

CITY OF MOUNT VERNON
KNOX COUNTY
SINGLE AUDIT
JANUARY 1, 2020 – DECEMBER 31, 2020



OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the City of Mount Vernon, Knox County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

FINDING FOR RECOVERY – PARTIALLY REPAID UNDER AUDIT

Ohio Admin. Code § 117-2-01(A) states, in part, all public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance for the safeguarding of public funds. Stephanie Hardman became the City of Mount Vernon Clerk of Court in November 2015 before she was terminated from her position on February 11, 2020. As the Clerk of Court, Ms. Hardman was responsible for the overall retention of court documents, collecting and disbursing monies received by the Clerk of Court's Office, completing deposit slips, and preparing court dockets and associated entries. Ms. Hardman did have sole access and authority in completing the month end reconciliations and transferring funds online via the Clerk of Court's online bank accounts.

During the period January 1, 2018 through December 31, 2018, CMI software batch reports were compared to the Clerk of Court's Bail Bond account and Criminal account bank statements and deposits to ensure the payments were properly deposited. This analysis identified a total cash shortage of \$10,621 in the Bail Bond and Criminal accounts. In some instances, a transfer of funds was made between the Bail Bond account and Criminal account in an attempt to cover the shortage of funds.

On October 7, 2021, Ms. Hardman plead guilty in Knox County Common Pleas Court Case No. 20CR08-0209 to one count of Theft in Office, a felony of the 4th degree, in violation of **Ohio Rev. Code § 2921.41(A)(1)** and one count of Tampering with Records, a felony of the 4th degree, in violation of **Ohio Rev. Code § 2913.42(A)(1)**. On November 4, 2021, the Honorable Judge Richard Wetzel sentenced Ms. Hardman to 150 days in the Knox County Jail and two years of community control. Ms. Hardman was ordered to pay \$7,476.50 in restitution.

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a finding for recovery for public property converted or misappropriated is hereby issued against Stephanie Hardman and her bonding company, Old Republic Surety Company, jointly and severally, in the amount of \$10,621, in favor of the City of Mount Vernon Clerk of Court's Municipal Court fund.

Members of Council
City of Mount Vernon
40 Public Square
Mount Vernon, Ohio 43050
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On November 10, 2021, a restitution payment of \$7,476 was issued to the Mount Vernon Clerk of Court's Office by the Knox County Court of Common Pleas. Accordingly, we consider this a partial repayment of the finding and a balance of \$3,145 remains unpaid.

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



Keith Faber
Auditor of State
Columbus, Ohio

January 25, 2022

**CITY OF MOUNT VERNON
KNOX COUNTY**

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CITY OF MOUNT VERNON
KNOX COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/ <i>Pass Through Grantor/ Program Grant Title</i>	Pass Through Entity Number	CFDA Number	Pass-Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
<i>Passed through Ohio Attorney General's Office:</i>				
Crime Victim Assistance	15-5041-0-2-754	16.575	\$ -	\$ 73,032
Total Department of Justice			-	73,032
U.S. Department of Transportation				
<i>Passed through Ohio Department of Transportation</i>				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	105036	20.205	-	428,994
Total Department of Transportation			-	428,994
U.S. Department of Homeland Security; Federal Emergency Management Agency				
Assistance to Firefighters Grant (Direct)	N/A	97.044	-	149,772
Total Department of Homeland Security (FEMA)			-	149,772
U.S. Department of Housing and Urban Development				
<i>Passed through Ohio Development Services Agency:</i>				
Community Development Block Grants/State's Program	A-F-18-2CP-1	14.228	-	495,859
Community Development Block Grants/State's Program	A-C-18-2CP-1	14.228	-	208,249
Total Community Development Block Grant/State's Program			-	704,108
Home Investment Partnerships Program	A-C-18-2CP-2	14.239	-	187,808
Total Home Investment Partnership Program			-	187,808
Total Department of Housing and Urban Development			-	891,916
U.S. Department of Treasury				
<i>Passed through Ohio Office of Budget and Management:</i>				
COVID-19 Coronavirus Relief Fund	HB481-CRF-Local	21.019	100,000	1,333,636
Total Department of Treasury			100,000	1,333,636
Total Expenditures of Federal Awards			\$ 100,000	\$ 2,877,350

See accompanying notes to the schedule of expenditures of federal awards.

**CITY OF MOUNT VERNON
KNOX COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Mount Vernon, Knox County (the City) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE D - SUBRECIPIENTS

The City passes certain federal awards received from the Ohio Office of Budget and Management to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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

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

To the City Council and Management:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, (the City) as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 21, 2021, wherein we noted the City considered the financial impact of COVID-19 as disclosed in Note 17.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 21, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY UNIFORM GUIDANCE**

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

To the City Council and Management:

Report on Compliance for The Major Federal Program

We have audited the City of Mount Vernon's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Mount Vernon's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. 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 our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on The Major Federal Program

In our opinion, the City of Mount Vernon complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

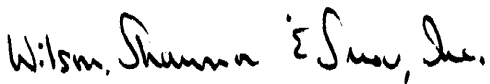
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mount Vernon (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 21, 2021, wherein we noted the City considered the financial impact of COVID-19 as disclosed in Note 17. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Newark, Ohio
June 21, 2021

**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Coronavirus Relief Fund/CFDA #21.019
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



City of Mount Vernon, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2020



Mount Vernon

About the Front Cover

During the beginning of the depression in 1929, economic conditions were in failure and businesses were having challenging times. Local governments themselves were challenged as well in maintaining services for the public. In 1934, the Shellmar Products Corporation who was initially based in Chicago, Illinois relocated their operations to Mount Vernon, Ohio. This was a real boost to the local economy at that time, and workers were plentiful due to the lack of work from other community employers.

Shellmar was the manufacturer of laminated wrapping materials from transparent cellulose sheeting which is first printed on the underside with a multi-colored design and then given an over-all deposit, also on the underside, of a laminating adhesive by which it is laminated to a web of dissimilar material such as paper. The transparent cellulose sheeting used is by itself a thin, flimsy material which is easily torn. The paper used in making the lamination is ordinary plain paper. Wrigley chewing gum was a large customer for the business making gum wrappers, foil wraps and paper sleeves for Juicy Fruit gum as well as other Wrigley gum products.

On November 4, 1953, Continental Can Company, Inc. acquired the Shellmar Product Corporation and continue operating the Mount Vernon facility until the mid-1970's when the entire processing facility was sold to a French company who eventually closed the facility in the late 1980's.

To remember what a great company Shellmar was to the City, City Council approved the creation of a new neighborhood park, known as Shellmar Park at the entrance of the former plant. For those who live in and around the park it has certainly brought great inspiration and admiration for families to have a nice recreational facility to enjoy with youth and others.

Two basketball courts, grills for having a cookout, swings, picnic tables and a large parking lot rounds out the amenities found at Shellmar Park. The City would like to recognize others among the community who either provided financial resources and/or building materials: Lowe's, The Ariel Foundation, Knox County Career Center and the Ohio Department of Development. The City greatly appreciates these resources to make this park a reality.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020

Prepared by the Auditor's Office

Terry Scott
City Auditor



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KNOX COUNTY, OHIO

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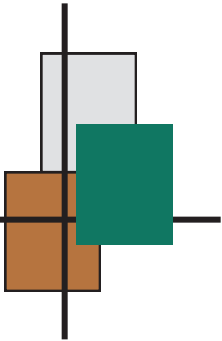
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Introductory Section







CITY OF MOUNT VERNON

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

phone (740) 393-9523

fax (740)-397-5288

June 21, 2021

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 of the City of Mount Vernon for the fiscal year ended December 31, 2020. The report has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

While it has been nearly 100 years since the Nation has seen a health pandemic, 2020 became the marker for a global pandemic unknown to the widest number of humans on planet earth. Health concerns became daily headline news, deaths across the world began to increase day after day and there were no indications how much worse this health crisis would become. Within two months nearly every economic generating business or trade was practically sitting at a standstill. Essential workers, those in healthcare, safety forces, and other critical needs were the only operations with moving parts and this continued for months on end.

If there were ever a time when the entire world nearly came to a standstill, it happened in the year of 2020. For the City of Mount Vernon, I informed City Council members what I began to see as a serious financial crisis in March and estimated our revenue stream could easily hit \$1.5 million reduction from my established estimates. As the months began to pass, bi-monthly updates kept the legislators informed and the picture continued to look less obtainable.

In looking at the net change in fund balances from the major governmental funds, you will see the City's Net Change in Fund Balance for the General Fund increased from \$926,275 in 2019 to \$1,726,072 in 2020. How does one garner an increase of nearly \$800,000 in a global pandemic, monthly rising unemployment and continued uncertainty? It's called conservation mode, where only the essential needs were being performed yet still keeping the public safe and secure. All other major governmental funds did suffer fund balance declines during the year however information from Washington, D.C. indicates there will be opportunity to recapture some of those lost estimated revenues in the coming year.

***Letter of Transmittal
For the Year Ended December 31, 2020***

Introduction

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

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

THE REPORTING ENTITY:

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City. There were no potential component units that met the criteria imposed by GASB 14 to be included in the City's reporting entity. Therefore, the reporting entity of the City includes the following services: police protection, fire/emergency medical service protection, parks and recreation, cemetery, planning, zoning, street maintenance, and other governmental services. In addition, the City owns and operates the water treatment and distribution system and the wastewater treatment and collection system, each of which is reported as an enterprise fund.

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 2020.

***Letter of Transmittal
For the Year Ended December 31, 2020***

Knox County General Health District as a combined agency was created in 1983 as provided in Section 3709.07 of the Ohio Revised Code. The jointly governed organization's board is composed of nine members; six members from the townships and villages, and three members from the City. The combined Knox County General Health District was organized to provide public health services as required by the Ohio Revised Code and the Ohio Administrative Code, and such other services as are duly authorized or required by regulations of the District and can be furnished within the financial resources available to the District. The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$56,650 for operations of the combined District for 2020.

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

The City of Mount Vernon:

The City of Mount Vernon was founded in 1805 and was incorporated on February 22, 1830, under the laws of the State of Ohio. Mount Vernon is located in the center of the state, approximately 50 miles northeast of Columbus, Ohio, and is the county seat of Knox County. Mount Vernon operates under a statutory Mayor-Council form of government, as set forth in the Ohio Revised Code. Mount Vernon's 9.8 square mile area serves a residential population of 16,990. State highways 3, 13, 229 and 586 and U. S. Highway 36 serve as some of the City's major transportation arteries. Mount Vernon is the birthplace of Daniel Decatur Emmett, composer of the southern classic "Dixie" and Paul Lynde, a nationally known comedian.

The Management:

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

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

Fire Department - The department is comprised of five firefighters, thirty-seven firefighter/paramedics, and one executive secretary. All Fire Department services including all basic fire protection, emergency medical and rescue services are tax supported. There is a charge levied to health insurance companies for emergency medical services described above.

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

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

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

Recreation and Pool Departments - These departments employ part-time and seasonal employees, only. In the summertime, one hundred people are hired to coordinate and administer organized recreational programs in the City's two major parks and to operate the municipal water park/pool.

***Letter of Transmittal
For the Year Ended December 31, 2020***

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

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

Water Department - This department operates with ten full-time employees and fifteen shared full-time employees. The shared employees also work with the Wastewater Department. The Water Department is responsible for the treatment and distribution of potable water to the City's 6,638 customers and customers located in the Village of Gambier (approximately three miles east of Mount Vernon). All treatment plant employees are required to have a Class I operator's license within two years of employment.

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

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

The citizens of Mount Vernon elect one part-time Treasurer (for a four year term), who appoints the staff of the Income Tax Department. The Income Tax Department has three full-time employees, who are responsible for the administration and collection of the City's 2.0% earnings tax. In addition, the Income Tax Department offers direct taxpayer assistance services to all residents and businesses.

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

Economic Outlook

The Mount Vernon Avenue bridge replacement project was started in June with the projected completion date in the early part of 2021. ODOT is providing substantial grant funding for the project with the City providing approximately \$1,989,488 million dollars in matching funds. The finished project will allow for three lanes of traffic coupled with dedicated bike lanes on both sides for more safe travels of those preparing to use the Kokosing Gap Trail which is located at this bridge's location.

Newark Road and Blackjack Road Sidewalk Improvement project was completed during the year. The project provided for sidewalks from the beginning point of Newark Road to Blackjack Road, and then from Blackjack Road to Industrial Park Drive. While the Industrial Park provides a significant amount of employment from within the city, the major issue in helping people find jobs is they did not have a means to get to work. A number of non-profit organizations have been purchasing bicycles for new hires to help assist them with a means of travel. Obviously walking is also another means, of which these sidewalks will provide for both means for anyone. The overall cost for these improvements totaled \$1,021,117. The City is greatly appreciative for the significant grant donation of this project from The Ariel Foundation.

Another sidewalk improvement project was completed during the year in conjunction with the rebuilding of the Mulberry Street storm water system. Sidewalks provided a finishing touch on this portion of roadway improvements with a total improvement cost of \$772,971.

Yellow Jacket Drive saw the finishing of a new twelve inch waterline that was constructed in the area. The cost of the project rounded out at \$157,763. This was phase one of a two-phase project in conjunction with the Mount Vernon City School District and the Mount Vernon Nazarene University. This location also became the home of a new field house and several soccer fields being provided by both educational establishments. The City will extend Yellow Jacket Drive to intersect with Cougar Drive to provide more efficient vehicular traffic flow within the area.

South Main Street and Parrott Street intersection improvement project wrapped up in 2020. The entire intersection was widened to allow for turning radius for heavy freight trucks to navigate within the area and dedicated turn lanes for left hand turns. New traffic lights with sensors were installed to better provide for easier flow of traffic as well as a new controller. Sidewalks were improved in the area along with the railroad having to raise a portion of the entire rail track within the affected area. The coordination between the contractor and the railroad was problematic due to the extensive amount of lineal feet it took to reset the rails to accommodate the six inches of elevation. Over fifteen hundred feet of rail had to be raised to accommodate the increased elevation. \$1,980,421 was the final cost of the road improvements.

The Dixie Drive/Newark Road Waterline Improvement project was completed on schedule. Thirty new customers will be served by this improvement project in the Dixie Drive area, and four additional water services will be added on the Newark Road area. This mapped area is the result of an annexation that took place several years ago, however, water services were not added at the time of annexation. Homeowners were extremely delighted to finally have public water service and to have the ability to terminate their private wells not to mention the increase in home values in that area. The cost of the improvements finished up at \$1,031,588.

***Letter of Transmittal
For the Year Ended December 31, 2020***

The City had a number of water line and wastewater line improvement projects on the drawing board at the beginning of the year. During the year, Parrott Street received an upgrade to wastewater lines in the area for \$31,597; Liberty Street received renewed service lines along with some sidewalk improvements for \$157,661; and various water line upgrades rounding out at \$246,094. Expanded water service is being designed within our contracted water service area, however the contracted areas are not expected start until at least 2022. The City expects to garner several new water customers once the improvements are completed in the affected areas.

The City has been actively continuing its tree plantings and tree replacement program over the past several years. This ongoing project continued for 2020 merely due to the extreme generosity of the Ariel Foundation. This Foundation has contributed tens of thousands of dollars into tree plantings and tree replacements over the past years and in 2020, an additional \$105,000 was provided to continue the ongoing efforts. Our tree lined streets and recreation parks all have been the beneficiary of this project and more is planned for the upcoming year as well.

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

Thanks to the foresight of City management, coupled with the cooperation of the City's department heads, the growth in the local economy resulted in a favorable impact on the City's ability to provide quality services to the public. The Engineering Department issued two hundred seventy-two building permits in 2020 and two hundred thirty in 2019, an increase of forty-two permits.

Long-term Financial Planning:

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

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

Employee Relations:

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

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

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

Unemployment Rates:

The City of Mount Vernon's economic outlook showed signs of steady improvement at the beginning of 2020. The year started out at 4.5 percent, the unemployment rate remained steady at nearly 5% through March. Beginning with April at 12.4%, May declined to 9.3%, June declining to 8%, July and August at 6.4% respectively and September wrapping up at 5.5%, the city learned quickly how a global pandemic event can make for a troubling situation. The better news came with October showing 3.7%, November at 3.8%, and December slightly increasing to finish the year at 4.2%. What a roller coaster ride it was but overall the city preserved. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

***Letter of Transmittal
For the Year Ended December 31, 2020***

Major Initiatives

The police department received two new unmarked vehicles during the year along with two Wrap Safety Restraints devices for the department. Information Technology upgrades were installed along with two Zono Sanitizing Cabinets. These two cabinets were acquired using COVID-19 CARES Act funding to sanitize everything from equipment to weapons, uniforms, and body armor.

The Fire Department continues to search and apply for various grants to help meet the needs of the department. In 2019, the department was awarded a federal grant in the amount of \$164,950 to acquire new Self Contained Breathing Apparatus (SCBA) equipment along with breathing air face pieces. During the year, the department acquired 25 air packs, 50 air bottles, and 42 face pieces, enough to provide for each Firefighter/Paramedic on staff. This equipment will replace the current SCBA's and related equipment that has reached their life of sixteen years.

Federal CARES Act funding was used to upgrade the department's reporting software for run activity within the department. The upgrade will provide easier tracking and reporting for our third-party billing provider. The department was able to acquire a battery operated "Jaws of Life" device for vehicular crashes as well as other confined incidents. A battery operated cutting device normally used in similar situations was also acquired along with the replacement of ten turn-out gear.

The Safety-Service Department was able to replace computer related equipment along with the acquisition of two wall-mounted monitors for meetings and the display of related files as well.

In the department of Public Buildings & Lands, the department was extremely busy in having the following upgrades performed during the year: Touchless water fountains, touchless hand washing faucets, touchless flushing devices along with new paper towel dispensers. All of these improvements were provided with the use of CARES Act funding from the federal government.

In addition the department also installed new interior doors for all departments located within City Hall. These new doors with electronic locking mechanisms are all keyless entry operated allowing for more secure environment for the work staff as well as controlling public safety.

During the year the City was able to create a new park located in the Madison and Marion Street area. Shellmar Park, named from the former industrial printing facility from the early 1930's was the beneficiary of a pavilion, basketball courts, picnic tables, grills and other park amenities. The improvements totaled \$138,114 in addition to the donated costs of the entire park pavilion donated by Lowe's. Also providing funding for these improvements was The Ariel Foundation providing \$15,000. Community Development Block Grant provided funding for the parking lot facility. The City once again, thanks the generous donations from our local entities.

The Street department was able to acquire a new bucket truck for traffic light maintenance as well as elevated traffic signs throughout the city for \$127,377; a new dump truck with front plow blade and salt spreader for \$214,340 was received during the year; conflict monitoring testing device was upgraded for \$10,035.

***Letter of Transmittal
For the Year Ended December 31, 2020***

The department with their own labor force was able to make several storm water improvements throughout the city during the year. Material costs for these much needed improvements were \$69,137.

In the Cemetery department, they were able to acquire a new Bobcat Excavator for \$29,660. This new mini excavator will provide greater ease in navigating among head stones in order to perform an opening and closing of grave spaces. Prior to acquiring this piece of equipment, the staff had to move several head stones to provide space for a regular backhoe to make the opening and closing. Time, effort and safety will definitely be utilized due to the acquisition of the piece of equipment. The department also received a replacement mower for \$8,799.

Financial Information

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

Other Information

Independent Audit:

This report of the City of Mount Vernon was audited by the independent firm of Wilson, Shannon & Snow, Inc. of Newark, Ohio. They have audited the basic financial statements and the related notes as indicated in their letter. Their examination was conducted in accordance with *Generally Accepted Government Auditing Standards*, and Uniform Requirements, Cost Principles, and Audit Requirements, which includes a financial and compliance audit as well as an evaluation of internal accounting controls and tests of transactions. The auditor's unmodified opinion letter is included in this report.

Awards:

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mount Vernon, Ohio for its comprehensive annual financial report for the year ended December 31, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Mount Vernon received a Certificate of Achievement for the last twenty-nine consecutive years (fiscal years ended 1991-2019). I believe this current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA.

Public Disclosure:

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

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 2020 Comprehensive Annual Financial Report and annual independent audit.

Special appreciation is extended to the staff of Wilson, Shannon & Snow, Inc., for timely completion of the audit.

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

Respectfully,

A handwritten signature in black ink, appearing to read "Terry Scott", with a long, sweeping horizontal flourish extending to the right.

Terry Scott
City Auditor

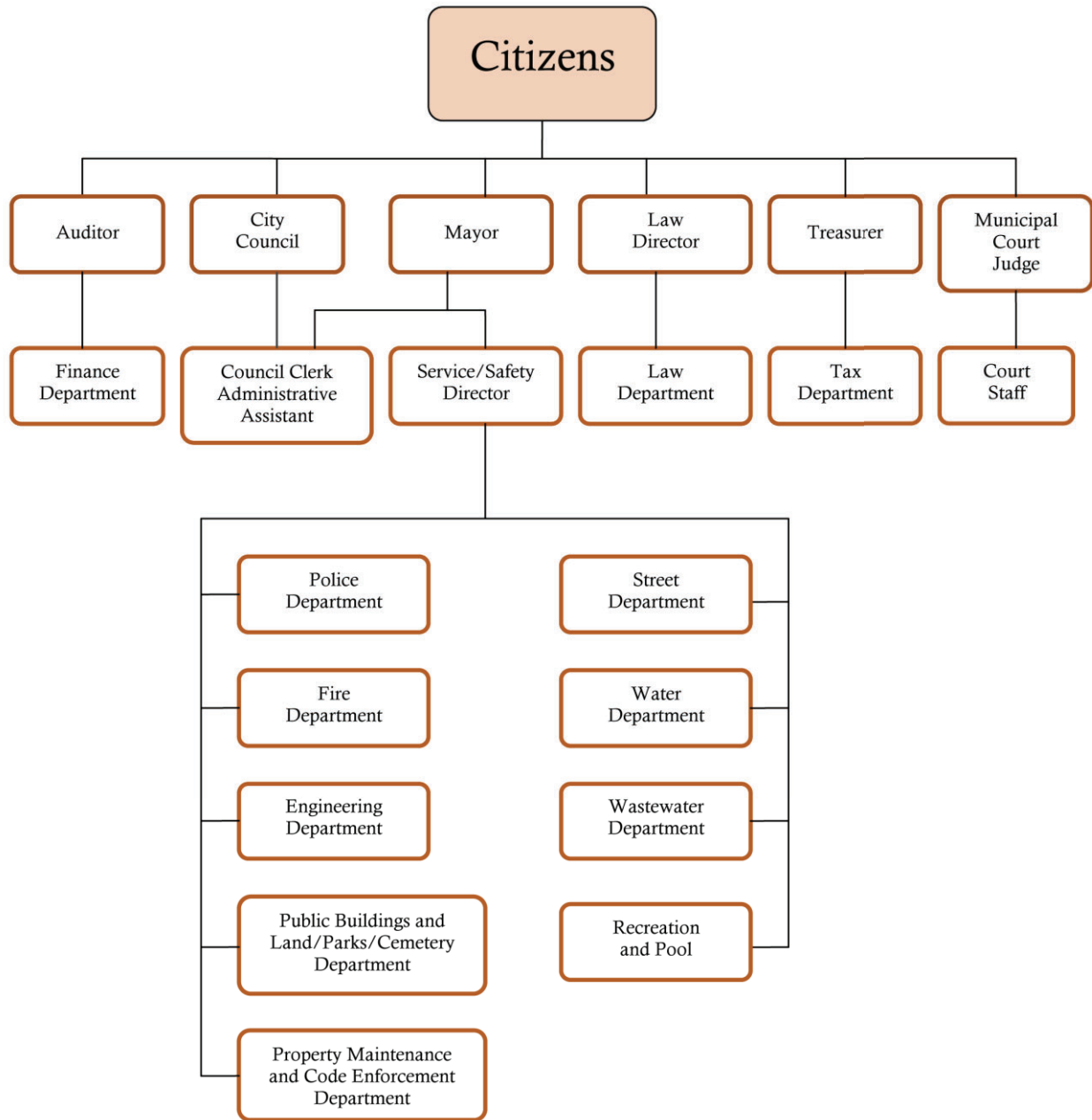


CITY OF MOUNT VERNON, OHIO

***List of Principal Officials
For the Year Ended December 31, 2020***

<i>NAME</i>	<i>TITLE</i>	<i>YEARS OF SERVICE</i>
<u>City Council</u>		
Bruce Hawkins	President	14
Samantha Scoles	First Ward Member	1
John Francis	Second Ward Member	9
Tammy Woods	Third Ward Member	1
Michael Hillier	Fourth Ward Member	2
Tanner Salyers	Member At-Large	2
Julia Warga	Member At-Large	1
Janis Seavolt	Member At-Large	9
<u>City Administration</u>		
Matthew T. Starr	Mayor	1
Terry Scott	Auditor	26
P. Robert Broren	Law Director	7
David M. Stuller	Treasurer	3
Richard S. Dzik	Safety-Service Director	1
Tanya Newell	Clerk of Council	9
<u>Department Heads</u>		
Lisa Brown	Income Tax Administrator	6
Robert K. Morgan	Police Chief	21
Chad Christopher	Fire Chief	19
David Carpenter	Parks, Public Buildings and Land, Cemetery Superintendent	30
Thomas Hinkle	Street Superintendent	15
Mathias Orndorf	Public Utility Director	30

