u>	<u>Amount Applicable to City of Mount Vernon</u>
Direct			
City of Mount Vernon	\$42,857	100.00%	\$42,857
Overlapping Subdivisions			
Mount Vernon School District	10,149,200	56.33%	5,717,044
Knox County	3,665,000	31.73%	1,162,905
		Subtotal	<u>6,879,949</u>
		Total	<u><u>\$6,922,806</u></u>

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

Source: Knox County Auditor and Fiscal Officers of Subdivision

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

<u>Year</u>	<u>Gross Revenues (2)</u>	<u>Direct Operating Expenses (3)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirement (4)</u>	<u>Coverage</u>
1991	\$1,548,720	\$764,743	\$783,977	\$79,700	9.84
1992	3,370,305	2,445,748	924,557	132,200	6.99
1993	3,710,506	1,953,376	1,757,130	315,450	5.57
1994	4,131,732	2,095,788	2,035,944	324,000	6.28
1995	3,953,568	2,404,455	1,549,113	311,120	4.98
1996	3,852,079	2,679,096	1,172,983	313,205	3.75
1997	3,917,152	2,465,050	1,452,102	239,380	6.07
1998	4,142,566	2,316,424	1,826,142	239,730	7.62
1999	4,547,036	2,812,248	1,734,788	801,924	2.16
2000	4,669,162	3,349,298	1,319,864	874,577	1.51

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

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

(3) Direct operating expenses include operating expenses less depreciation

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

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

<u>Year</u>	<u>City of Mount Vernon Population</u>	<u>Knox County Population</u>	<u>Unemployment Rate Knox County Area</u>	<u>Per Capita Income Knox County Area</u>	<u>School Enrollment Mount Vernon Area Only</u>
1991	14,504	47,473	9.00%	\$14,985	4,122
1992	14,504	47,473	6.90%	N/A	3,901
1993	14,504	47,473	6.20%	N/A	3,997
1994	14,504	47,473	5.20%	N/A	4,026
1995	14,504	47,473	5.70%	N/A	4,112
1996	14,504	47,473	5.10%	10,688	4,127
1997	14,504	47,473	4.50%	10,688	4,021
1998	14,504	47,473	5.50%	10,688	4,126
1999	14,504	47,473	4.20%	10,688	4,169
2000	14,375	54,500	3.80%	10,688	4,162

Sources: U.S. Bureau of Census of Population - Federal 1990 Census (1991-1999), Federal 2000 Census and Department of Job and Family Services, Ohio Data Users Center, and Mount Vernon School District, Board of Education

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

<u>Year</u>	<u>Residential (1)</u>		<u>Commercial (1)</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
1991	183	\$1,320,175	115	\$7,107,099
1992	145	894,857	124	9,968,720
1993	119	2,192,066	131	6,149,843
1994	114	1,381,707	122	6,343,790
1995	104	3,076,241	119	11,551,810
1996	116	5,468,084	132	8,487,434
1997	131	6,594,204	126	2,710,931
1998	129	6,031,144	130	3,961,681
1999	122	7,909,815	69	20,734,949
2000	122	3,720,320	81	4,399,818

(1) Source: City of Mount Vernon Engineering Department

THE CITY OF MOUNT VERNON, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)
DECEMBER 31, 2000

	<u>Taxpayer</u>	<u>Type of Business</u>	2000 <u>Assessed Valuation</u> <u>(Tax Duplicate)</u>	<u>Percentage of Total</u> <u>Assessed Valuation</u>
1	American Electric Power	Utility	\$4,799,320	2.78%
2	Glimcher Holdings, L/P	Real Estate	3,390,510	1.96%
3	Sprint	Utility	2,621,040	1.52%
4	Cooper Cameron Corporation	Manufacturing	2,571,000	1.49%
5	Columbia Gas of Ohio, Inc.	Utility	2,145,700	1.24%
6	Ariel Corporation	Manufacturing	1,704,060	0.99%
7	Weyerhaeuser Company	Manufacturing	1,415,590	0.82%
8	Jeld-Wen, Inc.	Manufacturing	1,380,020	0.80%
9	Wal-Mart Stores Inc.	Retail	1,200,390	0.69%
10	Mount Vernon Shopping Plaza, Inc.	Retail	1,037,530	0.60%
	Sub-Total		22,265,160	12.89%
	All Others		150,461,780	87.11%
	Total		<u>\$172,726,940</u>	<u>100.00%</u>

Based on valuation of property taxes levied in 2000

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

THE CITY OF MOUNT VERNON , OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2000

		Number of Employees		
Employer	Type of Business	Full-Time	Part-Time	Total
1	Rolls Royce	765	0	765
2	Mount Vernon Nazarene College	342	321	663
3	Board of Education (City)	388	190	578
4	Knox Community Hospital	N/A	N/A	575
5	Knox County	440	61	501
6	Ariel Corporation	472	20	492
7	Kelsey-Hayes	481	0	481
8	Jeld-Wen, Inc.	260	140	400
9	Breon, Inc.	74	222	296
10	Wal-Mart	130	27	157

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

THE CITY OF MOUNT VERNON, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2000

Date of Incorporation	1830	Water System:	
Form of Government	Mayor/Council	Number of Purification Plants	1
Area (square miles)	9.2	Miles of Water Mains	63
Facilities and Services:		Number of Fire Hydrants	484
Miles of Streets	76	Number of Service Connections	5,962
Number of Street Lights	1,470	Average Daily Consumption (gallons)	2,685,849
(per Ohio Power Company)		Maximum Daily Capacity	5,000,000
		of Plant (gallons)	
Police Services:		Sewerage System:	
Number of Stations	1	Number of Treatment Plants	1
Number of Police Personnel		Miles of Sanitary Sewers	62
and Officers	31	Miles of Storm Sewers	14
Number of Patrol Units	6	Number of Service Connections	6,042
Number of Law Violations:		Average Daily Treatment (gallons)	2,999,019
Criminal /Juvenile Citations		Maximum Daily Capacity	
and Charges	1,663	of Treatment (gallons)	5,000,000
Traffic Citations Issued	2,832		
Parking Tickets Written	23,636	Parking Facilities:	
Fire/Emergency Medical Services:		Off-Street Parking Garages	1
Number of Stations	2	Parking Levels	3
Number of Officers and		Parking Spaces	124
Fire Personnel	31	Average Daily Cars Parked	111
Number of Calls Answered	3,335	Parking Spaces	47
Number of Inspections	250	On-Street Parking Meters	542
		Off-Street Surface Parking Lot	2
		*	
Recreation and Culture:		Education:	
Number of Parks	7	Elementary Schools	7
Park Area (acres)	176.58	Elementary School Students	2,820
Number of Ball Fields:		Elementary School Instructors	201
Lighted	6	Secondary Schools	2
Unlighted	5	Secondary School Students	1,342
Number of Tennis Courts:		Secondary School Instructors	70
Lighted	8	Colleges	1
Unlighted	2	College Students	2,011
Building Permits Issued in 2000:	203	Number of Libraries	1
		(Operated by Knox County)	
Number of Cemeteries	1	Number of Hospitals	1
Cemetery Area (acres)	49.5	Number of Patient Beds	115
		Number of Bassinets	10

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





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

CITY OF MOUNT VERNON

KNOX COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 31, 2001**