**City Organizational Chart
For the Year Ended December 31, 2020**



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mount Vernon
Ohio**

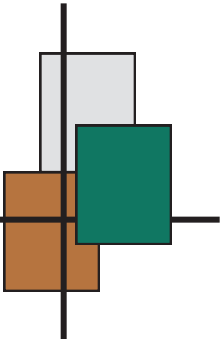
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section





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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Municipal Income Tax #1 ½% (Voted) Fund, Municipal Income Tax #2 ½% (Voted) Fund and the Community Development Block Grant Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

City of Mount Vernon
Knox County
Independent Auditor's Report

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2021 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
June 21, 2021



The discussion and analysis of the City of Mount Vernon's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020 are as follows:

- ❑ In total, net position increased \$4,036,468. Net position of governmental activities increased \$3,100,880 which represents a 6.92% increase from 2019. Net position of business-type activities increased \$935,588 from 2019.
- ❑ General revenues accounted for \$18,055,609 in revenue or 47.94% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$19,605,738 or 52.06% of total revenues of \$37,661,347.
- ❑ The City had \$24,576,338 in expenses related to governmental activities; only \$9,621,824 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$18,055,394 provided for these programs.
- ❑ Among major funds, the general fund had \$8,545,839 in revenues and \$6,819,767 in expenditures and other financing uses. The general fund's fund balance increased from \$3,776,239 to \$5,502,257.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The City's major funds are the General Fund, the Municipal Income Tax ½% (Voted) Fund, the Municipal Income Tax ½% #2 (Voted) Fund, the Community Development Block Grant Fund, the General Bond Retirement Fund, the Capital Improvement Fund, the TIF District-Coshocton Road Fund, and the Roads and Bridges Capital Improvement Fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City’s net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$24,628,476	\$22,759,135	\$9,791,626	\$7,949,430	\$34,420,102	\$30,708,565
Capital assets, Net	57,526,394	55,657,223	31,275,954	32,880,504	88,802,348	88,537,727
Total assets	82,154,870	78,416,358	41,067,580	40,829,934	123,222,450	119,246,292
Deferred outflows of resources	4,609,561	7,291,224	857,789	1,224,972	5,467,350	8,516,196
Long-term liabilities outstanding	8,493,447	9,074,266	9,174,288	10,208,833	17,667,735	19,283,099
Net pension liability	17,879,243	22,136,184	2,306,815	3,027,937	20,186,058	25,164,121
Net OPEB liability	5,139,847	4,808,637	1,691,916	1,519,469	6,831,763	6,328,106
Other liabilities	889,908	955,563	352,865	521,098	1,242,773	1,476,661
Total liabilities	32,402,445	36,974,650	13,525,884	15,277,337	45,928,329	52,251,987
Deferred inflows of resources	6,463,838	3,935,664	730,209	43,881	7,194,047	3,979,545
Net position:						
Net investment in capital assets	50,897,822	48,096,358	22,502,307	23,092,516	73,400,129	71,188,874
Restricted	11,875,528	12,532,422	1,554,090	1,207,733	13,429,618	13,740,155
Unrestricted (Deficit)	(14,875,202)	(15,831,512)	3,612,879	2,433,439	(11,262,323)	(13,398,073)
Total net position	\$47,898,148	\$44,797,268	\$27,669,276	\$26,733,688	\$75,567,424	\$71,530,956

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

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

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

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

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

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

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

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

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

Changes in Net Position – The following table shows the changes in net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,497,602	\$3,075,497	\$9,228,520	\$8,839,569	\$11,726,122	\$11,915,066
Operating Grants and Contributions	4,814,215	2,853,036	0	0	4,814,215	2,853,036
Capital Grants and Contributions	2,310,007	992,876	755,394	0	3,065,401	992,876
Total Program Revenues	9,621,824	6,921,409	9,983,914	8,839,569	19,605,738	15,760,978
General Revenues:						
Property Taxes	2,481,357	2,481,836	0	0	2,481,357	2,481,836
Income Taxes	13,629,646	16,733,601	0	0	13,629,646	16,733,601
Other Local Taxes	85,869	143,452	0	0	85,869	143,452
Intergovernmental Revenues, Unrestricted	405,814	405,550	0	0	405,814	405,550
Investment Earnings	155,401	362,606	215	0	155,616	362,606
Miscellaneous	1,297,307	419,820	0	0	1,297,307	419,820
Total General Revenues	18,055,394	20,546,865	215	0	18,055,609	20,546,865
Total Revenues	27,677,218	27,468,274	9,984,129	8,839,569	37,661,347	36,307,843
Program Expenses						
Security of Persons and Property	9,828,410	606,058	0	0	9,828,410	606,058
Public Health and Welfare Services	581,415	598,796	0	0	581,415	598,796
Leisure Time Activities	741,342	1,080,378	0	0	741,342	1,080,378
Community Environment	932,132	424,589	0	0	932,132	424,589
Transportation	4,761,583	2,791,472	0	0	4,761,583	2,791,472
General Government	7,558,015	8,128,518	0	0	7,558,015	8,128,518
Interest and Fiscal Charges	173,441	277,036	0	0	173,441	277,036
Water	0	0	3,593,035	3,636,006	3,593,035	3,636,006
Sewer	0	0	5,455,506	3,934,492	5,455,506	3,934,492
Total Expenses	24,576,338	13,906,847	9,048,541	7,570,498	33,624,879	21,477,345
Total Change in Net Position	3,100,880	13,561,427	935,588	1,269,071	4,036,468	14,830,498
Beginning Net Position	44,797,268	31,235,841	26,733,688	25,464,617	71,530,956	56,700,458
Ending Net Position	\$47,898,148	\$44,797,268	\$27,669,276	\$26,733,688	\$75,567,424	\$71,530,956

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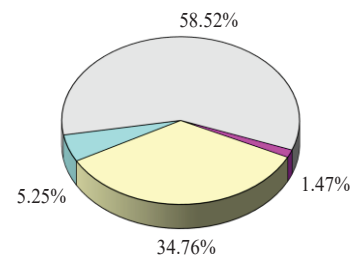
Governmental Activities

Net position of the City’s governmental activities increased by \$3,100,880 compared to 2019. This substantial increase is primarily attributed to the change to retiree OP&F OPEB liabilities which resulted in a negative OPEB expense in the amount of \$7,194,814. This change was related to a change in the medical plans offered to the OP&F retirees. The reduction in expenses is reflected in Security of Person and Property. The increase in Net Position is the result of revenues exceeding expenses.

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

Income taxes and property taxes made up 49.24% and 8.97% respectively of revenues for governmental activities for the City in 2020. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 58.52% of total revenues from general tax revenues:

Revenue Sources	2020	Percent of Total
General Tax Revenues	\$16,196,872	58.52%
Intergovernmental Revenues, Unrestricted	405,814	1.47%
Program Revenues	9,621,824	34.76%
General Other	1,452,708	5.25%
Total Revenue	<u>\$27,677,218</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business type activities increased by \$935,588. This increase is the result of actively addressing delinquent accounts, shut offs, and liens coupled with customers having better knowledge of the monthly billing process.

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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$18,381,466, which is an increase from last year's balance of \$17,448,540. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2020 and 2019:

	Fund Balance December 31, 2020	Fund Balance December 31, 2019	Increase (Decrease)
General	\$5,502,257	\$3,776,239	\$1,726,018
Municipal Income Tax 1/2% (Voted)	734,918	938,746	(203,828)
Municipal Income Tax #2 1/2% (Voted)	1,578,133	2,163,396	(585,263)
Community Development Block Grant	153,311	294,790	(141,479)
Capital Improvement	2,848,854	2,290,709	558,145
TIF District-Coshocton Road	4,022,506	4,164,253	(141,747)
Roads and Bridges Capital Improvement	1,205,599	1,695,112	(489,513)
Other Governmental	2,335,888	2,125,295	210,593
Total	<u>\$18,381,466</u>	<u>\$17,448,540</u>	<u>\$932,926</u>

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

	2020 Revenues	2019 Revenues	Increase (Decrease)
Property and Other Taxes	\$4,244,464	\$5,138,283	(\$893,819)
Intergovernmental Revenue	1,042,994	1,282,514	(239,520)
Charges for Services	1,687,657	2,048,189	(360,532)
Licenses and Permits	30,993	27,747	3,246
Investment Earnings	149,571	355,803	(206,232)
Fines and Forfeitures	515,208	695,664	(180,456)
All Other Revenue	874,952	255,032	619,920
Total	<u>\$8,545,839</u>	<u>\$9,803,232</u>	<u>(\$1,257,393)</u>

General Fund revenues in 2020 decreased approximately 12.83% compared to revenues in 2019. The major decreases were caused by the reduction of income taxes, intergovernmental revenues, interest earnings and intergovernmental revenues from the State of Ohio in the form of local government revenues.

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	2020 Expenditures	2019 Expenditures	Increase (Decrease)
Security of Persons and Property	\$243,791	\$247,623	(\$3,832)
Public Health and Welfare Services	83,867	78,658	5,209
Leisure Time Activities	462,858	866,688	(403,830)
Community Environment	31,565	36,443	(4,878)
Transportation	40,105	35,014	5,091
General Government	5,669,063	7,363,667	(1,694,604)
Debt Service:			
Principal Retirement	14,707	14,102	605
Interest and Fiscal Charges	13,167	13,773	(606)
Total	\$6,559,123	\$8,655,968	(\$2,096,845)

General Fund expenditures decreased by \$2,096,845 or 24.2% compared to the prior year primarily due to attentive fiscal responsibility due to income tax and other related sources of income being reduced.

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

Municipal Income Tax ½% (Voted) Fund - The Municipal Income Tax ½% (Voted) Fund balance decreased from \$938,746 to \$734,918 due to substantial decrease in income tax revenues.

Municipal Income Tax #2 ½% (Voted) Fund - The Municipal Income Tax ½% (Voted) Fund balance decreased from \$2,163,396 to \$1,578,133 due to substantial decrease in income tax revenues.

Community Development Block Grant Fund – Community Development Block Grant Fund balance increased from \$294,790 to \$153,311 due to FY2018 grant program coming to a close and the FY2021 grant program had not yet began.

Capital Improvement Fund - The Capital Improvement Fund balance increased from \$2,290,709 to \$2,848,854 due to substantial decrease in overall spending to conserve resources.

TIF District-Coshocton Road Fund - The TIF District-Coshocton Road Fund balance decreased from \$4,164,253 to \$4,022,506 due to major improvements within the district for new utility improvements and in roadway repairs performed during the year.

Roads and Bridges Capital Improvement Fund - The Roads and Bridges Capital Improvement Fund balance decreased from \$1,695,112 to \$1,205,599 due to roadway improvements and riverbank restoration.

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

During the course of 2020 the City amended its General Fund budget several times. The increase in the final budget of \$11,394,504 over the original budget of \$10,507,185 primarily was the result of a grant from Crime Victim Assistance for a Victims of Crime Advocate within the law director's department and Ohio Department of Rehabilitation and Correction Grant for a Probation Improvement and Incentive Program within the municipal court system and grants received. Actual expenditures and other financing uses were less than the final budget by \$4,020,213 because of significant reduction in expenditures, additional appropriations (\$451,481) to the budget stabilization appropriation formula the legislative body created in 2018 along with conservative fiscal management practices due to known lost revenues throughout the year.

For the General Fund, final budget basis revenue of \$8,515,357 decreased by \$249,435 due to the loss of taxes, investment earnings and other revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020 the City had \$88,002,348 net of accumulated depreciation invested in land, construction in progress, buildings, infrastructure, equipment and vehicles. Of this total, \$57,526,394 was related to governmental activities and \$31,275,954 to the business-type activities. The following table shows 2020 and 2019 balances:

	Governmental Activities		Increase (Decrease)
	2020	2019	
Land	\$14,171,646	\$14,011,785	\$159,861
Construction In Progress	4,004,030	6,000,592	(1,996,562)
Buildings	16,496,218	16,199,635	296,583
Improvements Other than Buildings	2,593,652	2,480,413	113,239
Infrastructure	53,673,163	48,996,340	4,676,823
Machinery and Equipment	11,476,004	10,608,927	867,077
Less: Accumulated Depreciation	(44,888,319)	(42,640,469)	(2,247,850)
Totals	<u>\$57,526,394</u>	<u>\$55,657,223</u>	<u>\$1,869,171</u>

Land increased due to the purchase of property for roadway improvements. Constructions in Progress decreased due to construction projects being completed. Improvements Other than Buildings had a slight change. Infrastructures increased due to the completion of a new intersection being completed and a significant sidewalk project being completed during the year in 2020. Machinery and Equipment increased due to acquisition of vehicles for the police department, self-contained breathing apparatus and turn out gear for the fire department and an underpass bike trail along with equipment for the parks and street departments.

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	Business-Type Activities		Increase (Decrease)
	2020	2019	
Land	\$819,311	\$819,311	\$0
Construction in Progress	1,375,794	1,438,620	(62,826)
Buildings and Improvements	35,443,051	35,407,975	35,076
Utility Structures in Service	30,301,191	28,621,257	1,679,934
Machinery and Equipment	4,996,035	5,031,818	(35,783)
Less: Accumulated Depreciation	(41,659,428)	(38,438,477)	(3,220,951)
Totals	<u>\$31,275,954</u>	<u>\$32,880,504</u>	<u>(\$1,604,550)</u>

Business type capital assets increased slightly during the year. Construction in Progress decreased due to line improvements completed along with utility services that were renewed in conjunction with a major roadway intersection being completed as well. Machinery and equipment had a decrease due to the disposal of some out dated equipment during the year. Additional information on the City's capital assets can be found in Note 8.

Debt

At December 31, 2020, the City had \$8,591,900 in general obligation bonds outstanding, \$1,195,230 due within one year. The following table summarizes the City's liabilities outstanding as of December 31, 2020 and 2019.

	2020	2019
Governmental Activities:		
General Obligation Bonds Payable	\$5,228,200	\$5,849,500
Ohio Public Works Commission Loan	689,029	730,495
Special Obligation Bonds Payable	915,000	1,032,500
Police and Firemen's Pension Accrued Liability	298,752	313,459
Compensated Absences	1,362,466	1,148,312
Total Governmental Activities	<u>8,493,447</u>	<u>9,074,266</u>
Business-Type Activities:		
General Obligation Bonds Payable	3,363,700	3,917,400
Special Obligation Bonds Payable	915,000	1,032,500
Ohio Public Works Commission Loan	88,833	98,184
Ohio Water Development Authority Loan	4,504,591	4,852,509
Compensated Absences	302,164	308,240
Total Business-Type Activities	<u>9,174,288</u>	<u>10,208,833</u>
Totals	<u>\$17,667,735</u>	<u>\$19,283,099</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2020, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

While 2020 wasn't exactly the strongest performance the City has had, there is encouragement in regards to new businesses looking forward to open their doors in the new year. In the central business district located on the east side of the city, Starbucks has been renovating a former business structure during the year to be ready for new business in 2021. Burger King who already has had an operation on the south side of the city and plans to open a second operation on the east side. Plans are to demolish an existing facility that once housed a restaurant operation to make way for the new structure. Ground breaking has yet to begin, but it is hopeful the city will see ground breaking to occur in the new year.

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

Mount Vernon Progress Park (formally known as Siemen's) under the direction of the Knox County Area Development Foundation has obtained a three year lease in which the Foundation will be seeking new businesses or existing businesses within the city to relocate to this complex. More than forty-four acres of structures are available for variety of business types. The complex has the ability to be sub divided if necessary.

REQUESTS FOR INFORMATION

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

The discussion and analysis of the City of Mount Vernon's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.



CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
December 31, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 5,955,959	\$ 2,433,723	\$ 8,389,682
Investments	10,344,565	4,655,435	15,000,000
Receivables:			
Taxes	4,801,410	0	4,801,410
Accounts	300,002	2,571,721	2,871,723
Intergovernmental	2,301,801	0	2,301,801
Inventory of Supplies	103,020	102,380	205,400
Prepaid Items	261,500	28,367	289,867
Restricted Assets:			
Cash and Cash Equivalents	513,498	0	513,498
Cash and Cash Equivalents with Fiscal Agent	46,721	0	46,721
Capital Assets			
Capital Assets not Being Depreciated	18,175,676	2,195,105	20,370,781
Capital Assets Being Depreciated	39,350,718	29,080,849	68,431,567
Total Assets	82,154,870	41,067,580	123,222,450
Deferred Outflows of Resources:			
Deferred Charge on Refunding	85,698	178,329	264,027
Pension	2,835,956	411,602	3,247,558
OPEB	1,687,907	267,858	1,955,765
Total Deferred Outflows of Resources	4,609,561	857,789	5,467,350
Liabilities:			
Accounts Payable	367,442	139,659	507,101
Accrued Wages and Benefits	177,971	38,428	216,399
Contracts Payable	304,837	116,470	421,307
Retainage Payable	0	27,063	27,063
Due to Others	36,371	0	36,371
Matured Bonds & Interest Payable	0	650	650
Accrued Interest Payable	3,287	30,595	33,882
Long-term Liabilities:			
Due Within One Year	1,266,289	1,154,932	2,421,221
Due in More than One Year:			
Net Pension Liability	17,879,243	2,306,815	20,186,058
Net OPEB Liability	5,139,847	1,691,916	6,831,763
Other Amounts Due in More than One Year	7,227,158	8,019,356	15,246,514
Total Liabilities	32,402,445	13,525,884	45,928,329

CITY OF MOUNT VERNON, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflow of Resources:			
Property Taxes	2,375,085	0	2,375,085
Pension	2,587,163	489,324	3,076,487
OPEB	1,501,590	240,885	1,742,475
Total Deferred Inflows of Resources	6,463,838	730,209	7,194,047
Net Position:			
Net Investment in Capital Assets	50,897,822	22,502,307	73,400,129
Restricted For:			
Capital Projects	5,328,329	1,554,090	6,882,419
Perpetual Care, Nonexpendable	513,498	0	513,498
Security of Persons and Property	2,838,078	0	2,838,078
Leisure Time Activities	28,721	0	28,721
Community Environment	1,518,111	0	1,518,111
Transportation	1,012,701	0	1,012,701
Public Health and Welfare	42,943	0	42,943
General Government	593,147	0	593,147
Unrestricted (Deficit)	(14,875,202)	3,612,879	(11,262,323)
Total Net Position	\$ 47,898,148	\$ 27,669,276	\$ 75,567,424

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Activities
For the Year Ended December 31, 2020**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 9,828,410	\$ 1,674,457	\$ 54,223	\$ 0
Public Health and Welfare Services	581,415	98,482	0	0
Leisure Time Activities	741,342	7,182	0	650,617
Community Environment	932,132	18,802	741,347	0
Transportation	4,761,583	5,436	1,319,186	1,659,390
General Government	7,558,015	693,243	2,699,459	0
Interest and Fiscal Charges	173,441	0	0	0
Total Governmental Activities	24,576,338	2,497,602	4,814,215	2,310,007
Business-Type Activities:				
Water	3,593,035	4,647,435	0	755,394
Sewer	5,455,506	4,102,383	0	0
Storm Water	0	478,702	0	0
Total Business-Type Activities	9,048,541	9,228,520	0	755,394
Totals	\$ 33,624,879	\$ 11,726,122	\$ 4,814,215	\$ 3,065,401

General Revenues

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

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (8,099,730)	\$ 0	\$ (8,099,730)
(482,933)	0	(482,933)
(83,543)	0	(83,543)
(171,983)	0	(171,983)
(1,777,571)	0	(1,777,571)
(4,165,313)	0	(4,165,313)
(173,441)	0	(173,441)
<u>(14,954,514)</u>	<u>0</u>	<u>(14,954,514)</u>
0	1,809,794	1,809,794
0	(1,353,123)	(1,353,123)
0	478,702	478,702
0	935,373	935,373
<u>(14,954,514)</u>	<u>935,373</u>	<u>(14,019,141)</u>
653,008	0	653,008
148,680	0	148,680
144,482	0	144,482
1,535,187	0	1,535,187
13,629,646	0	13,629,646
85,869	0	85,869
405,814	0	405,814
155,401	215	155,616
1,297,307	0	1,297,307
<u>18,055,394</u>	<u>215</u>	<u>18,055,609</u>
3,100,880	935,588	4,036,468
44,797,268	26,733,688	71,530,956
<u>\$ 47,898,148</u>	<u>\$ 27,669,276</u>	<u>\$ 75,567,424</u>

CITY OF MOUNT VERNON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2020**

	General	Municipal Income Tax 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	Community Development Block Grant
Assets:				
Cash and Cash Equivalents	\$ 601,960	\$ 428,626	\$ 1,212,032	\$ 118,311
Investments	4,222,598	0	0	0
Receivables:				
Taxes	1,514,622	546,881	546,881	0
Accounts	210,020	15,567	7,600	0
Intergovernmental	155,664	0	0	1,399,800
Inventory of Supplies	380	0	0	0
Prepaid Items	182,872	0	25,519	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 6,888,116	\$ 991,074	\$ 1,792,032	\$ 1,518,111
Liabilities:				
Accounts Payable	\$ 135,208	\$ 0	\$ 41,528	\$ 0
Accrued Wages and Benefits Payable	45,489	93,635	4,123	0
Contracts Payable	74,102	0	5,727	0
Due to Others	0	0	0	0
Total Liabilities	254,799	93,635	51,378	0
Deferred Inflows of Resources:				
Property Tax	681,400	0	0	0
Unavailable Revenue	449,660	162,521	162,521	1,364,800
Total Deferred Inflows of Resources	1,131,060	162,521	162,521	1,364,800
Fund Balances:				
Nonspendable	183,252	0	25,519	0
Restricted	19,021	734,918	1,552,614	153,311
Committed	0	0	0	0
Assigned	4,625,689	0	0	0
Unassigned	674,295	0	0	0
Total Fund Balances	5,502,257	734,918	1,578,133	153,311
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,888,116	\$ 991,074	\$ 1,792,032	\$ 1,518,111

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

General Bond Retirement	Capital Improvement	TIF District-Coshocton Road	Roads and Bridges Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 328,433	\$ 483,301	\$ 1,140,406	\$ 1,642,890	\$ 5,955,959
0	2,476,992	3,644,975	0	0	10,344,565
0	174,603	1,398,684	176,410	443,329	4,801,410
0	0	0	66,815	0	300,002
0	0	0	290,877	455,460	2,301,801
0	0	0	0	102,640	103,020
0	10,200	0	0	42,909	261,500
0	0	0	0	513,498	513,498
0	0	0	0	46,721	46,721
<u>\$ 0</u>	<u>\$ 2,990,228</u>	<u>\$ 5,526,960</u>	<u>\$ 1,674,508</u>	<u>\$ 3,247,447</u>	<u>\$ 24,628,476</u>
\$ 0	\$ 81,605	\$ 2,000	\$ 0	\$ 107,101	\$ 367,442
0	0	0	0	34,724	177,971
0	0	103,770	116,456	4,782	304,837
0	0	0	0	36,371	36,371
0	81,605	105,770	116,456	182,978	886,621
0	0	1,370,000	0	323,685	2,375,085
0	59,769	28,684	352,453	404,896	2,985,304
0	59,769	1,398,684	352,453	728,581	5,360,389
0	10,200	0	0	659,047	878,018
0	2,838,654	4,022,506	1,205,599	1,618,882	12,145,505
0	0	0	0	57,959	57,959
0	0	0	0	0	4,625,689
0	0	0	0	0	674,295
0	2,848,854	4,022,506	1,205,599	2,335,888	18,381,466
<u>\$ 0</u>	<u>\$ 2,990,228</u>	<u>\$ 5,526,960</u>	<u>\$ 1,674,508</u>	<u>\$ 3,247,447</u>	<u>\$ 24,628,476</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2020***

Total Governmental Fund Balances		\$ 18,381,466
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.		57,526,394
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		2,985,304
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	2,835,956	
Deferred Inflows - Pension	(2,587,163)	
Net Pension Liability	<u>(17,879,243)</u>	(17,630,450)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	1,687,907	
Deferred Inflows - OPEB	(1,501,590)	
Net OPEB Liability	<u>(5,139,847)</u>	(4,953,530)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(5,228,200)	
Less: Deferred Charges on Refunding	85,698	
Special Obligation Bonds Payable	(915,000)	
Ohio Public Works Commission Loan Payable	(689,029)	
Police and Firemen's Pension Accrued Liability	(298,752)	
Compensated Absences Payable	(1,362,466)	
Accrued Interest Payable	<u>(3,287)</u>	<u>(8,411,036)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 47,898,148</u>

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020**

	General	Municipal Income Tax 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	Community Development Block Grant
Revenues:				
Taxes	\$ 4,244,464	\$ 3,391,572	\$ 3,391,572	\$ 0
Intergovernmental Revenues	1,042,994	0	54,223	741,347
Charges for Services	1,687,657	0	5,110	0
Licenses and Permits	30,993	0	0	0
Investment Earnings	149,571	0	0	21
Fines and Forfeitures	515,208	0	0	0
All Other Revenue	874,952	15,567	249,144	17,720
Total Revenue	8,545,839	3,407,139	3,700,049	759,088
Expenditures:				
Current:				
Security of Persons and Property	243,791	3,610,967	3,540,312	0
Public Health and Welfare Services	83,867	0	0	0
Leisure Time Activities	462,858	0	0	0
Community Environment	31,565	0	0	900,567
Transportation	40,105	0	0	0
General Government	5,669,063	0	0	0
Debt Service:				
Principal Retirement	14,707	0	0	0
Interest and Fiscal Charges	13,167	0	0	0
Total Expenditures	6,559,123	3,610,967	3,540,312	900,567
Excess (Deficiency) of Revenues Over Expenditures	1,986,716	(203,828)	159,737	(141,479)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(260,644)	0	(745,000)	0
Total Other Financing Sources (Uses)	(260,644)	0	(745,000)	0
Net Change in Fund Balances	1,726,072	(203,828)	(585,263)	(141,479)
Fund Balances at Beginning of Year	3,776,239	938,746	2,163,396	294,790
Decrease in Inventory	(54)	0	0	0
Fund Balances End of Year	\$ 5,502,257	\$ 734,918	\$ 1,578,133	\$ 153,311

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

General Bond Retirement	Capital Improvement	TIF District-Coshocton Road	Roads and Bridges Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 1,236,147	\$ 1,359,690	\$ 1,236,147	\$ 1,110,282	\$ 15,969,874
0	559,576	0	620,300	2,549,751	5,568,191
0	0	0	0	82,622	1,775,389
0	0	0	0	7,471	38,464
0	0	0	3,336	2,473	155,401
0	0	0	0	148,477	663,685
0	0	12,200	66,925	80,863	1,317,371
0	1,795,723	1,371,890	1,926,708	3,981,939	25,488,375
0	0	0	0	1,047,884	8,442,954
0	42,889	0	0	379,779	506,535
0	66,169	0	0	705	529,732
0	0	0	0	0	932,132
0	874,620	1,308,593	2,189,601	1,081,651	5,494,570
0	253,900	0	0	1,717,549	7,640,512
662,766	0	0	0	117,500	794,973
170,257	0	0	0	26,878	210,302
833,023	1,237,578	1,308,593	2,189,601	4,371,946	24,551,710
(833,023)	558,145	63,297	(262,893)	(390,007)	936,665
0	0	0	0	837	837
833,023	0	0	0	755,750	1,588,773
0	0	(205,044)	(226,620)	(151,465)	(1,588,773)
833,023	0	(205,044)	(226,620)	605,122	837
0	558,145	(141,747)	(489,513)	215,115	937,502
0	2,290,709	4,164,253	1,695,112	2,125,295	17,448,540
0	0	0	0	(4,522)	(4,576)
\$ 0	\$ 2,848,854	\$ 4,022,506	\$ 1,205,599	\$ 2,335,888	\$ 18,381,466

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2020***

Net Change in Fund Balances - Total Governmental Funds \$ 937,502

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

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

Capital Outlay	3,342,551	
Depreciation Expense	<u>(2,507,148)</u>	835,403

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

In the statement of activities, only the gain on the sale of capital assets is reported. However, in governmental funds, the proceeds from the sale increase financial resources. (837)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,051,562

The statement of activities reports gain arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. (16,957) 1,033,768

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,058,712

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,510,386

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,406,245)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities. (481,750)

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

General Obligation Bond Principal Payment	621,300	
Special Obligation Bond Principal Payment	117,500	
Ohio Public Works Commission Loan Payment	41,466	
Police Firemen's Pension Accrued Liability Principal Payment	<u>14,707</u>	794,973

CITY OF MOUNT VERNON, OHIO

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 47,573

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

Compensated Absences	(214,154)	
Amortization of Deferred Charge on Refunding	(10,712)	
Change in Inventory	(4,576)	(229,442)

Change in Net Position of Governmental Activities \$ 3,100,880

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,773,360	\$ 4,773,360	\$ 4,215,963	\$ (557,397)
Intergovernmental Revenue	538,494	986,196	1,039,586	53,390
Charges for Services	1,948,000	1,948,000	1,693,370	(254,630)
Licenses and Permits	18,000	18,000	30,993	12,993
Investment Earnings	350,000	350,000	149,571	(200,429)
Fines and Forfeitures	559,681	559,681	523,128	(36,553)
All Other Revenues	124,000	129,555	862,746	733,191
Total Revenues	<u>8,311,535</u>	<u>8,764,792</u>	<u>8,515,357</u>	<u>(249,435)</u>
Expenditures:				
Current:				
Security of Persons and Property	287,627	357,262	291,317	65,945
Public Health and Welfare Services	85,450	101,906	98,417	3,489
Leisure Time Activities	949,729	980,095	522,200	457,895
Community Environment	54,590	57,188	31,610	25,578
Transportation	44,500	44,814	41,903	2,911
General Government	8,796,789	9,568,489	6,128,200	3,440,289
Total Expenditures	<u>10,218,685</u>	<u>11,109,754</u>	<u>7,113,647</u>	<u>3,996,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,907,150)	(2,344,962)	1,401,710	3,746,672
Other Financing Sources (Uses):				
Transfers Out	(288,500)	(284,750)	(260,644)	24,106
Total Other Financing Sources (Uses):	<u>(288,500)</u>	<u>(284,750)</u>	<u>(260,644)</u>	<u>24,106</u>
Net Change in Fund Balance	(2,195,650)	(2,629,712)	1,141,066	3,770,778
Fund Balance at Beginning of Year	2,729,965	2,729,965	2,729,965	0
Prior Year Encumbrances	423,964	423,964	423,964	0
Fund Balance at End of Year	<u>\$ 958,279</u>	<u>\$ 524,217</u>	<u>\$ 4,294,995</u>	<u>\$ 3,770,778</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Municipal Income Tax #1 ½% (Voted) Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,185,225	\$ 4,185,225	\$ 3,386,250	\$ (798,975)
All Other Revenues	0	0	15,818	15,818
Total Revenues	<u>4,185,225</u>	<u>4,185,225</u>	<u>3,402,068</u>	<u>(783,157)</u>
Expenditures:				
Security of Persons and Property	<u>4,958,487</u>	<u>4,958,487</u>	<u>3,746,704</u>	<u>1,211,783</u>
Total Expenditures	<u>4,958,487</u>	<u>4,958,487</u>	<u>3,746,704</u>	<u>1,211,783</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(773,262)	(773,262)	(344,636)	428,626
Fund Balance at Beginning of Year	<u>773,262</u>	<u>773,262</u>	<u>773,262</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 428,626</u>	<u>\$ 428,626</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Municipal Income Tax #2 ½% (Voted) Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,185,225	\$ 4,185,225	\$ 3,386,250	\$ (798,975)
Intergovernmental Revenues	0	50,486	54,223	3,737
Charges for Services	13,000	13,000	5,110	(7,890)
All Other Revenues	0	0	242,106	242,106
Total Revenues	<u>4,198,225</u>	<u>4,248,711</u>	<u>3,687,689</u>	<u>(561,022)</u>
Expenditures:				
Security of Persons and Property	4,572,213	4,812,161	3,687,629	1,124,532
Total Expenditures	<u>4,572,213</u>	<u>4,812,161</u>	<u>3,687,629</u>	<u>1,124,532</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(373,988)	(563,450)	60	563,510
Other Financing Sources (Uses):				
Transfers Out	(850,000)	(850,000)	(745,000)	105,000
Total Other Financing Sources (Uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(745,000)</u>	<u>105,000</u>
Net Change in Fund Balance	(1,223,988)	(1,413,450)	(744,940)	668,510
Fund Balance at Beginning of Year	1,683,516	1,683,516	1,683,516	0
Prior Year Encumbrances	164,460	164,460	164,460	0
Fund Balance at End of Year	<u>\$ 623,988</u>	<u>\$ 434,526</u>	<u>\$ 1,103,036</u>	<u>\$ 668,510</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Community Development Block Grant Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,116,661	\$ 1,116,661	\$ 888,164	\$ (228,497)
Investment Earnings	0	0	21	21
All Other Revenues	0	0	17,720	17,720
Total Revenues	<u>1,116,661</u>	<u>1,116,661</u>	<u>905,905</u>	<u>(210,756)</u>
Expenditures:				
Community Environment	1,125,540	1,229,634	966,949	262,685
Total Expenditures	<u>1,125,540</u>	<u>1,229,634</u>	<u>966,949</u>	<u>262,685</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,879)	(112,973)	(61,044)	51,929
Fund Balance at Beginning of Year	8,878	8,878	8,878	0
Prior Year Encumbrances	104,095	104,095	104,095	0
Fund Balance at End of Year	<u>\$ 104,094</u>	<u>\$ 0</u>	<u>\$ 51,929</u>	<u>\$ 51,929</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
ASSETS				
Current assets:				
Cash and Cash Equivalents	\$ 1,964,320	\$ 235,393	\$ 234,010	\$ 2,433,723
Investments	3,198,834	1,456,601	0	4,655,435
Accounts receivable (net of allowance for uncollectibles)	1,221,048	1,105,981	244,692	2,571,721
Inventory of Supplies	63,872	38,508	0	102,380
Prepaid Items	19,379	8,988	0	28,367
Total current assets	<u>6,467,453</u>	<u>2,845,471</u>	<u>478,702</u>	<u>9,791,626</u>
Noncurrent assets:				
Capital assets:				
Capital Assets Not Being Depreciated	1,299,128	895,977	0	2,195,105
Capital Assets Being Depreciated	12,400,766	16,680,083	0	29,080,849
Total noncurrent assets	<u>13,699,894</u>	<u>17,576,060</u>	<u>0</u>	<u>31,275,954</u>
Total Assets	<u>20,167,347</u>	<u>20,421,531</u>	<u>478,702</u>	<u>41,067,580</u>
Deferred Outflows of Resources:				
Deferred Charges on Refunding	25,780	152,549	0	178,329
Pension	241,923	169,679	0	411,602
OPEB	136,914	130,944	0	267,858
Total Deferred Outflows of Resources	<u>404,617</u>	<u>453,172</u>	<u>0</u>	<u>857,789</u>
LIABILITIES				
Current liabilities:				
Accounts Payable	67,230	72,429	0	139,659
Accrued Wages and Benefits	19,765	18,663	0	38,428
Contracts Payable	54,591	61,879	0	116,470
Retainage Payable	27,063	0	0	27,063
Matured Bonds and Interest Payable	650	0	0	650
Accrued Interest Payable	767	29,828	0	30,595
General Obligation Bonds Payable - Current	38,010	521,220	0	559,230
OWDA Loans Payable - Current	0	351,965	0	351,965
OPWC Loans Payable - Current	9,351	0	0	9,351
Compensated Absences Payable - Current	53,284	61,102	0	114,386
Special Obligation Bonds Payable - Current	60,000	60,000	0	120,000
Total Current Liabilities	<u>330,711</u>	<u>1,177,086</u>	<u>0</u>	<u>1,507,797</u>

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
Noncurrent Liabilities:				
General Obligation Bonds Payable	204,865	2,599,605	0	2,804,470
OWDA Loans Payable	0	4,152,626	0	4,152,626
OPWC Loans Payable	79,482	0	0	79,482
Special Obligation Bonds Payable	397,500	397,500	0	795,000
Compensated Absences Payable	83,974	103,804	0	187,778
Net Pension Liability	1,179,114	1,127,701	0	2,306,815
Net OPEB Liability	864,812	827,104	0	1,691,916
Total noncurrent liabilities	2,809,747	9,208,340	0	12,018,087
Total Liabilities	3,140,458	10,385,426	0	13,525,884
Deferred Inflows of Resources:				
Pension	250,115	239,209	0	489,324
OPEB	123,127	117,758	0	240,885
Total Deferred Inflows of Resources	373,242	356,967	0	730,209
NET POSITION:				
Net Investment in Capital Assets	12,883,959	9,618,348	0	22,502,307
Restricted for Capital Projects	1,000,653	553,437	0	1,554,090
Unrestricted	3,173,652	(39,475)	478,702	3,612,879
Total Net Position	\$ 17,058,264	\$ 10,132,310	\$ 478,702	\$ 27,669,276

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
Operating Revenues:				
Charges for Services	\$ 4,583,111	\$ 4,020,389	\$ 478,702	\$ 9,082,202
Other Operating Revenues	64,324	81,994	0	146,318
Total Operating Revenues	4,647,435	4,102,383	478,702	9,228,520
Operating Expenses:				
Personal Services	1,690,580	1,665,056	0	3,355,636
Contractual Services	215,005	649,065	0	864,070
Materials and Supplies	430,544	306,487	0	737,031
Utilities	196,200	234,219	0	430,419
Depreciation	887,193	2,431,526	0	3,318,719
Total Operating Expenses	3,419,522	5,286,353	0	8,705,875
Operating Income (Loss)	1,227,913	(1,183,970)	478,702	522,645
Non-Operating Revenues (Expenses):				
Interest Income	215	0	0	215
Interest and Fiscal Charges	(15,672)	(169,153)	0	(184,825)
Loss on Disposal of Capital Assets	(157,841)	0	0	(157,841)
Total Non-Operating Revenues (Expenses)	(173,298)	(169,153)	0	(342,451)
Income (Loss) Before Contributions and Transfers	1,054,615	(1,353,123)	478,702	180,194
Capital Contributions	755,394	0	0	755,394
Change in Net Position	1,810,009	(1,353,123)	478,702	935,588
Net Position Beginning of Year	15,248,255	11,485,433	0	26,733,688
Net Position End of Year	\$ 17,058,264	\$ 10,132,310	\$ 478,702	\$ 27,669,276

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$4,706,233	\$4,158,056	\$234,010	\$9,098,299
Cash Payments for Goods and Services	(905,222)	(1,216,070)	0	(2,121,292)
Cash Payments to Employees	(1,456,980)	(1,496,499)	0	(2,953,479)
Net Cash Provided by Operating Activities	2,344,031	1,445,487	234,010	4,023,528
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(765,691)	(358,522)	0	(1,124,213)
Principal Paid on General Obligation Bonds	(37,525)	(516,175)	0	(553,700)
Principal Paid on Ohio Public Works Commission Loan	(9,351)	0	0	(9,351)
Principal Paid on Special Obligation Bonds	(58,750)	(58,750)	0	(117,500)
Principal Paid on OWDA Loan	0	(347,918)	0	(347,918)
Interest Paid on All Debt	(20,588)	(157,701)	0	(178,289)
Net Cash Used for Capital and Related Financing Activities:	(891,905)	(1,439,066)	0	(2,330,971)
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(1,330,151)	(590,677)	0	(1,920,828)
Receipt of Interest	215	0	0	215
Net Cash Used by Investing Activities	(1,329,936)	(590,677)	0	(1,920,613)
Net Increase (Decrease) in Cash and Cash Equivalents	122,190	(584,256)	234,010	(228,056)
Cash and Cash Equivalents at Beginning of Year	1,842,130	819,649	0	2,661,779
Cash and Cash Equivalents at End of Year	\$1,964,320	\$235,393	\$234,010	\$2,433,723

(Continued)

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Sewer	
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income (Loss)	\$1,227,913	(\$1,183,970)	\$478,702	\$522,645
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	887,193	2,431,526	0	3,318,719
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
(Increase) Decrease in Accounts Receivable	58,798	55,673	(244,692)	(130,221)
Increase in Inventory	(12,709)	(6,953)	0	(19,662)
(Increase) Decrease in Prepaid Items	(25)	484	0	459
Decrease Deferred Outflows-Pension	200,201	280,845	0	481,046
Increase Deferred Outflows-OPEB	(77,893)	(70,802)	0	(148,695)
Decrease in Accounts Payable	(27,706)	(17,503)	0	(45,209)
Decrease in Accrued Wages and Benefits	(31,712)	(31,278)	0	(62,990)
Decrease in Retainage Payable	(13,107)	0	0	(13,107)
Decrease in Contracts Payable	(8,806)	(2,228)	0	(11,034)
Decrease in Compensated Absences	(1,241)	(4,835)	0	(6,076)
Decrease in Net Pension Liability	(320,609)	(400,513)	0	(721,122)
Increase in Net OPEB Liability	112,226	60,221	0	172,447
Increase Deferred Inflows-Pension	230,423	219,143	0	449,566
Increase Deferred Outflows-OPEB	121,085	115,677	0	236,762
Total Adjustments	1,116,118	2,629,457	(244,692)	3,500,883
Net Cash Provided by Operating Activities	<u>\$2,344,031</u>	<u>\$1,445,487</u>	<u>\$234,010</u>	<u>\$4,023,528</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2020 the Water and Sewer Funds had outstanding liabilities of \$24,444 and \$27,345 respectively, for certain capital assets.

During 2020, the Water Fund received \$755,394 in Contributed Capital.

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

***Statement of Net Position
Fiduciary Fund
December 31, 2020***

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 123,059
Total Assets	<u>123,059</u>
Liabilities:	
Intergovernmental Payable	27,611
Due to Others	95,448
Total Liabilities	<u>123,059</u>
Net Position:	
Restricted for Individuals, Organizations and Other Governments	0
Total Net Position	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

***Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2020***

	<u>Custodial</u>
Additions:	
Fines and Forfeiture Collections for Other Governments	358,215
Charges Collected for Others	859,211
Total Additions	<u>1,217,426</u>
Deductions:	
Distribution of Fines and Forfeitures to Other Governments	358,216
Distribution of Charges Collected for Others	859,210
Total Deductions	<u>1,217,426</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2020 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

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

The City, in conjunction with Knox County, the six villages and the twenty-two townships within Knox County, have created the Knox County Emergency Management Agency (EMA). The EMA is a jointly governed organization whose board is composed of seven members, one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to insure the most effective use of resources during an emergency. The City appropriated \$6,000 for operations of the EMA for 2020.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$56,650 for operations of the combined District for 2020.

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

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, net position, revenues and expenditures or expenses. The following fund types are used by the City:

Governmental Funds

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

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

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

Municipal Income Tax #2 ½% (Voted) – This fund is used to account for income tax levied in 2017, which is dedicated solely for the police, fire, and emergency medical services departments.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

Proprietary Funds

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

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

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

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

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

Fiduciary Funds

Custodial Funds - These funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units. The custodial funds account for municipal court collections that are distributed to various local governments.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes, interest on investments, and state levied locally shared taxes, including motor vehicle license fees and local government assistance. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

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

E. Budgetary Process

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

All funds other than custodial funds are legally required to be budgeted and appropriated; however, only the general fund and major special revenue funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by a resolution of the City Council.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Modified Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificates of estimated resources is amended to include any unencumbered fund balances from the preceding year, and are reported as original budget amounts on the budgetary statements. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the final budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2020.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The original appropriation budget ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may only be modified during the year by an ordinance of City Council. During the year, several supplemental appropriations were necessary to budget the use of contingency funds.

Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the original and the final budgets. The final budget includes all amendments and modifications.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and major special revenue funds:

	Net Change in Fund Balance			
	General Fund	Municipal Income Tax #1 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	Community Development Block Grant Fund
GAAP Basis (as reported)	\$1,726,072	(\$203,828)	(\$585,263)	(\$141,479)
Increase (Decrease):				
Accrued Revenues at December 31, 2020 received during 2021	(790,506)	(399,927)	(391,960)	(35,000)
Accrued Revenues at December 31, 2019 received during 2020	760,024	394,856	379,600	181,817
Accrued Expenditures at December 31, 2020 paid during 2021	254,799	93,635	51,378	0
Accrued Expenditures at December 31, 2019 paid during 2020	(314,852)	(229,372)	(80,668)	0
2019 Prepays for 2020	175,894	0	16,488	0
2020 Prepays for 2021	(182,872)	0	(25,519)	0
Outstanding Encumbrances	(487,493)	0	(108,996)	(66,382)
Budget Basis	<u>\$1,141,066</u>	<u>(\$344,636)</u>	<u>(\$744,940)</u>	<u>(\$61,044)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

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

G. Investments

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

During 2020, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds and on the statement of net position. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the enterprise funds and on a government-wide basis when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

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

1. Capital Assets - Governmental Activities

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

Donated capital assets are recorded at acquisition value at the date received. Capital assets include land, buildings, and improvements other than building, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Capital Assets – Business Type Activities

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

3. Depreciation

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Bond Retirement Fund Water Fund Sewer Fund
Special Obligation Bonds	General Bond Retirement –Income Tax Fund Water Fund Sewer Fund
Ohio Public Works Loan	General Bond Retirement Fund, Water Fund
Ohio Water Development Authority	Sewer Fund
Police and Fire Pension Accrued Liability	General Fund
Compensated Absences Net Pension Liability Net OPEB Liability	General Fund, Street Construction Maintenance and Repair Fund, Cemetery Fund, Income Tax Fund-Voted, Income Tax Fund Fund-Voted #2, Water Fund, Sewer Fund

L. Compensated Absences

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

Sick leave is accrued by employees at the rate of 5 hours for every eighty hours worked. Upon separation from the City, after 10 years of service, 40 hour employees are paid 50% of accumulated sick leave up to a maximum of 480 hours and 48 hour employees up to a maximum of 617 hours. After 20 years of service, 40 hour employees are paid up to a maximum of 720 hours and 48 hour employees up to a maximum of 864 hours. Upon retirement the maximum payments are 1,080 hours with ten or more years of service for 40 hour employees in the police department, 1,200 hours with ten or more years of service for all other 40 hour employees and 1,296 hours for 48 hour employees with ten or more years of service in the fire department.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

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

Compensated absences accumulated by employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The noncurrent portion of the liability is not reported.

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

M. Net Position

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pensions/Other Postemployment Benefits (OPEB)

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

O. Interfund Transactions

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

P. Fund Balances

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balances (Continued)

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

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

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

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

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Bond Issuance Costs

Bond issuance costs are recognized in the current period.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension and OPEB amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are reported for pension and OPEB plans on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows.

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

U. Fair Value

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

For 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations,” Statement No. 84, “Fiduciary Activities,” Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 88 revises the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization.

These changes were incorporated in the City’s 2020 financial statements; however, there was no effect on beginning net position/fund balance.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General	Municipal	Municipal	Community	Capital	TIF District-	Roads and	Other	Total
	Fund	Income Tax 1/2% (Voted)	Income Tax #2 1/2% (Voted)	Development Block Grant Fund	Improvement Fund	Coshocton Road Fund	Bridges Capital Imp Fund	Governmental Funds	Governmental Funds
Nonspendable:									
Prepaid Items	\$182,872	\$0	\$25,519	\$0	\$10,200	\$0	\$0	\$42,909	\$261,500
Supplies Inventory	380	0	0	0	0	0	0	102,640	103,020
Endowment	0	0	0	0	0	0	0	513,498	513,498
Total Nonspendable	183,252	0	25,519	0	10,200	0	0	659,047	878,018
Restricted:									
Transportation Projects	0	0	0	0	2,838,654	4,022,506	1,205,599	676,583	8,743,342
Cemetery	0	0	0	0	0	0	0	57,786	57,786
Court Projects	0	0	0	0	0	0	0	513,045	513,045
Public Safety	19,021	734,918	1,552,614	0	0	0	0	270,816	2,577,369
Community Development	0	0	0	153,311	0	0	0	64,230	217,541
Debt Retirement	0	0	0	0	0	0	0	12,139	12,139
Parks and Recreation	0	0	0	0	0	0	0	24,283	24,283
Total Restricted	19,021	734,918	1,552,614	153,311	2,838,654	4,022,506	1,205,599	1,618,882	12,145,505
Committed:									
Parks and Recreation	0	0	0	0	0	0	0	57,959	57,959
Total Committed	0	0	0	0	0	0	0	57,959	57,959
Assigned:									
Projected Budgetary Deficit	4,294,995	0	0	0	0	0	0	0	4,294,995
Services and Supplies	330,694	0	0	0	0	0	0	0	330,694
Total Assigned	4,625,689	0	0	0	0	0	0	0	4,625,689
Unassigned:									
	674,295	0	0	0	0	0	0	0	674,295
Total Fund Balances	\$5,502,257	\$734,918	\$1,578,133	\$153,311	\$2,848,854	\$4,022,506	\$1,205,599	\$2,335,888	\$18,381,466

The Nonspendable endowment listed within the table has been established pursuant to state law and binds the City to forever hold such money as a permanent fund and to provide perpetual care of the lots. Income or interest of such money shall be provided directly to the Cemetery Fund (special revenue) for the current operations of the cemetery.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- Nothing in the above classifications of eligible obligations shall be construed to authorize any investment in stripped principal or interest obligations of such eligible obligations, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The City has no policy on custodial credit risk and is governed by Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State

At year end the carrying amount of the City's deposits was \$18,164,064 and the bank balance \$19,206,258. The Federal Deposit Insurance Corporation (FDIC) covered \$15,500,000 of the bank balance. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the Ohio Pooled Collateral System	<u>\$3,706,258</u>
Total Balance	<u><u>\$3,706,258</u></u>

Investment earnings of \$116,745 earned by other funds were credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

B. Investments

The City's investments at December 31, 2020 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	<u>\$5,908,896</u>	AAA ^m ¹	<u>\$5,908,896</u>
Total Investments	<u><u>\$5,908,896</u></u>		<u><u>\$5,908,896</u></u>

¹ Standard & Poor's

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

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

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

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

C. Cash with Fiscal Agents

In addition to deposits and investments, the City has uninsured and uncollateralized cash in the amount of \$46,721 being held by Knox County.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

D. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per GASB Statement No. 9	\$9,072,960	\$15,000,000
Certificates of Deposit (with maturities of more than 3 months)	15,000,000	(15,000,000)
Investments:		
STAR Ohio	<u>(5,908,896)</u>	<u>5,908,896</u>
Per GASB Statement No. 3	<u>\$18,164,064</u>	<u>\$5,908,896</u>

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property used in business and located in the City. Real property taxes (other than public utility) collected during 2020 were levied after October 1, 2020 on assessed values as of January 1, 2020, 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 2019. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Mount Vernon. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2020 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2020 tax receipts were based was \$274,911,160. This amount constitutes \$257,378,470 in real property assessed value and \$17,533,130 in public utility assessed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

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

B. Income Tax

The City levies a tax of 2.0% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of up to 1% of the tax paid to another municipality.

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

Income tax proceeds, after payment of collection expenses, have been allocated by City Council as follows: 52% of the unvoted 1% portion of the income tax is credited to the General Fund, 19.5% to the Capital Improvement Fund, 19.5% to the Roads & Bridges Fund, 3% to the Street Construction, Maintenance and Repair Fund, 4% to the Cemetery Fund, 1% to the Police Pension Fund and 1% to the Fire Pension Fund; 100% of the voted 0.5% portion of the income tax is credited to the Municipal Income Tax ½% Voted Fund, and 100% of the voted 0.5% portion of the income tax is credited to the Municipal Income Tax #2 ½% (Voted) Fund.

C. Tax Abatement

As of December 31, 2020, the City provides tax abatements through two programs—Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 5 - TAXES (Continued)

C. Tax Abatement (Continued)

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

The City has entered into agreements to abate property taxes through these programs. During 2020, the City's property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>		<u>City</u>
<u>CRA</u>	<u>Ezone</u>	<u>Taxes Abated</u>
\$ 5,757	\$ 148,104	\$ 153,861

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 6 - RECEIVABLES

Receivables at December 31, 2020 consisted of taxes, accounts, and intergovernmental receivables. All receivables are collectible in full and within one year except for allowance for doubtful accounts related to billings for governmental and proprietary funds.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amount
General Fund	
Homestead and Rollback Reimbursement	\$43,882
Local Government	111,534
Lodging Tax	248
Total General Fund	<u>155,664</u>
Major Special Revenue Fund:	
CDBG Fund - CDBG Grants	1,399,800
Major Capital Improvement Fund:	
Roads & Bridges Fund - ODOT Trail Underpass Grant	290,877
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Gasoline Tax	363,095
Motor Vehicle Tax	31,388
Total Street Construction, Maintenance and Repair Fund	<u>394,483</u>
State Highway Improvement Fund	
Gasoline Tax	28,274
Motor Vehicle Tax	3,711
Total State Highway Improvement Fund	<u>31,985</u>
Permissive License Registration Fund - Permissive Tax	16,012
Driver's Interlock and Alcohol Monitoring - Fines and Forfeitures	210
Police Pension Fund - Homestead and Rollback Reimbursement	7,694
Fire Pension Fund - Homestead and Rollback Reimbursement	5,076
Total Nonmajor Special Revenue Funds	<u>455,460</u>
Total Governmental Fund Types	<u><u>\$2,301,801</u></u>

CITY OF MOUNT VERNON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 7 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2020:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$260,644
Municipal Income Tax #2 1/2% (Voted)	0	745,000
General Bond Retirement Fund	833,023	0
TIF District-Coshocton Road Fund	0	205,044
Roads and Bridges Capital Improvement	0	226,620
Other Governmental Funds	755,750	151,465
Total Governmental Funds	<u>\$1,588,773</u>	<u>\$1,588,773</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14 – 5705.16.

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets as of December 31, 2020:

Historical Cost:

Class	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
<i>Capital assets not being depreciated:</i>				
Land	\$14,011,785	\$159,861	\$0	\$14,171,646
Construction in Progress	6,000,592	876,245	(2,872,807)	4,004,030
Subtotal	20,012,377	1,036,106	(2,872,807)	18,175,676
<i>Capital assets being depreciated:</i>				
Buildings	16,199,635	299,524	(2,941)	16,496,218
Improvements Other than Buildings	2,480,413	113,239	0	2,593,652
Infrastructure	48,996,340	4,676,823	0	53,673,163
Machinery and Equipment	10,608,927	1,141,228	(274,151)	11,476,004
Subtotal	78,285,315	6,230,814	(277,092)	84,239,037
Total Cost	\$98,297,692	\$7,266,920	(\$3,149,899)	\$102,414,713

Accumulated Depreciation:

Class	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Buildings	(\$8,549,145)	(\$534,334)	\$2,176	(\$9,081,303)
Improvements	(934,243)	(82,712)	0	(1,016,955)
Infrastructure	(25,696,313)	(1,193,209)	0	(26,889,522)
Machinery and Equipment	(7,460,768)	(696,893)	257,122	(7,900,539)
Total Depreciation	(\$42,640,469)	(\$2,507,148)	\$259,298	(\$44,888,319)
<i>Net Value:</i>	\$55,657,223			\$57,526,394

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$480,424
Leisure Time Activities	320,310
Public Health & Welfare	36,956
Transportation	1,361,374
General Government	308,084
Total Depreciation Expense	\$2,507,148

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 8 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets as of December 31, 2020:

Historical Cost:

Class	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Capital assets not being depreciated:				
Land	\$819,311	\$0	\$0	\$819,311
Construction in Progress	1,438,620	933,453	(996,279)	1,375,794
Subtotal	2,257,931	933,453	(996,279)	2,195,105
Capital assets being depreciated:				
Buildings	35,407,975	35,076	0	35,443,051
Utility Structures in Service	28,621,257	1,679,934	0	30,301,191
Machinery and Equipment	5,031,818	217,904	(253,687)	4,996,035
Subtotal	69,061,050	1,932,914	(253,687)	70,740,277
Total Cost	\$71,318,981	\$2,866,367	(\$1,249,966)	\$72,935,382

Accumulated Depreciation:

Class	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Buildings	(\$19,019,833)	(\$2,607,342)	\$0	(\$21,627,175)
Utility Structures in Service	(15,627,052)	(406,987)	0	(16,034,039)
Machinery and Equipment	(3,791,592)	(304,390)	97,768	(3,998,214)
Total Depreciation	(\$38,438,477)	(\$3,318,719)	\$97,768	(\$41,659,428)
Net Value:	\$32,880,504			\$31,275,954

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

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

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

	<u>State and Local</u>
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$640,376 for 2020. Of this amount, \$57,797 is reported as accrued wages and benefits.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,069,105 for 2020. Of this amount, \$82,757 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,598,179	\$13,587,879	\$20,186,058
Proportion of the Net Pension Liability-2020	0.033382%	0.201740%	
Proportion of the Net Pension Liability-2019	<u>0.032940%</u>	<u>0.197761%</u>	
Percentage Change	<u>0.000442%</u>	<u>0.003979%</u>	
Pension Expense	\$1,100,413	\$1,739,206	\$2,839,619

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$352,420	\$333,548	\$685,968
Differences between expected and actual experience	0	514,344	514,344
Change in proportionate share	64,507	273,258	337,765
City contributions subsequent to the measurement date	640,376	1,069,105	1,709,481
Total Deferred Outflows of Resources	<u>\$1,057,303</u>	<u>\$2,190,255</u>	<u>\$3,247,558</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,316,189	\$656,404	\$1,972,593
Differences between expected and actual experience	83,424	700,781	784,205
Change in proportionate share	0	319,689	319,689
Total Deferred Inflows of Resources	<u>\$1,399,613</u>	<u>\$1,676,874</u>	<u>\$3,076,487</u>

\$1,709,481 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2021	(\$112,538)	(\$140,672)	(\$253,210)
2022	(402,040)	(56,627)	(458,667)
2023	54,506	242,278	296,784
2024	(522,614)	(559,051)	(1,081,665)
2025	0	(41,652)	(41,652)
Total	<u>(\$982,686)</u>	<u>(\$555,724)</u>	<u>(\$1,538,410)</u>

Actuarial Assumptions - OPERS

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019 and December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 9– DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$10,882,532	\$6,598,179	\$2,746,671

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, compared with January 1, 2018, are presented below.

	January 1, 2019	January 1, 2018
Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2019 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2019 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2019 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2019, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2018 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$18,832,328	\$13,587,879	\$9,201,418

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$24,789 for 2020. Of this amount, \$1,909 is reported as accrued wages and benefits.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$4,839,382	\$1,992,381	\$6,831,763
Proportion of the Net OPEB Liability-2020	0.035036%	0.2017043%	
Proportion of the Net OPEB Liability-2019	<u>0.034724%</u>	<u>0.1977610%</u>	
Percentage Change	<u>0.000312%</u>	<u>0.0039433%</u>	
OPEB Expense	\$577,799	\$164,465	\$742,264

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$766,024	\$1,164,823	\$1,930,847
Differences between expected and actual experience	129	0	129
City contributions subsequent to the measurement date	0	24,789	24,789
Total Deferred Outflows of Resources	<u>\$766,153</u>	<u>\$1,189,612</u>	<u>\$1,955,765</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$246,420	\$91,681	\$338,101
Changes in assumptions	0	424,607	424,607
Differences between expected and actual experience	442,583	214,261	656,844
Change in proportionate share	0	322,923	322,923
Total Deferred Inflows of Resources	<u>\$689,003</u>	<u>\$1,053,472</u>	<u>\$1,742,475</u>

\$24,789 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2021	\$124,122	\$12,890	\$137,012
2022	58,131	12,893	71,024
2023	195	31,700	31,895
2024	(105,298)	2,046	(103,252)
2025	0	13,064	13,064
2026	0	22,061	22,061
2027	0	16,697	16,697
Total	<u>\$77,150</u>	<u>\$111,351</u>	<u>\$188,501</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$6,333,107	\$4,839,382	\$3,643,394

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$4,696,576	\$4,839,382	\$4,980,367

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	3.56 percent	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

* levered 2x

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

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$2,470,424	\$1,992,381	\$1,595,160

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

Long-term debt and other long-term obligations of the City at December 31, 2020 were as follows:

			Balance December 31, 2019	Additions	(Reductions)	Balance December 31, 2020	Amounts Due Within One Year
Business-Type Activities:							
General Obligation Bonds:							
1.86%	Wastewater Refunding 2003	2012	\$345,120	\$0	(\$114,550)	\$230,570	\$116,120
1.86%	Wastewater Refunding 2003	2012	251,380	0	(82,950)	168,430	84,090
1.86%	Water Refunding 2003	2012	18,000	0	(5,925)	12,075	6,010
1.86%	Wastewater Refunding 2003	2012	18,000	0	(5,925)	12,075	6,010
2.61%	W/W Refunding 2009B	2015	1,495,000	0	(135,000)	1,360,000	135,000
2.51%	Water Refunding 2007	2015	262,400	0	(31,600)	230,800	32,000
2.51%	W/W Refunding 2007	2015	1,527,500	0	(177,750)	1,349,750	180,000
	Total General Obligation Bonds Payable		3,917,400	0	(553,700)	3,363,700	559,230
Special Obligation Bonds:							
2.60%	Water - Building Project	2012	516,250	0	(58,750)	457,500	60,000
2.60%	Wastewater -Building Project	2012	516,250	0	(58,750)	457,500	60,000
	Total Special Obligation Bonds Payable		1,032,500	0	(117,500)	915,000	120,000
Ohio Public Works Commission Loan - Direct Borrowing:							
0.000%	Water Improvements	2009	98,184	0	(9,351)	88,833	9,351
Ohio Water Development Authority - Direct Borrowing:							
1.160%	Wastewater Improvements	2011	4,852,509	0	(347,918)	4,504,591	351,965
Compensated Absences							
			308,240	202,205	(208,281)	302,164	114,386
	Total Business-Type Activities		\$10,208,833	\$202,205	(\$1,236,750)	\$9,174,288	\$1,154,932

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

			Balance December 31, 2019	Additions	(Reductions)	Balance December 31, 2020	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bond:							
2.00- 4.250%	Highway Project	2009	\$1,255,000	\$0	(\$105,000)	\$1,150,000	\$110,000
1.86%	Building Refunding 2003	2012	36,000	0	(11,850)	24,150	12,000
1.86%	Highway Refunding 2003	2012	528,000	0	(173,800)	354,200	176,000
2.51%	Water Park Refund 2007	2015	1,595,500	0	(185,650)	1,409,850	188,000
2.78%	Highway Project	2019	2,435,000	0	(145,000)	2,290,000	150,000
	Total General Obligation Bonds Payable		<u>5,849,500</u>	<u>0</u>	<u>(621,300)</u>	<u>5,228,200</u>	<u>636,000</u>
Special Obligation Bonds:							
2.60%	Building Project	2012	1,032,500	0	(117,500)	915,000	120,000
	Total Special Obligation Bonds Payable		<u>1,032,500</u>	<u>0</u>	<u>(117,500)</u>	<u>915,000</u>	<u>120,000</u>
Ohio Public Works Commission Loans - Direct Borrowing:							
0.000%	OPWC Loan Payable	2003	106,250	0	(21,250)	85,000	21,250
0.000%	OPWC Loan Payable	2009	65,625	0	(6,250)	59,375	6,250
0.000%	OPWC Loan Payable	2019	558,620	0	(13,966)	544,654	27,930
	Total OPWC Loans Payable		<u>730,495</u>	<u>0</u>	<u>(41,466)</u>	<u>689,029</u>	<u>55,430</u>
	Compensated Absences		1,148,312	1,253,316	(1,039,162)	1,362,466	439,520
	Police and Firemen's Pension Accrued Liability		313,459	0	(14,707)	298,752	15,339
	Total Governmental Activities		<u>\$9,074,266</u>	<u>\$1,253,316</u>	<u>(\$1,834,135)</u>	<u>\$8,493,447</u>	<u>\$1,266,289</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

A. Long-term Debt Purpose

Business Type Activities: Water and Wastewater-Building Project (2003) was for the acquisition and renovation of a building for the customer service and billing division. Wastewater Improvements (2003) was for the construction of a major wastewater main line. Waterworks (2007) was for the construction of a major water main line. Wastewater-Refunding 1992 (2003) was for the construction of two anaerobic aerobic digester tanks. Wastewater Treatment Facility (2007) was for aeration and infiltration upgrades. Wastewater Improvements (2009) was for relining of wastewater lines and manhole rehabilitation. Wastewater Improvements (2011) was for upgrades to electrical and instrumentation at treatment plant. Wastewater Refunding 2003 (2012) and Water Refunding 2003 (2012) were for the acquisition and renovation of a building for the customer service and billing division. Water and Wastewater building project (2012) was for the construction of a combined maintenance facility building for the Distribution and Collection Departments.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

A. Long-term Debt Purpose (Continued)

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

		Original Issue
		<u> </u>
Business-Type Activities		
General Obligation Bonds:		
Wastewater Refunding	2012	\$1,020,800
Wastewater Refunding	2012	739,200
Wastewater Refunding	2012	52,800
Water Refunding	2012	52,800
Water Refunding 2007	2015	330,000
Wastewater Refunding 2007	2015	2,095,000
Total General Obligation Bonds		<u>4,290,600</u>
Special Obligation Bonds:		
Wastewater-Building Project	2012	887,500
Water-Building Project	2012	887,500
Total Special Obligation Bonds		<u>1,775,000</u>
Ohio Public Works Commission Loan:		
Wastewater Improvements	2009	125,362
Ohio Water Development Authority Loan:		
Wastewater Improvements	2011	7,178,446
Total Business Type Activities		<u><u>\$13,369,408</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

A. Long-term Debt Purpose (Continued)

Governmental Activities: Building Project (2003) was for the acquisition and renovation of a building for the City Income Tax Department. Highway Project (2003) was for the widening of a portion of State Route 36 East, including drainage and traffic lights. Water Park Facility (2007) was for the construction of a new water park/pool complex. Highway Project (2009) was for road improvements to Blackjack Road. Building Refunding 2003 (2012) was for the acquisition and renovation of a building for the City Income Tax Department. Highway Refunding 2003 (2012) was for the widening of a portion of State Route 36 East, including drainage and traffic lights. Building Project (2012) was for the construction of a combined maintenance facility building for the Street Department. Water Park Facility Refunding (2015) was for the construction of a new water park/pool complex.

General Obligation Bonds:			
Water Park Facility	2007	\$3,035,000	
Highway Project	2009	2,165,000	
Building Refunding 2003	2012	105,600	
Highway Refunding 2003	2012	1,548,800	
Water Park Facility Refunding 2007	2015	2,007,500	
Highway Project	2019	2,600,000	
Total General Obligation Bonds			<u>11,461,900</u>
Special Obligation Bonds:			
Building Project	2012	1,775,000	
Total Special Obligation Bonds			<u>1,775,000</u>
Ohio Public Works Commission Loan:			
OPWC Loan Payable	2003	425,000	
OPWC Loan Payable	2009	125,000	
OPWC Loan Payable	2019	558,620	
Total Ohio Public Works Commission Loan Payable			<u>1,108,620</u>
Total Governmental Activities			<u>\$14,345,520</u>

B. Police and Firemen's Pension Fund

The City's liability for past service costs related to the Police and Firemen's Pension Fund at December 31, 2020 was \$402,928 in principal and interest payments through the year 2035.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

C. Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2020 are as follows:

Business-type Activities:

Years	General Obligation Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest
2021	\$559,230	\$83,494	\$9,351	\$0
2022	571,950	70,630	9,351	0
2023	364,950	57,453	9,351	0
2024	375,550	48,147	9,351	0
2025	380,550	38,576	9,351	0
2026-2030	1,111,470	60,635	42,078	0
Totals	\$3,363,700	\$358,935	\$88,833	\$0

Years	Ohio Water Development Authority Loan		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$351,965	\$51,235	\$120,000	\$23,790
2022	356,060	47,141	125,000	20,670
2023	360,202	42,999	127,500	17,420
2024	364,393	38,808	130,000	14,144
2025	368,632	34,569	135,000	10,724
2026-2030	1,908,496	107,509	277,500	10,856
2031-2032	794,843	11,559	0	0
Totals	\$4,504,591	\$333,820	\$915,000	\$97,604

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

C. Principal and Interest Requirements (Continued)

Governmental Activities:

Years	General Obligation Bonds		Police/Fire Pension Liability		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$636,000	\$153,951	\$15,339	\$12,536	\$55,430	\$0
2022	653,050	137,098	15,998	11,876	55,431	0
2023	470,050	119,743	16,685	11,190	55,431	0
2024	484,450	105,800	17,402	10,473	55,431	0
2025	494,450	91,420	18,149	9,725	34,181	0
2026-2030	1,890,200	237,306	103,127	36,242	167,780	0
2031-2035	600,000	33,638	112,052	12,134	139,655	0
2036-2040	0	0	0	0	125,690	0
Totals	\$5,228,200	\$878,956	\$298,752	\$104,176	\$689,029	\$0

Years	Special Obligation Bonds	
	Principal	Interest
2021	\$120,000	\$23,790
2022	125,000	20,670
2023	127,500	17,420
2024	130,000	14,144
2025	135,000	10,725
2026-2030	277,500	10,855
Totals	\$915,000	\$97,604

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 12 – COMPENSATED ABSENCES

The City provides a liability for accumulated unpaid sick leave, vacation and compensatory time benefits when earned by employees. Accrued employee benefits for Governmental Funds not currently due and payable at yearend are recorded as Long-Term Obligations in the government-wide statements. At December 31, 2020, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	60,937	\$839,576
Vacation	16,815	439,415
Compensatory Time	<u>3,246</u>	<u>83,475</u>
Total	<u><u>80,998</u></u>	<u><u>\$1,362,466</u></u>

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

NOTE 13 - RISK MANAGEMENT

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

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. As a result of this risk analysis, PEP has elected to increase its retention for casualty and property claims to \$500,000 and \$250,000, respectively, effective January 1, 2019.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 13 - RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2019 and 2020:

	<u>2019</u>	<u>2020</u>
Assets	\$ 54,973,597	\$ 40,318,971
Liabilities	<u>16,440,940</u>	<u>14,111,510</u>
Net Assets	<u>\$ 38,532,657</u>	<u>\$ 26,207,461</u>

At December 31, 2019 and 2020, respectively, the liabilities above include approximately \$12.9 million and \$14.7 million of estimated incurred claims payable. The assets above also include approximately \$11.8 million and \$11.7 million of unpaid claims to be billed. The Pool's membership increased from 538 members in 2018 to 553 members in 2020. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2020, the City's share of these unpaid claims collectible in future years is approximately \$346,932.

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

	<u>Contributions to PEP</u>
2019	\$ 173,466
2020	180,048

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 14 - SIGNIFICANT COMMITMENTS

A. Construction Commitments

As of December 31, 2020, the City had the following commitments with respect to capital projects:

<u>Contractual Commitments</u>	<u>Remaining Contractual Commitments</u>	<u>Expected Date of Completion</u>
Phillips Drive Streambank Protection	\$166,325	June 2021
North Main St. & Chestnut Street Intersection	366,566	May 2021
Main Street Trail Crossing	137,280	June 2021
Alley & Curb Gutter Construction	8,217	June 2021
Sandusky Street Utility Improvements	463,196	June 2021
Eastmoor Drive Water Main Improvements	45,610	June 2021

B. Encumbrances

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

Governmental Funds:	
General Fund	\$487,493
1/2% Tax #2 Voted Fund	108,996
Community Development Block Grant Fund	66,382
Roads & Bridges	629,006
Capital Improvement Fund	227,289
TIF District - Coshocton Road Fund	29,745
Other Governmental Funds	140,208
Total Governmental Funds	<u>1,689,119</u>
Enterprise Funds:	
Water Fund	695,802
Sewer Fund	407,395
Total Enterprise Funds	<u>1,103,197</u>
Custodial Funds	35,720
Total	<u><u>\$2,828,036</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 15 - CONTINGENCIES

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

NOTE 16 - CONDUIT DEBT OBLIGATIONS

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

The City has issued Economic Development Revenue Refunding Bonds, Series 2016, in the amount of \$8,933,334 for the above described bonds, on September 1, 2016. All related provisions as described above remain in place and the City has no financial obligation for repayment of the bonds. As December 31, 2020, Economic Development Revenue Refunding Bonds outstanding for the Mount Vernon Nazarene University totaled \$7,104,569.

NOTE 17 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The City's primary general fund revenue source is a local 1.00% earnings tax. The calendar year 2020 total earnings tax collections were 0.78% lower than calendar year 2019 total earnings tax collections which indicates that the COVID-19 disruption had only a minimal impact on this important revenue stream. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

During 2020, the City received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Of the amounts received, \$100,000 was sub-granted to other organizations. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

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

CITY OF MOUNT VERNON, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.033942%	0.032618%	0.032940%	0.033382%
\$7,707,651	\$5,117,132	\$9,021,598	\$6,598,179
\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229
169.47%	118.72%	199.36%	142.26%
77.25%	84.66%	74.70%	82.17%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.199149%	0.204802%	0.197761%	0.201704%
\$12,613,957	\$12,569,623	\$16,142,523	\$13,587,879
\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652
301.24%	286.02%	368.54%	289.62%
68.36%	70.91%	63.07%	69.89%

CITY OF MOUNT VERNON, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

CITY OF MOUNT VERNON, OHIO

2016	2017	2018	2019	2020
\$545,775	\$560,334	\$633,527	\$649,352	\$640,376
545,775	560,334	633,527	649,352	640,376
\$0	\$0	\$0	\$0	\$0
\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229	\$4,574,114
12.00%	13.00%	14.00%	14.00%	14.00%

2016	2017	2018	2019	2020
\$905,295	\$944,416	\$946,995	\$1,013,866	\$1,069,105
905,295	944,416	946,995	1,013,866	1,069,105
\$0	\$0	\$0	\$0	\$0
\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652	\$4,958,743
21.62%	21.49%	21.62%	21.61%	21.56%



CITY OF MOUNT VERNON, OHIO

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

Ohio Public Employees Retirement System

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability	0.036070%	0.034640%	0.034724%	0.035036%
City's proportionate share of the net OPEB liability	\$3,643,193	\$3,761,649	\$4,527,189	\$4,839,382
City's covered payroll	\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	80.10%	87.27%	100.04%	104.34%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%	47.80%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability	0.199149%	0.204802%	0.197761%	0.2017043%
City's proportionate share of the net OPEB liability	\$9,453,155	\$11,603,795	\$1,800,917	\$1,992,381
City's covered payroll	\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	225.76%	264.04%	41.12%	42.47%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%	47.08%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

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

CITY OF MOUNT VERNON, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

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

CITY OF MOUNT VERNON, OHIO

2016	2017	2018	2019	2020
\$90,963	\$43,100	\$0	\$0	\$0
90,963	43,100	0	0	0
\$0	\$0	\$0	\$0	\$0
\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229	\$4,574,114
2.00%	1.00%	0.00%	0.00%	0.00%

2016	2017	2018	2019	2020
\$20,969	\$21,976	\$21,902	\$23,453	\$24,789
20,969	21,976	21,902	23,453	24,789
\$0	\$0	\$0	\$0	\$0
\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652	\$4,958,743
0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

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

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

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

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

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

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY (Continued)

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

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

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

2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2020.

Changes in assumptions:

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

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

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

2020: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

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

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

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Permissive Auto License Tax Fund

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

Cemetery Fund

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

Park Development Fund

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

Parking Fund

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

Law Enforcement Trust Fund

To account for the proceeds from the confiscation of contraband.

Drug Enforcement Trust Fund

To account for mandatory fines collected for drug offenses.

Permissive License Registration Fund

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

Indigent Drivers Alcohol Treatment Fund

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

(Continued)

Special Revenue Funds (Continued)

DUI - Enforcement and Education Fund

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

Court Computerization Fund

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

Probation Services Fund

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

Municipal Court Special Projects Fund

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

Federal Emergency Management Agency Fund

To account for Federal revenue used for financial assistance for disaster relief. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Court Clerk Computer Fund

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

Lodging Excise Tax Fund

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

Driver's Interlock and Alcohol Monitoring Fund

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

Public Service Street Repair Fund

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

Hiawatha Water Park Scholarship Fund

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

Available Petition Fund

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

(Continued)

Special Revenue Funds (Continued)

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency.

Police Pension Fund

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

Fire Pension Fund

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

Mausoleum Fund

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

Insurance Fund

To account for insurance funds on deposit to insure the clean-up of damaged property. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year.)

Bonds and Inspection Fee Fund

To account for funds on deposit as required by City ordinance for subdivision construction. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year.)

Veterans Honor Walkway Fund

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

Debt Service Fund

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

General Bond Retirement-Income Tax Fund

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

(Continued)

Capital Projects Funds

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

TIF District-Industrial Area Fund

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

TIF District-Sandusky Street Corridor Fund

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

Permanent Fund

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

Perpetual Care Fund

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

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 1,607,146	\$ 12,139	\$ 23,605	\$ 0	\$ 1,642,890
Receivables:					
Taxes	277,244	0	166,085	0	443,329
Intergovernmental	455,460	0	0	0	455,460
Inventory of Supplies	102,640	0	0	0	102,640
Prepaid Items	42,909	0	0	0	42,909
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	513,498	513,498
Cash and Cash Equivalents with Fiscal Agent	46,721	0	0	0	46,721
Total Assets	\$ 2,532,120	\$ 12,139	\$ 189,690	\$ 513,498	\$ 3,247,447
Liabilities:					
Accounts Payable	\$ 107,101	\$ 0	\$ 0	\$ 0	\$ 107,101
Accrued Wages and Benefits Payable	34,724	0	0	0	34,724
Contracts Payable	4,782	0	0	0	4,782
Due to Others	36,371	0	0	0	36,371
Total Liabilities	182,978	0	0	0	182,978
Deferred Inflows of Resources:					
Deferred Inflow-Property Tax	157,600	0	166,085	0	323,685
Unavailable Revenue	404,896	0	0	0	404,896
Total Deferred Inflows of Resources	562,496	0	166,085	0	728,581
Fund Balances:					
Nonspendable	145,549	0	0	513,498	659,047
Restricted	1,583,138	12,139	23,605	0	1,618,882
Committed	57,959	0	0	0	57,959
Total Fund Balances	1,786,646	12,139	23,605	513,498	2,335,888
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,532,120	\$ 12,139	\$ 189,690	\$ 513,498	\$ 3,247,447

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 800,636	\$ 144,482	\$ 165,164	\$ 0	\$ 1,110,282
Intergovernmental Revenues	2,549,751	0	0	0	2,549,751
Charges for Services	82,622	0	0	0	82,622
Licenses and Permits	7,471	0	0	0	7,471
Investment Earnings	2,473	0	0	0	2,473
Fines and Forfeitures	148,477	0	0	0	148,477
All Other Revenue	61,403	0	0	19,460	80,863
Total Revenue	3,652,833	144,482	165,164	19,460	3,981,939
Expenditures:					
Current:					
Security of Persons and Property	1,047,884	0	0	0	1,047,884
Public Health and Welfare Services	379,779	0	0	0	379,779
Leisure Time Activities	705	0	0	0	705
Transportation	1,078,848	0	2,803	0	1,081,651
General Government	1,717,549	0	0	0	1,717,549
Debt Service:					
Principal Retirement	0	117,500	0	0	117,500
Interest and Fiscal Charges	0	26,878	0	0	26,878
Total Expenditures	4,224,765	144,378	2,803	0	4,371,946
Excess (Deficiency) of Revenues					
Over Expenditures	(571,932)	104	162,361	19,460	(390,007)
Other Financing Sources (Uses):					
Sale of Capital Assets	837	0	0	0	837
Transfers In	755,750	0	0	0	755,750
Transfers Out	0	0	(151,465)	0	(151,465)
Total Other Financing Sources (Uses)	756,587	0	(151,465)	0	605,122
Net Change in Fund Balances	184,655	104	10,896	19,460	215,115
Fund Balances at Beginning of Year	1,606,513	12,035	12,709	494,038	2,125,295
Increase (Decrease) in Inventory Reserve	(4,522)	0	0	0	(4,522)
Fund Balances End of Year	\$ 1,786,646	\$ 12,139	\$ 23,605	\$ 513,498	\$ 2,335,888

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Assets:				
Cash and Cash Equivalents	\$ 326,343	\$ 42,349	\$ 64,268	\$ 40,920
Receivables:				
Taxes	26,862	0	0	35,816
Intergovernmental	394,483	31,985	0	0
Inventory of Supplies	102,048	0	0	592
Prepaid Items	4,696	0	0	1,133
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	46,721	0
Total Assets	\$ 854,432	\$ 74,334	\$ 110,989	\$ 78,461
Liabilities:				
Accounts Payable	\$ 14,525	\$ 241	\$ 0	\$ 4,071
Accrued Wages and Benefits Payable	9,215	0	0	4,784
Contracts Payable	637	337	0	96
Due to Others	0	0	0	0
Total Liabilities	24,377	578	0	8,951
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	273,056	21,394	46,721	12,261
Total Deferred Inflows of Resources	273,056	21,394	46,721	12,261
Fund Balances:				
Nonspendable	106,744	0	0	1,725
Restricted	450,255	52,362	64,268	55,524
Committed	0	0	0	0
Total Fund Balances	556,999	52,362	64,268	57,249
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 854,432	\$ 74,334	\$ 110,989	\$ 78,461

CITY OF MOUNT VERNON, OHIO

Park Development	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment
\$ 24,283	\$ 3,116	\$ 13,785	\$ 71,125	\$ 53,762	\$ 50,765
0	0	0	0	0	0
0	0	0	0	16,012	0
0	0	0	0	0	0
0	0	0	0	51	0
0	0	0	0	0	0
<u>\$ 24,283</u>	<u>\$ 3,116</u>	<u>\$ 13,785</u>	<u>\$ 71,125</u>	<u>\$ 69,825</u>	<u>\$ 50,765</u>
\$ 0	\$ 572	\$ 0	\$ 0	\$ 1,964	\$ 108
0	0	0	0	0	0
0	0	0	0	717	0
0	0	0	0	0	0
<u>0</u>	<u>572</u>	<u>0</u>	<u>0</u>	<u>2,681</u>	<u>108</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	51	0
24,283	0	13,785	71,125	67,093	50,657
0	2,544	0	0	0	0
<u>24,283</u>	<u>2,544</u>	<u>13,785</u>	<u>71,125</u>	<u>67,144</u>	<u>50,657</u>
<u>\$ 24,283</u>	<u>\$ 3,116</u>	<u>\$ 13,785</u>	<u>\$ 71,125</u>	<u>\$ 69,825</u>	<u>\$ 50,765</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	DUI Enforcement and Education	Court Computerization	Probation Services	Municipal Court Special Projects
Assets:				
Cash and Cash Equivalents	\$ 43,073	\$ 2,990	\$ 134,116	\$ 109,689
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	1,052	0	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 43,073	\$ 4,042	\$ 134,116	\$ 109,689
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 387	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Contracts Payable	0	0	0	0
Due to Others	0	0	0	0
Total Liabilities	0	0	387	0
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	1,052	0	0
Restricted	43,073	2,990	133,729	109,689
Committed	0	0	0	0
Total Fund Balances	43,073	4,042	133,729	109,689
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 43,073	\$ 4,042	\$ 134,116	\$ 109,689

CITY OF MOUNT VERNON, OHIO

Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair	Hiawatha Water Park Scholarship	Available Petition
\$ 57,364	\$ 0	\$ 158,406	\$ 1,121	\$ 4,438	\$ 63,878
0	3,524	0	0	0	352
0	0	210	0	0	0
0	0	0	0	0	0
35,977	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 93,341</u>	<u>\$ 3,524</u>	<u>\$ 158,616</u>	<u>\$ 1,121</u>	<u>\$ 4,438</u>	<u>\$ 64,230</u>
\$ 0	\$ 529	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	2,995	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>3,524</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
35,977	0	0	0	0	0
57,364	0	158,616	0	0	64,230
0	0	0	1,121	4,438	0
<u>93,341</u>	<u>0</u>	<u>158,616</u>	<u>1,121</u>	<u>4,438</u>	<u>64,230</u>
<u>\$ 93,341</u>	<u>\$ 3,524</u>	<u>\$ 158,616</u>	<u>\$ 1,121</u>	<u>\$ 4,438</u>	<u>\$ 64,230</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Coronavirus Relief	Police Pension	Fire Pension	Mausoleum
Assets:				
Cash and Cash Equivalents	\$ 38	\$ 78,637	\$ 155,191	\$ 2,262
Receivables:				
Taxes	0	105,345	105,345	0
Intergovernmental	0	7,694	5,076	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 38	\$ 191,676	\$ 265,612	\$ 2,262
Liabilities:				
Accounts Payable	\$ 38	\$ 30,065	\$ 54,601	\$ 0
Accrued Wages and Benefits Payable	0	7,576	13,149	0
Contracts Payable	0	0	0	0
Due to Others	0	0	0	0
Total Liabilities	38	37,641	67,750	0
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	78,800	78,800	0
Unavailable Revenue	0	25,732	25,732	0
Total Deferred Inflows of Resources	0	104,532	104,532	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	49,503	93,330	2,262
Committed	0	0	0	0
Total Fund Balances	0	49,503	93,330	2,262
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 38	\$ 191,676	\$ 265,612	\$ 2,262

CITY OF MOUNT VERNON, OHIO

<u>Insurance</u>	<u>Bonds and Inspection Fee</u>	<u>Veterans Honor Walkway</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 30,720	\$ 5,651	\$ 68,856	\$ 1,607,146
0	0	0	277,244
0	0	0	455,460
0	0	0	102,640
0	0	0	42,909
0	0	0	46,721
<u>\$ 30,720</u>	<u>\$ 5,651</u>	<u>\$ 68,856</u>	<u>\$ 2,532,120</u>
\$ 0	\$ 0	\$ 0	\$ 107,101
0	0	0	34,724
0	0	0	4,782
30,720	5,651	0	36,371
<u>30,720</u>	<u>5,651</u>	<u>0</u>	<u>182,978</u>
0	0	0	157,600
0	0	0	404,896
<u>0</u>	<u>0</u>	<u>0</u>	<u>562,496</u>
0	0	0	145,549
0	0	19,000	1,583,138
0	0	49,856	57,959
<u>0</u>	<u>0</u>	<u>68,856</u>	<u>1,786,646</u>
<u>\$ 30,720</u>	<u>\$ 5,651</u>	<u>\$ 68,856</u>	<u>\$ 2,532,120</u>

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Revenues:				
Taxes	\$ 190,176	\$ 0	\$ 0	\$ 253,568
Intergovernmental Revenues	815,410	66,114	64,268	0
Charges for Services	0	0	0	78,632
Licenses and Permits	5,436	0	0	0
Investment Earnings	84	0	0	1,957
Fines and Forfeitures	0	0	0	0
All Other Revenue	37,575	0	0	15,863
Total Revenue	1,048,681	66,114	64,268	350,020
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	379,779
Leisure Time Activities	0	0	0	0
Transportation	921,464	82,299	0	0
General Government	0	0	0	0
Total Expenditures	921,464	82,299	0	379,779
Excess (Deficiency) of Revenues Over Expenditures	127,217	(16,185)	64,268	(29,759)
Other Financing Sources (Uses):				
Sale of Capital Assets	837	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	837	0	0	0
Net Change in Fund Balances	128,054	(16,185)	64,268	(29,759)
Fund Balances at Beginning of Year	433,305	68,547	0	87,170
Increase (Decrease) in Inventory Reserve	(4,360)	0	0	(162)
Fund Balances End of Year	\$ 556,999	\$ 52,362	\$ 64,268	\$ 57,249

CITY OF MOUNT VERNON, OHIO

Park Development	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	102,011	0
3,250	0	0	0	0	0
0	1,825	0	0	0	0
0	0	0	0	0	0
0	1,930	3,593	200	0	8,826
0	509	0	0	0	0
<u>3,250</u>	<u>4,264</u>	<u>3,593</u>	<u>200</u>	<u>102,011</u>	<u>8,826</u>
0	10,781	1,911	770	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	75,085	0
0	0	0	0	0	1,871
<u>0</u>	<u>10,781</u>	<u>1,911</u>	<u>770</u>	<u>75,085</u>	<u>1,871</u>
3,250	(6,517)	1,682	(570)	26,926	6,955
0	0	0	0	0	0
3,250	7,500	0	0	0	0
<u>3,250</u>	<u>7,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6,500	983	1,682	(570)	26,926	6,955
17,783	1,561	12,103	71,695	40,218	43,702
0	0	0	0	0	0
<u>\$ 24,283</u>	<u>\$ 2,544</u>	<u>\$ 13,785</u>	<u>\$ 71,125</u>	<u>\$ 67,144</u>	<u>\$ 50,657</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	DUI Enforcement and Education	Court Computerization	Probation Services	Municipal Court Special Projects
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	86	13,728	42,103	20,139
All Other Revenue	0	0	4,634	0
Total Revenue	86	13,728	46,737	20,139
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	0	18,255	35,070	0
Total Expenditures	0	18,255	35,070	0
Excess (Deficiency) of Revenues Over Expenditures	86	(4,527)	11,667	20,139
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	86	(4,527)	11,667	20,139
Fund Balances at Beginning of Year	42,987	8,569	122,062	89,550
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 43,073	\$ 4,042	\$ 133,729	\$ 109,689

CITY OF MOUNT VERNON, OHIO

FEMA	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair	Hiawatha Water Park Scholarship
\$ 0	\$ 0	\$ 73,970	\$ 0	\$ 0	\$ 0
149,772	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	210	0
0	0	0	0	0	0
0	46,192	0	11,680	0	0
0	0	0	0	0	0
<u>149,772</u>	<u>46,192</u>	<u>73,970</u>	<u>11,680</u>	<u>210</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
149,772	79,015	74,470	713	0	0
<u>149,772</u>	<u>79,015</u>	<u>74,470</u>	<u>713</u>	<u>0</u>	<u>0</u>
0	(32,823)	(500)	10,967	210	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	(32,823)	(500)	10,967	210	0
0	126,164	500	147,649	911	4,438
0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 93,341</u>	<u>\$ 0</u>	<u>\$ 158,616</u>	<u>\$ 1,121</u>	<u>\$ 4,438</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Available Petition	Coronavirus Relief	Police Pension	Fire Pension
Revenues:				
Taxes	\$ 7,396	\$ 0	\$ 137,763	\$ 137,763
Intergovernmental Revenues	0	1,333,501	9,313	9,362
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	154	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	155	0	2,667	0
Total Revenue	<u>7,551</u>	<u>1,333,655</u>	<u>149,743</u>	<u>147,125</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	374,593	659,829
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	21,656	1,333,655	1,536	1,536
Total Expenditures	<u>21,656</u>	<u>1,333,655</u>	<u>376,129</u>	<u>661,365</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,105)	0	(226,386)	(514,240)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	245,000	500,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>245,000</u>	<u>500,000</u>
Net Change in Fund Balances	(14,105)	0	18,614	(14,240)
Fund Balances at Beginning of Year	78,335	0	30,889	107,570
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balances End of Year	<u>\$ 64,230</u>	<u>\$ 0</u>	<u>\$ 49,503</u>	<u>\$ 93,330</u>

CITY OF MOUNT VERNON, OHIO

Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 800,636
0	0	2,549,751
390	350	82,622
0	0	7,471
7	271	2,473
0	0	148,477
0	0	61,403
<u>397</u>	<u>621</u>	<u>3,652,833</u>
0	0	1,047,884
0	0	379,779
0	705	705
0	0	1,078,848
0	0	1,717,549
<u>0</u>	<u>705</u>	<u>4,224,765</u>
397	(84)	(571,932)
0	0	837
0	0	755,750
<u>0</u>	<u>0</u>	<u>756,587</u>
397	(84)	184,655
1,865	68,940	1,606,513
0	0	(4,522)
<u>\$ 2,262</u>	<u>\$ 68,856</u>	<u>\$ 1,786,646</u>

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020**

	TIF District- Industrial Area	TIF District- Sandusky Street Corridor	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 207	\$ 23,398	\$ 23,605
Receivables:			
Taxes	154,085	12,000	166,085
Total Assets	<u>\$ 154,292</u>	<u>\$ 35,398</u>	<u>\$ 189,690</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Deferred Inflows-Property Tax	154,085	12,000	166,085
Total Deferred Inflows of Resources	<u>154,085</u>	<u>12,000</u>	<u>166,085</u>
Fund Balances:			
Restricted	207	23,398	23,605
Total Fund Balances	<u>207</u>	<u>23,398</u>	<u>23,605</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 154,292</u>	<u>\$ 35,398</u>	<u>\$ 189,690</u>

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020**

	TIF District- Industrial Area	TIF District- Sandusky Street Corridor	Total Nonmajor Capital Project Funds
Revenues:			
Taxes	\$ 154,086	\$ 11,078	\$ 165,164
Total Revenue	<u>154,086</u>	<u>11,078</u>	<u>165,164</u>
Expenditures:			
Current:			
Transportation	2,493	310	2,803
Total Expenditures	<u>2,493</u>	<u>310</u>	<u>2,803</u>
Excess (Deficiency) of Revenues Over Expenditures	151,593	10,768	162,361
Other Financing Sources (Uses):			
Transfers Out	(151,465)	0	(151,465)
Total Other Financing Sources (Uses)	<u>(151,465)</u>	<u>0</u>	<u>(151,465)</u>
Net Change in Fund Balances	128	10,768	10,896
Fund Balances at Beginning of Year	<u>79</u>	<u>12,630</u>	<u>12,709</u>
Fund Balances End of Year	<u>\$ 207</u>	<u>\$ 23,398</u>	<u>\$ 23,605</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 595,300	\$ 595,300	\$ 644,124	\$ 48,824
Municipal Income Tax	4,171,560	4,171,560	3,567,336	(604,224)
Other Local Taxes	6,500	6,500	4,503	(1,997)
Total Tax Revenues	<u>4,773,360</u>	<u>4,773,360</u>	<u>4,215,963</u>	<u>(557,397)</u>
Intergovernmental Revenues:				
State Levied Shared Taxes	362,694	362,694	364,679	1,985
Intergovernmental Revenues	175,800	623,502	674,907	51,405
Total Intergovernmental Revenues	<u>538,494</u>	<u>986,196</u>	<u>1,039,586</u>	<u>53,390</u>
Charges for Services	1,948,000	1,948,000	1,693,370	(254,630)
Licenses and Permits	18,000	18,000	30,993	12,993
Investment Earnings	350,000	350,000	149,571	(200,429)
Fines and Forfeitures	559,681	559,681	523,128	(36,553)
All Other Revenues	124,000	129,555	862,746	733,191
Total Revenues	<u>8,311,535</u>	<u>8,764,792</u>	<u>8,515,357</u>	<u>(249,435)</u>
Expenditures:				
Security of Persons and Property:				
Police Division:				
Travel and Transportation	3,114	3,114	3,114	0
Materials and Supplies	1,686	3,186	0	3,186
Contractual Services	6,000	6,000	6,000	0
Total Police Division	<u>10,800</u>	<u>12,300</u>	<u>9,114</u>	<u>3,186</u>
Fire and E.M.S. Division:				
Travel and Transportation	11,827	11,827	11,175	652
Total Fire and E.M.S. Division	<u>11,827</u>	<u>11,827</u>	<u>11,175</u>	<u>652</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	21,500	23,080	14,965	8,115
Contractual Services	215,000	236,555	227,992	8,563
Public Defender:				
Contractual Services	500	45,500	197	45,303
Debt Services:				
Principal Retirement	14,800	14,800	14,707	93
Interest and Fiscal Charges	13,200	13,200	13,167	33
Total Miscellaneous	<u>265,000</u>	<u>333,135</u>	<u>271,028</u>	<u>62,107</u>
Total Security of Persons and Property	<u>287,627</u>	<u>357,262</u>	<u>291,317</u>	<u>65,945</u>
Public Health and Welfare Services:				
Humane Officer:				
Travel and Transportation	5,800	7,783	7,783	0
Contractual Services	23,000	37,473	33,984	3,489
Total Humane Officer	<u>28,800</u>	<u>45,256</u>	<u>41,767</u>	<u>3,489</u>
Health Department:				
Contractual Services	56,650	56,650	56,650	0
Total Public Health and Welfare Services	<u>85,450</u>	<u>101,906</u>	<u>98,417</u>	<u>3,489</u>
Leisure Time Activities:				
Parks:				
Personal Services	295,200	298,050	273,984	24,066
Travel and Transportation	500	200	191	9
Materials and Supplies	14,500	14,992	9,785	5,207
Contractual Services	180,500	210,920	104,519	106,401
Capital Outlay	15,000	15,000	4,800	10,200
Total Parks	<u>505,700</u>	<u>539,162</u>	<u>393,279</u>	<u>145,883</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Recreation:				
Personal Services	15,250	15,068	1,986	13,082
Materials and Supplies	4,897	4,977	4,461	516
Contractual Services	8,952	9,134	9,134	0
Total Recreation	29,099	29,179	15,581	13,598
Pool:				
Personal Services	213,180	177,549	352	177,197
Travel and Transportation	2,500	2,500	600	1,900
Materials and Supplies	105,750	101,955	14,400	87,555
Contractual Services	81,000	129,750	97,988	31,762
Capital Outlay	12,500	0	0	0
Total Pool	414,930	411,754	113,340	298,414
Total Leisure Time Activities	949,729	980,095	522,200	457,895
Community Environment:				
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:				
Materials and Supplies	27,000	27,098	26,380	718
Contractual Services	27,590	30,090	5,230	24,860
Total Community Environment	54,590	57,188	31,610	25,578
Transportation:				
Miscellaneous:				
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:				
Materials and Supplies	34,500	35,564	34,795	769
Contractual Services	10,000	9,250	7,108	2,142
Total Transportation	44,500	44,814	41,903	2,911
General Government:				
Council:				
Personal Services	67,024	67,024	67,024	0
Travel and Transportation	1,500	1,500	1,145	355
Materials and Supplies	2,000	2,108	858	1,250
Total Council	70,524	70,632	69,027	1,605

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	120,057	122,057	122,025	32
Travel and Transportation	500	534	134	400
Materials and Supplies	3,750	5,494	4,450	1,044
Contractual Services	250	291	0	291
Total Mayor	<u>124,557</u>	<u>128,376</u>	<u>126,609</u>	<u>1,767</u>
Auditor:				
Personal Services	303,398	318,398	297,347	21,051
Travel and Transportation	500	500	0	500
Materials and Supplies	110,800	122,095	108,904	13,191
Contractual Services	24,250	24,250	20,047	4,203
Total Auditor	<u>438,948</u>	<u>465,243</u>	<u>426,298</u>	<u>38,945</u>
Treasurer:				
Personal Services	8,888	8,888	8,888	0
Materials and Supplies	300	300	50	250
Total Treasurer	<u>9,188</u>	<u>9,188</u>	<u>8,938</u>	<u>250</u>
Law Director:				
Personal Services	412,262	460,937	391,483	69,454
Travel and Transportation	2,000	2,000	319	1,681
Materials and Supplies	13,800	15,929	11,878	4,051
Contractual Services	8,000	15,535	11,280	4,255
Total Law Director	<u>436,062</u>	<u>494,401</u>	<u>414,960</u>	<u>79,441</u>
Income Tax:				
Personal Services	157,195	160,395	160,172	223
Travel and Transportation	1,200	700	51	649
Materials and Supplies	22,500	25,413	20,831	4,582
Contractual Services	172,000	218,544	209,325	9,219
Capital Outlay	5,000	10,200	10,199	1
Total Income Tax	<u>357,895</u>	<u>415,252</u>	<u>400,578</u>	<u>14,674</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	819,478	872,478	835,029	37,449
Travel and Transportation	13,000	13,150	3,014	10,136
Materials and Supplies	73,478	83,599	47,797	35,802
Contractual Services	140,348	152,611	112,441	40,170
Total Municipal Court	1,046,304	1,121,838	998,281	123,557
Civil Services:				
Personal Services	10,850	11,616	11,616	0
Materials and Supplies	31,600	30,998	21,756	9,242
Total Civil Services	42,450	42,614	33,372	9,242
Safety Service:				
Personal Services	176,228	181,051	181,000	51
Travel and Transportation	1,000	570	490	80
Materials and Supplies	8,800	9,646	7,925	1,721
Contractual Services	82,500	112,916	101,727	11,189
Total Safety Service	268,528	304,183	291,142	13,041
Engineering:				
Personal Services	371,891	396,691	394,964	1,727
Travel and Transportation	2,500	2,946	1,499	1,447
Materials and Supplies	17,500	18,921	17,470	1,451
Contractual Services	1,041,397	1,158,307	782,161	376,146
Capital Outlay	25,000	23,085	10,401	12,684
Total Engineering	1,458,288	1,599,950	1,206,495	393,455
Public Land and Buildings:				
Personal Services	82,700	83,100	75,530	7,570
Travel and Transportation	500	500	102	398
Materials and Supplies	37,750	59,819	52,992	6,827
Contractual Services	488,250	668,914	451,156	217,758
Total Public Land and Buildings	609,200	812,333	579,780	232,553

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	22,000	4,018	17,982
Materials and Supplies	0	267,384	185,565	81,819
Total Summer Work Program	0	289,384	189,583	99,801
Miscellaneous:				
Personal Services	2,085,500	1,949,522	1,030,064	919,458
Materials and Supplies	7,500	7,890	4,575	3,315
Contractual Services	1,841,845	1,857,683	348,498	1,509,185
Total Miscellaneous	3,934,845	3,815,095	1,383,137	2,431,958
Total General Government	8,796,789	9,568,489	6,128,200	3,440,289
Total Expenditures	10,218,685	11,109,754	7,113,647	3,996,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,907,150)	(2,344,962)	1,401,710	3,746,672
Other Financing Sources (Uses):				
Transfers Out	(288,500)	(284,750)	(260,644)	24,106
Total Other Financing Sources (Uses)	(288,500)	(284,750)	(260,644)	24,106
Net Change in Fund Balance	(2,195,650)	(2,629,712)	1,141,066	3,770,778
Fund Balance at Beginning of Year	2,729,965	2,729,965	2,729,965	0
Prior Year Encumbrances	423,964	423,964	423,964	0
Fund Balance at End of Year	\$ 958,279	\$ 524,217	\$ 4,294,995	\$ 3,770,778

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Municipal Income Tax #1 ½% (Voted) Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,185,225	\$ 4,185,225	\$ 3,386,250	\$ (798,975)
All Other Revenues	0	0	15,818	15,818
Total Revenues	<u>4,185,225</u>	<u>4,185,225</u>	<u>3,402,068</u>	<u>(783,157)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	4,958,300	4,958,297	3,746,514	1,211,783
Contractual Services	187	190	190	0
Total Expenditures	<u>4,958,487</u>	<u>4,958,487</u>	<u>3,746,704</u>	<u>1,211,783</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(773,262)	(773,262)	(344,636)	428,626
Fund Balance at Beginning of Year	<u>773,262</u>	<u>773,262</u>	<u>773,262</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 428,626</u>	<u>\$ 428,626</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Municipal Income Tax #2 ½% (Voted) Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,185,225	\$ 4,185,225	\$ 3,386,250	\$ (798,975)
Intergovernmental Revenues	0	50,486	54,223	3,737
Charges for Services	13,000	13,000	5,110	(7,890)
All Other Revenues	0	0	242,106	242,106
Total Revenues	<u>4,198,225</u>	<u>4,248,711</u>	<u>3,687,689</u>	<u>(561,022)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	3,377,150	3,408,079	2,826,389	581,690
Materials and Supplies	285,750	319,178	218,927	100,251
Contractual Services	879,313	1,051,878	611,849	440,029
Capital Outlay	30,000	33,026	30,464	2,562
Total Expenditures	<u>4,572,213</u>	<u>4,812,161</u>	<u>3,687,629</u>	<u>1,124,532</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(373,988)	(563,450)	60	563,510
Other Financing Sources (Uses):				
Transfers Out	(850,000)	(850,000)	(745,000)	105,000
Total Other Financing Sources (Uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(745,000)</u>	<u>105,000</u>
Net Change in Fund Balance	(1,223,988)	(1,413,450)	(744,940)	668,510
Fund Balance at Beginning of Year	1,683,516	1,683,516	1,683,516	0
Prior Year Encumbrances	164,460	164,460	164,460	0
Fund Balance at End of Year	<u>\$ 623,988</u>	<u>\$ 434,526</u>	<u>\$ 1,103,036</u>	<u>\$ 668,510</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Community Development Block Grant Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,116,661	\$ 1,116,661	\$ 888,164	\$ (228,497)
Investment Earnings	0	0	21	21
All Other Revenues	0	0	17,720	17,720
Total Revenues	<u>1,116,661</u>	<u>1,116,661</u>	<u>905,905</u>	<u>(210,756)</u>
Expenditures:				
Community Environment	1,125,540	1,229,634	966,949	262,685
Total Expenditures	<u>1,125,540</u>	<u>1,229,634</u>	<u>966,949</u>	<u>262,685</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,879)	(112,973)	(61,044)	51,929
Fund Balance at Beginning of Year	8,878	8,878	8,878	0
Prior Year Encumbrances	104,095	104,095	104,095	0
Fund Balance at End of Year	<u>\$ 104,094</u>	<u>\$ 0</u>	<u>\$ 51,929</u>	<u>\$ 51,929</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – General Bond Retirement Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	648,800	662,766	662,766	0
Interest and Fiscal Charges	171,217	170,541	170,257	284
Total Expenditures	820,017	833,307	833,023	284
Excess (Deficiency) of Revenues Over (Under) Expenditures	(820,017)	(833,307)	(833,023)	284
Other Financing Sources (Uses):				
Transfers In	820,017	833,307	833,023	(284)
Total Other Financing Sources (Uses)	820,017	833,307	833,023	(284)
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund Capital Improvement Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 1,560,000	\$ 1,560,000	\$ 1,243,402	\$ (316,598)
Intergovernmental Revenues	628,574	641,599	559,576	(82,023)
Total Revenues	2,188,574	2,201,599	1,802,978	(398,621)
Expenditures:				
Public Health and Welfare:				
Capital Outlay	75,000	75,000	42,889	32,111
Total Public Health and Welfare	75,000	75,000	42,889	32,111
Leisure Time Activities:				
Parks:				
Capital Outlay	150,000	255,000	66,993	188,007
Total Leisure Time Activities	150,000	255,000	66,993	188,007
Transportation:				
Street:				
Capital Outlay	1,459,568	1,501,796	1,004,504	497,292
Total Transportation	1,459,568	1,501,796	1,004,504	497,292
General Government:				
Mayor:				
Capital Outlay	20,000	50,000	38,095	11,905
Auditor:				
Contractual Services	100	100	74	26
Capital Outlay	145,500	115,500	5,496	110,004
Safety - Service:				
Capital Outlay	30,000	36,800	9,619	27,181
Engineering:				
Capital Outlay	45,500	75,211	15,300	59,911
Public Lands and Buildings:				
Capital Outlay	1,720,500	1,724,524	202,981	1,521,543
Municipal Court:				
Capital Outlay	15,000	15,000	8,335	6,665
Total General Government	1,976,600	2,017,135	279,900	1,737,235
Total Expenditures	3,661,168	3,848,931	1,394,286	2,454,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,472,594)	(1,647,332)	408,692	2,056,024
Fund Balance at Beginning of Year	1,994,706	1,994,706	1,994,706	0
Prior Year Encumbrances	174,738	174,738	174,738	0
Fund Balance at End of Year	\$ 696,850	\$ 522,112	\$ 2,578,136	\$ 2,056,024

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – TIF District-Coshocton Road Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,475,000	\$ 1,475,000	\$ 1,359,690	\$ (115,310)
All Other Revenues	0	0	12,200	12,200
Total Revenues	<u>1,475,000</u>	<u>1,475,000</u>	<u>1,371,890</u>	<u>(103,110)</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	465,000	465,000	392,831	72,169
Capital Outlay	4,665,600	4,712,032	884,517	3,827,515
Total Expenditures	<u>5,130,600</u>	<u>5,177,032</u>	<u>1,277,348</u>	<u>3,899,684</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,655,600)	(3,702,032)	94,542	3,796,574
Other Financing Sources (Uses):				
Transfers Out	(207,000)	(207,000)	(205,044)	1,956
Total Other Financing Sources (Uses)	<u>(207,000)</u>	<u>(207,000)</u>	<u>(205,044)</u>	<u>1,956</u>
Net Change in Fund Balance	(3,862,600)	(3,909,032)	(110,502)	3,798,530
Fund Balance at Beginning of Year	4,162,600	4,162,600	4,162,600	0
Prior Year Encumbrances	46,433	46,433	46,433	0
Fund Balance at End of Year	<u>\$ 346,433</u>	<u>\$ 300,001</u>	<u>\$ 4,098,531</u>	<u>\$ 3,798,530</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Roads and Bridges Capital Improvement Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,560,000	\$ 1,560,000	\$ 1,243,402	\$ (316,598)
Intergovernmental Revenues	647,243	2,416,327	620,300	(1,796,027)
Investment Earnings	0	0	3,336	3,336
All Other Revenues	0	0	110	110
Total Revenues	<u>2,207,243</u>	<u>3,976,327</u>	<u>1,867,148</u>	<u>(2,109,179)</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	50	100	74	26
Capital Outlay	3,546,497	5,322,096	2,702,078	2,620,018
Total Expenditures	<u>3,546,547</u>	<u>5,322,196</u>	<u>2,702,152</u>	<u>2,620,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,339,304)	(1,345,869)	(835,004)	510,865
Other Financing Sources (Uses):				
Transfers Out	(213,000)	(226,966)	(226,620)	346
Total Other Financing Sources (Uses)	<u>(213,000)</u>	<u>(226,966)</u>	<u>(226,620)</u>	<u>346</u>
Fund Balance at Beginning of Year	1,552,493	1,552,493	1,552,493	0
Prior Year Encumbrances	20,530	20,530	20,530	0
Fund Balance at End of Year	<u>\$ 20,719</u>	<u>\$ 188</u>	<u>\$ 511,399</u>	<u>\$ 511,211</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 239,978	\$ 239,978	\$ 191,293	\$ (48,685)
Intergovernmental Revenues	800,744	800,744	828,169	27,425
Licenses and Permits	1,500	1,500	5,436	3,936
Investment Earnings	0	0	84	84
All Other Revenues	0	0	37,575	37,575
Total Revenues	1,042,222	1,042,222	1,062,557	20,335
Expenditures:				
Transportation:				
Personal Services	871,400	908,424	827,565	80,859
Travel and Transportation	1,500	1,500	530	970
Materials and Supplies	205,272	184,603	101,929	82,674
Contractual Services	74,050	82,016	63,559	18,457
Capital Outlay	15,000	14,460	2,399	12,061
Total Expenditures	1,167,222	1,191,003	995,982	195,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,000)	(148,781)	66,575	215,356
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	837	837
Total Other Financing Sources (Uses)	0	0	837	837
Net Change in Fund Balance	(125,000)	(148,781)	67,412	216,193
Fund Balance at Beginning of Year	200,548	200,548	200,548	0
Prior Year Encumbrances	23,781	23,781	23,781	0
Fund Balance at End of Year	\$ 99,329	\$ 75,548	\$ 291,741	\$ 216,193

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 75,650	\$ 75,650	\$ 67,149	\$ (8,501)
Total Revenues	<u>75,650</u>	<u>75,650</u>	<u>67,149</u>	<u>(8,501)</u>
Expenditures:				
Transportation:				
Capital Outlay	115,650	119,146	88,345	30,801
Total Expenditures	<u>115,650</u>	<u>119,146</u>	<u>88,345</u>	<u>30,801</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,000)	(43,496)	(21,196)	22,300
Fund Balance at Beginning of Year	56,539	56,539	56,539	0
Prior Year Encumbrances	3,496	3,496	3,496	0
Fund Balance at End of Year	<u>\$ 20,035</u>	<u>\$ 16,539</u>	<u>\$ 38,839</u>	<u>\$ 22,300</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

PERMISSIVE AUTO LICENSE TAX				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 75,000	\$ 75,000	\$ 64,268	\$ (10,732)
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>64,268</u>	<u>(10,732)</u>
Expenditures:				
Transportation:				
Capital Outlay	75,000	75,000	0	75,000
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	64,268	64,268
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,268</u>	<u>\$ 64,268</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

CEMETERY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 319,970	\$ 319,970	\$ 255,057	\$ (64,913)
Charges for Services	55,000	55,000	78,632	23,632
Investment Earnings	200	200	1,957	1,757
All Other Revenues	0	0	15,863	15,863
Total Revenues	<u>375,170</u>	<u>375,170</u>	<u>351,509</u>	<u>(23,661)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	347,220	352,270	337,488	14,782
Travel and Transportation	200	200	125	75
Materials and Supplies	15,400	16,266	11,279	4,987
Contractual Services	53,600	63,675	48,235	15,440
Capital Outlay	23,580	19,580	400	19,180
Total Expenditures	<u>440,000</u>	<u>451,991</u>	<u>397,527</u>	<u>54,464</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,830)	(76,821)	(46,018)	30,803
Fund Balance at Beginning of Year	69,640	69,640	69,640	0
Prior Year Encumbrances	11,991	11,991	11,991	0
Fund Balance at End of Year	<u>\$ 16,801</u>	<u>\$ 4,810</u>	<u>\$ 35,613</u>	<u>\$ 30,803</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	PARK DEVELOPMENT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 1,000	\$ 1,000	\$ 3,250	\$ 2,250
Total Revenues	1,000	1,000	3,250	2,250
Expenditures:				
Leisure Time Activities:				
Capital Outlay	19,783	19,783	0	19,783
Total Expenditures	19,783	19,783	0	19,783
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,783)	(18,783)	3,250	22,033
Other Financing Sources (Uses):				
Transfers In	1,000	1,000	3,250	2,250
Total Other Financing Sources (Uses)	1,000	1,000	3,250	2,250
Net Change in Fund Balance	(17,783)	(17,783)	6,500	24,283
Fund Balance at Beginning of Year	17,783	17,783	17,783	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 24,283	\$ 24,283

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	PARKING			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses and Permits	\$ 0	\$ 0	\$ 1,825	\$ 1,825
Fines and Forfeitures	6,000	6,000	1,930	(4,070)
All Other Revenues	0	0	509	509
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>4,264</u>	<u>(1,736)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	16,290	17,160	5,997	11,163
Contractual Services	6,113	6,388	5,974	414
Total Expenditures	<u>22,403</u>	<u>23,548</u>	<u>11,971</u>	<u>11,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,403)	(17,548)	(7,707)	9,841
Other Financing Sources (Uses):				
Transfers In	15,000	15,000	7,500	(7,500)
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>7,500</u>	<u>(7,500)</u>
Net Change in Fund Balance	(1,403)	(2,548)	(207)	2,341
Fund Balance at Beginning of Year	1,423	1,423	1,423	0
Prior Year Encumbrances	1,145	1,145	1,145	0
Fund Balance at End of Year	<u>\$ 1,165</u>	<u>\$ 20</u>	<u>\$ 2,361</u>	<u>\$ 2,341</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 3,593	\$ 3,593	\$ 0
Total Revenues	0	3,593	3,593	0
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	1,911	1,911	0
Total Expenditures	0	1,911	1,911	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	1,682	1,682	0
Fund Balance at Beginning of Year	12,103	12,103	12,103	0
Fund Balance at End of Year	\$ 12,103	\$ 13,785	\$ 13,785	\$ 0

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 200	\$ 200	\$ 0
Total Revenues	0	200	200	0
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	770	770	0
Total Expenditures	0	770	770	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(570)	(570)	0
Fund Balance at Beginning of Year	71,695	71,695	71,695	0
Fund Balance at End of Year	\$ 71,695	\$ 71,125	\$ 71,125	\$ 0

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

PERMISSIVE LICENSE REGISTRATION

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 115,000	\$ 115,000	\$ 103,600	\$ (11,400)
Total Revenues	<u>115,000</u>	<u>115,000</u>	<u>103,600</u>	<u>(11,400)</u>
Expenditures:				
Transportation:				
Materials and Supplies	114,662	131,684	79,606	52,078
Contractual Services	16,000	17,495	13,862	3,633
Total Expenditures	<u>130,662</u>	<u>149,179</u>	<u>93,468</u>	<u>55,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,662)	(34,179)	10,132	44,311
Fund Balance at Beginning of Year	15,662	15,662	15,662	0
Prior Year Encumbrances	18,517	18,517	18,517	0
Fund Balance at End of Year	<u>\$ 18,517</u>	<u>\$ 0</u>	<u>\$ 44,311</u>	<u>\$ 44,311</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

INDIGENT DRIVERS ALCOHOL TREATMENT

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 8,854	\$ (3,146)
Total Revenues	12,000	12,000	8,854	(3,146)
Expenditures:				
General Government:				
Contractual Services	55,141	55,141	1,763	53,378
Total Expenditures	55,141	55,141	1,763	53,378
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,141)	(43,141)	7,091	50,232
Fund Balance at Beginning of Year	43,141	43,141	43,141	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 50,232	\$ 50,232

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	DUI - ENFORCEMENT AND EDUCATION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 500	\$ 500	\$ 86	\$ (414)
Total Revenues	500	500	86	(414)
Expenditures:				
General Government:				
Contractual Services	43,487	43,487	0	43,487
Total Expenditures	43,487	43,487	0	43,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,987)	(42,987)	86	43,073
Fund Balance at Beginning of Year	42,987	42,987	42,987	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 43,073	\$ 43,073

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

COURT COMPUTERIZATION

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 16,500	\$ 16,500	\$ 13,848	\$ (2,652)
Total Revenues	16,500	16,500	13,848	(2,652)
Expenditures:				
General Government:				
Contractual Services	19,776	19,816	15,347	4,469
Total Expenditures	19,776	19,816	15,347	4,469
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,276)	(3,316)	(1,499)	1,817
Fund Balance at Beginning of Year	3,276	3,276	3,276	0
Prior Year Encumbrances	40	40	40	0
Fund Balance at End of Year	\$ 40	\$ 0	\$ 1,817	\$ 1,817

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	PROBATION SERVICES			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 52,000	\$ 52,000	\$ 44,027	\$ (7,973)
All Other Revenues	0	0	4,634	4,634
Total Revenues	52,000	52,000	48,661	(3,339)
Expenditures:				
General Government:				
Personal Services	62,050	62,450	35,447	27,003
Materials and Supplies	107,020	107,020	0	107,020
Total Expenditures	169,070	169,470	35,447	134,023
Excess (Deficiency) of Revenues Over (Under) Expenditures	(117,070)	(117,470)	13,214	130,684
Fund Balance at Beginning of Year	117,070	117,070	117,070	0
Prior Year Encumbrances	400	400	400	0
Fund Balance at End of Year	\$ 400	\$ 0	\$ 130,684	\$ 130,684

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 24,000	\$ 24,000	\$ 20,455	\$ (3,545)
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>20,455</u>	<u>(3,545)</u>
Expenditures:				
General Government:				
Materials and Supplies	85,000	85,000	0	85,000
Total Expenditures	<u>85,000</u>	<u>85,000</u>	<u>0</u>	<u>85,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,000)	(61,000)	20,455	81,455
Fund Balance at Beginning of Year	87,515	87,515	87,515	0
Fund Balance at End of Year	<u>\$ 26,515</u>	<u>\$ 26,515</u>	<u>\$ 107,970</u>	<u>\$ 81,455</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

FEDERAL EMERGENCY MANAGEMENT AGENCY

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 149,772	\$ 149,772	\$ 0
Total Revenues	<u>0</u>	<u>149,772</u>	<u>149,772</u>	<u>0</u>
Expenditures:				
General Government:				
Materials and Supplies	0	149,772	149,772	0
Total Expenditures	<u>0</u>	<u>149,772</u>	<u>149,772</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

COURT CLERK COMPUTER

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 60,000	\$ 60,000	\$ 46,605	\$ (13,395)
Total Revenues	60,000	60,000	46,605	(13,395)
Expenditures:				
General Government:				
Personal Services	4,200	4,200	953	3,247
Contractual Services	141,137	143,037	79,629	63,408
Total Expenditures	145,337	147,237	80,582	66,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,337)	(87,237)	(33,977)	53,260
Fund Balance at Beginning of Year	85,337	85,337	85,337	0
Prior Year Encumbrances	1,900	1,900	1,900	0
Fund Balance at End of Year	\$ 1,900	\$ 0	\$ 53,260	\$ 53,260

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 124,000	\$ 124,000	\$ 75,881	\$ (48,119)
Total Revenues	<u>124,000</u>	<u>124,000</u>	<u>75,881</u>	<u>(48,119)</u>
Expenditures:				
General Government:				
Contractual Services	124,000	124,000	75,881	48,119
Total Expenditures	<u>124,000</u>	<u>124,000</u>	<u>75,881</u>	<u>48,119</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

DRIVERS INTERLOCK & ALCOHOL MONITORING

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 13,326	\$ 3,326
Total Revenues	10,000	10,000	13,326	3,326
Expenditures:				
General Government:				
Contractual Services	152,793	155,793	713	155,080
Total Expenditures	152,793	155,793	713	155,080
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,793)	(145,793)	12,613	158,406
Fund Balance at Beginning of Year	142,793	142,793	142,793	0
Prior Year Encumbrances	3,000	3,000	3,000	0
Fund Balance at End of Year	\$ 3,000	\$ 0	\$ 158,406	\$ 158,406

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC SERVICE STREET REPAIR				
Revenues:				
Licenses and Permits	\$ 400	\$ 400	\$ 210	\$ (190)
Total Revenues	400	400	210	(190)
Expenditures:				
General Government:				
Capital Outlay	1,311	1,311	0	1,311
Total Expenditures	1,311	1,311	0	1,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	(911)	(911)	210	1,121
Fund Balance at Beginning of Year	911	911	911	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 1,121	\$ 1,121

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

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

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	AVAILABLE PETITION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other Local Taxes	\$ 10,000	\$ 10,000	\$ 7,588	\$ (2,412)
All Other Revenues	0	0	155	155
Total Revenues	10,000	10,000	7,743	(2,257)
Expenditures:				
General Government:				
Contractual Services	86,491	87,791	21,656	66,135
Total Expenditures	86,491	87,791	21,656	66,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,491)	(77,791)	(13,913)	63,878
Fund Balance at Beginning of Year	76,491	76,491	76,491	0
Prior Year Encumbrances	1,300	1,300	1,300	0
Fund Balance at End of Year	\$ 1,300	\$ 0	\$ 63,878	\$ 63,878

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 1,333,617	\$ 1,333,501	\$ (116)
Investment Earnings	0	0	154	154
Total Revenues	0	1,333,617	1,333,655	38
Expenditures:				
General Government:				
Personal Services	0	923,344	923,344	0
Materials and Supplies	0	310,273	310,273	0
Other Expenses	0	100,000	100,000	0
Total Expenditures	0	1,333,617	1,333,617	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	38	38
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 38	\$ 38

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	POLICE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 68,500	\$ 68,500	\$ 74,371	\$ 5,871
Municipal Income Taxes	80,000	80,000	63,764	(16,236)
Intergovernmental Revenues	9,400	9,400	9,362	(38)
All Other Revenues	0	0	2,667	2,667
Total Revenues	<u>157,900</u>	<u>157,900</u>	<u>150,164</u>	<u>(7,736)</u>
Expenditures:				
Security of Persons and Property				
Personal Services	478,397	512,397	415,883	96,514
General Government:				
Contractual Services	1,800	1,800	1,536	264
Total Expenditures	<u>480,197</u>	<u>514,197</u>	<u>417,419</u>	<u>96,778</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(322,297)	(356,297)	(267,255)	89,042
Other Financing Sources (Uses):				
Transfers In	286,405	286,405	245,000	(41,405)
Total Other Financing Sources (Uses)	<u>286,405</u>	<u>286,405</u>	<u>245,000</u>	<u>(41,405)</u>
Net Change in Fund Balance	(35,892)	(69,892)	(22,255)	47,637
Fund Balance at Beginning of Year	35,892	35,892	35,892	0
Prior Year Encumbrances	34,000	34,000	34,000	0
Fund Balance at End of Year	<u>\$ 34,000</u>	<u>\$ 0</u>	<u>\$ 47,637</u>	<u>\$ 47,637</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	FIRE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 68,500	\$ 68,500	\$ 74,371	\$ 5,871
Municipal Income Taxes	80,000	80,000	63,764	(16,236)
Intergovernmental Revenues	9,400	9,400	9,362	(38)
Total Revenues	<u>157,900</u>	<u>157,900</u>	<u>147,497</u>	<u>(10,403)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	873,755	928,555	726,820	201,735
General Government:				
Contractual Services	1,800	1,800	1,536	264
Total Expenditures	<u>875,555</u>	<u>930,355</u>	<u>728,356</u>	<u>201,999</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(717,655)	(772,455)	(580,859)	191,596
Other Financing Sources (Uses):				
Transfers In	591,405	591,405	500,000	(91,405)
Total Other Financing Sources (Uses)	<u>591,405</u>	<u>591,405</u>	<u>500,000</u>	<u>(91,405)</u>
Net Change in Fund Balance	(126,250)	(181,050)	(80,859)	100,191
Fund Balance at Beginning of Year	126,250	126,250	126,250	0
Prior Year Encumbrances	54,800	54,800	54,800	0
Fund Balance at End of Year	<u>\$ 54,800</u>	<u>\$ 0</u>	<u>\$ 100,191</u>	<u>\$ 100,191</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 390	\$ 390
Investment Earnings	0	0	7	7
Total Revenues	<u>0</u>	<u>0</u>	<u>397</u>	<u>397</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	1,865	1,865	0	1,865
Total Expenditures	<u>1,865</u>	<u>1,865</u>	<u>0</u>	<u>1,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,865)	(1,865)	397	2,262
Fund Balance at Beginning of Year	1,865	1,865	1,865	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,262</u>	<u>\$ 2,262</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	INSURANCE			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 10,000	\$ 41,978	\$ 33,978	\$ (8,000)
Total Revenues	<u>10,000</u>	<u>41,978</u>	<u>33,978</u>	<u>(8,000)</u>
Expenditures:				
General Government:				
Other Expenses	10,000	78,209	70,209	8,000
Total Expenditures	<u>10,000</u>	<u>78,209</u>	<u>70,209</u>	<u>8,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(36,231)	(36,231)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	36,231	36,231	36,231	0
Fund Balance at End of Year	<u>\$ 36,231</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

	BONDS AND INSPECTION FEE			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 25,000	\$ 25,000	\$ 16,000	\$ (9,000)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>16,000</u>	<u>(9,000)</u>
Expenditures:				
General Government:				
Other Expenses	25,601	49,651	40,000	9,651
Total Expenditures	<u>25,601</u>	<u>49,651</u>	<u>40,000</u>	<u>9,651</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(601)	(24,651)	(24,000)	651
Fund Balance at Beginning of Year	601	601	601	0
Prior Year Encumbrances	24,050	24,050	24,050	0
Fund Balance at End of Year	<u>\$ 24,050</u>	<u>\$ 0</u>	<u>\$ 651</u>	<u>\$ 651</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020***

VETERANS HONOR WALKWAY				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 500	\$ 500	\$ 350	\$ (150)
Investment Earnings	50	50	271	221
Total Revenues	<u>550</u>	<u>550</u>	<u>621</u>	<u>71</u>
Expenditures:				
Leisure Time Activities				
Materials and Supplies	65,942	65,990	610	65,380
Contractual Services	3,500	3,500	140	3,360
Total Expenditures	<u>69,442</u>	<u>69,490</u>	<u>750</u>	<u>68,740</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,892)	(68,940)	(129)	68,811
Fund Balance at Beginning of Year	68,892	68,892	68,892	0
Prior Year Encumbrances	48	48	48	0
Fund Balance at End of Year	<u>\$ 48</u>	<u>\$ 0</u>	<u>\$ 68,811</u>	<u>\$ 68,811</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2020***

GENERAL BOND RETIREMENT - INCOME TAX

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 144,375	\$ 144,375	\$ 144,482	\$ 107
Total Revenues	144,375	144,375	144,482	107
Expenditures:				
Debt Service:				
Principal Retirement	117,500	117,500	117,500	0
Interest and Fiscal Charges	38,910	38,910	26,878	12,032
Total Expenditures	156,410	156,410	144,378	12,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,035)	(12,035)	104	12,139
Fund Balance at Beginning of Year	12,035	12,035	12,035	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 12,139	\$ 12,139

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020***

TIF DISTRICT-INDUSTRIAL AREA				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 150,000	\$ 154,086	\$ 154,086	\$ 0
Total Revenues	<u>150,000</u>	<u>154,086</u>	<u>154,086</u>	<u>0</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	2,700	2,700	2,493	207
Total Expenditures	<u>2,700</u>	<u>2,700</u>	<u>2,493</u>	<u>207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	147,300	151,386	151,593	207
Other Financing Sources (Uses):				
Transfers Out	(147,379)	(151,465)	(151,465)	0
Total Other Financing Sources (Uses)	<u>(147,379)</u>	<u>(151,465)</u>	<u>(151,465)</u>	<u>0</u>
Net Change in Fund Balance	(79)	(79)	128	207
Fund Balance at Beginning of Year	79	79	79	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 207</u>	<u>\$ 207</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020***

TIF DISTRICT-SANDUSKY STREET CORRIDOR

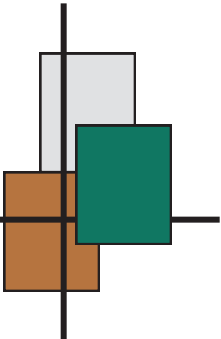
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 25,000	\$ 25,000	\$ 11,078	\$ (13,922)
Total Revenues	25,000	25,000	11,078	(13,922)
Expenditures:				
Transportation:				
Street:				
Contractual Services	37,630	37,630	310	37,320
Total Expenditures	37,630	37,630	310	37,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,630)	(12,630)	10,768	23,398
Fund Balance at Beginning of Year	12,630	12,630	12,630	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 23,398	\$ 23,398

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2020***

	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 10,000	\$ 10,000	\$ 19,460	\$ 9,460
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>19,460</u>	<u>9,460</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	10,000	19,460	9,460
Fund Balance at Beginning of Year	<u>494,038</u>	<u>494,038</u>	<u>494,038</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 504,038</u>	<u>\$ 504,038</u>	<u>\$ 513,498</u>	<u>\$ 9,460</u>

Statistical Section





STATISTICAL TABLES

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

Contents

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

City of Mount Vernon, Ohio

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

	2011	2012	2013	2014
Governmental Activities:				(1)
Net Investment in Capital Assets	\$39,308,561	\$39,426,306	\$41,446,062	\$40,927,848
Restricted	3,034,793	3,094,466	4,315,346	6,576,302
Unrestricted	5,784,699	8,349,905	6,347,089	(3,435,859)
Total Governmental Activities Net Position	<u>\$48,128,053</u>	<u>\$50,870,677</u>	<u>\$52,108,497</u>	<u>\$44,068,291</u>
Business-type Activities:				
Net Investment in Capital Assets	\$16,312,403	\$15,012,084	\$16,711,092	\$18,252,176
Restricted	1,847,384	1,008,353	1,646,248	1,758,460
Unrestricted	2,603,447	5,388,497	3,616,486	1,083,501
Total Business-type Activities Net Postion	<u>\$20,763,234</u>	<u>\$21,408,934</u>	<u>\$21,973,826</u>	<u>\$21,094,137</u>
Primary Government:				
Net Investment in Capital Assets	\$55,620,964	\$54,438,390	\$58,157,154	\$59,180,024
Restricted	4,882,177	4,102,819	5,961,594	8,334,762
Unrestricted	8,388,146	13,738,402	9,963,575	(2,352,358)
Total Primary Government Net Position	<u>\$68,891,287</u>	<u>\$72,279,611</u>	<u>\$74,082,323</u>	<u>\$65,162,428</u>

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

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

Source: City Auditor's Office

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
		(2)			
\$43,612,477	\$45,177,791	\$45,255,324	\$47,275,648	\$48,096,358	\$50,897,822
6,512,955	6,521,108	6,176,687	8,250,183	12,532,422	11,875,528
(4,782,532)	(8,162,671)	(22,030,876)	(24,289,990)	(15,831,512)	(14,875,202)
<u>\$45,342,900</u>	<u>\$43,536,228</u>	<u>\$29,401,135</u>	<u>\$31,235,841</u>	<u>\$44,797,268</u>	<u>\$47,898,148</u>
\$18,610,103	\$19,396,615	\$19,432,673	\$21,803,319	\$23,092,516	\$22,502,307
1,783,244	1,504,036	1,473,090	1,421,106	1,207,733	1,554,090
924,045	735,523	2,376,232	2,240,192	2,433,439	3,612,879
<u>\$21,317,392</u>	<u>\$21,636,174</u>	<u>\$23,281,995</u>	<u>\$25,464,617</u>	<u>\$26,733,688</u>	<u>\$27,669,276</u>
\$62,222,580	\$64,574,406	\$64,687,997	\$69,078,967	\$71,188,874	\$73,400,129
8,296,199	8,025,144	7,649,777	9,671,289	13,740,155	13,429,618
(3,858,487)	(7,427,148)	(19,654,644)	(22,049,798)	(13,398,073)	(11,262,323)
<u>\$66,660,292</u>	<u>\$65,172,402</u>	<u>\$52,683,130</u>	<u>\$56,700,458</u>	<u>\$71,530,956</u>	<u>\$75,567,424</u>

City of Mount Vernon, Ohio

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

	2011	2012	2013	2014
Expenses				
Governmental Activities:				
Security of Persons and Property	\$6,372,507	\$6,188,789	\$6,492,718	\$6,370,982
Public Health and Welfare Services	709,622	723,360	709,251	757,435
Leisure Time Activities	1,143,295	719,024	980,442	1,279,240
Community Environment	591,187	528,995	648,532	323,093
Transportation	4,440,371	4,228,585	3,367,249	5,070,430
General Government	4,188,865	4,852,231	5,316,607	6,294,609
Interest and Fiscal Charges	287,411	510,896	276,071	263,497
<i>Total Governmental Activities Expenses</i>	<u>17,733,258</u>	<u>17,751,880</u>	<u>17,790,870</u>	<u>20,359,286</u>
Business-type Activities:				
Water	3,180,709	3,019,406	3,049,583	3,028,624
Sewer	3,035,080	3,194,971	3,118,011	3,256,742
<i>Total Business-type Activities Expenses</i>	<u>6,215,789</u>	<u>6,214,377</u>	<u>6,167,594</u>	<u>6,285,366</u>
<i>Total Primary Government Expenses</i>	<u>\$23,949,047</u>	<u>\$23,966,257</u>	<u>\$23,958,464</u>	<u>\$26,644,652</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$1,172,890	\$1,175,624	\$1,119,039	\$1,252,995
Public Health and Welfare Services	82,027	80,494	82,513	48,631
Leisure Time Activities	296,650	291,563	255,558	246,341
Community Environment	14,411	16,471	18,872	9,423
Transportation	200	313	750	1,094
General Government	910,868	866,410	768,254	698,554
Operating Grants and Contributions	888,663	2,024,553	1,937,129	1,470,114
Capital Grants and Contributions	173,557	2,169,916	1,590,955	2,781,681
<i>Total Governmental Activities Program Revenues</i>	<u>3,539,266</u>	<u>6,625,344</u>	<u>5,773,070</u>	<u>6,508,833</u>

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
\$7,035,151	\$7,735,685	\$8,259,679	\$10,283,448	\$606,058	\$9,828,410
711,222	783,628	760,614	585,043	598,796	581,415
870,144	1,210,663	1,362,160	1,271,709	1,080,378	741,342
763,019	1,012,146	355,354	891,732	424,589	932,132
6,448,854	2,890,767	3,648,289	2,695,510	2,791,472	4,761,583
5,154,298	7,057,974	7,297,638	7,789,359	8,128,518	7,558,015
277,043	206,340	212,742	196,125	277,036	173,441
<u>21,259,731</u>	<u>20,897,203</u>	<u>21,896,476</u>	<u>23,712,926</u>	<u>13,906,847</u>	<u>24,576,338</u>
3,085,297	3,115,505	3,066,560	3,146,692	3,636,006	3,593,035
3,538,970	3,281,725	3,750,082	3,476,860	3,934,492	5,455,506
<u>6,624,267</u>	<u>6,397,230</u>	<u>6,816,642</u>	<u>6,623,552</u>	<u>7,570,498</u>	<u>9,048,541</u>
<u>\$27,883,998</u>	<u>\$27,294,433</u>	<u>\$28,713,118</u>	<u>\$30,336,478</u>	<u>\$21,477,345</u>	<u>\$33,624,879</u>
\$1,098,742	\$1,333,712	\$1,732,071	\$1,707,975	\$1,746,281	\$1,674,457
90,889	83,441	68,440	57,821	68,405	98,482
261,876	307,643	280,239	284,339	323,130	7,182
21,127	2,016	13,871	9,688	9,908	18,802
6,527	825	2,756	12,638	1,525	5,436
882,275	765,663	837,308	1,015,550	926,248	693,243
1,114,030	2,763,295	1,747,093	2,141,509	2,853,036	4,814,215
4,682,427	1,281,804	1,168,867	226,249	992,876	2,310,007
<u>8,157,893</u>	<u>6,538,399</u>	<u>5,850,645</u>	<u>5,455,769</u>	<u>6,921,409</u>	<u>9,621,824</u>

(continued)

City of Mount Vernon, Ohio

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

	2011	2012	2013	2014
Business-type Activities:				
Charges for Services and Sales				
Water	3,371,924	3,559,198	3,450,880	3,684,807
Sewer	3,290,355	3,257,271	3,243,715	3,197,847
Storm Water	0	0	0	0
Operating Grants and Contributions	42,936	42,069	37,266	37,591
<i>Total Business-type Activities Program Revenues</i>	6,853,950	6,858,538	6,731,861	6,920,245
<i>Total Primary Government Program Revenues</i>	10,393,216	13,483,882	12,504,931	13,429,078
Net (Expense)/Revenue				
Governmental Activities	(14,193,992)	(11,126,536)	(12,017,800)	(13,850,453)
Business-type Activities	638,161	644,161	564,267	634,879
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$13,555,831)	(\$10,482,375)	(\$11,453,533)	(\$13,215,574)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$556,875	\$571,710	\$552,305	\$536,836
Special Purposes	0	134,352	130,272	131,724
Debt Service	152,820	32,707	143,647	143,215
Capital Outlay	1,521,575	1,441,186	720,963	1,249,984
Income Taxes	9,262,187	10,566,350	10,805,563	12,503,753
Other Local Taxes	84,821	98,030	94,973	103,876
Grants and Entitlements not				
Restricted to Specific Programs	963,370	725,574	451,426	890,797
Investment Earnings	21,582	37,698	29,448	11,260
Miscellaneous	243,707	261,553	327,023	902,455
<i>Total Governmental Activities</i>	12,806,937	13,869,160	13,255,620	16,473,900
Business-type Activities:				
Investment Earnings	3,400	1,539	625	424
<i>Total Business-type Activities</i>	3,400	1,539	625	424
<i>Total Primary Government</i>	\$12,810,337	\$13,870,699	\$13,256,245	\$16,474,324
Change in Net Position				
Governmental Activities	(\$1,387,055)	\$2,742,624	\$1,237,820	\$2,623,447
Business-type Activities	641,561	645,700	564,892	635,303
<i>Total Primary Government Change in Net Position</i>	(\$745,494)	\$3,388,324	\$1,802,712	\$3,258,750

Source: City Auditor's Office

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
3,562,765	3,537,845	5,114,590	4,683,774	4,755,471	4,647,435
3,284,201	3,177,531	4,534,373	4,121,428	4,084,098	4,102,383
0	0	0	0	0	478,702
0	0	0	0	0	755,394
6,846,966	6,715,376	9,648,963	8,805,202	8,839,569	9,983,914
15,004,859	13,253,775	15,499,608	14,260,971	15,760,978	19,605,738
(13,101,838)	(14,358,804)	(16,045,831)	(18,257,157)	(6,985,438)	(14,954,514)
222,699	318,146	2,832,321	2,181,650	1,269,071	935,373
<u>(\$12,879,139)</u>	<u>(\$14,040,658)</u>	<u>(\$13,213,510)</u>	<u>(\$16,075,507)</u>	<u>(\$5,716,367)</u>	<u>(\$14,019,141)</u>
\$434,944	\$582,788	\$677,443	\$706,874	\$597,681	\$653,008
105,810	132,590	156,590	162,492	138,022	148,680
143,874	143,606	145,590	145,217	144,784	144,482
1,339,046	1,403,568	1,288,174	1,354,211	1,601,349	1,535,187
11,753,826	9,501,005	10,390,679	16,401,453	16,733,601	13,629,646
106,100	121,627	131,785	141,874	143,452	85,869
164,502	322,917	342,555	319,344	405,550	405,814
27,083	44,327	91,431	161,072	362,606	155,401
301,262	299,704	510,361	699,326	419,820	1,297,307
14,376,447	12,552,132	13,734,608	20,091,863	20,546,865	18,055,394
556	636	20,902	972	0	215
556	636	20,902	972	0	215
<u>\$14,377,003</u>	<u>\$12,552,768</u>	<u>\$13,755,510</u>	<u>\$20,092,835</u>	<u>\$20,546,865</u>	<u>\$18,055,609</u>
\$1,274,609	(\$1,806,672)	(\$2,311,223)	\$1,834,706	\$13,561,427	\$3,100,880
223,255	318,782	2,853,223	2,182,622	1,269,071	935,588
<u>\$1,497,864</u>	<u>(\$1,487,890)</u>	<u>\$542,000</u>	<u>\$4,017,328</u>	<u>\$14,830,498</u>	<u>\$4,036,468</u>

City of Mount Vernon, Ohio

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

	2011	2012	2013	2014
General Fund				
Nonspendable	\$130,262	\$127,232	\$135,855	\$147,536
Restricted	8,080	8,080	8,080	8,080
Committed	16,480	16,480	16,480	4,741
Assigned	374,348	3,152,283	2,680,908	2,754,129
Unassigned	4,175,053	1,787,773	970,240	1,254,772
<i>Total General Fund</i>	<u>4,704,223</u>	<u>5,091,848</u>	<u>3,811,563</u>	<u>4,169,258</u>
All Other Governmental Funds				
Nonspendable	408,506	420,915	454,286	443,738
Restricted	3,116,931	4,653,008	4,653,741	6,299,667
Committed	84,729	138,982	134,995	124,561
Unassigned	0	0	0	0
Total All Other Governmental Funds	<u>3,610,166</u>	<u>5,212,905</u>	<u>5,243,022</u>	<u>6,867,966</u>
<i>Total Governmental Funds</i>	<u><u>\$8,314,389</u></u>	<u><u>\$10,304,753</u></u>	<u><u>\$9,054,585</u></u>	<u><u>\$11,037,224</u></u>

Source: City Auditor's Office

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
\$159,479	\$186,763	\$186,886	\$169,812	\$176,328	\$183,252
8,080	8,080	676	15,855	16,150	19,021
426	2,405	7,105	9,060	0	0
3,576,344	2,459,740	1,586,448	2,103,484	2,932,004	4,625,689
1,397,417	649,074	557,397	551,809	651,757	674,295
<u>5,141,746</u>	<u>3,306,062</u>	<u>2,338,512</u>	<u>2,850,020</u>	<u>3,776,239</u>	<u>5,502,257</u>
493,536	530,833	536,108	592,883	661,892	694,766
6,560,177	5,047,602	5,357,929	7,773,875	12,934,559	12,126,484
117,413	103,467	90,696	79,492	75,850	57,959
<u>0</u>	<u>(1,009)</u>	<u>0</u>	<u>(72,842)</u>	<u>0</u>	<u>0</u>
<u>7,171,126</u>	<u>5,680,893</u>	<u>5,984,733</u>	<u>8,373,408</u>	<u>13,672,301</u>	<u>12,879,209</u>
<u>\$12,312,872</u>	<u>\$8,986,955</u>	<u>\$8,323,245</u>	<u>\$11,223,428</u>	<u>\$17,448,540</u>	<u>\$18,381,466</u>

City of Mount Vernon, Ohio

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

	2011	2012	2013	2014
Revenues:				
Taxes	\$11,205,072	\$12,728,720	\$12,820,372	\$14,018,827
Intergovernmental Revenues	2,710,045	2,736,097	2,243,029	2,727,769
Charges for Services	1,642,971	1,628,400	1,538,771	1,565,290
Licenses and Permits	11,545	20,135	10,252	18,747
Investment Earnings	21,582	37,698	29,448	11,260
Fines and Forfeitures	812,749	785,523	696,006	675,007
All Other Revenue	232,273	1,224,294	1,004,302	1,549,515
Total Revenue	16,636,237	19,160,867	18,342,180	20,566,415
Expenditures:				
Current:				
Security of Persons and Property	6,166,170	5,548,197	6,201,515	6,173,136
Public Health and Welfare Services	694,326	707,922	696,102	747,707
Leisure Time Activities	718,703	700,979	762,156	848,879
Community Environment	591,187	528,995	648,532	323,093
Transportation	3,901,070	4,047,663	2,868,350	3,526,598
General Government	5,590,698	6,627,844	7,660,676	6,202,716
Debt Service:				
Principal Retirement	436,723	484,756	500,756	515,327
Interest and Fiscal Charges	287,960	359,602	279,021	264,038
Total Expenditures	18,386,837	19,005,958	19,617,108	18,601,494
Excess (Deficiency) of Revenues Over Expenditures	(1,750,600)	154,909	(1,274,928)	1,964,921

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
\$14,994,697	\$11,782,401	\$12,742,449	\$18,596,443	\$19,721,322	\$15,969,874
4,464,177	3,005,589	2,900,021	3,409,113	3,784,210	5,568,191
1,592,629	1,645,697	2,092,297	2,113,540	2,115,513	1,775,389
46,275	20,353	20,496	69,777	31,557	38,464
27,083	44,327	91,431	161,072	362,606	155,401
687,259	805,303	822,688	976,333	948,914	663,685
442,234	321,651	509,548	604,706	399,147	1,317,371
22,254,354	17,625,321	19,178,930	25,930,984	27,363,269	25,488,375
6,277,707	6,627,332	6,751,717	7,733,103	7,798,677	8,442,954
693,979	725,904	687,038	525,850	484,547	506,535
825,430	883,875	960,435	934,831	940,888	529,732
763,019	1,012,146	355,354	891,732	424,589	932,132
5,509,975	3,687,931	3,316,511	4,170,486	5,780,368	5,494,570
6,176,909	7,228,697	6,968,691	8,049,543	7,952,411	7,640,512
537,568	579,980	596,714	606,021	778,802	794,973
275,624	205,623	205,820	172,629	235,002	210,302
21,060,211	20,951,488	19,842,280	23,084,195	24,395,284	24,551,710
1,194,143	(3,326,167)	(663,350)	2,846,789	2,967,985	936,665

(Continued)

City of Mount Vernon, Ohio

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

	2011	2012	2013	2014
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	38,177	11,342	31,689	3,148
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
General Obligation Refunding Bonds Issued	0	1,654,000	0	0
Special Obligation Bonds Issued	0	1,775,000	0	0
Payment to Refunded Bond Escrow Agent	0	(1,600,053)	0	0
Transfers In	1,028,456	1,275,651	1,656,139	1,252,978
Transfers Out	(1,028,456)	(1,275,651)	(1,656,139)	(1,252,978)
Total Other Financing Sources (Uses)	38,177	1,840,289	31,689	3,148
Net Change in Fund Balance	(\$1,712,423)	\$1,995,198	(\$1,243,239)	\$1,968,069
 Debt Service as a Percentage of Noncapital Expenditures	 4.72%	 5.51%	 5.03%	 4.53%

Source: City Auditor's Office

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
42,156	7,238	4,450	25,309	43,413	837
0	0	0	0	558,620	0
0	0	0	0	2,600,000	0
1,995,150	0	0	0	0	0
0	0	0	0	0	0
(1,969,258)	0	0	0	0	0
1,242,974	1,187,721	1,319,499	1,337,426	1,591,350	1,588,773
(1,242,974)	(1,187,721)	(1,319,499)	(1,337,426)	(1,591,350)	(1,588,773)
68,048	7,238	4,450	25,309	3,202,033	837
\$1,262,191	(\$3,318,929)	(\$658,900)	\$2,872,098	\$6,170,018	\$937,502
4.21%	4.37%	4.42%	4.11%	5.34%	4.74%

City of Mount Vernon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

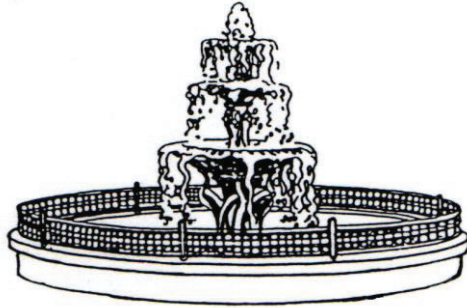
Tax year	2011	2012	2013	2014
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$542,270	\$580,616	\$606,203	\$641,916
Total Tax Collected	\$9,017,691	\$10,128,973	\$11,210,717	\$11,725,532
Income Tax Receipts				
Withholding	7,408,369	7,854,868	8,088,514	8,450,570
Percentage	82.15%	77.55%	72.15%	72.07%
Corporate	961,045	1,578,706	2,396,265	2,522,261
Percentage	10.66%	15.59%	21.37%	21.51%
Individuals	648,277	695,399	725,938	752,701
Percentage	7.19%	6.86%	6.48%	6.42%

Source: City Income Tax Department

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

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
1.50%	1.50%	1.50%	2.00%	2.00%	2.00%
\$668,472	\$673,501	\$690,338	\$716,332	\$747,883	\$747,883
\$12,409,133	\$11,261,723	\$10,660,851	\$16,016,993	\$16,958,416	\$13,544,998
8,673,622	9,042,251	8,591,242	11,675,758	12,183,379	11,539,570
69.90%	80.29%	80.59%	72.90%	71.84%	85.20%
2,889,193	1,373,619	1,229,520	3,427,601	3,713,148	984,988
23.28%	12.20%	11.53%	21.40%	21.90%	7.27%
846,318	845,853	840,089	913,634	1,061,889	1,020,440
6.82%	7.51%	7.88%	5.70%	6.26%	7.53%



City of Mount Vernon, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2020				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$95,175,924	14.05%	\$1,903,518	14.05%
All Others	582,073,976	85.95%	\$11,641,480	85.95%
Total	<u>\$677,249,900</u>	<u>100.00%</u>	<u>\$13,544,998</u>	<u>100.00%</u>

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

Source: City Income Tax Department

City of Mount Vernon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2011	2012	2013	2014
Governmental Activities (1)				
General Obligation Bonds Payable	\$6,482,568	\$6,177,200	\$5,812,400	\$5,436,000
Special Obligation Bonds Payable	0	1,775,000	1,677,500	1,577,500
Ohio Public Works Commission Loan Payable	391,875	364,375	336,875	309,375
Business-type Activities (1)				
Ohio Public Works Commission Loan Payable	\$115,960	\$109,692	\$103,424	\$97,156
Ohio Water Development Authority	2,303,347	6,289,243	6,476,726	6,500,028
General Obligation Bonds Payable	11,392,432	10,522,800	9,582,600	8,604,000
Special Obligation Bonds Payable	0	1,775,000	1,677,500	1,577,500
Mortgage Revenue Bonds Payable	3,620,000	3,205,000	2,780,000	2,345,000
Total Primary Government	<u>\$24,306,182</u>	<u>\$30,218,310</u>	<u>\$28,447,025</u>	<u>\$26,446,559</u>
Population (2)				
City of Mount Vernon	16,990	16,990	16,990	16,990
Outstanding Debt Per Capita	\$1,430.62	\$1,778.59	\$1,674.34	\$1,556.60
Income (3)				
Personal (in thousands)	542,270	580,616	606,203	641,916
Percentage of Personal Income	4.48%	5.20%	4.69%	4.12%

Sources:

(1) City Auditor's Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

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

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
\$5,205,500	\$4,770,450	\$4,324,200	\$3,871,700	\$5,849,500	\$5,228,200
1,475,000	1,370,000	1,260,000	1,147,500	1,032,500	915,000
281,875	254,375	226,875	199,375	730,495	689,029
\$90,888	\$126,237	\$116,886	\$107,535	\$98,184	\$88,833
6,154,888	5,872,440	5,536,388	5,196,426	4,852,509	4,504,591
7,828,650	6,747,950	5,617,700	4,450,200	3,917,400	3,363,700
1,475,000	1,370,000	1,260,000	1,147,500	1,032,500	915,000
1,895,000	1,430,000	950,000	0	0	0
<u>\$24,406,801</u>	<u>\$21,941,452</u>	<u>\$19,292,049</u>	<u>\$16,120,236</u>	<u>\$17,513,088</u>	<u>\$15,704,353</u>
16,990	16,990	16,990	16,990	16,990	16,990
\$1,436.54	\$1,291.43	\$1,135.49	\$948.81	\$1,030.79	\$924.33
668,472	673,501	690,338	716,332	747,883	747,883
3.65%	3.26%	2.79%	2.25%	2.34%	2.10%

City of Mount Vernon, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

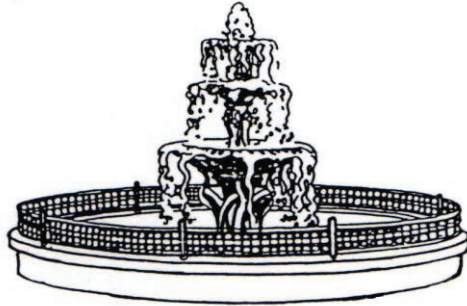
Year	2011	2012	2013	2014
Population (1)	16,990	16,990	16,990	16,990
Assessed Value (2)	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840
General Bonded Debt (3)				
General Obligation Bonds	\$17,875,000	\$16,700,000	\$15,395,000	\$14,040,000
Resources Available to Pay Principal (4)	\$0	\$966	\$0	\$0
Net General Bonded Debt	\$17,875,000	\$16,699,034	\$15,395,000	\$14,040,000
Ratio of Net Bonded Debt to Assessed Value	7.23%	6.74%	6.18%	5.64%
Net Bonded Debt per Capita	\$1,052.09	\$982.87	\$906.12	\$826.37

Sources:

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

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
16,990	16,990	16,990	16,990	16,990	16,990
\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460	\$317,194,360
\$13,034,150	\$11,518,400	\$9,941,900	\$8,321,900	\$9,766,900	\$8,591,900
\$0	\$0	\$0	\$0	\$0	\$0
\$13,034,150	\$11,518,400	\$9,941,900	\$8,321,900	\$9,766,900	\$8,591,900
5.17%	4.53%	3.66%	3.03%	3.54%	2.71%
\$767.17	\$677.95	\$585.16	\$489.81	\$574.86	\$505.70



City of Mount Vernon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2020*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Mount Vernon	Amount Applicable to the City of Mount Vernon
Direct:			
City of Mount Vernon	\$6,832,229	100.00%	\$6,832,229
Overlapping:			
Knox County	9,541,230	53.84%	5,136,998
Knox County Career Center	6,605,825	42.01%	2,775,107
		Subtotal	<u>7,912,105</u>
		Total	<u><u>\$14,744,334</u></u>

Source: Knox County Auditor and Fiscal Officers of Subdivision

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

City of Mount Vernon, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Debt				
Net Assessed Valuation	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	25,944,529	26,014,202	26,150,657	26,158,213
City Debt Outstanding (2)	2,752,795	2,607,800	2,477,600	2,342,400
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>(966)</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>2,752,795</u>	<u>2,606,834</u>	<u>2,477,600</u>	<u>2,342,400</u>
Overall Legal Debt Margin	<u>\$23,191,734</u>	<u>\$23,407,368</u>	<u>\$23,673,057</u>	<u>\$23,815,813</u>
Unvoted Debt				
Net Assessed Valuation	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	13,589,991	13,626,487	13,697,963	13,701,921
City Debt Outstanding (2)	2,752,795	2,607,800	2,477,600	2,342,400
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>(966)</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>2,752,795</u>	<u>2,606,834</u>	<u>2,477,600</u>	<u>2,342,400</u>
Overall Legal Debt Margin	<u>\$10,837,196</u>	<u>\$11,019,653</u>	<u>\$11,220,363</u>	<u>\$11,359,521</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.
Tax Increment Financing Bonds are not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460	\$317,194,360
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
26,476,456	26,670,750	28,486,792	28,792,541	28,938,573	33,305,408
2,360,300	2,185,850	2,004,600	1,819,300	1,631,500	1,434,000
0	0	0	0	0	0
2,360,300	2,185,850	2,004,600	1,819,300	1,631,500	1,434,000
\$24,116,156	\$24,484,900	\$26,482,192	\$26,973,241	\$27,307,073	\$31,871,408
\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460	\$317,194,360
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
13,868,620	13,970,393	14,921,653	15,081,807	15,158,300	17,445,690
2,360,300	2,185,850	2,004,600	1,819,300	1,631,500	1,434,000
0	0	0	0	0	0
2,360,300	2,185,850	2,004,600	1,819,300	1,631,500	1,434,000
\$11,508,320	\$11,784,543	\$12,917,053	\$13,262,507	\$13,526,800	\$16,011,690

City of Mount Vernon, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2011	2012	2013	2014
Water System Bonds 1999 Series (1)				
Gross Revenues (2)	\$3,373,589	\$3,560,407	\$3,451,448	\$3,685,199
Direct Operating Expenses (3)	(1,933,228)	(1,805,985)	(1,853,530)	(1,874,612)
Net Revenue Available for Debt Service	1,440,361	1,754,422	1,597,918	1,810,587
Annual Debt Service Requirement	539,650	542,650	540,200	537,450
Coverage	2.67	3.23	2.96	3.37
Tax Increment Financing (TIF) Bonds (4)				
Payment In Lieu of Taxes (PILOT) Collections	\$1,262,210	\$1,572,036	\$748,799	\$1,214,761
Debt Service				
Principal	195,800	231,000	149,600	156,200
Interest	72,745	87,076	74,120	28,627
Coverage	4.70	4.94	3.35	6.57

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

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

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

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

Source: City Auditor's Office

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
\$3,563,294	\$3,538,481	\$5,118,429	\$4,684,746	\$4,755,471	\$4,647,435
(1,982,573)	(1,989,032)	(2,040,514)	(2,274,456)	(2,556,496)	(2,532,329)
1,580,721	1,549,449	3,077,915	2,410,290	2,198,975	2,115,106
539,400	540,900	539,625	985,625	0	0
2.93	2.86	5.70	2.45	N/A	N/A
\$1,278,656	\$1,301,697	\$1,256,931	\$1,293,260	\$1,456,794	\$1,359,690
158,400	160,600	165,000	167,200	169,400	174,670
25,569	22,628	19,521	16,393	13,205	9,994
6.95	7.10	6.81	7.04	7.98	7.36

City of Mount Vernon, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2011	2012	2013	2014
Population (1)				
City of Mount Vernon	16,990	16,990	16,990	16,990
Knox County	60,921	60,921	60,705	61,167
Income (2) (a)				
Total Personal (in thousands)	542,270	580,616	606,203	641,916
Per Capita	31,917	34,174	35,680	37,782
Unemployment Rate (3)				
Federal	8.3%	7.6%	7.4%	6.2%
State	7.6%	6.6%	7.4%	5.7%
Knox County	7.6%	6.2%	6.7%	5.2%
Civilian Work Force Estimates (3)				
State	5,806,000	5,701,000	5,726,000	5,719,000
Knox County	29,600	29,400	30,500	31,100

Sources:

(1) US Bureau of Census of Population

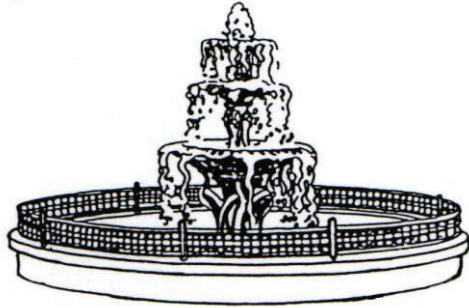
(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2019 for the presentation of 2020 statistics, the City is using the latest information available.

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

(3) State Department of Labor Statistics. Information is not available at the City level.

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020
16,990	16,990	16,990	16,990	16,990	16,990
61,061	60,814	61,261	61,893	62,322	62,322
668,472	673,501	690,338	716,332	747,883	747,883
39,345	39,641	40,632	42,162	44,019	44,019
5.3%	4.9%	4.4%	3.9%	3.4%	8.1%
4.9%	4.9%	5.0%	4.6%	3.8%	8.1%
4.7%	4.5%	4.5%	4.3%	3.6%	6.2%
5,700,300	5,713,100	5,780,000	5,754,900	5,586,800	5,754,300
31,000	31,300	31,300	31,200	31,200	31,200



City of Mount Vernon, Ohio

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2020	
		Number of Employees	Rank
Ariel Corporation	Manufacturing	1,800	1
Knox Community Hospital	Medical Care	1,200	2
Knox County	Government	530	3
Jeld-Wen, Inc.	Manufacturing	470	4
Mount Vernon City Schools	Education	391	5
Mount Vernon Nazarene University	Education	309	6
Sanoh America, Inc.	Manufacturing	302	7
Wal-Mart	Retail	280	8
First Knox National Bank	Financial	111	9
Mauser USA, LLC	Manufacturing	106	10
Total		5,499	

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

Source:

City Auditor's Office

Total Employment within the City is not available

City of Mount Vernon, Ohio

*Full Time Equivalent Employees by Function
Last Ten Years*

	2011	2012	2013	2014	2015
Governmental Activities					
General Government					
Administration	1.00	1.00	1.00	1.00	1.00
Finance	2.00	2.00	2.00	2.00	2.00
Law Director	4.00	4.00	4.00	4.00	4.00
Income Tax	3.00	3.00	3.00	3.00	3.00
Legal/Court	11.00	11.00	11.00	11.00	11.00
Safety-Service	2.00	2.00	2.00	2.00	2.00
Civil Service	0.50	0.50	0.50	0.50	0.50
Engineering	6.50	6.50	6.50	6.00	6.00
Public Buildings/Lands	1.75	1.75	1.75	1.75	1.75
Security of Persons and Property					
Police	32.00	32.00	32.00	32.00	32.00
Fire	40.00	40.00	40.00	40.00	40.00
Transportation					
Street	12.50	12.50	12.50	12.50	12.50
Leisure Time Activities					
Parks/Recreation	55.25	56.50	56.50	56.50	56.50
Public Health and Welfare					
Cemetery	5.25	5.25	5.25	5.25	5.25
Business-Type Activities					
Utilities					
Water	17.50	17.50	17.50	17.50	17.50
Sewer	19.50	19.50	19.50	19.50	19.50
<i>Total Employees</i>	<u>213.75</u>	<u>215.00</u>	<u>215.00</u>	<u>214.50</u>	<u>214.50</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee
 Elected Officials have been omitted from this table
 Source: City Auditor's Office

City of Mount Vernon, Ohio

2016	2017	2018	2019	2020
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
11.00	11.00	11.00	11.00	11.00
2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
6.00	6.00	6.00	6.00	6.00
1.75	1.75	1.75	1.75	1.75
32.00	32.00	32.00	32.00	32.00
40.00	40.00	40.00	40.00	40.00
12.50	12.50	12.50	12.50	12.50
56.50	56.50	56.50	56.50	56.50
5.25	5.25	5.25	5.25	5.25
17.50	17.00	17.00	17.00	17.00
19.50	19.00	19.00	19.00	19.00
<u>214.50</u>	<u>213.50</u>	<u>213.50</u>	<u>213.50</u>	<u>213.50</u>

City of Mount Vernon, Ohio

*Operating Indicators by Function
Last Ten Years*

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities			
General Government			
Court			
Number of Civil Cases	1,394	1,258	780
Number of Criminal Cases	1,551	1,365	1,280
Number of Traffic Cases	5,825	5,500	4,978
Number of Open Cases	514	547	440
Licenses and Permits			
Number of Building Permits	157	150	122
Security of Persons and Property			
Police			
Number of Citations Issued	3,117	2,557	3,117
Fire			
Number of Fire Calls	1,032	1,185	918
Number of EMS Runs	3,649	3,817	3,583
Number of Inspections	820	750	740
Business-Type Activities			
Water			
Number of Service Connections	6,495	6,507	6,514
Daily Average Consumption (thousands of gallons)	2,409,501	2,530,735	2,748,137
Sewer			
Number of Service Connections	6,717	6,726	6,734
Daily Average Sewage Treatment (thousands of gallons)	3,524,871	2,676,145	2,779,449

Source: City Auditor's Office

City of Mount Vernon, Ohio

2014	2015	2016	2017	2018	2019	2020
823	932	1,443	1,496	1,407	1,462	951
1,272	1,163	967	1,201	1,731	1,190	1,058
4,573	4,664	4,603	4,387	4,721	4,700	3,251
322	678	829	833	868	661	921
140	132	137	184	200	230	272
1,971	1,832	2,274	2,713	2,791	2,708	3,894
1,049	1,108	1,055	1,322	1,170	1,020	1,011
3,581	3,850	3,777	4,050	4,151	4,255	4,153
580	420	641	570	454	498	294
6,527	6,540	6,559	6,575	6,594	6,638	6,677
2,542,049	2,728,019	2,761,211	2,756,540	2,906,855	2,726,490	2,537,205
6,745	6,764	6,783	6,792	6,805	6,821	6,843
2,794,266	2,783,184	2,567,540	3,021,038	3,468,123	3,240,389	3,384,942

City of Mount Vernon, Ohio

Capital Asset Statistics by Function Last Ten Years

	2011	2012	2013	2014
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	12.4	12.4	12.7	12.7
Buildings	9	9	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	13	13	13	13
Fire				
Stations	2	2	2	2
Vehicles	11	11	11	11
Transportation				
Street				
Streets (center line miles)	82	82	82	92
Street Lights	1,470	1,470	1,470	1,470
Traffic Signals	53	54	54	54
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	244.98	244.98	244.98	269.98
Buildings	14	14	14	14
Parks	8	8	8	8
Playgrounds	4	4	4	4
Swimming Pools	4	4	4	4
Tennis Courts	10	10	10	10
Baseball/Softball Diamonds	11	11	11	11
Soccer Fields	2	2	2	2
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	63	63	63	63
Number of Hydrants	484	484	484	484
Average Daily Consumption	2,409,501	2,530,735	2,748,137	2,542,049
Storage Capacity (thousands of gallons)	7,000	7,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	3,524,871	2,676,145	2,779,449	2,794,266
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

City of Mount Vernon, Ohio

2015

2016

2017

2018

2019

2020

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7,000

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2,726,490
7,000

63
484
2,537,205
7,000

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5,000

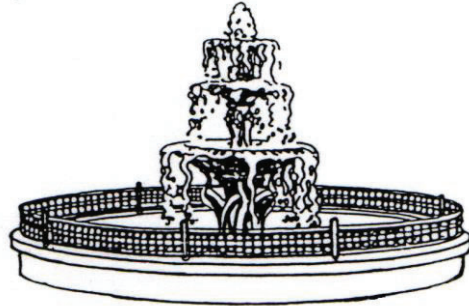
62
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62
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62
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5,000

62
3,240,389
5,000

62
3,384,942
5,000



OHIO AUDITOR OF STATE KEITH FABER



CITY OF MOUNT VERNON

KNOX COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/8/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov