

CITY OF MOUNT VERNON
KNOX COUNTY
SINGLE AUDIT
JANUARY 1, 2021 – DECEMBER 31, 2021



OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the City of Mount Vernon, Knox County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

September 15, 2022

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**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, 2021**

Federal Grantor/ Pass Through Grantor/ Program Grant Title	Pass Through Entity Number	Assistance Listing Number	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	\$ 54,275
Total Department of Justice			<u>54,275</u>
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	164,684
Total Department of Transportation			<u>164,684</u>
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	14,200
Community Development Block Grants/State's Program	A-C-18-2CP-1	14.228	37,304
Community Development Block Grants/State's Program	A-X-20-2CP-1	14.228	318,947
Total Community Development Block Grant/State's Program			<u>370,451</u>
Home Investment Partnerships Program	A-C-18-2CP-2	14.239	167,104
Total Home Investment Partnership Program			<u>167,104</u>
Total Department of Housing and Urban Development			<u>537,555</u>
U.S. Department of Treasury			
<i>Passed through Ohio Office of Budget and Management:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	ARPA-LFRF NEU-2021	21.027	121,942
Total Department of Treasury			<u>121,942</u>
Total Expenditures of Federal Awards			<u>\$ 878,456</u>

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, 2021**

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, 2021. 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.

NOTE C - INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - 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.

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 22, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

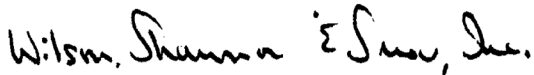
City of Mount Vernon
Knox County
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Newark, Ohio
July 22, 2022

**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

Opinion on the Major Federal Program

We have audited the City of Mount Vernon's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2021. The City's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Mount Vernon complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The City's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

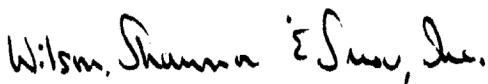
Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. 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 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 22, 2022. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management 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, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Newark, Ohio
July 22, 2022

**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2021

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):	Community Development Block Grants/State's Program/ALN 14.228
<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

Annual Comprehensive Financial Report

Year Ended December 31, 2021



Mount Vernon



Knox County, Ohio



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

Prepared by the Auditor's Office

Terry Scott
City Auditor



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KNOX COUNTY, OHIO

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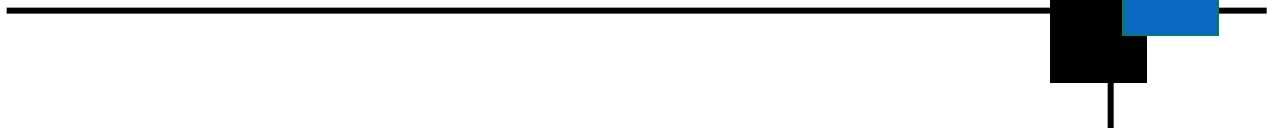
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Introductory Section







CITY OF MOUNT VERNON

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

phone (740) 393-9523

fax (740)-397-5288

July 22, 2022

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 Annual Comprehensive Financial Report (ACFR) of the City of Mount Vernon for the fiscal year ended December 31, 2021. The report has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

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

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

THE REPORTING ENTITY:

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

***Letter of Transmittal
For the Year Ended December 31, 2021***

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 \$58,350 for operations of the combined District for 2021.

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, 2021***

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, twelve part-time 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, 2021***

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, 2021***

Economic Outlook

The Mount Vernon Avenue bridge replacement project was completed in 2021. ODOT provided substantial grant funding for the project with the City providing \$2,674,967 million dollars in matching funds. The finished project allows 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. With the Mount Vernon Nazarene University entry way at the south end of the bridge, this project will allow students and others the pathway to the Kokosing Gap Bike Trail which now has connectivity to the Heart of Ohio Bike Trail on the west side of the city.

The north side of the city saw the beginning of ODOT's road widening and safety project in 2021. This project will provide for intersection alignment with new traffic lights being installed. Sidewalks are also a part of this project for those wanting to travel by foot to the various businesses in the area or to extend down to the central business district. While the overall project is not completed, in 2022 ODOT will reconvene to complete the remaining sidewalk portion in conjunction with additional roadway improvements. The safety aspect of this project caused certain ingress and egress locations to be terminated and the creation of a single entrance and exit for the affected businesses located in the area. ODOT believes this will significantly reduce the number of auto crashes in this general area.

Road resurfacing was performed during the year allowing for a significant portion of East High Street being repaved along with Eastern Star Road. While the overall initial project plan included additional streets, due to the higher cost of paving materials caused the City to scale back on other street paving projects and deferr them into 2022. This deferment also caused Pleasant Street to be deferred as Columbia Gas Company was working in the entire area of Pleasant Street with their continued gas line improvement project within the entire city.

The City continues to have several improvement projects ongoing into the new year. One of the major projects will be the design work and assessment of needs for the new Mount Vernon Municipal Court building. The City has been reserving monies over the past four years to take on this project. While this is just an introduction for the public's notice, more about this project will surface during 2022.

The City has been actively continuing its tree plantings and tree replacement program over the past several years. This ongoing project continued for 2021 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 2021, an additional \$150,000 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.

***Letter of Transmittal
For the Year Ended December 31, 2021***

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 five building permits in 2021 and two hundred seventy-two in 2020, 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 preparing 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.

Employee Relations:

The City of Mount Vernon is in the first year of a three year contract with the City's three unions. All union contracts were effective January 1, 2021, through December 31, 2023. For the OCSEA and the FOP there were no raises in 2021 and negotiations are currently being held in 2022. The IAFF received a 2% wage increase for 2021, a 1% wage increase effective January 1, 2022, and another 1% wage increase effective June 1, 2022.

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.

***Letter of Transmittal
For the Year Ended December 31, 2021***

Unemployment Rates:

The City of Mount Vernon's economic outlook showed signs of steady improvement at the beginning of 2021. The year started out at 4.9 percent, the unemployment rate remained steady at nearly 3.7% through May. Beginning with June at 5.3%, to September which saw a continued decline to 3.9%, the better news came with December showing 2.9% finishing out the year. Overall the city has experienced a steady decline in the unemployment. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

Major Initiatives

Various departments were beneficiaries to upgrades of information technology equipment during 2021. The Income Tax Department, Municipal Court, and Police Department all received new computers through the city's allocated lifeline of these particular devices. With the continuation of information technology, the Mount Vernon Police Department received all new body cameras along with dash camera's in all police cruisers. The updated technology the new devices provide has an extensive coverage window for recording video and audio communications. Furthermore with the technology when additional personnel and vehicles arrive at the same location, the equipment has the functionality of linking all of the cameras and dash cameras with one another to provide a panoramic display of the scene. This not only provides for safety among the officers, but it also provides footage of the scene and tracking the events as they occur.

The fire department received a complete make over in the mess hall kitchen in 2021. The new station was built in the year of 2000 and this hall provides extensive room for all the personnel on staff each day of the year. Utilization of the kitchen and cabinetry really needed a makeover and the final project made everything look like a new build. Overall cost for all of the improvements came in at \$45,525. Air conditioning units at the fire department were upgraded with a total cost of \$20,400.

The Parks Department received a new 5,000 gallon aboveground fuel tank that will provide for having bulk fuel onsite for all the department's equipment that is used continuously through the year. Tractors with mowers and snow removal equipment all will be utilized by this new fuel tank. Total cost was \$34,682, however being able to purchase fuel in bulk quantity will reduce operational costs by eliminating the need to purchase fuel at the local gasoline stations.

The Street department was brandished with a number of new equipment items during 2021. A new mowing tractor for \$17,205 along with a new tractor with a boom mower for \$94,941 was received by the department. Land purchases made in 2021 will be paired with additional land that has already been acquired for the future widening of South Sandusky Street. In 2021, the department acquired additional land for this future road improvement project at a cost of \$360,000.

During the year the public water system was a beneficiary of several improvement projects in 2021. Oak Street and Catherine Street saw new waterline upgrades being made at a cost of \$288,000; Eastmoor Drive also saw new waterline upgrades being made at a cost of \$775,000. In conjunction with the ODOT safety improvement project on Sandusky Street, the City installed new waterline upgrades in this area at a cost of \$406,000.

***Letter of Transmittal
For the Year Ended December 31, 2021***

The water department's underground water reservoir was totally rehabbed in 2021. This project covered a number of related issues the Ohio EPA deemed necessary for water distribution including renewing valves used to direct water flow as well as internal improvements for better operation flow of water. These improvements posted a nice shiner cost of \$815,725.

The wastewater operations also received upgrades in the same areas of the water system in 2021. Oak Street and Catherine Street saw new wastewater line upgrades being made at a cost of \$204,000 as well as other smaller projects across the city in renewed line upgrades. The department continues to assess the needs at the wastewater treatment plant and its component units for major improvements. Funding for these major improvements has been applied for through the federal government.

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, 2021***

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 Annual Comprehensive Financial Report for the year ended December 31, 2020. 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 Annual Comprehensive 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 thirty consecutive years (fiscal years ended 1991-2020). 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 Annual Comprehensive 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, 2021***

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 2021 Annual Comprehensive 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

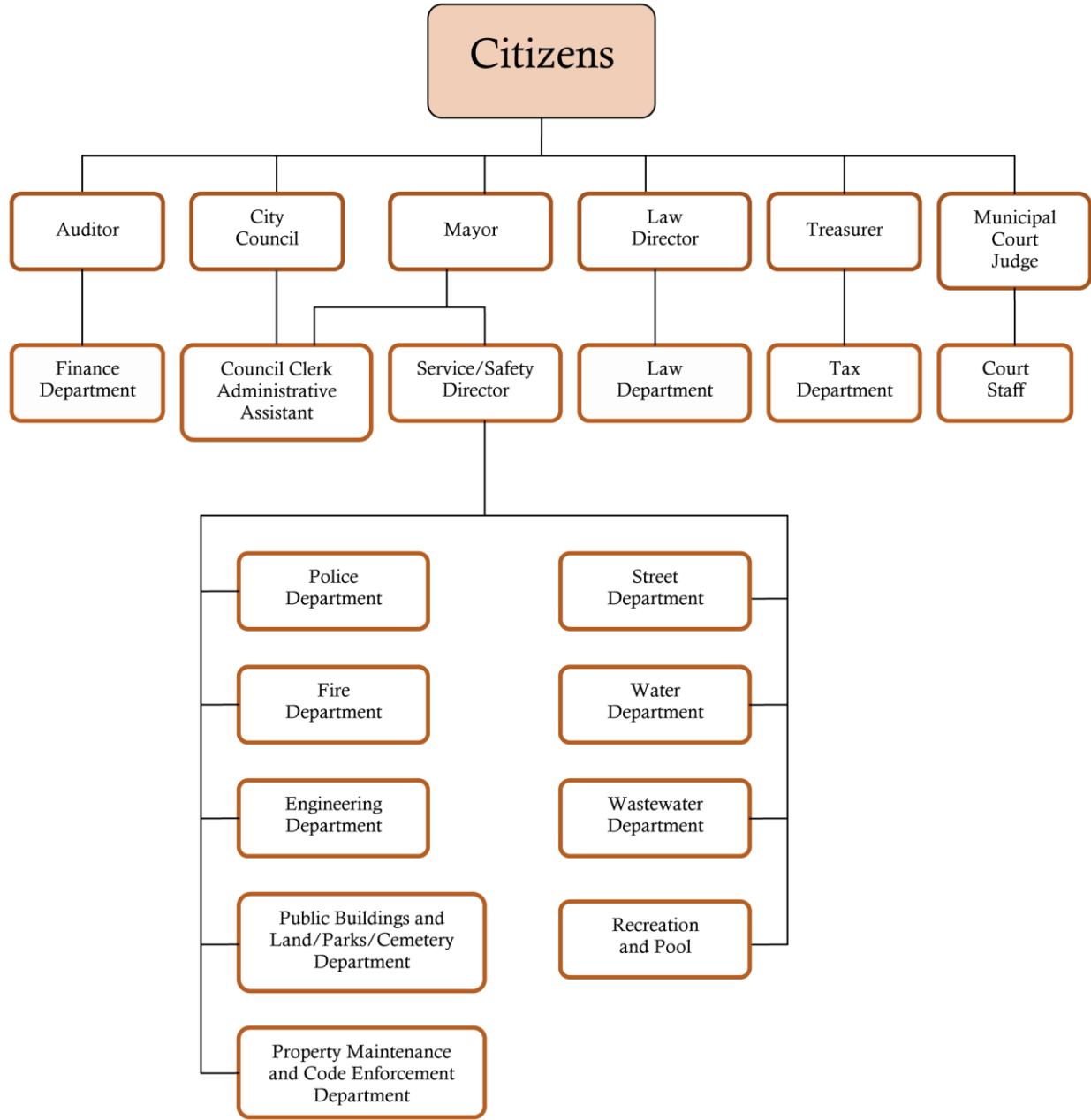


CITY OF MOUNT VERNON, OHIO

***List of Principal Officials
For the Year Ended December 31, 2021***

<i>NAME</i>	<i>TITLE</i>	<i>YEARS OF SERVICE</i>
<u>City Council</u>		
Bruce Hawkins	President	15
Samantha Scoles	First Ward Member	2
John Francis	Second Ward Member	10
Tammy Woods	Third Ward Member	2
Michael Hillier	Fourth Ward Member	3
Tanner Salyers	Member At-Large	3
Julia Warga	Member At-Large	2
Janis Seavolt	Member At-Large	10
<u>City Administration</u>		
Matthew T. Starr	Mayor	2
Terry Scott	Auditor	27
P. Robert Broren	Law Director	8
David M. Stuller	Treasurer	4
Richard S. Dzik	Safety-Service Director	2
Tanya Newell	Clerk of Council	10
<u>Department Heads</u>		
Lisa Brown	Income Tax Administrator	7
Robert K. Morgan	Police Chief	22
Chad Christopher	Fire Chief	20
Thomas Hinkle	Street Superintendent	16
Mathias Orndorf	Public Utility Director	30.5

**City Organizational Chart
For the Year Ended December 31, 2021**



***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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section





INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon Knox County, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, 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), Municipal Income Tax #2 ½% (Voted), and Community Development Block Grant funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities/assets and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information 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, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
July 22, 2022



***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

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, 2021. 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 2021 are as follows:

- ❑ In total, net position increased \$8,650,496. Net position of governmental activities increased \$3,223,591 which represents a 6.73% increase from 2020. Net position of business-type activities increased \$5,426,905 from 2020.
- ❑ General revenues accounted for \$17,683,269 in revenue or 49.52% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$18,023,975 or 50.48% of total revenues of \$35,707,244.
- ❑ The City had \$21,454,478 in expenses related to governmental activities; only \$6,994,984 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$17,683,085 provided for these programs.
- ❑ Among major funds, the general fund had \$8,567,083 in revenues and other financing sources and \$8,526,602 in expenditures and other financing uses. The general fund's fund balance increased from \$5,502,257 to \$5,547,589.

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.

CITY OF MOUNT VERNON, OHIO

**Management’s Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water, 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 2021 compared to 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$25,348,864	\$24,628,476	\$11,422,588	\$9,791,626	\$36,771,452	\$34,420,102
Net OPEB asset	409,203	0	198,547	0	607,750	0
Capital assets, Net	57,619,123	57,526,394	32,542,421	31,275,954	90,161,544	88,802,348
Total assets	83,377,190	82,154,870	44,163,556	41,067,580	127,540,746	123,222,450
Deferred outflows of resources	4,025,358	4,609,561	506,289	857,789	4,531,647	5,467,350
Long-term liabilities outstanding	7,722,983	8,493,447	8,094,168	9,174,288	15,817,151	17,667,735
Net pension liability	16,934,111	17,879,243	1,571,053	2,306,815	18,505,164	20,186,058
Net OPEB liability	2,128,668	5,139,847	0	1,691,916	2,128,668	6,831,763
Other liabilities	1,680,591	889,908	384,455	352,865	2,065,046	1,242,773
Total liabilities	28,466,353	32,402,445	10,049,676	13,525,884	38,516,029	45,928,329
Deferred inflows of resources	7,814,456	6,463,838	1,523,988	730,209	9,338,444	7,194,047
Net position:						
Net investment in capital assets	51,502,443	50,897,822	24,760,366	22,502,307	76,262,809	73,400,129
Restricted	11,282,845	11,875,528	1,902,437	1,554,090	13,185,282	13,429,618
Unrestricted (Deficit)	(11,663,549)	(14,875,202)	6,433,378	3,612,879	(5,230,171)	(11,262,323)
Total net position	\$51,121,739	\$47,898,148	\$33,096,181	\$27,669,276	\$84,217,920	\$75,567,424

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 the net OPEB asset and deferred outflows related to pension and OPEB.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

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/asset to equal the City's proportionate share of each plan's collective:

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

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

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

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

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

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

Changes in Net Position – The following table shows the changes in net position for 2021 compared to 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,312,230	\$2,497,602	\$11,028,991	\$9,228,520	\$14,341,221	\$11,726,122
Operating Grants and Contributions	1,741,529	4,814,215	0	0	1,741,529	4,814,215
Capital Grants and Contributions	1,941,225	2,310,007	0	755,394	1,941,225	3,065,401
Total Program Revenues	6,994,984	9,621,824	11,028,991	9,983,914	18,023,975	19,605,738
General Revenues:						
Property Taxes	2,449,131	2,481,357	0	0	2,449,131	2,481,357
Income Taxes	14,258,201	13,629,646	0	0	14,258,201	13,629,646
Other Local Taxes	127,228	85,869	0	0	127,228	85,869
Intergovernmental Revenues, Unrestricted	471,917	405,814	0	0	471,917	405,814
Investment Earnings	34,673	155,401	184	215	34,857	155,616
Miscellaneous	341,935	1,297,307	0	0	341,935	1,297,307
Total General Revenues	17,683,085	18,055,394	184	215	17,683,269	18,055,609
Total Revenues	24,678,069	27,677,218	11,029,175	9,984,129	35,707,244	37,661,347
Program Expenses						
Security of Persons and Property	9,381,852	9,828,410	0	0	9,381,852	9,828,410
Public Health and Welfare Services	324,121	581,415	0	0	324,121	581,415
Leisure Time Activities	660,458	741,342	0	0	660,458	741,342
Community Environment	574,485	932,132	0	0	574,485	932,132
Transportation	4,588,251	4,761,583	0	0	4,588,251	4,761,583
General Government	5,710,902	7,558,015	0	0	5,710,902	7,558,015
Interest and Fiscal Charges	214,409	173,441	0	0	214,409	173,441
Water	0	0	2,409,282	3,593,035	2,409,282	3,593,035
Sewer	0	0	3,067,527	5,455,506	3,067,527	5,455,506
Storm Water	0	0	125,461	0	125,461	0
Total Expenses	21,454,478	24,576,338	5,602,270	9,048,541	27,056,748	33,624,879
Total Change in Net Position	3,223,591	3,100,880	5,426,905	935,588	8,650,496	4,036,468
Beginning Net Position	47,898,148	44,797,268	27,669,276	26,733,688	75,567,424	71,530,956
Ending Net Position	\$51,121,739	\$47,898,148	\$33,096,181	\$27,669,276	\$84,217,920	\$75,567,424

***Management’s Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

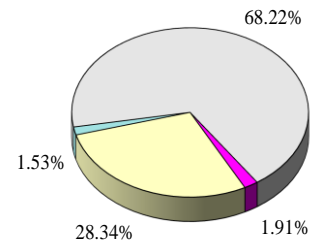
Governmental Activities

Net position of the City’s governmental activities increased by \$3,223,591 compared to 2020. A portion of this increase was due to a plan design change with the OPERS OPEB plan. OPERS no longer offers a self-insured OPEB plan to its retirees. Instead, retirees receive a monthly fixed stipend based on their eligibility. As a result, the OPERS OPEB 2020 net liability converted to a net asset in 2021 with the offset recognized as a reduction in OPEB expense. 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 57.78% and 9.92% respectively of revenues for governmental activities for the City in 2021. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 68.22% of total revenues from general tax revenues:

Revenue Sources	2021	Percent of Total
General Tax Revenues	\$16,834,560	68.22%
Intergovernmental Revenues, Unrestricted	471,917	1.91%
Program Revenues	6,994,984	28.34%
General Other	376,608	1.53%
Total Revenue	<u>\$24,678,069</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business type activities increased by \$5,426,905. 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.

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$18,659,136, which is an increase from last year's balance of \$18,381,466. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2021 and 2020.

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General	\$5,547,589	\$5,502,257	\$45,332
Municipal Income Tax 1/2% (Voted)	485,025	734,918	(249,893)
Municipal Income Tax #2 1/2% (Voted)	1,080,769	1,578,133	(497,364)
Community Development Block Grant	79,058	153,311	(74,253)
Capital Improvement	3,229,118	2,848,854	380,264
TIF District-Coshocton Road	4,492,376	4,022,506	469,870
Roads and Bridges Capital Improvement	1,130,080	1,205,599	(75,519)
Other Governmental	2,615,121	2,335,888	279,233
Total	<u>\$18,659,136</u>	<u>\$18,381,466</u>	<u>\$277,670</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:

	2021 Revenues	2020 Revenues	Increase (Decrease)
Property and Other Taxes	\$4,536,406	\$4,244,464	\$291,942
Intergovernmental Revenue	1,113,340	1,042,994	70,346
Charges for Services	2,165,068	1,687,657	477,411
Licenses and Permits	25,928	30,993	(5,065)
Investment Earnings	33,932	149,571	(115,639)
Fines and Forfeitures	539,638	515,208	24,430
All Other Revenue	152,739	874,952	(722,213)
Total	<u>\$8,567,051</u>	<u>\$8,545,839</u>	<u>\$21,212</u>

General Fund revenues in 2021 increased approximately .25% compared to revenues in 2020. The major influence were distributed among all of the revenue sources.

CITY OF MOUNT VERNON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

	2021 Expenditures	2020 Expenditures	Increase (Decrease)
Security of Persons and Property	\$221,424	\$243,791	(\$22,367)
Public Health and Welfare Services	82,200	83,867	(1,667)
Leisure Time Activities	878,520	462,858	415,662
Community Environment	32,870	31,565	1,305
Transportation	38,040	40,105	(2,065)
General Government	6,987,319	5,669,063	1,318,256
Debt Service:			
Principal Retirement	15,339	14,707	632
Interest and Fiscal Charges	12,536	13,167	(631)
Total	<u>\$8,268,248</u>	<u>\$6,559,123</u>	<u>\$1,709,125</u>

General Fund expenditures increased by \$1,709,125 or 26.1% 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 \$734,918 to \$485,025 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 \$1,578,133 to \$1,080,769 due to substantial decrease in income tax revenues.

Community Development Block Grant Fund – Community Development Block Grant Fund balance decreased from \$153,311 to \$79,058 due to utilization of the housing improvement program and rental assistance funding.

Capital Improvement Fund - The Capital Improvement Fund balance increased from \$2,848,854 to \$3,229,118 due to substantial decrease in overall spending to conserve resources.

TIF District-Coshocton Road Fund - The TIF District-Coshocton Road Fund balance increased from \$4,022,506 to \$4,492,376 due to a reduction in operational costs being performed during the year.

Roads and Bridges Capital Improvement Fund - The Roads and Bridges Capital Improvement Fund balance decreased from \$1,205,559 to \$1,130,080 due to riverbank restoration project.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

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 2021 the City amended its General Fund budget several times. The increase in the final budget of \$12,785,879 over the original budget of \$12,179,388 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 \$3,631,336 because of significant reduction in expenditures, additional appropriations (\$428,823) 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, actual revenues and other financing sources increased from final budget basis revenue of \$8,013,872 increased by \$439,452 due to an increase in income tax revenues and emergency medical service charges.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021 the City had \$90,161,544 net of accumulated depreciation invested in land, construction in progress, buildings, infrastructure, equipment and vehicles. Of this total, \$57,619,123 was related to governmental activities and \$32,542,421 to the business-type activities. The following table shows 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$14,536,696	\$14,171,646	\$365,050
Construction In Progress	1,131,137	4,004,030	(2,872,893)
Buildings	18,211,993	16,496,218	1,715,775
Improvements Other than Buildings	2,593,652	2,593,652	0
Infrastructure	57,484,044	53,673,163	3,810,881
Machinery and Equipment	11,829,622	11,476,004	353,618
Less: Accumulated Depreciation	(48,168,021)	(44,888,319)	(3,279,702)
Totals	<u>\$57,619,123</u>	<u>\$57,526,394</u>	<u>\$92,729</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 no change. Infrastructures increased due to the completion of a new intersection, a bridge improvement project and a significant sidewalk project during the year in 2021. 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.

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

	Business-Type Activities		Increase (Decrease)
	2021	2020	
Land	\$819,311	\$819,311	\$0
Construction in Progress	2,653,300	1,375,794	1,277,506
Buildings and Improvements	35,472,437	35,443,051	29,386
Utility Structures in Service	31,898,644	30,301,191	1,597,453
Machinery and Equipment	5,358,986	4,996,035	362,951
Less: Accumulated Depreciation	(43,660,257)	(41,659,428)	(2,000,829)
Totals	<u>\$32,542,421</u>	<u>\$31,275,954</u>	<u>\$1,266,467</u>

Business type capital assets increased during the year. Construction in Progress increased due to an underground reservoir water tank being rehabilitated but not yet completed during the year. Utility Structures in Service increased in conjunction with roadway improvements are renewed utility structures that are replaced at the same time. Machinery and equipment had a slight increase due to the acquisition 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, 2021, the City had \$7,396,890 in general obligation bonds outstanding, \$1,225,000 due within one year. The following table summarizes the City's liabilities outstanding as of December 31, 2021 and 2020.

	2021	2020
Governmental Activities:		
General Obligation Bonds Payable	\$4,592,200	\$5,228,200
Ohio Public Works Commission Loan	633,599	689,029
Special Obligation Bonds Payable	795,000	915,000
Police and Firemen's Pension Accrued Liability	283,413	298,752
Compensated Absences	1,418,771	1,362,466
Total Governmental Activities	<u>7,722,983</u>	<u>8,493,447</u>
Business-Type Activities:		
General Obligation Bonds Payable	2,804,690	3,363,700
Special Obligation Bonds Payable	795,000	915,000
Ohio Public Works Commission Loan	79,482	88,833
Ohio Water Development Authority Loan	4,152,626	4,504,591
Compensated Absences	262,370	302,164
Total Business-Type Activities	<u>8,094,168</u>	<u>9,174,288</u>
Totals	<u>\$15,817,151</u>	<u>\$17,667,735</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, 2021, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

The economic outlook for the city is displaying to be plentiful. From the engineering department we are seeing an increase in new housing construction beginning. Our city has been declining in additional housing to the point employers have indicated it is nearly impossible for new workers to find available housing due to the limited amount available. While home sales continue to increase, along with that provides for additional real estate tax revenues being tied to the increased market values for real estate.

A major home builder is underway with construction of large upscale rental apartments in the east side of town. The developer is expected to begin breaking ground by fall of this year and estimates that new occupants could arrive by next year at this time.

In and near the same housing project, a second developer is currently underway with platting out single family homes and also beginning new construction. These homes are expected to be priced between the upper \$200,000 to mid \$300,000 range. This development is expected to continue development over the next two to three years.

Mount Vernon Progress Park (formally known as Siemen's) under the direction of the Knox County Area Development Foundation has now obtained deeds to most of the properties located within park. 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. At this time there appears to be interest with approximately four interested businesses to call this park their home place. Those discussions and negotiations are still ongoing but during this year, the city hopes to have at least a couple new employers bringing employment to the city.

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, 2021. 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, 2021**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 12,433,515	\$ 5,791,215	\$ 18,224,730
Investments	4,624,329	1,875,671	6,500,000
Receivables:			
Taxes	5,344,323	0	5,344,323
Accounts	402,860	3,650,763	4,053,623
Intergovernmental	1,629,925	0	1,629,925
Interest	3,492	0	3,492
Inventory of Supplies	54,647	69,029	123,676
Prepaid Items	287,827	35,910	323,737
Restricted Assets:			
Cash and Cash Equivalents	538,368	0	538,368
Cash and Cash Equivalents with Fiscal Agent	29,578	0	29,578
Net OPEB Asset	409,203	198,547	607,750
Capital Assets			
Capital Assets not Being Depreciated	15,667,833	3,472,611	19,140,444
Capital Assets Being Depreciated	41,951,290	29,069,810	71,021,100
Total Assets	83,377,190	44,163,556	127,540,746
Deferred Outflows of Resources:			
Deferred Charge on Refunding	74,986	161,405	236,391
Pension	2,549,114	247,276	2,796,390
OPEB	1,401,258	97,608	1,498,866
Total Deferred Outflows of Resources	4,025,358	506,289	4,531,647
Liabilities:			
Accounts Payable	400,674	128,633	529,307
Accrued Wages and Benefits	229,738	45,941	275,679
Contracts Payable	144,132	153,980	298,112
Retainage Payable	60,677	41,730	102,407
Due to Others	88,226	0	88,226
Unearned Revenue	755,204	0	755,204
Matured Bonds & Interest Payable	0	650	650
Accrued Interest Payable	1,940	13,521	15,461
Long-term Liabilities:			
Due Within One Year	1,302,056	1,155,143	2,457,199
Due in More than One Year:			
Net Pension Liability	16,934,111	1,571,053	18,505,164
Net OPEB Liability	2,128,668	0	2,128,668
Other Amounts Due in More than One Year	6,420,927	6,939,025	13,359,952
Total Liabilities	28,466,353	10,049,676	38,516,029

CITY OF MOUNT VERNON, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflow of Resources:			
Property Taxes	2,642,800	0	2,642,800
Pension	2,892,698	824,190	3,716,888
OPEB	2,278,958	699,798	2,978,756
Total Deferred Inflows of Resources	7,814,456	1,523,988	9,338,444
Net Position:			
Net Investment in Capital Assets	51,502,443	24,760,366	76,262,809
Restricted For:			
Capital Projects	5,783,750	1,902,437	7,686,187
Perpetual Care, Nonexpendable	538,368	0	538,368
Security of Persons and Property	2,054,808	0	2,054,808
Leisure Time Activities	31,821	0	31,821
Community Environment	1,039,245	0	1,039,245
Transportation	1,125,299	0	1,125,299
Public Health and Welfare	61,342	0	61,342
General Government	648,212	0	648,212
Unrestricted (Deficit)	(11,663,549)	6,433,378	(5,230,171)
Total Net Position	\$ 51,121,739	\$ 33,096,181	\$ 84,217,920

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Activities
For the Year Ended December 31, 2021**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 9,381,852	\$ 2,052,621	\$ 87,949	\$ 0
Public Health and Welfare Services	324,121	147,209	0	0
Leisure Time Activities	660,458	289,465	0	725,744
Community Environment	574,485	24,619	30,177	0
Transportation	4,588,251	0	810,605	1,215,481
General Government	5,710,902	798,316	812,798	0
Interest and Fiscal Charges	214,409	0	0	0
Total Governmental Activities	21,454,478	3,312,230	1,741,529	1,941,225
Business-Type Activities:				
Water	2,409,282	4,771,468	0	0
Sewer	3,067,527	5,144,124	0	0
Storm Water	125,461	1,113,399	0	0
Total Business-Type Activities	5,602,270	11,028,991	0	0
Totals	\$ 27,056,748	\$ 14,341,221	\$ 1,741,529	\$ 1,941,225

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
\$ (7,241,282)	\$ 0	\$ (7,241,282)
(176,912)	0	(176,912)
354,751	0	354,751
(519,689)	0	(519,689)
(2,562,165)	0	(2,562,165)
(4,099,788)	0	(4,099,788)
(214,409)	0	(214,409)
<u>(14,459,494)</u>	<u>0</u>	<u>(14,459,494)</u>
0	2,362,186	2,362,186
0	2,076,597	2,076,597
0	987,938	987,938
<u>0</u>	<u>5,426,721</u>	<u>5,426,721</u>
<u>(14,459,494)</u>	<u>5,426,721</u>	<u>(9,032,773)</u>
618,321	0	618,321
141,658	0	141,658
143,782	0	143,782
1,545,370	0	1,545,370
14,258,201	0	14,258,201
127,228	0	127,228
471,917	0	471,917
34,673	184	34,857
341,935	0	341,935
<u>17,683,085</u>	<u>184</u>	<u>17,683,269</u>
3,223,591	5,426,905	8,650,496
47,898,148	27,669,276	75,567,424
<u>\$ 51,121,739</u>	<u>\$ 33,096,181</u>	<u>\$ 84,217,920</u>

CITY OF MOUNT VERNON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2021**

	General	Municipal Income Tax 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	Community Development Block Grant
Assets:				
Cash and Cash Equivalents	\$ 2,939,260	\$ 154,203	\$ 746,806	\$ 83,118
Investments	1,756,259	0	0	0
Receivables:				
Taxes	1,753,878	644,295	644,295	0
Accounts	238,095	13,256	5,619	0
Intergovernmental	189,647	0	0	960,187
Interest	3,492	0	0	0
Inventory of Supplies	5,231	0	0	0
Prepaid Items	226,556	0	15,477	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 7,112,418	\$ 811,754	\$ 1,412,197	\$ 1,043,305
Liabilities:				
Accounts Payable	\$ 144,265	\$ 0	\$ 116,306	\$ 0
Accrued Wages and Benefits Payable	56,119	118,167	6,560	0
Contracts Payable	48,237	0	0	4,060
Retainage Payable	0	0	0	0
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	248,621	118,167	122,866	4,060
Deferred Inflows of Resources:				
Property Tax	891,400	0	0	0
Unavailable Revenue	424,808	208,562	208,562	960,187
Total Deferred Inflows of Resources	1,316,208	208,562	208,562	960,187
Fund Balances:				
Nonspendable	231,787	0	15,477	0
Restricted	0	485,025	1,065,292	79,058
Committed	0	0	0	0
Assigned	4,602,155	0	0	0
Unassigned	713,647	0	0	0
Total Fund Balances	5,547,589	485,025	1,080,769	79,058
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,112,418	\$ 811,754	\$ 1,412,197	\$ 1,043,305

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	\$ 1,938,913	\$ 2,801,995	\$ 1,005,517	\$ 2,763,703	\$ 12,433,515
0	1,172,969	1,695,101	0	0	4,624,329
0	201,537	1,384,156	203,077	513,085	5,344,323
0	0	79,428	66,462	0	402,860
0	20,000	0	0	460,091	1,629,925
0	0	0	0	0	3,492
0	0	0	0	49,416	54,647
0	0	0	0	45,794	287,827
0	0	0	0	538,368	538,368
0	0	0	0	29,578	29,578
<u>\$ 0</u>	<u>\$ 3,333,419</u>	<u>\$ 5,960,680</u>	<u>\$ 1,275,056</u>	<u>\$ 4,400,035</u>	<u>\$ 25,348,864</u>
\$ 0	\$ 26,042	\$ 0	\$ 4,500	\$ 109,561	\$ 400,674
0	0	0	0	48,892	229,738
0	0	84,148	0	7,687	144,132
0	0	0	60,677	0	60,677
0	0	0	0	88,226	88,226
0	0	0	0	755,204	755,204
<u>0</u>	<u>26,042</u>	<u>84,148</u>	<u>65,177</u>	<u>1,009,570</u>	<u>1,678,651</u>
0	0	1,350,000	0	401,400	2,642,800
0	78,259	34,156	79,799	373,944	2,368,277
<u>0</u>	<u>78,259</u>	<u>1,384,156</u>	<u>79,799</u>	<u>775,344</u>	<u>5,011,077</u>
0	0	0	0	633,578	880,842
0	3,229,118	4,492,376	1,130,080	1,904,964	12,385,913
0	0	0	0	76,579	76,579
0	0	0	0	0	4,602,155
0	0	0	0	0	713,647
<u>0</u>	<u>3,229,118</u>	<u>4,492,376</u>	<u>1,130,080</u>	<u>2,615,121</u>	<u>18,659,136</u>
<u>\$ 0</u>	<u>\$ 3,333,419</u>	<u>\$ 5,960,680</u>	<u>\$ 1,275,056</u>	<u>\$ 4,400,035</u>	<u>\$ 25,348,864</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2021***

Total Governmental Fund Balances		\$ 18,659,136
<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.		57,619,123
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		2,368,277
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	2,549,114	
Deferred Inflows - Pension	(2,892,698)	
Net Pension Liability	<u>(16,934,111)</u>	(17,277,695)
The net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	1,401,258	
Deferred Inflows - OPEB	(2,278,958)	
Net OPEB Asset	409,203	
Net OPEB Liability	<u>(2,128,668)</u>	(2,597,165)
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	(4,592,200)	
Less: Deferred Charges on Refunding	74,986	
Special Obligation Bonds Payable	(795,000)	
Ohio Public Works Commission Loan Payable	(633,599)	
Police and Firemen's Pension Accrued Liability	(283,413)	
Compensated Absences Payable	(1,418,771)	
Accrued Interest Payable	<u>(1,940)</u>	<u>(7,649,937)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 51,121,739</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, 2021**

	General	Municipal Income Tax 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	Community Development Block Grant
Revenues:				
Taxes	\$ 4,536,406	\$ 3,554,465	\$ 3,554,465	\$ 0
Intergovernmental Revenues	1,113,340	0	87,949	434,790
Charges for Services	2,165,068	0	3,814	0
Licenses and Permits	25,928	0	0	0
Investment Earnings	33,932	0	0	6
Fines and Forfeitures	539,638	0	0	0
All Other Revenue	152,739	32,272	31,121	32,566
Total Revenue	8,567,051	3,586,737	3,677,349	467,362
Expenditures:				
Current:				
Security of Persons and Property	221,424	3,836,630	3,578,813	0
Public Health and Welfare Services	82,200	0	0	0
Leisure Time Activities	878,520	0	0	0
Community Environment	32,870	0	0	541,615
Transportation	38,040	0	0	0
General Government	6,987,319	0	0	0
Debt Service:				
Principal Retirement	15,339	0	0	0
Interest and Fiscal Charges	12,536	0	0	0
Total Expenditures	8,268,248	3,836,630	3,578,813	541,615
Excess (Deficiency) of Revenues Over Expenditures	298,803	(249,893)	98,536	(74,253)
Other Financing Sources (Uses):				
Sale of Capital Assets	32	0	27,215	0
Transfers In	0	0	0	0
Transfers Out	(258,354)	0	(623,115)	0
Total Other Financing Sources (Uses)	(258,322)	0	(595,900)	0
Net Change in Fund Balances	40,481	(249,893)	(497,364)	(74,253)
Fund Balances at Beginning of Year	5,502,257	734,918	1,578,133	153,311
Increase (Decrease) in Inventory	4,851	0	0	0
Fund Balances End of Year	\$ 5,547,589	\$ 485,025	\$ 1,080,769	\$ 79,058

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	\$ 1,280,873	\$ 1,349,963	\$ 1,280,873	\$ 1,211,548	\$ 16,768,593
0	20,000	4	1,189,499	1,260,357	4,105,939
0	0	0	0	380,439	2,549,321
0	0	0	0	190	26,118
0	0	0	288	447	34,673
0	0	0	0	175,499	715,137
0	156	79,428	0	35,307	363,589
0	1,301,029	1,429,395	2,470,660	3,063,787	24,563,370
0	98,711	0	0	1,202,473	8,938,051
0	0	0	0	384,560	466,760
0	66,398	0	0	874	945,792
0	0	0	0	0	574,485
0	218,648	766,194	2,318,551	1,139,309	4,480,742
0	537,008	0	0	345,155	7,869,482
691,430	0	0	0	120,000	826,769
126,175	0	0	0	23,782	162,493
817,605	920,765	766,194	2,318,551	3,216,153	24,264,574
(817,605)	380,264	663,201	152,109	(152,366)	298,796
0	0	0	0	0	27,247
817,605	0	0	0	640,185	1,457,790
0	0	(193,331)	(227,628)	(155,362)	(1,457,790)
817,605	0	(193,331)	(227,628)	484,823	27,247
0	380,264	469,870	(75,519)	332,457	326,043
0	2,848,854	4,022,506	1,205,599	2,335,888	18,381,466
0	0	0	0	(53,224)	(48,373)
\$ 0	\$ 3,229,118	\$ 4,492,376	\$ 1,130,080	\$ 2,615,121	\$ 18,659,136

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, 2021***

Net Change in Fund Balances - Total Governmental Funds \$ 326,043

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

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

Capital Outlay	3,022,985	
Depreciation Expense	<u>(3,646,127)</u>	(623,142)

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.	(9,873)	
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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.	<u>725,744</u>	715,871
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(617,027)
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		1,532,206
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(1,155,335)
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Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as OPEB expense in the statement of activities.		2,332,249
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Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net		
General Obligation Bond Principal Payment	636,000	
Special Obligation Bond Principal Payment	120,000	
Ohio Public Works Commission Loan Payment	55,430	
Police Firemen's Pension Accrued Liability Principal Payment	<u>15,339</u>	826,769

(Continued)

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. 1,347

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	(56,305)	
Amortization of Deferred Charge on Refunding	(10,712)	
Change in Inventory	(48,373)	(115,390)

Change in Net Position of Governmental Activities \$ 3,223,591

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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,179,667	\$ 4,179,667	\$ 4,454,446	\$ 274,779
Intergovernmental Revenue	517,246	1,083,916	1,107,209	23,293
Charges for Services	1,941,500	1,941,500	2,120,296	178,796
Licenses and Permits	18,000	18,000	25,928	7,928
Investment Earnings	150,000	150,000	30,440	(119,560)
Fines and Forfeitures	528,000	528,000	545,537	17,537
All Other Revenues	109,000	112,789	169,436	56,647
Total Revenues	<u>7,443,413</u>	<u>8,013,872</u>	<u>8,453,292</u>	<u>439,420</u>
Expenditures:				
Current:				
Security of Persons and Property	309,814	312,946	275,383	37,563
Public Health and Welfare Services	104,400	104,400	97,200	7,200
Leisure Time Activities	1,018,474	1,023,534	946,501	77,033
Community Environment	61,595	61,595	33,008	28,587
Transportation	44,500	42,900	33,731	9,169
General Government	10,323,210	10,923,769	7,510,366	3,413,403
Total Expenditures	<u>11,861,993</u>	<u>12,469,144</u>	<u>8,896,189</u>	<u>3,572,955</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,418,580)	(4,455,272)	(442,897)	4,012,375
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	32	32
Transfers Out	(317,395)	(316,735)	(258,354)	58,381
Total Other Financing Sources (Uses):	<u>(317,395)</u>	<u>(316,735)</u>	<u>(258,322)</u>	<u>58,413</u>
Net Change in Fund Balance	(4,735,975)	(4,772,007)	(701,219)	4,070,788
Fund Balance at Beginning of Year	4,294,995	4,294,995	4,294,995	0
Prior Year Encumbrances	487,493	487,493	487,493	0
Fund Balance at End of Year	<u>\$ 46,513</u>	<u>\$ 10,481</u>	<u>\$ 4,081,269</u>	<u>\$ 4,070,788</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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,383,716	\$ 3,383,716	\$ 3,503,092	\$ 119,376
All Other Revenues	0	0	34,583	34,583
Total Revenues	<u>3,383,716</u>	<u>3,383,716</u>	<u>3,537,675</u>	<u>153,959</u>
Expenditures:				
Security of Persons and Property	<u>3,812,342</u>	<u>3,812,342</u>	<u>3,812,098</u>	<u>244</u>
Total Expenditures	<u>3,812,342</u>	<u>3,812,342</u>	<u>3,812,098</u>	<u>244</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,626)	(428,626)	(274,423)	154,203
Fund Balance at Beginning of Year	<u>428,626</u>	<u>428,626</u>	<u>428,626</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 154,203</u>	<u>\$ 154,203</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,378,566	\$ 3,378,566	\$ 3,503,092	\$ 124,526
Intergovernmental Revenues	0	51,435	87,949	36,514
Charges for Services	5,150	5,150	3,814	(1,336)
All Other Revenues	0	12,000	33,102	21,102
Total Revenues	3,383,716	3,447,151	3,627,957	180,806
Expenditures:				
Security of Persons and Property	3,766,633	3,913,968	3,733,944	180,024
Total Expenditures	3,766,633	3,913,968	3,733,944	180,024
Excess (Deficiency) of Revenues Over (Under) Expenditures	(382,917)	(466,817)	(105,987)	360,830
Other Financing Sources (Uses):				
Sale of Capital Assets	0	22,900	27,215	4,315
Transfers Out	(825,000)	(764,000)	(623,115)	140,885
Total Other Financing Sources (Uses)	(825,000)	(741,100)	(595,900)	145,200
Net Change in Fund Balance	(1,207,917)	(1,207,917)	(701,887)	506,030
Fund Balance at Beginning of Year	1,103,036	1,103,036	1,103,036	0
Prior Year Encumbrances	108,996	108,996	108,996	0
Fund Balance at End of Year	\$ 4,115	\$ 4,115	\$ 510,145	\$ 506,030

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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 500,000	\$ 1,400,000	\$ 469,790	\$ (930,210)
Investment Earnings	0	0	6	6
All Other Revenues	0	0	32,566	32,566
Total Revenues	500,000	1,400,000	502,362	(897,638)
Expenditures:				
Community Environment	617,878	1,517,878	580,751	937,127
Total Expenditures	617,878	1,517,878	580,751	937,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	(117,878)	(117,878)	(78,389)	39,489
Fund Balance at Beginning of Year	51,929	51,929	51,929	0
Prior Year Encumbrances	66,382	66,382	66,382	0
Fund Balance at End of Year	\$ 433	\$ 433	\$ 39,922	\$ 39,489

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
ASSETS				
Current assets:				
Cash and Cash Equivalents	\$ 3,744,423	\$ 1,178,224	\$ 868,568	\$ 5,791,215
Investments	1,210,218	665,453	0	1,875,671
Accounts receivable (net of allowance for uncollectibles)	1,465,140	1,785,724	399,899	3,650,763
Inventory of Supplies	37,187	31,842	0	69,029
Prepaid Items	22,250	12,827	833	35,910
Total current assets	<u>6,479,218</u>	<u>3,674,070</u>	<u>1,269,300</u>	<u>11,422,588</u>
Noncurrent assets:				
Net OPEB Asset	98,183	100,364	0	198,547
Capital assets:				
Capital Assets Not Being Depreciated	2,158,965	1,179,431	134,215	3,472,611
Capital Assets Being Depreciated	13,049,377	15,954,315	66,118	29,069,810
Total capital assets	<u>15,208,342</u>	<u>17,133,746</u>	<u>200,333</u>	<u>32,542,421</u>
Total noncurrent assets	<u>15,306,525</u>	<u>17,234,110</u>	<u>200,333</u>	<u>32,740,968</u>
Total Assets	<u>21,785,743</u>	<u>20,908,180</u>	<u>1,469,633</u>	<u>44,163,556</u>
Deferred Outflows of Resources:				
Deferred Charges on Refunding	22,558	138,847	0	161,405
Pension	133,924	113,352	0	247,276
OPEB	48,268	49,340	0	97,608
Total Deferred Outflows of Resources	<u>204,750</u>	<u>301,539</u>	<u>0</u>	<u>506,289</u>
LIABILITIES				
Current liabilities:				
Accounts Payable	67,001	61,632	0	128,633
Accrued Wages and Benefits	22,563	23,378	0	45,941
Contracts Payable	87,026	63,961	2,993	153,980
Retainage Payable	38,668	3,062	0	41,730
Matured Bonds and Interest Payable	650	0	0	650
Accrued Interest Payable	541	12,980	0	13,521
General Obligation Bonds Payable - Current	38,875	533,075	0	571,950
OWDA Loans Payable - Current	0	356,060	0	356,060
OPWC Loans Payable - Current	9,351	0	0	9,351
Compensated Absences Payable - Current	37,415	55,367	0	92,782
Special Obligation Bonds Payable - Current	62,500	62,500	0	125,000
Total Current Liabilities	<u>364,590</u>	<u>1,172,015</u>	<u>2,993</u>	<u>1,539,598</u>

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
Noncurrent Liabilities:				
General Obligation Bonds Payable	165,990	2,066,750	0	2,232,740
OWDA Loans Payable	0	3,796,566	0	3,796,566
OPWC Loans Payable	70,131	0	0	70,131
Special Obligation Bonds Payable	335,000	335,000	0	670,000
Compensated Absences Payable	59,708	109,880	0	169,588
Net Pension Liability	776,897	794,156	0	1,571,053
Total noncurrent liabilities	1,407,726	7,102,352	0	8,510,078
Total Liabilities	1,772,316	8,274,367	2,993	10,049,676
Deferred Inflows of Resources:				
Pension	434,303	389,887	0	824,190
OPEB	363,240	336,558	0	699,798
Total Deferred Inflows of Resources	797,543	726,445	0	1,523,988
NET POSITION:				
Net Investment in Capital Assets	14,438,266	10,121,767	200,333	24,760,366
Restricted for Capital Projects	1,203,115	699,322	0	1,902,437
Unrestricted	3,779,253	1,387,818	1,266,307	6,433,378
Total Net Position	<u>\$ 19,420,634</u>	<u>\$ 12,208,907</u>	<u>\$ 1,466,640</u>	<u>\$ 33,096,181</u>

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
Operating Revenues:				
Charges for Services	\$ 4,762,361	\$ 5,075,229	\$ 1,113,399	\$ 10,950,989
Other Operating Revenues	9,107	68,895	0	78,002
Total Operating Revenues	<u>4,771,468</u>	<u>5,144,124</u>	<u>1,113,399</u>	<u>11,028,991</u>
Operating Expenses:				
Personal Services	630,237	729,874	0	1,360,111
Contractual Services	398,750	586,672	49,746	1,035,168
Materials and Supplies	258,309	364,505	75,715	698,529
Utilities	190,529	237,882	0	428,411
Depreciation	915,012	1,011,471	0	1,926,483
Total Operating Expenses	<u>2,392,837</u>	<u>2,930,404</u>	<u>125,461</u>	<u>5,448,702</u>
Operating Income	2,378,631	2,213,720	987,938	5,580,289
Non-Operating Revenues (Expenses):				
Interest Income	184	0	0	184
Interest and Fiscal Charges	(16,445)	(137,123)	0	(153,568)
Total Non-Operating Revenues (Expenses)	<u>(16,261)</u>	<u>(137,123)</u>	<u>0</u>	<u>(153,384)</u>
Change in Net Position	2,362,370	2,076,597	987,938	5,426,905
Net Position Beginning of Year	17,058,264	10,132,310	478,702	27,669,276
Net Position End of Year	<u>\$ 19,420,634</u>	<u>\$ 12,208,907</u>	<u>\$ 1,466,640</u>	<u>\$ 33,096,181</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$4,527,376	\$4,464,381	\$958,192	\$9,949,949
Cash Payments for Goods and Services	(827,793)	(1,165,762)	(123,301)	(2,116,856)
Cash Payments to Employees	(1,414,169)	(1,481,137)	0	(2,895,306)
Net Cash Provided by Operating Activities	2,285,414	1,817,482	834,891	4,937,787
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(2,368,615)	(592,565)	(200,333)	(3,161,513)
Principal Paid on General Obligation Bonds	(38,010)	(521,000)	0	(559,010)
Principal Paid on Ohio Public Works Commission Loan	(9,351)	0	0	(9,351)
Principal Paid on Special Obligation Bonds	(60,000)	(60,000)	0	(120,000)
Principal Paid on OWDA Loan	0	(351,965)	0	(351,965)
Interest Paid on All Debt	(18,135)	(140,269)	0	(158,404)
Net Cash Used for Capital and Related Financing Activities	(2,494,111)	(1,665,799)	(200,333)	(4,360,243)
<u>Cash Flows from Investing Activities:</u>				
Proceeds from Sale of Investments	1,988,616	791,148	0	2,779,764
Receipt of Interest	184	0	0	184
Net Cash Provided by Investing Activities	1,988,800	791,148	0	2,779,948
Net Increase (Decrease) in Cash and Cash Equivalents	1,780,103	942,831	634,558	3,357,492
Cash and Cash Equivalents at Beginning of Year	1,964,320	235,393	234,010	2,433,723
Cash and Cash Equivalents at End of Year	\$3,744,423	\$1,178,224	\$868,568	\$5,791,215

(Continued)

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Storm Water	
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income	\$2,378,631	\$2,213,720	\$987,938	\$5,580,289
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	915,012	1,011,471	0	1,926,483
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Increase in Accounts Receivable	(244,092)	(679,743)	(155,207)	(1,079,042)
Decrease in Inventory	26,685	6,666	0	33,351
Increase in Prepaid Items	(2,871)	(3,839)	(833)	(7,543)
Increase in Net OPEB Asset	(98,183)	(100,364)	0	(198,547)
Decrease Deferred Outflows-Pension	107,999	56,327	0	164,326
Decrease Deferred Outflows-OPEB	88,646	81,604	0	170,250
Decrease in Accounts Payable	(38,783)	15,673	0	(23,110)
Increase in Accrued Wages and Benefits	2,798	4,715	0	7,513
Increase in Contracts Payable	32,435	2,082	2,993	37,510
Increase (Decrease) in Compensated Absences	(40,135)	341	0	(39,794)
Decrease in Net Pension Liability	(402,217)	(333,545)	0	(735,762)
Decrease in Net OPEB Liability	(864,812)	(827,104)	0	(1,691,916)
Increase in Deferred Inflows-Pension	184,188	150,678	0	334,866
Increase in Deferred Inflows-OPEB	240,113	218,800	0	458,913
Total Adjustments	(93,217)	(396,238)	(153,047)	(642,502)
Net Cash Provided by Operating Activities	\$2,285,414	\$1,817,482	\$834,891	\$4,937,787

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2021 the Water and Sewer Funds had outstanding liabilities of \$63,998 and \$875 respectively for certain capital assets.

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
Fiduciary Fund
December 31, 2021**

	Custodial
Assets:	
Cash and Cash Equivalents	\$ 112,536
Total Assets	<u>112,536</u>
Liabilities:	
Intergovernmental Payable	28,566
Due to Others	83,970
Total Liabilities	<u>112,536</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, 2021**

	<u>Custodial</u>
Additions:	
Fines and Forfeiture Collections for Other Governments	\$ 378,833
Charges Collected for Others	<u>730,021</u>
Total Additions	<u>1,108,854</u>
Deductions:	
Distribution of Fines and Forfeitures to Other Governments	378,833
Distribution of Charges Collected for Others	<u>730,021</u>
Total Deductions	<u>1,108,854</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021 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 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, 2021***

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 \$58,350 for operations of the combined District for 2021.

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, 2021***

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, 2021***

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, 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, 2021***

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, 2021***

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 2021.

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, 2021**

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)	\$40,481	(\$249,893)	(\$497,364)	(\$74,253)
Increase (Decrease):				
Accrued Revenues at December 31, 2021 received during 2022	(904,265)	(448,989)	(441,352)	0
Accrued Revenues at December 31, 2020 received during 2021	790,506	399,927	391,960	35,000
Accrued Expenditures at December 31, 2021 paid during 2022	248,621	118,167	122,866	4,060
Accrued Expenditures at December 31, 2020 paid during 2021	(254,799)	(93,635)	(51,378)	0
2020 Prepays for 2021	182,872	0	25,519	0
2021 Prepays for 2022	(226,556)	0	(15,477)	0
Outstanding Encumbrances	(578,079)	0	(236,661)	(43,196)
Budget Basis	<u>(\$701,219)</u>	<u>(\$274,423)</u>	<u>(\$701,887)</u>	<u>(\$78,389)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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 2021, 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 2021, 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 \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

Inventory of supplies is stated at cost (first-in, first-out). 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, 2021, 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, 2021***

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, 2021***

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, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

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

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

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

M. Net Position

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

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

N. Bond Issuance Costs

Bond issuance costs are recognized in the current period.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. 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/asset, 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.

P. 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.

Q. 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, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. 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.

R. 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.

S. 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.

T. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. At December 31, 2021, this includes Local Coronavirus Relief grant revenue received before eligibility requirements have been met.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. 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.

V. 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.

W. Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General	Municipal	Municipal	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	\$226,556	\$0	\$15,477	\$0	\$0	\$0	\$0	\$45,794	\$287,827
Supplies Inventory	5,231	0	0	0	0	0	0	49,416	54,647
Endowment	0	0	0	0	0	0	0	538,368	538,368
Total Nonspendable	231,787	0	15,477	0	0	0	0	633,578	880,842
Restricted:									
Transportation Projects	0	0	0	0	3,229,118	4,492,376	1,130,080	870,594	9,722,168
Cemetery	0	0	0	0	0	0	0	70,644	70,644
Court Projects	0	0	0	0	0	0	0	608,363	608,363
Public Safety	0	485,025	1,065,292	0	0	0	0	241,462	1,791,779
Community Development	0	0	0	79,058	0	0	0	74,379	153,437
Debt Retirement	0	0	0	0	0	0	0	12,139	12,139
Parks and Recreation	0	0	0	0	0	0	0	27,383	27,383
Total Restricted	0	485,025	1,065,292	79,058	3,229,118	4,492,376	1,130,080	1,904,964	12,385,913
Committed:									
Parks and Recreation	0	0	0	0	0	0	0	76,579	76,579
Total Committed	0	0	0	0	0	0	0	76,579	76,579
Assigned:									
Projected Budgetary Deficit	4,081,269	0	0	0	0	0	0	0	4,081,269
Services and Supplies	520,886	0	0	0	0	0	0	0	520,886
Total Assigned	4,602,155	0	0	0	0	0	0	0	4,602,155
Unassigned:									
	713,647	0	0	0	0	0	0	0	713,647
Total Fund Balances	\$5,547,589	\$485,025	\$1,080,769	\$79,058	\$3,229,118	\$4,492,376	\$1,130,080	\$2,615,121	\$18,659,136

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, 2021***

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, 2021***

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 \$19,491,483 and the bank balance \$19,378,461. The Federal Deposit Insurance Corporation (FDIC) covered \$7,250,000 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>\$12,128,461</u>
Total Balance	<u><u>\$12,128,461</u></u>

Investment earnings of \$24,406 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, 2021***

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

B. Investments

The City's investments at December 31, 2021 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	<u>\$5,913,729</u>	AAA ^m ¹	<u>\$5,913,729</u>
Total Investments	<u><u>\$5,913,729</u></u>		<u><u>\$5,913,729</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 \$29,578 being held by Knox County.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

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	\$18,905,212	\$6,500,000
Certificates of Deposit (with maturities of more than 3 months)	6,500,000	(6,500,000)
Investments:		
STAR Ohio	(5,913,729)	5,913,729
Per GASB Statement No. 3	<u>\$19,491,483</u>	<u>\$5,913,729</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 2021 were levied after October 1, 2021 on assessed values as of January 1, 2021, 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, 2021 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2021 tax receipts were based was \$317,882,000. This amount constitutes \$295,786,000 in real property assessed value and \$22,096,000 in public utility assessed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021, 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, 2021***

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 2021, 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>
\$ 5,273	\$ 135,986	\$ 141,259

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CITY OF MOUNT VERNON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 6 - RECEIVABLES

Receivables at December 31, 2021 consisted of taxes, accounts, and intergovernmental receivables. All receivables are collectible in full and within one year except for allowance for doubtful accounts related to billings for governmental and proprietary funds.

A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund	
Homestead and Rollback Reimbursement	\$43,473
Local Government	146,174
Total General Fund	<u>189,647</u>
Major Special Revenue Fund:	
CDBG Fund - CDBG Grants	960,187
Capital Improvement Fund	20,000
	<u>980,187</u>
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Gasoline Tax	370,259
Motor Vehicle Tax	28,142
Total Street Construction, Maintenance and Repair Fund	<u>398,401</u>
State Highway Improvement Fund	
Gasoline Tax	28,880
Motor Vehicle Tax	3,423
Total State Highway Improvement Fund	<u>32,303</u>
Permissive License Registration Fund - Permissive Tax	16,744
Driver's Interlock and Alcohol Monitoring - Fines and Forfeitures	0
Police Pension Fund - Homestead and Rollback Reimbursement	7,614
Fire Pension Fund - Homestead and Rollback Reimbursement	5,029
Total Nonmajor Special Revenue Funds	<u>460,091</u>
Total Governmental Fund Types	<u><u>\$1,629,925</u></u>

CITY OF MOUNT VERNON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 7 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2021:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$258,354
Municipal Income Tax #2 1/2% (Voted)	0	623,115
General Bond Retirement Fund	817,605	0
TIF District-Coshocton Road Fund	0	193,331
Roads and Bridges Capital Improvement	0	227,628
Other Governmental Funds	640,185	155,362
Total Governmental Funds	<u>\$1,457,790</u>	<u>\$1,457,790</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; and to provide additional resources for current operations or debt service. 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, 2021**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets as of December 31, 2021:

Historical Cost:

Class	Balance at December 31, 2020	Transfers	Additions	Deletions	Balance at December 31, 2021
<i>Capital assets not being depreciated:</i>					
Land	\$14,171,646	\$0	\$365,050	\$0	\$14,536,696
Construction in Progress	4,004,030	0	791,893	(3,664,786)	1,131,137
Subtotal	18,175,676	0	1,156,943	(3,664,786)	15,667,833
<i>Capital assets being depreciated:</i>					
Buildings	16,496,218	0	1,722,482	(6,707)	18,211,993
Improvements Other than Building	2,593,652	0	0	0	2,593,652
Infrastructure	53,673,163	0	3,833,614	(22,733)	57,484,044
Machinery and Equipment	11,476,004	(106,447)	700,476	(240,411)	11,829,622
Subtotal	84,239,037	(106,447)	6,256,572	(269,851)	90,119,311
Total Cost	\$102,414,713	(\$106,447)	\$7,413,515	(\$3,934,637)	\$105,787,144

Accumulated Depreciation:

Class	Balance at December 31, 2020	Transfers	Additions	Deletions	Balance at December 31, 2021
Buildings	(\$9,081,303)	\$0	(\$593,933)	\$6,707	(\$9,668,529)
Improvements	(1,016,955)	0	(84,124)	0	(1,101,079)
Infrastructure	(26,889,522)	0	(2,219,199)	22,733	(29,085,988)
Machinery and Equipment	(7,900,539)	106,447	(748,871)	230,538	(8,312,425)
Total Depreciation	(\$44,888,319)	\$106,447	(\$3,646,127)	\$259,978	(\$48,168,021)
<i>Net Value:</i>	\$57,526,394				\$57,619,123

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$497,405
Leisure Time Activities	382,532
Public Health & Welfare	37,500
Transportation	2,400,573
General Government	328,117
Total Depreciation Expense	\$3,646,127

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

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, 2021:

Historical Cost:

Class	Balance at December 31, 2020	Transfers	Additions	Deletions	Balance at December 31, 2021
Capital assets not being depreciated:					
Land	\$819,311	\$0	\$0	\$0	\$819,311
Construction in Progress	1,375,794	0	1,999,976	(722,470)	2,653,300
Subtotal	2,195,105	0	1,999,976	(722,470)	3,472,611
Capital assets being depreciated:					
Buildings	35,443,051	0	29,386	0	35,472,437
Utility Structures in Service	30,301,191	0	1,597,453	0	31,898,644
Machinery and Equipment	4,996,035	106,447	288,604	(32,100)	5,358,986
Subtotal	70,740,277	106,447	1,915,443	(32,100)	72,730,067
Total Cost	\$72,935,382	\$106,447	\$3,915,419	(\$754,570)	\$76,202,678

Accumulated Depreciation:

Class	Balance at December 31, 2020	Transfers	Additions	Deletions	Balance at December 31, 2021
Buildings	(\$21,627,175)	\$0	(\$1,189,149)	\$0	(\$22,816,324)
Utility Structures in Service	(16,034,039)	0	(413,133)	0	(16,447,172)
Machinery and Equipment	(3,998,214)	(106,447)	(324,200)	32,100	(4,396,761)
Total Depreciation	(\$41,659,428)	(\$106,447)	(\$1,926,482)	\$32,100	(\$43,660,257)
Net Value:	\$31,275,954				\$32,542,421

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021***

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 Annual Comprehensive 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. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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%.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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.

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. 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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. 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. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

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>State and Local</u>
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$686,397 for 2021. Of this amount, \$66,663 is reported as accrued wages and benefits.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, 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, 2021**

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>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,045,933 for 2021. Of this amount, \$86,775 is reported as an 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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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	\$4,808,989	\$13,696,175	\$18,505,164
Proportion of the Net Pension Liability-2021	0.032476%	0.2009094%	
Proportion of the Net Pension Liability-2020	0.033382%	0.2017040%	
Percentage Change	<u>(0.000906%)</u>	<u>(0.0007946%)</u>	
Pension Expense	\$67,152	\$1,075,853	\$1,143,005

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2021, 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	\$0	\$229,694	\$229,694
Differences between expected and actual experience	0	572,544	572,544
Change in proportionate share	23,036	238,786	261,822
City contributions subsequent to the measurement date	<u>686,397</u>	<u>1,045,933</u>	<u>1,732,330</u>
Total Deferred Outflows of Resources	<u>\$709,433</u>	<u>\$2,086,957</u>	<u>\$2,796,390</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,874,403	\$664,352	\$2,538,755
Differences between expected and actual experience	201,164	533,565	734,729
Change in proportionate share	<u>146,121</u>	<u>297,283</u>	<u>443,404</u>
Total Deferred Inflows of Resources	<u>\$2,221,688</u>	<u>\$1,495,200</u>	<u>\$3,716,888</u>

\$1,732,330 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, 2022. 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:			
2022	(\$865,155)	(\$71,698)	(\$936,853)
2023	(313,786)	226,036	(87,750)
2024	(764,071)	(571,870)	(1,335,941)
2025	(255,640)	(56,576)	(312,216)
2026	<u>0</u>	<u>19,932</u>	<u>19,932</u>
Total	<u>(\$2,198,652)</u>	<u>(\$454,176)</u>	<u>(\$2,652,828)</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, 2021***

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, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>December 31, 2020</u>
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)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	<u>December 31, 2019</u>
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

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

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 2020 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 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

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	\$9,173,171	\$4,808,989	\$1,180,178

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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, 2020, compared with January 1, 2019, are presented below.

	January 1, 2020	January 1, 2019
Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
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	2.2 percent simple	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, 2020 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, 2020 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, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

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 1.25 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, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 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	\$19,066,829	\$13,696,175	\$9,201,478

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) 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 (asset) 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 (asset) 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 (asset). Resulting adjustments to the net OPEB liability (asset) 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 (asset)* 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, 2021***

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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' Annual Comprehensive 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 2021, 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, 2021***

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 2021. 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 2021 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 2021.

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, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2021, 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 \$24,116 for 2021. Of this amount, \$1,992 is reported as an accrued wages and benefits.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) 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 (Asset)	(\$607,750)	\$2,128,668	\$1,520,918
Proportion of the Net OPEB Liability (Asset) -2021	0.034113%	0.2009094%	
Proportion of the Net OPEB Liability-2020	<u>0.035036%</u>	<u>0.2017043%</u>	
Percentage Change	<u>(0.000923%)</u>	<u>(0.0007949%)</u>	
OPEB Expense	(\$3,718,677)	\$125,128	(\$3,593,549)

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2021, 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	\$298,777	\$1,175,973	\$1,474,750
City contributions subsequent to the measurement date	<u>0</u>	<u>24,116</u>	<u>24,116</u>
Total Deferred Outflows of Resources	<u>\$298,777</u>	<u>\$1,200,089</u>	<u>\$1,498,866</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$323,695	\$79,105	\$402,800
Changes in assumptions	984,738	339,348	1,324,086
Differences between expected and actual experience	548,492	351,118	899,610
Change in proportionate share	<u>93,157</u>	<u>259,103</u>	<u>352,260</u>
Total Deferred Inflows of Resources	<u>\$1,950,082</u>	<u>\$1,028,674</u>	<u>\$2,978,756</u>

\$24,116 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 2022. 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>
2022	(\$870,506)	\$18,644	(\$851,862)
2023	(601,995)	37,371	(564,624)
2024	(140,665)	7,837	(132,828)
2025	(38,139)	18,809	(19,330)
2026	0	31,166	31,166
2027	0	25,834	25,834
2028	<u>0</u>	<u>7,638</u>	<u>7,638</u>
Total	<u>(\$1,651,305)</u>	<u>\$147,299</u>	<u>(\$1,504,006)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2019, rolled forward to the measurement date of December 31, 2020. 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	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Prior Measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
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, 2021***

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.

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 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 percent.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, 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 (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$151,121)	(\$607,750)	(\$983,137)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) 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 (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) 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 2021 is 8.50 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 (asset)	(\$622,562)	(\$607,750)	(\$591,178)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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.

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
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 percent	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate	2.96 percent	3.56 percent
Cost of Living Adjustments	2.2 percent simple	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, 2021***

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, 2020, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 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 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. 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 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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, 2021***

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 2.96 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 (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$2,654,327	\$2,128,668	\$1,695,061

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, 2021**

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

Long-term debt and other long-term obligations of the City at December 31, 2021 were as follows:

			Balance December 31, 2020	Additions	(Reductions)	Balance December 31, 2021	Amounts Due Within One Year
Business-Type Activities:							
General Obligation Bonds:							
1.86%	Wastewater Refunding 2003	2012	\$230,570	\$0	(\$116,000)	\$114,570	\$117,450
1.86%	Wastewater Refunding 2003	2012	168,430	0	(86,240)	82,190	85,050
1.86%	Water Refunding 2003	2012	12,075	0	(6,010)	6,065	6,075
1.86%	Wastewater Refunding 2003	2012	12,075	0	(6,010)	6,065	6,075
2.61%	W/W Refunding 2009B	2015	1,360,000	0	(135,000)	1,225,000	140,000
2.51%	Water Refunding 2007	2015	230,800	0	(32,000)	198,800	32,800
2.51%	W/W Refunding 2007	2015	1,349,750	0	(177,750)	1,172,000	184,500
	Total General Obligation Bonds Payable		<u>3,363,700</u>	<u>0</u>	<u>(559,010)</u>	<u>2,804,690</u>	<u>571,950</u>
Special Obligation Bonds:							
2.60%	Water - Building Project	2012	457,500	0	(60,000)	397,500	62,500
2.60%	Wastewater -Building Project	2012	457,500	0	(60,000)	397,500	62,500
	Total Special Obligation Bonds Payable		<u>915,000</u>	<u>0</u>	<u>(120,000)</u>	<u>795,000</u>	<u>125,000</u>
Ohio Public Works Commission Loan - Direct Borrowing:							
0.000%	Water Improvements	2009	88,833	0	(9,351)	79,482	9,351
Ohio Water Development Authority - Direct Borrowing:							
1.160%	Wastewater Improvements	2011	4,504,591	0	(351,965)	4,152,626	356,060
Compensated Absences							
			<u>302,164</u>	<u>150,770</u>	<u>(190,564)</u>	<u>262,370</u>	<u>92,782</u>
	Total Business-Type Activities		<u>\$9,174,288</u>	<u>\$150,770</u>	<u>(\$1,230,890)</u>	<u>\$8,094,168</u>	<u>\$1,155,143</u>

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

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

			Balance December 31, 2020	Additions	(Reductions)	Balance December 31, 2021	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bond:							
2.00- 4.250%	Highway Project	2009	\$1,150,000	\$0	(\$110,000)	\$1,040,000	\$115,000
1.86%	Building Refunding 2003	2012	24,150	0	(12,000)	12,150	12,150
1.86%	Highway Refunding 2003	2012	354,200	0	(176,000)	178,200	178,200
2.51%	Water Park Refund 2007	2015	1,409,850	0	(188,000)	1,221,850	192,700
2.78%	Highway Project	2019	2,290,000	0	(150,000)	2,140,000	155,000
	Total General Obligation Bonds Payable		5,228,200	0	(636,000)	4,592,200	653,050
Special Obligation Bonds:							
2.60%	Building Project	2012	915,000	0	(120,000)	795,000	125,000
	Total Special Obligation Bonds Payable		915,000	0	(120,000)	795,000	125,000
Ohio Public Works Commission Loans - Direct Borrowing:							
0.000%	OPWC Loan Payable	2003	85,000	0	(21,250)	63,750	21,250
0.000%	OPWC Loan Payable	2009	59,375	0	(6,250)	53,125	6,250
0.000%	OPWC Loan Payable	2019	544,654	0	(27,930)	516,724	27,930
	Total OPWC Loans Payable		689,029	0	(55,430)	633,599	55,430
	Compensated Absences		1,362,466	1,376,219	(1,319,914)	1,418,771	452,578
	Police and Firemen's Pension Accrued Liability		298,752	0	(15,339)	283,413	15,998
	Total Governmental Activities		\$8,493,447	\$1,376,219	(\$2,146,683)	\$7,722,983	\$1,302,056

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021**

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, 2021**

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, 2021 was \$375,053 in principal and interest payments through the year 2035.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

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, 2021 are as follows:

Business-type Activities:

Years	General Obligation Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest
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	393,500	28,874	9,351	0
2027-2031	718,190	31,762	32,727	0
Totals	<u>\$2,804,690</u>	<u>\$275,442</u>	<u>\$79,482</u>	<u>\$0</u>

Years	Ohio Water Development Authority Loan		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
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	372,921	30,280	137,500	7,216
2027-2031	1,930,698	85,307	140,000	3,640
2032	399,720	3,481	0	0
Totals	<u>\$4,152,626</u>	<u>\$282,585</u>	<u>\$795,000</u>	<u>\$73,814</u>

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

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
2022	\$653,050	\$137,098	\$15,998	\$11,876	\$55,430	\$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	511,500	76,389	18,928	8,946	34,181	0
2027-2031	1,573,700	177,997	107,558	31,812	161,531	0
2032-2036	405,000	16,958	88,693	7,618	139,655	0
2037-2040	0	0	0	0	97,759	0
Totals	<u>\$4,592,200</u>	<u>\$725,405</u>	<u>\$283,413</u>	<u>\$91,640</u>	<u>\$633,599</u>	<u>\$0</u>

Years	Special Obligation Bonds	
	Principal	Interest
2022	\$125,000	\$20,670
2023	127,500	17,420
2024	130,000	14,144
2025	135,000	10,725
2026	137,500	7,215
2027-2031	140,000	3,640
Totals	<u>\$795,000</u>	<u>\$73,814</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	59,714	\$838,348
Vacation	16,863	452,579
Compensatory Time	<u>3,355</u>	<u>539,806</u>
Total	<u><u>79,932</u></u>	<u><u>\$1,830,733</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, 2021***

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 (the latest information available):

	<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>
2020	\$ 180,048
2021	199,911

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, 2021**

NOTE 14 - SIGNIFICANT COMMITMENTS

A. Construction Commitments

As of December 31, 2021, 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>
Oak & Catherine Streets-Reconstruct Road	\$1,203,948	July 1, 2022
Underground Reservoir Rehabilitation	\$134,478	July 15, 2022
Asphalt Paving – 2021 Program	\$351,404	September 15, 2022

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	\$578,078
1/2% Tax #2 Voted Fund	236,661
Community Development Block Grant Fund	43,196
Roads & Bridges	260,823
Capital Improvement Fund	568,958
TIF District - Coshocton Road Fund	156,676
Other Governmental Funds	<u>241,887</u>
Total Governmental Funds	2,086,279
Enterprise Funds:	
Water Fund	582,528
Sewer Fund	<u>1,191,821</u>
Total Enterprise Funds	1,774,349
Custodial Funds	<u>86,575</u>
Total	<u><u>\$3,947,203</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

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, 2021, Economic Development Revenue Refunding Bonds outstanding for the Mount Vernon Nazarene University totaled \$6,720,394.

As a subsequent event to these Economic Development Revenue Bonds, the private sector entity has reissued these bonds in the total amount of \$6,860,000.

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. Ohio's state of emergency ended June 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. 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.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOUNT VERNON, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Eight 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>	<u>2021</u>
0.033942%	0.032618%	0.032940%	0.033382%	0.032476%
\$7,707,651	\$5,117,132	\$9,021,598	\$6,598,179	\$4,808,989
\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229	\$4,574,114
169.47%	118.72%	199.36%	142.26%	105.13%
77.25%	84.66%	74.70%	82.17%	86.88%
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.199149%	0.204802%	0.197761%	0.201704%	0.2009094%
\$12,613,957	\$12,569,623	\$16,142,523	\$13,587,879	\$13,696,175
\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652	\$4,958,743
301.24%	286.02%	368.54%	289.62%	276.20%
68.36%	70.91%	63.07%	69.89%	70.65%

CITY OF MOUNT VERNON, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

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

CITY OF MOUNT VERNON, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$545,775	\$560,334	\$633,527	\$649,352	\$640,376	\$686,397
<u>545,775</u>	<u>560,334</u>	<u>633,527</u>	<u>649,352</u>	<u>640,376</u>	<u>686,397</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229	\$4,574,114	\$4,902,836
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$905,295	\$944,416	\$946,995	\$1,013,866	\$1,069,105	\$1,045,933
<u>905,295</u>	<u>944,416</u>	<u>946,995</u>	<u>1,013,866</u>	<u>1,069,105</u>	<u>1,045,933</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652	\$4,958,743	\$4,822,190
21.62%	21.49%	21.62%	21.61%	21.56%	21.69%

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

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

CITY OF MOUNT VERNON, OHIO

<u>2020</u>	<u>2021</u>
0.035036%	0.034113%
\$4,839,382	(\$607,750)
\$4,638,229	\$4,574,114
104.34%	(13.29%)
47.80%	115.57%

<u>2020</u>	<u>2021</u>
0.2017043%	0.2009094%
\$1,992,381	\$2,128,668
\$4,691,652	\$4,958,743
42.47%	42.93%
47.08%	45.42%

CITY OF MOUNT VERNON, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

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

CITY OF MOUNT VERNON, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$90,963	\$43,100	\$0	\$0	\$0	\$0
<u>90,963</u>	<u>43,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,548,125	\$4,310,262	\$4,525,193	\$4,638,229	\$4,574,114	\$4,902,836
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$20,969	\$21,976	\$21,902	\$23,453	\$24,789	\$24,116
<u>20,969</u>	<u>21,976</u>	<u>21,902</u>	<u>23,453</u>	<u>24,789</u>	<u>24,116</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,187,303	\$4,394,677	\$4,380,180	\$4,691,652	\$4,958,743	\$4,822,190
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

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.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% 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 2014-2021.

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, 2021***

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

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

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%

2021: 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 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

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 - 2021: There were no changes in benefit terms.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET) (Continued)

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

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%.

2021: 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 3.56% to 2.96%.

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*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.

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 (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity on a GAAP basis during the year.)

College Township Fire-EMS Fund

This fund is used to account for monies to provide fire and EMS services to College Township.

Local Coronavirus Relief Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from 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.

(Continued)

Debt Service Fund

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

General Bond Retirement-Income Tax Fund

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

Capital Projects Funds

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

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, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 2,694,545	\$ 12,139	\$ 57,019	\$ 0	\$ 2,763,703
Receivables:					
Taxes	318,085	0	195,000	0	513,085
Intergovernmental	460,091	0	0	0	460,091
Inventory of Supplies	49,416	0	0	0	49,416
Prepaid Items	45,794	0	0	0	45,794
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	538,368	538,368
Cash and Cash Equivalents with Fiscal Agent	29,578	0	0	0	29,578
Total Assets	\$ 3,597,509	\$ 12,139	\$ 252,019	\$ 538,368	\$ 4,400,035
Liabilities:					
Accounts Payable	\$ 109,561	\$ 0	\$ 0	\$ 0	\$ 109,561
Accrued Wages and Benefits Payable	48,892	0	0	0	48,892
Contracts Payable	7,687	0	0	0	7,687
Due to Others	88,226	0	0	0	88,226
Unearned Revenue	755,204	0	0	0	755,204
Total Liabilities	1,009,570	0	0	0	1,009,570
Deferred Inflows of Resources:					
Deferred Inflow-Property Tax	206,400	0	195,000	0	401,400
Unavailable Revenue	373,944	0	0	0	373,944
Total Deferred Inflows of Resources	580,344	0	195,000	0	775,344
Fund Balances:					
Nonspendable	95,210	0	0	538,368	633,578
Restricted	1,835,806	12,139	57,019	0	1,904,964
Committed	76,579	0	0	0	76,579
Total Fund Balances	2,007,595	12,139	57,019	538,368	2,615,121
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,597,509	\$ 12,139	\$ 252,019	\$ 538,368	\$ 4,400,035

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 877,831	\$ 143,782	\$ 189,935	\$ 0	\$ 1,211,548
Intergovernmental Revenues	1,260,357	0	0	0	1,260,357
Charges for Services	380,439	0	0	0	380,439
Licenses and Permits	190	0	0	0	190
Investment Earnings	447	0	0	0	447
Fines and Forfeitures	175,499	0	0	0	175,499
All Other Revenue	10,437	0	0	24,870	35,307
Total Revenue	2,705,200	143,782	189,935	24,870	3,063,787
Expenditures:					
Current:					
Security of Persons and Property	1,202,473	0	0	0	1,202,473
Public Health and Welfare Services	384,560	0	0	0	384,560
Leisure Time Activities	874	0	0	0	874
Transportation	1,138,150	0	1,159	0	1,139,309
General Government	345,155	0	0	0	345,155
Debt Service:					
Principal Retirement	0	120,000	0	0	120,000
Interest and Fiscal Charges	0	23,782	0	0	23,782
Total Expenditures	3,071,212	143,782	1,159	0	3,216,153
Excess (Deficiency) of Revenues Over Expenditures					
	(366,012)	0	188,776	24,870	(152,366)
Other Financing Sources (Uses):					
Transfers In	640,185	0	0	0	640,185
Transfers Out	0	0	(155,362)	0	(155,362)
Total Other Financing Sources (Uses)	640,185	0	(155,362)	0	484,823
Net Change in Fund Balances	274,173	0	33,414	24,870	332,457
Fund Balances at Beginning of Year	1,786,646	12,139	23,605	513,498	2,335,888
Increase (Decrease) in Inventory	(53,224)	0	0	0	(53,224)
Fund Balances End of Year	\$ 2,007,595	\$ 12,139	\$ 57,019	\$ 538,368	\$ 2,615,121

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Assets:				
Cash and Cash Equivalents	\$ 416,979	\$ 57,764	\$ 86,448	\$ 50,125
Receivables:				
Taxes	31,005	0	0	41,341
Intergovernmental	398,401	32,303	0	0
Inventory of Supplies	47,498	0	0	1,918
Prepaid Items	4,405	0	0	1,190
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	29,578	0
Total Assets	<u>\$ 898,288</u>	<u>\$ 90,067</u>	<u>\$ 116,026</u>	<u>\$ 94,574</u>
Liabilities:				
Accounts Payable	\$ 14,151	\$ 0	\$ 0	\$ 3,095
Accrued Wages and Benefits Payable	12,398	0	0	3,734
Contracts Payable	500	96	0	203
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>27,049</u>	<u>96</u>	<u>0</u>	<u>7,032</u>
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	277,640	21,535	29,578	16,053
Total Deferred Inflows of Resources	<u>277,640</u>	<u>21,535</u>	<u>29,578</u>	<u>16,053</u>
Fund Balances:				
Nonspendable	51,903	0	0	3,108
Restricted	541,696	68,436	86,448	68,381
Committed	0	0	0	0
Total Fund Balances	<u>593,599</u>	<u>68,436</u>	<u>86,448</u>	<u>71,489</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 898,288</u>	<u>\$ 90,067</u>	<u>\$ 116,026</u>	<u>\$ 94,574</u>

CITY OF MOUNT VERNON, OHIO

Park Development	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment
\$ 27,383	\$ 2,379	\$ 16,042	\$ 70,140	\$ 103,451	\$ 66,174
0	0	0	0	0	0
0	0	0	0	16,744	0
0	0	0	0	0	0
0	0	0	0	51	0
0	0	0	0	0	0
<u>\$ 27,383</u>	<u>\$ 2,379</u>	<u>\$ 16,042</u>	<u>\$ 70,140</u>	<u>\$ 120,246</u>	<u>\$ 66,174</u>
\$ 0	\$ 671	\$ 0	\$ 0	\$ 3,200	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	671	0	0	3,200	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	51	0
27,383	0	16,042	70,140	116,995	66,174
0	1,708	0	0	0	0
<u>27,383</u>	<u>1,708</u>	<u>16,042</u>	<u>70,140</u>	<u>117,046</u>	<u>66,174</u>
<u>\$ 27,383</u>	<u>\$ 2,379</u>	<u>\$ 16,042</u>	<u>\$ 70,140</u>	<u>\$ 120,246</u>	<u>\$ 66,174</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	DUI Enforcement and Education	Court Computerization	Probation Services	Municipal Court Special Projects
Assets:				
Cash and Cash Equivalents	\$ 43,098	\$ 4,809	\$ 177,935	\$ 131,181
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	998	314	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	<u>\$ 43,098</u>	<u>\$ 5,807</u>	<u>\$ 178,249</u>	<u>\$ 131,181</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 240	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Contracts Payable	0	0	0	0
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>240</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	998	314	0
Restricted	43,098	4,569	177,935	131,181
Committed	0	0	0	0
Total Fund Balances	<u>43,098</u>	<u>5,567</u>	<u>178,249</u>	<u>131,181</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 43,098</u>	<u>\$ 5,807</u>	<u>\$ 178,249</u>	<u>\$ 131,181</u>

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
\$ 15,129	\$ 0	\$ 170,449	\$ 1,358	\$ 4,438	\$ 73,526
0	6,939	0	0	0	676
0	0	0	0	0	0
0	0	0	0	0	0
38,537	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 53,666</u>	<u>\$ 6,939</u>	<u>\$ 170,449</u>	<u>\$ 1,358</u>	<u>\$ 4,438</u>	<u>\$ 74,202</u>
\$ 172	\$ 1,014	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	5,748	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>172</u>	<u>6,762</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	0	0
38,537	0	0	0	0	0
14,957	177	170,449	0	0	74,202
0	0	0	1,358	4,438	0
<u>53,494</u>	<u>177</u>	<u>170,449</u>	<u>1,358</u>	<u>4,438</u>	<u>74,202</u>
<u>\$ 53,666</u>	<u>\$ 6,939</u>	<u>\$ 170,449</u>	<u>\$ 1,358</u>	<u>\$ 4,438</u>	<u>\$ 74,202</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	College Township Fire- EMS	Local Coronavirus Relief	Police Pension	Fire Pension
Assets:				
Cash and Cash Equivalents	\$ 147,591	\$ 756,344	\$ 34,008	\$ 78,230
Receivables:				
Taxes	0	0	119,062	119,062
Intergovernmental	0	0	7,614	5,029
Inventory of Supplies	0	0	0	0
Prepaid Items	299	0	0	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 147,890	\$ 756,344	\$ 160,684	\$ 202,321
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 28,605	\$ 58,413
Accrued Wages and Benefits Payable	6,421	0	8,756	17,583
Contracts Payable	0	1,140	0	0
Due to Others	0	0	0	0
Unearned Revenue	0	755,204	0	0
Total Liabilities	6,421	756,344	37,361	75,996
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	103,200	103,200
Unavailable Revenue	0	0	14,569	14,569
Total Deferred Inflows of Resources	0	0	117,769	117,769
Fund Balances:				
Nonspendable	299	0	0	0
Restricted	141,170	0	5,554	8,556
Committed	0	0	0	0
Total Fund Balances	141,469	0	5,554	8,556
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 147,890	\$ 756,344	\$ 160,684	\$ 202,321

CITY OF MOUNT VERNON, OHIO

<u>Mausoleum</u>	<u>Insurance</u>	<u>Bonds and Inspection Fee</u>	<u>Veterans Honor Walkway</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 2,263	\$ 68,075	\$ 20,151	\$ 69,075	\$ 2,694,545
0	0	0	0	318,085
0	0	0	0	460,091
0	0	0	0	49,416
0	0	0	0	45,794
0	0	0	0	29,578
<u>\$ 2,263</u>	<u>\$ 68,075</u>	<u>\$ 20,151</u>	<u>\$ 69,075</u>	<u>\$ 3,597,509</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 109,561
0	0	0	0	48,892
0	0	0	0	7,687
0	68,075	20,151	0	88,226
0	0	0	0	755,204
0	68,075	20,151	0	1,009,570
0	0	0	0	206,400
0	0	0	0	373,944
0	0	0	0	580,344
0	0	0	0	95,210
2,263	0	0	0	1,835,806
0	0	0	69,075	76,579
<u>2,263</u>	<u>0</u>	<u>0</u>	<u>69,075</u>	<u>2,007,595</u>
<u>\$ 2,263</u>	<u>\$ 68,075</u>	<u>\$ 20,151</u>	<u>\$ 69,075</u>	<u>\$ 3,597,509</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, 2021**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Revenues:				
Taxes	\$ 197,058	\$ 0	\$ 0	\$ 262,744
Intergovernmental Revenues	842,031	68,273	92,586	0
Charges for Services	0	0	0	122,339
Licenses and Permits	0	0	0	0
Investment Earnings	75	0	0	328
Fines and Forfeitures	0	0	0	0
All Other Revenue	1,177	0	0	1,043
Total Revenue	1,040,341	68,273	92,586	386,454
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	384,560
Leisure Time Activities	0	0	0	0
Transportation	949,191	52,199	70,406	0
General Government	0	0	0	0
Total Expenditures	949,191	52,199	70,406	384,560
Excess (Deficiency) of Revenues Over Expenditures	91,150	16,074	22,180	1,894
Other Financing Sources (Uses):				
Transfers In	0	0	0	11,020
Total Other Financing Sources (Uses)	0	0	0	11,020
Net Change in Fund Balances	91,150	16,074	22,180	12,914
Fund Balances at Beginning of Year	556,999	52,362	64,268	57,249
Increase (Decrease) in Inventory	(54,550)	0	0	1,326
Fund Balances End of Year	\$ 593,599	\$ 68,436	\$ 86,448	\$ 71,489

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	113,853	0
1,550	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	1,020	9,434	10	0	15,889
0	0	0	0	2,403	0
<u>1,550</u>	<u>1,020</u>	<u>9,434</u>	<u>10</u>	<u>116,256</u>	<u>15,889</u>
0	6,356	7,177	995	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	66,354	0
0	0	0	0	0	372
<u>0</u>	<u>6,356</u>	<u>7,177</u>	<u>995</u>	<u>66,354</u>	<u>372</u>
1,550	(5,336)	2,257	(985)	49,902	15,517
<u>1,550</u>	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,550</u>	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,100	(836)	2,257	(985)	49,902	15,517
24,283	2,544	13,785	71,125	67,144	50,657
0	0	0	0	0	0
<u>\$ 27,383</u>	<u>\$ 1,708</u>	<u>\$ 16,042</u>	<u>\$ 70,140</u>	<u>\$ 117,046</u>	<u>\$ 66,174</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, 2021**

	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	25	14,962	52,950	21,492
All Other Revenue	0	0	0	0
Total Revenue	25	14,962	52,950	21,492
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	13,437	8,430	0
Total Expenditures	0	13,437	8,430	0
Excess (Deficiency) of Revenues Over Expenditures	25	1,525	44,520	21,492
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	25	1,525	44,520	21,492
Fund Balances at Beginning of Year	43,073	4,042	133,729	109,689
Increase (Decrease) in Inventory	0	0	0	0
Fund Balances End of Year	\$ 43,098	\$ 5,567	\$ 178,249	\$ 131,181

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
\$ 0	\$ 109,899	\$ 0	\$ 0	\$ 0	\$ 10,972
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	190	0	0
0	0	0	0	0	0
47,884	0	11,833	0	0	0
0	0	0	47	0	0
<u>47,884</u>	<u>109,899</u>	<u>11,833</u>	<u>237</u>	<u>0</u>	<u>10,972</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
87,731	109,722	0	0	0	1,000
<u>87,731</u>	<u>109,722</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
(39,847)	177	11,833	237	0	9,972
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(39,847)	177	11,833	237	0	9,972
93,341	0	158,616	1,121	4,438	64,230
0	0	0	0	0	0
<u>\$ 53,494</u>	<u>\$ 177</u>	<u>\$ 170,449</u>	<u>\$ 1,358</u>	<u>\$ 4,438</u>	<u>\$ 74,202</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, 2021**

	College Township Fire- EMS	Local Coronavirus Relief	Police Pension	Fire Pension
Revenues:				
Taxes	\$ 0	\$ 0	\$ 148,579	\$ 148,579
Intergovernmental Revenues	0	123,081	10,250	10,283
Charges for Services	255,500	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	5,759	8
Total Revenue	255,500	123,081	164,588	158,870
Expenditures:				
Current:				
Security of Persons and Property	114,031	0	379,293	694,621
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	0	123,081	691	691
Total Expenditures	114,031	123,081	379,984	695,312
Excess (Deficiency) of Revenues Over Expenditures	141,469	0	(215,396)	(536,442)
Other Financing Sources (Uses):				
Transfers In	0	0	171,447	451,668
Total Other Financing Sources (Uses)	0	0	171,447	451,668
Net Change in Fund Balances	141,469	0	(43,949)	(84,774)
Fund Balances at Beginning of Year	0	0	49,503	93,330
Increase (Decrease) in Inventory	0	0	0	0
Fund Balances End of Year	\$ 141,469	\$ 0	\$ 5,554	\$ 8,556

CITY OF MOUNT VERNON, OHIO

Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 877,831
0	0	1,260,357
0	1,050	380,439
0	0	190
1	43	447
0	0	175,499
0	0	10,437
<u>1</u>	<u>1,093</u>	<u>2,705,200</u>
0	0	1,202,473
0	0	384,560
0	874	874
0	0	1,138,150
0	0	345,155
<u>0</u>	<u>874</u>	<u>3,071,212</u>
1	219	(366,012)
<u>0</u>	<u>0</u>	<u>640,185</u>
<u>0</u>	<u>0</u>	<u>640,185</u>
1	219	274,173
2,262	68,856	1,786,646
<u>0</u>	<u>0</u>	<u>(53,224)</u>
<u>\$ 2,263</u>	<u>\$ 69,075</u>	<u>\$ 2,007,595</u>

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021**

	TIF District- Industrial Area	TIF District- Sandusky Street Corridor	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 57	\$ 56,962	\$ 57,019
Receivables:			
Taxes	160,000	35,000	195,000
Total Assets	<u>\$ 160,057</u>	<u>\$ 91,962</u>	<u>\$ 252,019</u>
Liabilities:			
Deferred Inflows of Resources:			
Deferred Inflows-Property Tax	160,000	35,000	195,000
Total Deferred Inflows of Resources	<u>160,000</u>	<u>35,000</u>	<u>195,000</u>
Fund Balances:			
Restricted	57	56,962	57,019
Total Fund Balances	<u>57</u>	<u>56,962</u>	<u>57,019</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 160,057</u>	<u>\$ 91,962</u>	<u>\$ 252,019</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, 2021***

	TIF District- Industrial Area	TIF District- Sandusky Street Corridor	Total Nonmajor Capital Project Funds
Revenues:			
Taxes	\$ 156,001	\$ 33,934	\$ 189,935
Total Revenue	<u>156,001</u>	<u>33,934</u>	<u>189,935</u>
Expenditures:			
Current:			
Transportation	<u>789</u>	<u>370</u>	<u>1,159</u>
Total Expenditures	<u>789</u>	<u>370</u>	<u>1,159</u>
Excess (Deficiency) of Revenues Over Expenditures	155,212	33,564	188,776
Other Financing Sources (Uses):			
Transfers Out	<u>(155,362)</u>	<u>0</u>	<u>(155,362)</u>
Total Other Financing Sources (Uses)	<u>(155,362)</u>	<u>0</u>	<u>(155,362)</u>
Net Change in Fund Balances	(150)	33,564	33,414
Fund Balances at Beginning of Year	<u>207</u>	<u>23,398</u>	<u>23,605</u>
Fund Balances End of Year	<u>\$ 57</u>	<u>\$ 56,962</u>	<u>\$ 57,019</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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 683,900	\$ 683,900	\$ 717,861	\$ 33,961
Municipal Income Tax	3,491,267	3,491,267	3,730,228	238,961
Other Local Taxes	4,500	4,500	6,357	1,857
Total Tax Revenues	4,179,667	4,179,667	4,454,446	274,779
Intergovernmental Revenues:				
State Levied Shared Taxes	341,446	341,446	414,259	72,813
Intergovernmental Revenues	175,800	742,470	692,950	(49,520)
Total Intergovernmental Revenues	517,246	1,083,916	1,107,209	23,293
Charges for Services	1,941,500	1,941,500	2,120,296	178,796
Licenses and Permits	18,000	18,000	25,928	7,928
Investment Earnings	150,000	150,000	30,440	(119,560)
Fines and Forfeitures	528,000	528,000	545,537	17,537
All Other Revenues	109,000	112,789	169,436	56,647
Total Revenues	7,443,413	8,013,872	8,453,292	439,420
Expenditures:				
Security of Persons and Property:				
Police Division:				
Materials and Supplies	3,186	9,686	3,224	6,462
Contractual Services	0	2,282	776	1,506
Total Police Division	3,186	11,968	4,000	7,968
Fire and E.M.S. Division:				
Personal Services	10,100	10,100	0	10,100
Travel and Transportation	652	652	0	652
Total Fire and E.M.S. Division	10,752	10,752	0	10,752

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	27,500	29,100	28,595	505
Contractual Services	240,450	233,200	214,907	18,293
Public Defender:				
Contractual Services	50	50	6	44
Debt Services:				
Principal Retirement	15,340	15,340	15,339	1
Interest and Fiscal Charges	12,536	12,536	12,536	0
Total Miscellaneous	295,876	290,226	271,383	18,843
Total Security of Persons and Property	309,814	312,946	275,383	37,563
Humane Officer:				
Travel and Transportation	9,100	9,100	7,056	2,044
Contractual Services	36,950	36,950	31,794	5,156
Total Humane Officer	46,050	46,050	38,850	7,200
Health Department:				
Contractual Services	58,350	58,350	58,350	0
Total Health Department	58,350	58,350	58,350	0
Total Public Health and Welfare Services	104,400	104,400	97,200	7,200
Leisure Time Activities:				
Parks:				
Personal Services	290,100	289,160	285,620	3,540
Travel and Transportation	500	500	71	429
Materials and Supplies	14,055	16,942	15,201	1,741
Contractual Services	216,366	227,866	210,226	17,640
Capital Outlay	37,000	36,000	25,754	10,246
Total Parks	558,021	570,468	536,872	33,596

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Recreation:				
Personal Services	16,775	15,275	0	15,275
Materials and Supplies	5,127	3,627	1,109	2,518
Contractual Services	8,952	8,952	8,818	134
Total Recreation	30,854	27,854	9,927	17,927
Pool:				
Personal Services	215,500	203,500	202,086	1,414
Travel and Transportation	2,500	4,030	4,030	0
Materials and Supplies	105,750	106,233	90,140	16,093
Contractual Services	93,349	95,449	87,812	7,637
Capital Outlay	12,500	16,000	15,634	366
Total Pool	429,599	425,212	399,702	25,510
Total Leisure Time Activities	1,018,474	1,023,534	946,501	77,033
Community Environment:				
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:				
Materials and Supplies	27,045	27,045	26,343	702
Contractual Services	34,550	34,550	6,665	27,885
Total Community Environment	61,595	61,595	33,008	28,587
Transportation:				
Miscellaneous:				
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:				
Materials and Supplies	34,500	34,500	33,731	769
Contractual Services	10,000	8,400	0	8,400
Total Transportation	44,500	42,900	33,731	9,169
General Government:				
Council:				
Personal Services	67,024	67,024	66,725	299
Travel and Transportation	1,500	1,500	100	1,400
Materials and Supplies	2,045	2,045	802	1,243
Total Council	70,569	70,569	67,627	2,942

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	114,368	117,868	117,736	132
Travel and Transportation	1,000	1,000	585	415
Materials and Supplies	4,385	5,260	4,585	675
Contractual Services	250	250	0	250
Total Mayor	120,003	124,378	122,906	1,472
Auditor:				
Personal Services	347,156	346,656	304,116	42,540
Travel and Transportation	500	500	0	500
Materials and Supplies	132,170	133,320	119,398	13,922
Contractual Services	25,750	25,700	21,081	4,619
Total Auditor	505,576	506,176	444,595	61,581
Treasurer:				
Personal Services	8,888	8,888	8,888	0
Materials and Supplies	150	150	0	150
Total Treasurer	9,038	9,038	8,888	150
Law Director:				
Personal Services	427,598	463,007	375,798	87,209
Travel and Transportation	2,000	2,000	1,247	753
Materials and Supplies	14,735	14,235	11,450	2,785
Contractual Services	10,050	16,782	16,741	41
Total Law Director	454,383	496,024	405,236	90,788
Income Tax:				
Personal Services	157,000	157,000	151,973	5,027
Travel and Transportation	1,500	1,500	120	1,380
Materials and Supplies	25,698	25,698	22,542	3,156
Contractual Services	188,000	321,000	306,487	14,513
Capital Outlay	6,600	6,600	350	6,250
Total Income Tax	378,798	511,798	481,472	30,326

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	755,613	897,856	838,603	59,253
Travel and Transportation	9,250	12,586	4,567	8,019
Materials and Supplies	93,653	95,369	59,143	36,226
Contractual Services	149,200	220,903	174,012	46,891
Total Municipal Court	1,007,716	1,226,714	1,076,325	150,389
Civil Services:				
Personal Services	11,500	11,500	11,228	272
Materials and Supplies	13,760	23,760	22,064	1,696
Total Civil Services	25,260	35,260	33,292	1,968
Safety Service:				
Personal Services	181,100	181,100	168,074	13,026
Travel and Transportation	1,100	1,250	712	538
Materials and Supplies	9,830	11,430	9,535	1,895
Contractual Services	110,792	114,502	107,340	7,162
Total Safety Service	302,822	308,282	285,661	22,621
Engineering:				
Personal Services	403,825	403,825	359,193	44,632
Travel and Transportation	3,000	3,000	1,383	1,617
Materials and Supplies	18,540	28,540	27,719	821
Contractual Services	1,013,170	999,320	562,631	436,689
Capital Outlay	33,650	37,500	33,894	3,606
Total Engineering	1,472,185	1,472,185	984,820	487,365
Human Resources:				
Personal Services	60,000	54,000	41,030	12,970
Travel and Transportation	2,000	2,000	1,987	13
Materials and Supplies	5,700	5,700	917	4,783
Contractual Services	25,000	27,140	25,466	1,674
Total Human Resources	92,700	88,840	69,400	19,440
Public Land and Buildings:				
Personal Services	195,565	132,565	112,155	20,410
Travel and Transportation	500	500	59	441
Materials and Supplies	77,995	82,095	70,770	11,325
Contractual Services	594,751	657,751	610,229	47,522
Capital Outlay	8,000	8,000	7,517	483
Total Public Land and Buildings	876,811	880,911	800,730	80,181

(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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	22,000	11,285	10,715
Materials and Supplies	5,670	309,265	291,524	17,741
Total Summer Work Program	5,670	331,265	302,809	28,456
Miscellaneous:				
Personal Services	2,766,329	2,605,859	2,034,755	571,104
Materials and Supplies	7,500	7,500	6,935	565
Contractual Services	2,227,850	2,248,970	384,915	1,864,055
Total Miscellaneous	5,001,679	4,862,329	2,426,605	2,435,724
Total General Government	10,323,210	10,923,769	7,510,366	3,413,403
Total Expenditures	11,861,993	12,469,144	8,896,189	3,572,955
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,418,580)	(4,455,272)	(442,897)	4,012,375
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	32	32
Transfers Out	(317,395)	(316,735)	(258,354)	58,381
Total Other Financing Sources (Uses)	(317,395)	(316,735)	(258,322)	58,413
Net Change in Fund Balance	(4,735,975)	(4,772,007)	(701,219)	4,070,788
Fund Balance at Beginning of Year	4,294,995	4,294,995	4,294,995	0
Prior Year Encumbrances	487,493	487,493	487,493	0
Fund Balance at End of Year	\$ 46,513	\$ 10,481	\$ 4,081,269	\$ 4,070,788

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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,383,716	\$ 3,383,716	\$ 3,503,092	\$ 119,376
All Other Revenues	0	0	34,583	34,583
Total Revenues	<u>3,383,716</u>	<u>3,383,716</u>	<u>3,537,675</u>	<u>153,959</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	3,812,092	3,812,092	3,812,092	0
Contractual Services	250	250	6	244
Total Expenditures	<u>3,812,342</u>	<u>3,812,342</u>	<u>3,812,098</u>	<u>244</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,626)	(428,626)	(274,423)	154,203
Fund Balance at Beginning of Year	428,626	428,626	428,626	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 154,203</u>	<u>\$ 154,203</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,378,566	\$ 3,378,566	\$ 3,503,092	\$ 124,526
Intergovernmental Revenues	0	51,435	87,949	36,514
Charges for Services	5,150	5,150	3,814	(1,336)
All Other Revenues	0	12,000	33,102	21,102
Total Revenues	<u>3,383,716</u>	<u>3,447,151</u>	<u>3,627,957</u>	<u>180,806</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	2,440,363	2,994,738	2,910,409	84,329
Materials and Supplies	238,762	284,682	230,933	53,749
Contractual Services	1,011,855	571,395	529,589	41,806
Capital Outlay	75,653	63,153	63,013	140
Total Expenditures	<u>3,766,633</u>	<u>3,913,968</u>	<u>3,733,944</u>	<u>180,024</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(382,917)	(466,817)	(105,987)	360,830
Other Financing Sources (Uses):				
Sale of Capital Assets	0	22,900	27,215	4,315
Transfers Out	(825,000)	(764,000)	(623,115)	140,885
Total Other Financing Sources (Uses)	<u>(825,000)</u>	<u>(741,100)</u>	<u>(595,900)</u>	<u>145,200</u>
Net Change in Fund Balance	(1,207,917)	(1,207,917)	(701,887)	506,030
Fund Balance at Beginning of Year	1,103,036	1,103,036	1,103,036	0
Prior Year Encumbrances	108,996	108,996	108,996	0
Fund Balance at End of Year	<u>\$ 4,115</u>	<u>\$ 4,115</u>	<u>\$ 510,145</u>	<u>\$ 506,030</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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 500,000	\$ 1,400,000	\$ 469,790	\$ (930,210)
Investment Earnings	0	0	6	6
All Other Revenues	0	0	32,566	32,566
Total Revenues	<u>500,000</u>	<u>1,400,000</u>	<u>502,362</u>	<u>(897,638)</u>
Expenditures:				
Community Environment:				
Contractual Services	617,878	1,517,878	580,751	937,127
Total Expenditures	<u>617,878</u>	<u>1,517,878</u>	<u>580,751</u>	<u>937,127</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(117,878)	(117,878)	(78,389)	39,489
Fund Balance at Beginning of Year	51,929	51,929	51,929	0
Prior Year Encumbrances	66,382	66,382	66,382	0
Fund Balance at End of Year	<u>\$ 433</u>	<u>\$ 433</u>	<u>\$ 39,922</u>	<u>\$ 39,489</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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	691,431	663,931	663,715	216
Interest and Fiscal Charges	126,452	153,952	153,890	62
Total Expenditures	<u>817,883</u>	<u>817,883</u>	<u>817,605</u>	<u>278</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(817,883)	(817,883)	(817,605)	278
Other Financing Sources (Uses):				
Transfers In	817,883	817,883	817,605	(278)
Total Other Financing Sources (Uses)	<u>817,883</u>	<u>817,883</u>	<u>817,605</u>	<u>(278)</u>
Net Change in Fund Balance	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><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund Capital Improvement Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 1,240,500	\$ 1,240,500	\$ 1,272,429	\$ 31,929
All Other Revenues	0	0	156	156
Total Revenues	1,240,500	1,240,500	1,272,585	32,085
Expenditures:				
Security of Persons and Property:				
Police:				
Capital Outlay	0	98,711	98,711	0
Total Security of Persons and Property	0	98,711	98,711	0
Leisure Time Activities:				
Parks:				
Capital Outlay	66,398	66,398	66,398	0
Total Leisure Time Activities	66,398	66,398	66,398	0
Transportation:				
Street:				
Capital Outlay	548,014	735,513	731,515	3,998
Total Transportation	548,014	735,513	731,515	3,998
General Government:				
Mayor:				
Capital Outlay	3,115	3,115	3,115	0
Auditor:				
Contractual Services	150	150	2	148
Capital Outlay	75,457	75,458	75,457	1
Human Resources:				
Capital Outlay	1,289	1,289	1,289	0
Public Lands and Buildings:				
Capital Outlay	2,523,944	2,547,944	558,599	1,989,345
Total General Government	2,603,955	2,627,956	638,462	1,989,494
Total Expenditures	3,218,367	3,528,578	1,535,086	1,993,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,977,867)	(2,288,078)	(262,501)	2,025,577
Fund Balance at Beginning of Year	2,578,136	2,578,136	2,578,136	0
Prior Year Encumbrances	227,289	227,289	227,289	0
Fund Balance at End of Year	\$ 827,558	\$ 517,347	\$ 2,542,924	\$ 2,025,577

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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,370,000	\$ 1,370,000	\$ 1,349,963	\$ (20,037)
Intergovernmental Revenues	0	0	4	4
Total Revenues	1,370,000	1,370,000	1,349,967	(20,033)
Expenditures:				
Transportation:				
Street:				
Contractual Services	425,000	416,600	380,699	35,901
Capital Outlay	4,888,276	4,888,276	563,793	4,324,483
Total Expenditures	5,313,276	5,304,876	944,492	4,360,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,943,276)	(3,934,876)	405,475	4,340,351
Other Financing Sources (Uses):				
Transfers Out	(185,000)	(193,400)	(193,331)	69
Total Other Financing Sources (Uses)	(185,000)	(193,400)	(193,331)	69
Net Change in Fund Balance	(4,128,276)	(4,128,276)	212,144	4,340,420
Fund Balance at Beginning of Year	4,098,531	4,098,531	4,098,531	0
Prior Year Encumbrances	29,745	29,745	29,745	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 4,340,420	\$ 4,340,420

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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,240,500	\$ 1,240,500	\$ 1,272,429	\$ 31,929
Intergovernmental Revenues	0	1,189,304	1,189,499	195
Investment Earnings	0	0	485	485
All Other Revenues	0	0	156	156
Total Revenues	<u>1,240,500</u>	<u>2,429,804</u>	<u>2,462,569</u>	<u>32,765</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	150	150	2	148
Capital Outlay	<u>2,167,056</u>	<u>3,342,360</u>	<u>2,630,651</u>	<u>711,709</u>
Total Expenditures	<u>2,167,206</u>	<u>3,342,510</u>	<u>2,630,653</u>	<u>711,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(926,706)	(912,706)	(168,084)	744,622
Other Financing Sources (Uses):				
Transfers Out	<u>(213,700)</u>	<u>(227,700)</u>	<u>(227,628)</u>	<u>72</u>
Total Other Financing Sources (Uses)	<u>(213,700)</u>	<u>(227,700)</u>	<u>(227,628)</u>	<u>72</u>
Fund Balance at Beginning of Year	511,399	511,399	511,399	0
Prior Year Encumbrances	<u>629,007</u>	<u>629,007</u>	<u>629,007</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 744,694</u>	<u>\$ 744,694</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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR				
Revenues:				
Municipal Income Taxes	\$ 200,000	\$ 200,000	\$ 195,758	\$ (4,242)
Intergovernmental Revenues	870,000	870,000	839,854	(30,146)
Investment Earnings	0	0	75	75
All Other Revenues	0	0	1,177	1,177
Total Revenues	<u>1,070,000</u>	<u>1,070,000</u>	<u>1,036,864</u>	<u>(33,136)</u>
Expenditures:				
Transportation:				
Personal Services	903,850	903,350	774,732	128,618
Travel and Transportation	1,500	3,500	3,249	251
Materials and Supplies	368,996	367,496	123,213	244,283
Contractual Services	111,996	112,996	65,184	47,812
Capital Outlay	10,000	9,000	6,732	2,268
Total Expenditures	<u>1,396,342</u>	<u>1,396,342</u>	<u>973,110</u>	<u>423,232</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(326,342)	(326,342)	63,754	390,096
Fund Balance at Beginning of Year	291,741	291,741	291,741	0
Prior Year Encumbrances	34,602	34,602	34,602	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 390,097</u>	<u>\$ 390,096</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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 70,000	\$ 70,000	\$ 68,096	\$ (1,904)
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>68,096</u>	<u>(1,904)</u>
Expenditures:				
Transportation:				
Capital Outlay	112,349	112,349	55,453	56,896
Total Expenditures	<u>112,349</u>	<u>112,349</u>	<u>55,453</u>	<u>56,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,349)	(42,349)	12,643	54,992
Fund Balance at Beginning of Year	38,839	38,839	38,839	0
Prior Year Encumbrances	3,510	3,510	3,510	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54,992</u>	<u>\$ 54,992</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, 2021***

	PERMISSIVE AUTO LICENSE TAX			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 145,000	\$ 145,000	\$ 92,586	\$ (52,414)
Total Revenues	<u>145,000</u>	<u>145,000</u>	<u>92,586</u>	<u>(52,414)</u>
Expenditures:				
Transportation:				
Capital Outlay	209,268	209,268	137,182	72,086
Total Expenditures	<u>209,268</u>	<u>209,268</u>	<u>137,182</u>	<u>72,086</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,268)	(64,268)	(44,596)	19,672
Fund Balance at Beginning of Year	64,268	64,268	64,268	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,672</u>	<u>\$ 19,672</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, 2021**

CEMETERY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 255,000	\$ 255,000	\$ 261,011	\$ 6,011
Charges for Services	68,800	92,900	122,339	29,439
Investment Earnings	1,200	1,200	328	(872)
All Other Revenues	0	0	1,043	1,043
Total Revenues	<u>325,000</u>	<u>349,100</u>	<u>384,721</u>	<u>35,621</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	329,035	359,155	344,123	15,032
Travel and Transportation	200	200	65	135
Materials and Supplies	15,283	15,408	8,594	6,814
Contractual Services	43,502	48,477	38,102	10,375
Capital Outlay	2,900	2,800	333	2,467
Total Expenditures	<u>390,920</u>	<u>426,040</u>	<u>391,217</u>	<u>34,823</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,920)	(76,940)	(6,496)	70,444
Other Financing Sources (Uses):				
Transfers In	25,000	36,020	11,020	(25,000)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>36,020</u>	<u>11,020</u>	<u>(25,000)</u>
Net Change in Fund Balance	(40,920)	(40,920)	4,524	45,444
Fund Balance at Beginning of Year	35,613	35,613	35,613	0
Prior Year Encumbrances	5,307	5,307	5,307	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 45,444</u>	<u>\$ 45,444</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, 2021**

PARK DEVELOPMENT				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 1,000	\$ 1,000	\$ 1,550	\$ 550
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,550</u>	<u>550</u>
Expenditures:				
Leisure Time Activities:				
Capital Outlay	26,283	26,283	0	26,283
Total Expenditures	<u>26,283</u>	<u>26,283</u>	<u>0</u>	<u>26,283</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,283)	(25,283)	1,550	26,833
Fund Balance at Beginning of Year	<u>24,283</u>	<u>24,283</u>	<u>24,283</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 27,383</u></u>	<u><u>\$ 27,383</u></u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	PARKING			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 6,000	\$ 6,000	\$ 1,020	\$ (4,980)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>1,020</u>	<u>(4,980)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	16,695	16,695	0	16,695
Contractual Services	7,421	7,421	7,257	164
Total Expenditures	<u>24,116</u>	<u>24,116</u>	<u>7,257</u>	<u>16,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,116)	(18,116)	(6,237)	11,879
Other Financing Sources (Uses):				
Transfers In	15,000	15,000	4,500	(10,500)
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>4,500</u>	<u>(10,500)</u>
Net Change in Fund Balance	(3,116)	(3,116)	(1,737)	1,379
Fund Balance at Beginning of Year	2,361	2,361	2,361	0
Prior Year Encumbrances	755	755	755	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,379</u>	<u>\$ 1,379</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, 2021***

LAW ENFORCEMENT TRUST				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 0	\$ 9,434	\$ 9,434	\$ 0
Total Revenues	0	9,434	9,434	0
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	7,177	7,177	0
Total Expenditures	0	7,177	7,177	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	2,257	2,257	0
Fund Balance at Beginning of Year	13,785	13,785	13,785	0
Fund Balance at End of Year	\$ 13,785	\$ 16,042	\$ 16,042	\$ 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, 2021***

DRUG ENFORCEMENT TRUST				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 10	\$ 10
Total Revenues	<u>0</u>	<u>0</u>	<u>10</u>	<u>10</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	0	995	(995)
Total Expenditures	<u>0</u>	<u>0</u>	<u>995</u>	<u>(995)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(985)	(985)
Fund Balance at Beginning of Year	71,125	71,125	71,125	0
Fund Balance at End of Year	<u>\$ 71,125</u>	<u>\$ 71,125</u>	<u>\$ 70,140</u>	<u>\$ (985)</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, 2021***

	PERMISSIVE LICENSE REGISTRATION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 115,000	\$ 115,000	\$ 113,121	\$ (1,879)
All Other Revenues	0	0	2,403	2,403
Total Revenues	<u>115,000</u>	<u>115,000</u>	<u>115,524</u>	<u>524</u>
Expenditures:				
Transportation:				
Materials and Supplies	145,112	144,612	46,896	97,716
Contractual Services	<u>23,650</u>	<u>24,150</u>	<u>22,659</u>	<u>1,491</u>
Total Expenditures	<u>168,762</u>	<u>168,762</u>	<u>69,555</u>	<u>99,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,762)	(53,762)	45,969	99,731
Fund Balance at Beginning of Year	44,311	44,311	44,311	0
Prior Year Encumbrances	<u>9,451</u>	<u>9,451</u>	<u>9,451</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 99,731</u>	<u>\$ 99,731</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, 2021***

INDIGENT DRIVERS ALCOHOL TREATMENT				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 16,048	\$ 6,048
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>16,048</u>	<u>6,048</u>
Expenditures:				
General Government:				
Contractual Services	60,232	60,232	480	59,752
Total Expenditures	<u>60,232</u>	<u>60,232</u>	<u>480</u>	<u>59,752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,232)	(50,232)	15,568	65,800
Fund Balance at Beginning of Year	50,232	50,232	50,232	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,800</u>	<u>\$ 65,800</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, 2021***

DUI - ENFORCEMENT AND EDUCATION				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 200	\$ 200	\$ 25	\$ (175)
Total Revenues	<u>200</u>	<u>200</u>	<u>25</u>	<u>(175)</u>
Expenditures:				
General Government:				
Contractual Services	43,273	43,273	0	43,273
Total Expenditures	<u>43,273</u>	<u>43,273</u>	<u>0</u>	<u>43,273</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,073)	(43,073)	25	43,098
Fund Balance at Beginning of Year	43,073	43,073	43,073	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,098</u>	<u>\$ 43,098</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, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 15,253	\$ 253
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>15,253</u>	<u>253</u>
Expenditures:				
General Government:				
Contractual Services	16,817	16,817	13,383	3,434
Total Expenditures	<u>16,817</u>	<u>16,817</u>	<u>13,383</u>	<u>3,434</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,817)	(1,817)	1,870	3,687
Fund Balance at Beginning of Year	1,817	1,817	1,817	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,687</u>	<u>\$ 3,687</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, 2021***

	PROBATION SERVICES			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 45,000	\$ 45,000	\$ 53,744	\$ 8,744
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>53,744</u>	<u>8,744</u>
Expenditures:				
General Government:				
Personal Services	52,307	52,307	4,731	47,576
Materials and Supplies	123,764	123,764	4,400	119,364
Total Expenditures	<u>176,071</u>	<u>176,071</u>	<u>9,131</u>	<u>166,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,071)	(131,071)	44,613	175,684
Fund Balance at Beginning of Year	130,684	130,684	130,684	0
Prior Year Encumbrances	387	387	387	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 175,684</u>	<u>\$ 175,684</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, 2021***

MUNICIPAL COURT SPECIAL PROJECTS				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 21,896	\$ 1,896
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>21,896</u>	<u>1,896</u>
Expenditures:				
General Government:				
Materials and Supplies	127,970	127,970	0	127,970
Total Expenditures	<u>127,970</u>	<u>127,970</u>	<u>0</u>	<u>127,970</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,970)	(107,970)	21,896	129,866
Fund Balance at Beginning of Year	<u>107,970</u>	<u>107,970</u>	<u>107,970</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 129,866</u>	<u>\$ 129,866</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, 2021***

	COURT CLERK COMPUTER			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 48,000	\$ 48,000	\$ 48,866	\$ 866
Total Revenues	<u>48,000</u>	<u>48,000</u>	<u>48,866</u>	<u>866</u>
Expenditures:				
General Government:				
Personal Services	0	1,950	1,839	111
Contractual Services	101,410	99,460	88,759	10,701
Total Expenditures	<u>101,410</u>	<u>101,410</u>	<u>90,598</u>	<u>10,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,410)	(53,410)	(41,732)	11,678
Fund Balance at Beginning of Year	53,260	53,260	53,260	0
Prior Year Encumbrances	150	150	150	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,678</u>	<u>\$ 11,678</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	LODGING EXCISE TAX			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other Local Taxes	\$ 80,000	\$ 123,000	\$ 106,484	\$ (16,516)
Total Revenues	<u>80,000</u>	<u>123,000</u>	<u>106,484</u>	<u>(16,516)</u>
Expenditures:				
General Government:				
Contractual Services	80,000	123,000	106,484	16,516
Total Expenditures	<u>80,000</u>	<u>123,000</u>	<u>106,484</u>	<u>16,516</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, 2021***

DRIVERS INTERLOCK & ALCOHOL MONITORING

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 11,323	\$ 1,323
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>11,323</u>	<u>1,323</u>
Expenditures:				
General Government:				
Contractual Services	168,406	168,406	0	168,406
Total Expenditures	<u>168,406</u>	<u>168,406</u>	<u>0</u>	<u>168,406</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(158,406)	(158,406)	11,323	169,729
Fund Balance at Beginning of Year	158,406	158,406	158,406	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 169,729</u>	<u>\$ 169,729</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	PUBLIC SERVICE STREET REPAIR			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses and Permits	\$ 400	\$ 400	\$ 190	\$ (210)
All Other Revenues	0	0	47	47
Total Revenues	<u>400</u>	<u>400</u>	<u>237</u>	<u>(163)</u>
Expenditures:				
General Government:				
Capital Outlay	1,521	1,521	0	1,521
Total Expenditures	<u>1,521</u>	<u>1,521</u>	<u>0</u>	<u>1,521</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,121)	(1,121)	237	1,358
Fund Balance at Beginning of Year	1,121	1,121	1,121	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,358</u>	<u>\$ 1,358</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, 2021***

HIAWATHA WATER PARK SCHOLARSHIP				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
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	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,438</u>	<u>\$ 4,438</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, 2021***

	AVAILABLE PETITION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other Local Taxes	\$ 7,500	\$ 7,500	\$ 10,648	\$ 3,148
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>10,648</u>	<u>3,148</u>
Expenditures:				
General Government:				
Contractual Services	71,378	71,378	1,000	70,378
Total Expenditures	<u>71,378</u>	<u>71,378</u>	<u>1,000</u>	<u>70,378</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,878)	(63,878)	9,648	73,526
Fund Balance at Beginning of Year	63,878	63,878	63,878	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 73,526</u>	<u>\$ 73,526</u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

CORONAVIRUS RELIEF				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Materials and Supplies	38	38	38	0
Total Expenditures	38	38	38	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38)	(38)	(38)	0
Fund Balance at Beginning of Year	38	38	38	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, 2021***

COLLEGE TOWNSHIP FIRE-EMS				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 0	\$ 250,000	\$ 255,500	\$ 5,500
Total Revenues	<u>0</u>	<u>250,000</u>	<u>255,500</u>	<u>5,500</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	0	111,500	84,444	27,056
Materials and Supplies	0	20,000	13,721	6,279
Contractual Services	0	11,000	5,745	5,255
Capital Outlay	0	10,000	7,340	2,660
Total Expenditures	<u>0</u>	<u>152,500</u>	<u>111,250</u>	<u>41,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	97,500	144,250	46,750
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 97,500</u>	<u>\$ 144,250</u>	<u>\$ 46,750</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, 2021***

LOCAL CORONAVIRUS RELIEF				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 878,285	\$ 878,285	\$ 0
Total Revenues	<u>0</u>	<u>878,285</u>	<u>878,285</u>	<u>0</u>
Expenditures:				
General Government:				
Materials and Supplies	0	5,000	0	5,000
Capital Outlay	0	200,000	150,131	49,869
Total Expenditures	<u>0</u>	<u>205,000</u>	<u>150,131</u>	<u>54,869</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	673,285	728,154	54,869
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 673,285</u>	<u>\$ 728,154</u>	<u>\$ 54,869</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, 2021***

	POLICE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 50,500	\$ 50,500	\$ 82,893	\$ 32,393
Municipal Income Taxes	60,000	60,000	65,253	5,253
Intergovernmental Revenues	9,400	9,400	10,283	883
All Other Revenues	0	0	5,759	5,759
Total Revenues	<u>119,900</u>	<u>119,900</u>	<u>164,188</u>	<u>44,288</u>
Expenditures:				
Security of Persons and Property				
Personal Services	520,937	520,937	409,346	111,591
General Government:				
Contractual Services	2,600	2,600	691	1,909
Total Expenditures	<u>523,537</u>	<u>523,537</u>	<u>410,037</u>	<u>113,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(403,637)	(403,637)	(245,849)	157,788
Other Financing Sources (Uses):				
Transfers In	325,000	325,000	171,447	(153,553)
Total Other Financing Sources (Uses)	<u>325,000</u>	<u>325,000</u>	<u>171,447</u>	<u>(153,553)</u>
Net Change in Fund Balance	(78,637)	(78,637)	(74,402)	4,235
Fund Balance at Beginning of Year	47,637	47,637	47,637	0
Prior Year Encumbrances	31,000	31,000	31,000	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,235</u>	<u>\$ 4,235</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, 2021***

	FIRE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 50,500	\$ 50,500	\$ 82,893	\$ 32,393
Municipal Income Taxes	60,000	60,000	65,253	5,253
Intergovernmental Revenues	9,400	9,400	10,283	883
All Other Revenues	0	0	8	8
Total Revenues	<u>119,900</u>	<u>119,900</u>	<u>158,437</u>	<u>38,537</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	902,796	902,796	760,370	142,426
General Government:				
Contractual Services	2,600	2,600	691	1,909
Total Expenditures	<u>905,396</u>	<u>905,396</u>	<u>761,061</u>	<u>144,335</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(785,496)	(785,496)	(602,624)	182,872
Other Financing Sources (Uses):				
Transfers In	630,305	630,305	451,668	(178,637)
Total Other Financing Sources (Uses)	<u>630,305</u>	<u>630,305</u>	<u>451,668</u>	<u>(178,637)</u>
Net Change in Fund Balance	(155,191)	(155,191)	(150,956)	4,235
Fund Balance at Beginning of Year	100,191	100,191	100,191	0
Prior Year Encumbrances	55,000	55,000	55,000	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,235</u>	<u>\$ 4,235</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, 2021**

	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 1	\$ 1
Total Revenues	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	2,262	2,262	0	2,262
Total Expenditures	<u>2,262</u>	<u>2,262</u>	<u>0</u>	<u>2,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,262)	(2,262)	1	2,263
Fund Balance at Beginning of Year	2,262	2,262	2,262	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,263</u>	<u>\$ 2,263</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, 2021***

	INSURANCE			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 10,000	\$ 47,355	\$ 43,148	\$ (4,207)
Total Revenues	<u>10,000</u>	<u>47,355</u>	<u>43,148</u>	<u>(4,207)</u>
Expenditures:				
General Government:				
Other Expenses	40,720	78,075	73,868	4,207
Total Expenditures	<u>40,720</u>	<u>78,075</u>	<u>73,868</u>	<u>4,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,720)	(30,720)	(30,720)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	30,720	30,720	30,720	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, 2021***

	BONDS AND INSPECTION FEE			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 15,000	\$ 21,500	\$ 21,500	\$ 0
Total Revenues	<u>15,000</u>	<u>21,500</u>	<u>21,500</u>	<u>0</u>
Expenditures:				
General Government:				
Other Expenses	20,651	27,151	25,500	1,651
Total Expenditures	<u>20,651</u>	<u>27,151</u>	<u>25,500</u>	<u>1,651</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,651)	(5,651)	(4,000)	1,651
Fund Balance at Beginning of Year	651	651	651	0
Prior Year Encumbrances	5,000	5,000	5,000	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,651</u>	<u>\$ 1,651</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, 2021***

	VETERANS HONOR WALKWAY			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 500	\$ 500	\$ 1,050	\$ 550
Investment Earnings	50	50	43	(7)
Total Revenues	<u>550</u>	<u>550</u>	<u>1,093</u>	<u>543</u>
Expenditures:				
Leisure Time Activities				
Materials and Supplies	65,906	65,906	552	65,354
Contractual Services	3,500	3,500	360	3,140
Total Expenditures	<u>69,406</u>	<u>69,406</u>	<u>912</u>	<u>68,494</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,856)	(68,856)	181	69,037
Fund Balance at Beginning of Year	68,811	68,811	68,811	0
Prior Year Encumbrances	45	45	45	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69,037</u>	<u>\$ 69,037</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, 2021***

	GENERAL BOND RETIREMENT - INCOME TAX			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Tax	\$ 145,670	\$ 145,670	\$ 143,782	\$ (1,888)
Total Revenues	<u>145,670</u>	<u>145,670</u>	<u>143,782</u>	<u>(1,888)</u>
Expenditures:				
Debt Service:				
Principal Retirement	125,000	125,000	120,000	5,000
Interest and Fiscal Charges	32,809	32,809	23,782	9,027
Total Expenditures	<u>157,809</u>	<u>157,809</u>	<u>143,782</u>	<u>14,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,139)	(12,139)	0	12,139
Fund Balance at Beginning of Year	12,139	12,139	12,139	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,139</u>	<u>\$ 12,139</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, 2021**

TIF DISTRICT-INDUSTRIAL AREA				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 154,085	\$ 156,001	\$ 156,001	\$ 0
Total Revenues	<u>154,085</u>	<u>156,001</u>	<u>156,001</u>	<u>0</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	3,000	845	789	56
Total Expenditures	<u>3,000</u>	<u>845</u>	<u>789</u>	<u>56</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	151,085	155,156	155,212	56
Other Financing Sources (Uses):				
Transfers Out	(151,292)	(155,363)	(155,362)	1
Total Other Financing Sources (Uses)	<u>(151,292)</u>	<u>(155,363)</u>	<u>(155,362)</u>	<u>1</u>
Fund Balance at Beginning of Year	207	207	207	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 57</u>	<u>\$ 57</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, 2021***

TIF DISTRICT-SANDUSKY STREET CORRIDOR				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Property Taxes	\$ 12,000	\$ 12,000	\$ 33,934	\$ 21,934
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>33,934</u>	<u>21,934</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	35,398	35,398	370	35,028
Total Expenditures	<u>35,398</u>	<u>35,398</u>	<u>370</u>	<u>35,028</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,398)	(23,398)	33,564	56,962
Fund Balance at Beginning of Year	23,398	23,398	23,398	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56,962</u>	<u>\$ 56,962</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2021***

	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	\$ 10,000	\$ 10,000	\$ 24,870	\$ 14,870
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>24,870</u>	<u>14,870</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	24,870	14,870
Fund Balance at Beginning of Year	<u>513,498</u>	<u>513,498</u>	<u>513,498</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 523,498</u>	<u>\$ 523,498</u>	<u>\$ 538,368</u>	<u>\$ 14,870</u>



Statistical Section





STATISTICAL TABLES

This part of the City’s annual comprehensive 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 annual comprehensive financial reports for the relevant year.	

City of Mount Vernon, Ohio

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

	2012	2013	2014	2015
Governmental Activities:			(1)	
Net Investment in Capital Assets	\$39,426,306	\$41,446,062	\$40,927,848	\$43,612,477
Restricted	3,094,466	4,315,346	6,576,302	6,512,955
Unrestricted	8,349,905	6,347,089	(3,435,859)	(4,782,532)
Total Governmental Activities Net Position	<u>\$50,870,677</u>	<u>\$52,108,497</u>	<u>\$44,068,291</u>	<u>\$45,342,900</u>
Business-type Activities:				
Net Investment in Capital Assets	\$15,012,084	\$16,711,092	\$18,252,176	\$18,610,103
Restricted	1,008,353	1,646,248	1,758,460	1,783,244
Unrestricted	5,388,497	3,616,486	1,083,501	924,045
Total Business-type Activities Net Postion	<u>\$21,408,934</u>	<u>\$21,973,826</u>	<u>\$21,094,137</u>	<u>\$21,317,392</u>
Primary Government:				
Net Investment in Capital Assets	\$54,438,390	\$58,157,154	\$59,180,024	\$62,222,580
Restricted	4,102,819	5,961,594	8,334,762	8,296,199
Unrestricted	13,738,402	9,963,575	(2,352,358)	(3,858,487)
Total Primary Government Net Position	<u>\$72,279,611</u>	<u>\$74,082,323</u>	<u>\$65,162,428</u>	<u>\$66,660,292</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

2016	2017	2018	2019	2020	2021
	(2)				
\$45,177,791	\$45,255,324	\$47,275,648	\$48,096,358	\$50,897,822	\$51,502,443
6,521,108	6,176,687	8,250,183	12,532,422	11,875,528	11,282,845
(8,162,671)	(22,030,876)	(24,289,990)	(15,831,512)	(14,875,202)	(11,663,549)
<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>	<u>\$51,121,739</u>
\$19,396,615	\$19,432,673	\$21,803,319	\$23,092,516	\$22,502,307	\$24,760,366
1,504,036	1,473,090	1,421,106	1,207,733	1,554,090	1,902,437
735,523	2,376,232	2,240,192	2,433,439	3,612,879	6,433,378
<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>	<u>\$33,096,181</u>
\$64,574,406	\$64,687,997	\$69,078,967	\$71,188,874	\$73,400,129	\$76,262,809
8,025,144	7,649,777	9,671,289	13,740,155	13,429,618	13,185,282
(7,427,148)	(19,654,644)	(22,049,798)	(13,398,073)	(11,262,323)	(5,230,171)
<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>	<u>\$84,217,920</u>

City of Mount Vernon, Ohio

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

	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Security of Persons and Property	\$6,188,789	\$6,492,718	\$6,370,982	\$7,035,151
Public Health and Welfare Services	723,360	709,251	757,435	711,222
Leisure Time Activities	719,024	980,442	1,279,240	870,144
Community Environment	528,995	648,532	323,093	763,019
Transportation	4,228,585	3,367,249	5,070,430	6,448,854
General Government	4,852,231	5,316,607	6,294,609	5,154,298
Interest and Fiscal Charges	510,896	276,071	263,497	277,043
<i>Total Governmental Activities Expenses</i>	<u>17,751,880</u>	<u>17,790,870</u>	<u>20,359,286</u>	<u>21,259,731</u>
Business-type Activities:				
Water	3,019,406	3,049,583	3,028,624	3,085,297
Sewer	3,194,971	3,118,011	3,256,742	3,538,970
Storm Water	0	0	0	0
<i>Total Business-type Activities Expenses</i>	<u>6,214,377</u>	<u>6,167,594</u>	<u>6,285,366</u>	<u>6,624,267</u>
<i>Total Primary Government Expenses</i>	<u>\$23,966,257</u>	<u>\$23,958,464</u>	<u>\$26,644,652</u>	<u>\$27,883,998</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$1,175,624	\$1,119,039	\$1,252,995	\$1,098,742
Public Health and Welfare Services	80,494	82,513	48,631	90,889
Leisure Time Activities	291,563	255,558	246,341	261,876
Community Environment	16,471	18,872	9,423	21,127
Transportation	313	750	1,094	6,527
General Government	866,410	768,254	698,554	882,275
Operating Grants and Contributions	2,024,553	1,937,129	1,470,114	1,114,030
Capital Grants and Contributions	2,169,916	1,590,955	2,781,681	4,682,427
<i>Total Governmental Activities Program Revenues</i>	<u>6,625,344</u>	<u>5,773,070</u>	<u>6,508,833</u>	<u>8,157,893</u>

City of Mount Vernon, Ohio

2016	2017	2018	2019	2020	2021
\$7,735,685	\$8,259,679	\$10,283,448	\$606,058	\$9,828,410	\$9,381,852
783,628	760,614	585,043	598,796	581,415	324,121
1,210,663	1,362,160	1,271,709	1,080,378	741,342	660,458
1,012,146	355,354	891,732	424,589	932,132	574,485
2,890,767	3,648,289	2,695,510	2,791,472	4,761,583	4,588,251
7,057,974	7,297,638	7,789,359	8,128,518	7,558,015	5,710,902
206,340	212,742	196,125	277,036	173,441	214,409
<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>	<u>21,454,478</u>
3,115,505	3,066,560	3,146,692	3,636,006	3,593,035	2,409,282
3,281,725	3,750,082	3,476,860	3,934,492	5,455,506	3,067,527
0	0	0	0	0	125,461
<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>5,602,270</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>	<u>\$27,056,748</u>
\$1,333,712	\$1,732,071	\$1,707,975	\$1,746,281	\$1,674,457	\$2,052,621
83,441	68,440	57,821	68,405	98,482	147,209
307,643	280,239	284,339	323,130	7,182	289,465
2,016	13,871	9,688	9,908	18,802	24,619
825	2,756	12,638	1,525	5,436	0
765,663	837,308	1,015,550	926,248	693,243	798,316
2,763,295	1,747,093	2,141,509	2,853,036	4,814,215	1,741,529
1,281,804	1,168,867	226,249	992,876	2,310,007	1,941,225
<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>	<u>6,994,984</u>

(continued)

City of Mount Vernon, Ohio

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

	2012	2013	2014	2015
Business-type Activities:				
Charges for Services and Sales				
Water	3,559,198	3,450,880	3,684,807	3,562,765
Sewer	3,257,271	3,243,715	3,197,847	3,284,201
Storm Water	0	0	0	0
Operating Grants and Contributions	42,069	37,266	37,591	0
<i>Total Business-type Activities Program Revenues</i>	<u>6,858,538</u>	<u>6,731,861</u>	<u>6,920,245</u>	<u>6,846,966</u>
<i>Total Primary Government Program Revenues</i>	<u>13,483,882</u>	<u>12,504,931</u>	<u>13,429,078</u>	<u>15,004,859</u>
Net (Expense)/Revenue				
Governmental Activities	(11,126,536)	(12,017,800)	(13,850,453)	(13,101,838)
Business-type Activities	644,161	564,267	634,879	222,699
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$10,482,375)</u>	<u>(\$11,453,533)</u>	<u>(\$13,215,574)</u>	<u>(\$12,879,139)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$571,710	\$552,305	\$536,836	\$434,944
Special Purposes	134,352	130,272	131,724	105,810
Debt Service	32,707	143,647	143,215	143,874
Capital Outlay	1,441,186	720,963	1,249,984	1,339,046
Income Taxes	10,566,350	10,805,563	12,503,753	11,753,826
Other Local Taxes	98,030	94,973	103,876	106,100
Grants and Entitlements not Restricted to Specific Programs	725,574	451,426	890,797	164,502
Investment Earnings	37,698	29,448	11,260	27,083
Miscellaneous	261,553	327,023	902,455	301,262
<i>Total Governmental Activities</i>	<u>13,869,160</u>	<u>13,255,620</u>	<u>16,473,900</u>	<u>14,376,447</u>
Business-type Activities:				
Investment Earnings	1,539	625	424	556
<i>Total Business-type Activities</i>	<u>1,539</u>	<u>625</u>	<u>424</u>	<u>556</u>
<i>Total Primary Government</i>	<u>\$13,870,699</u>	<u>\$13,256,245</u>	<u>\$16,474,324</u>	<u>\$14,377,003</u>
Change in Net Position				
Governmental Activities	\$2,742,624	\$1,237,820	\$2,623,447	\$1,274,609
Business-type Activities	645,700	564,892	635,303	223,255
<i>Total Primary Government Change in Net Position</i>	<u>\$3,388,324</u>	<u>\$1,802,712</u>	<u>\$3,258,750</u>	<u>\$1,497,864</u>

Source: City Auditor's Office

City of Mount Vernon, Ohio

2016	2017	2018	2019	2020	2021
3,537,845	5,114,590	4,683,774	4,755,471	4,647,435	4,771,468
3,177,531	4,534,373	4,121,428	4,084,098	4,102,383	5,144,124
0	0	0	0	478,702	1,113,399
0	0	0	0	755,394	0
<u>6,715,376</u>	<u>9,648,963</u>	<u>8,805,202</u>	<u>8,839,569</u>	<u>9,983,914</u>	<u>11,028,991</u>
<u>13,253,775</u>	<u>15,499,608</u>	<u>14,260,971</u>	<u>15,760,978</u>	<u>19,605,738</u>	<u>18,023,975</u>
(14,358,804)	(16,045,831)	(18,257,157)	(6,985,438)	(14,954,514)	(14,459,494)
318,146	2,832,321	2,181,650	1,269,071	935,373	5,426,721
<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>	<u>(\$9,032,773)</u>
\$582,788	\$677,443	\$706,874	\$597,681	\$653,008	\$618,321
132,590	156,590	162,492	138,022	148,680	141,658
143,606	145,590	145,217	144,784	144,482	143,782
1,403,568	1,288,174	1,354,211	1,601,349	1,535,187	1,545,370
9,501,005	10,390,679	16,401,453	16,733,601	13,629,646	14,258,201
121,627	131,785	141,874	143,452	85,869	127,228
322,917	342,555	319,344	405,550	405,814	471,917
44,327	91,431	161,072	362,606	155,401	34,673
299,704	510,361	699,326	419,820	1,297,307	341,935
<u>12,552,132</u>	<u>13,734,608</u>	<u>20,091,863</u>	<u>20,546,865</u>	<u>18,055,394</u>	<u>17,683,085</u>
636	20,902	972	0	215	184
636	20,902	972	0	215	184
<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>	<u>\$17,683,269</u>
(\$1,806,672)	(\$2,311,223)	\$1,834,706	\$13,561,427	\$3,100,880	\$3,223,591
318,782	2,853,223	2,182,622	1,269,071	935,588	5,426,905
<u>(\$1,487,890)</u>	<u>\$542,000</u>	<u>\$4,017,328</u>	<u>\$14,830,498</u>	<u>\$4,036,468</u>	<u>\$8,650,496</u>

City of Mount Vernon, Ohio

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$127,232	\$135,855	\$147,536	\$159,479
Restricted	8,080	8,080	8,080	8,080
Committed	16,480	16,480	4,741	426
Assigned	3,152,283	2,680,908	2,754,129	3,576,344
Unassigned	<u>1,787,773</u>	<u>970,240</u>	<u>1,254,772</u>	<u>1,397,417</u>
<i>Total General Fund</i>	<u>5,091,848</u>	<u>3,811,563</u>	<u>4,169,258</u>	<u>5,141,746</u>
All Other Governmental Funds				
Nonspendable	420,915	454,286	443,738	493,536
Restricted	4,653,008	4,653,741	6,299,667	6,560,177
Committed	138,982	134,995	124,561	117,413
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>5,212,905</u>	<u>5,243,022</u>	<u>6,867,966</u>	<u>7,171,126</u>
<i>Total Governmental Funds</i>	<u>\$10,304,753</u>	<u>\$9,054,585</u>	<u>\$11,037,224</u>	<u>\$12,312,872</u>

Source: City Auditor's Office

City of Mount Vernon, Ohio

2016	2017	2018	2019	2020	2021
\$186,763	\$186,886	\$169,812	\$176,328	\$183,252	\$231,787
8,080	676	15,855	16,150	19,021	0
2,405	7,105	9,060	0	0	0
2,459,740	1,586,448	2,103,484	2,932,004	4,625,689	4,602,155
649,074	557,397	551,809	651,757	674,295	713,647
<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>	<u>5,547,589</u>
530,833	536,108	592,883	661,892	694,766	649,055
5,047,602	5,357,929	7,773,875	12,934,559	12,126,484	12,385,913
103,467	90,696	79,492	75,850	57,959	76,579
(1,009)	0	(72,842)	0	0	0
<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>13,111,547</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>	<u>\$18,659,136</u>

City of Mount Vernon, Ohio

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

	2012	2013	2014	2015
Revenues:				
Taxes	\$12,728,720	\$12,820,372	\$14,018,827	\$14,994,697
Intergovernmental Revenues	2,736,097	2,243,029	2,727,769	4,464,177
Charges for Services	1,628,400	1,538,771	1,565,290	1,592,629
Licenses and Permits	20,135	10,252	18,747	46,275
Investment Earnings	37,698	29,448	11,260	27,083
Fines and Forfeitures	785,523	696,006	675,007	687,259
All Other Revenue	1,224,294	1,004,302	1,549,515	442,234
Total Revenue	19,160,867	18,342,180	20,566,415	22,254,354
Expenditures:				
Current:				
Security of Persons and Property	5,548,197	6,201,515	6,173,136	6,277,707
Public Health and Welfare Services	707,922	696,102	747,707	693,979
Leisure Time Activities	700,979	762,156	848,879	825,430
Community Environment	528,995	648,532	323,093	763,019
Transportation	4,047,663	2,868,350	3,526,598	5,509,975
General Government	6,627,844	7,660,676	6,202,716	6,176,909
Debt Service:				
Principal Retirement	484,756	500,756	515,327	537,568
Interest and Fiscal Charges	359,602	279,021	264,038	275,624
Total Expenditures	19,005,958	19,617,108	18,601,494	21,060,211
Excess (Deficiency) of Revenues Over Expenditures	154,909	(1,274,928)	1,964,921	1,194,143

City of Mount Vernon, Ohio

2016	2017	2018	2019	2020	2021
\$11,782,401	\$12,742,449	\$18,596,443	\$19,721,322	\$15,969,874	\$16,768,593
3,005,589	2,900,021	3,409,113	3,784,210	5,568,191	4,105,939
1,645,697	2,092,297	2,113,540	2,115,513	1,775,389	2,549,321
20,353	20,496	69,777	31,557	38,464	26,118
44,327	91,431	161,072	362,606	155,401	34,673
805,303	822,688	976,333	948,914	663,685	715,137
321,651	509,548	604,706	399,147	1,317,371	363,589
<u>17,625,321</u>	<u>19,178,930</u>	<u>25,930,984</u>	<u>27,363,269</u>	<u>25,488,375</u>	<u>24,563,370</u>
6,627,332	6,751,717	7,733,103	7,798,677	8,442,954	8,938,051
725,904	687,038	525,850	484,547	506,535	466,760
883,875	960,435	934,831	940,888	529,732	945,792
1,012,146	355,354	891,732	424,589	932,132	574,485
3,687,931	3,316,511	4,170,486	5,780,368	5,494,570	4,480,742
7,228,697	6,968,691	8,049,543	7,952,411	7,640,512	7,869,482
579,980	596,714	606,021	778,802	794,973	826,769
205,623	205,820	172,629	235,002	210,302	162,493
<u>20,951,488</u>	<u>19,842,280</u>	<u>23,084,195</u>	<u>24,395,284</u>	<u>24,551,710</u>	<u>24,264,574</u>
(3,326,167)	(663,350)	2,846,789	2,967,985	936,665	298,796

(Continued)

City of Mount Vernon, Ohio

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

	2012	2013	2014	2015
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	11,342	31,689	3,148	42,156
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
General Obligation Refunding Bonds Issued	1,654,000	0	0	1,995,150
Special Obligation Bonds Issued	1,775,000	0	0	0
Payment to Refunded Bond Escrow Agent	(1,600,053)	0	0	(1,969,258)
Transfers In	1,275,651	1,656,139	1,252,978	1,242,974
Transfers Out	(1,275,651)	(1,656,139)	(1,252,978)	(1,242,974)
Total Other Financing Sources (Uses)	<u>1,840,289</u>	<u>31,689</u>	<u>3,148</u>	<u>68,048</u>
Net Change in Fund Balance	<u>\$1,995,198</u>	<u>(\$1,243,239)</u>	<u>\$1,968,069</u>	<u>\$1,262,191</u>
 Debt Service as a Percentage of Noncapital Expenditures	 5.51%	 5.03%	 4.53%	 4.21%

Source: City Auditor's Office

City of Mount Vernon, Ohio

2016	2017	2018	2019	2020	2021
7,238	4,450	25,309	43,413	837	27,247
0	0	0	558,620	0	0
0	0	0	2,600,000	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,187,721	1,319,499	1,337,426	1,591,350	1,588,773	1,457,790
(1,187,721)	(1,319,499)	(1,337,426)	(1,591,350)	(1,588,773)	(1,457,790)
7,238	4,450	25,309	3,202,033	837	27,247
(\$3,318,929)	(\$658,900)	\$2,872,098	\$6,170,018	\$937,502	\$326,043
4.37%	4.42%	4.11%	5.34%	4.74%	4.66%

City of Mount Vernon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$580,616	\$606,203	\$641,916	\$668,472
Total Tax Collected	\$10,128,973	\$11,210,717	\$11,725,532	\$12,409,133
Income Tax Receipts				
Withholding	7,854,868	8,088,514	8,450,570	8,673,622
Percentage	77.55%	72.15%	72.07%	69.90%
Corporate	1,578,706	2,396,265	2,522,261	2,889,193
Percentage	15.59%	21.37%	21.51%	23.28%
Individuals	695,399	725,938	752,701	846,318
Percentage	6.86%	6.48%	6.42%	6.82%

Source: City Income Tax Department

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

City of Mount Vernon, Ohio

2016	2017	2018	2019	2020	2021
1.50%	1.50%	2.00%	2.00%	2.00%	2.00%
\$673,501	\$690,338	\$716,332	\$747,883	\$814,908	\$814,908
\$11,261,723	\$10,660,851	\$16,016,993	\$16,958,416	\$13,544,998	\$13,905,326
9,042,251	8,591,242	11,675,758	12,183,379	11,539,570	11,580,033
80.29%	80.59%	72.90%	71.84%	85.20%	83.28%
1,373,619	1,229,520	3,427,601	3,713,148	984,988	1,343,653
12.20%	11.53%	21.40%	21.90%	7.27%	9.66%
845,853	840,089	913,634	1,061,889	1,020,440	981,640
7.51%	7.88%	5.70%	6.26%	7.53%	7.06%



City of Mount Vernon, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2021				
<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	\$303,600,564	43.67%	\$6,072,011	43.67%
All Others	391,665,750	56.33%	\$7,833,315	56.33%
Total	<u>\$695,266,314</u>	<u>100.00%</u>	<u>\$13,905,326</u>	<u>100.00%</u>

Calendar Year 2012				
<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	\$362,699,533	53.71%	\$5,440,493	53.71%
All Others	312,565,333	46.29%	4,688,480	46.29%
Total	<u>\$675,264,866</u>	<u>100.00%</u>	<u>\$10,128,973</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Mount Vernon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2012	2013	2014	2015
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$6,177,200	\$5,812,400	\$5,436,000	\$5,205,500
Special Obligation Bonds Payable	1,775,000	1,677,500	1,577,500	1,475,000
Ohio Public Works Commission Loan Payable	364,375	336,875	309,375	281,875
Business-type Activities ⁽¹⁾				
Ohio Public Works Commission Loan Payable	\$109,692	\$103,424	\$97,156	\$90,888
Ohio Water Development Authority	6,289,243	6,476,726	6,500,028	6,154,888
General Obligation Bonds Payable	10,522,800	9,582,600	8,604,000	7,828,650
Special Obligation Bonds Payable	1,775,000	1,677,500	1,577,500	1,475,000
Mortgage Revenue Bonds Payable	3,205,000	2,780,000	2,345,000	1,895,000
Total Primary Government	\$30,218,310	\$28,447,025	\$26,446,559	\$24,406,801
Population ⁽²⁾				
City of Mount Vernon	16,990	16,990	16,990	16,990
Outstanding Debt Per Capita	\$1,778.59	\$1,674.34	\$1,556.60	\$1,436.54
Income ⁽³⁾				
Personal (in thousands)	580,616	606,203	641,916	668,472
Percentage of Personal Income	5.20%	4.69%	4.12%	3.65%

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

2016	2017	2018	2019	2020	2021
\$4,770,450	\$4,324,200	\$3,871,700	\$5,849,500	\$5,228,200	\$4,592,200
1,370,000	1,260,000	1,147,500	1,032,500	915,000	795,000
254,375	226,875	199,375	730,495	689,029	633,599
\$126,237	\$116,886	\$107,535	\$98,184	\$88,833	\$79,482
5,872,440	5,536,388	5,196,426	4,852,509	4,504,591	4,152,626
6,747,950	5,617,700	4,450,200	3,917,400	3,363,700	2,804,690
1,370,000	1,260,000	1,147,500	1,032,500	915,000	795,000
1,430,000	950,000	0	0	0	0
<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>	<u>\$13,852,597</u>
16,990	16,990	16,990	16,990	16,990	16,990
\$1,291.43	\$1,135.49	\$948.81	\$1,030.79	\$924.33	\$815.34
673,501	690,338	716,332	747,883	814,908	814,908
3.26%	2.79%	2.25%	2.34%	1.93%	1.70%

City of Mount Vernon, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2012	2013	2014	2015
Population (1)	16,990	16,990	16,990	16,990
Assessed Value (2)	\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720
General Bonded Debt (3)				
General Obligation Bonds	\$16,700,000	\$15,395,000	\$14,040,000	\$13,034,150
Resources Available to Pay Principal (4)	\$966	\$0	\$0	\$0
Net General Bonded Debt	\$16,699,034	\$15,395,000	\$14,040,000	\$13,034,150
Ratio of Net Bonded Debt to Assessed Value	6.74%	6.18%	5.64%	5.17%
Net Bonded Debt per Capita	\$982.87	\$906.12	\$826.37	\$767.17

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

2016	2017	2018	2019	2020	2021
16,990	16,990	16,990	16,990	16,990	16,990
\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460	\$317,194,360	\$317,882,000
\$11,518,400	\$9,941,900	\$8,321,900	\$9,766,900	\$8,591,900	\$7,396,890
\$0	\$0	\$0	\$0	\$0	\$0
\$11,518,400	\$9,941,900	\$8,321,900	\$9,766,900	\$8,591,900	\$7,396,890
4.53%	3.66%	3.03%	3.54%	2.71%	2.33%
\$677.95	\$585.16	\$489.81	\$574.86	\$505.70	\$435.37



City of Mount Vernon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2021*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Mount Vernon</u>	<u>Amount Applicable to the City of Mount Vernon</u>
Direct:			
City of Mount Vernon	\$6,020,799	100.00%	\$6,020,799
Overlapping:			
Knox County	8,366,661	53.84%	4,504,610
Knox County Career Center	6,060,000	42.01%	<u>2,545,806</u>
		Subtotal	<u>7,050,416</u>
		Total	<u><u>\$13,071,215</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Debt				
Net Assessed Valuation	\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	26,014,202	26,150,657	26,158,213	26,476,456
City Debt Outstanding (2)	2,607,800	2,477,600	2,342,400	2,360,300
Less: Applicable Debt Service Fund Amounts	(966)	0	0	0
Net Indebtedness Subject to Limitation	<u>2,606,834</u>	<u>2,477,600</u>	<u>2,342,400</u>	<u>2,360,300</u>
Overall Legal Debt Margin	<u>\$23,407,368</u>	<u>\$23,673,057</u>	<u>\$23,815,813</u>	<u>\$24,116,156</u>
Unvoted Debt				
Net Assessed Valuation	\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	13,626,487	13,697,963	13,701,921	13,868,620
City Debt Outstanding (2)	2,607,800	2,477,600	2,342,400	2,360,300
Less: Applicable Debt Service Fund Amounts	(966)	0	0	0
Net Indebtedness Subject to Limitation	<u>2,606,834</u>	<u>2,477,600</u>	<u>2,342,400</u>	<u>2,360,300</u>
Overall Legal Debt Margin	<u>\$11,019,653</u>	<u>\$11,220,363</u>	<u>\$11,359,521</u>	<u>\$11,508,320</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

2016	2017	2018	2019	2020	2021
\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460	\$317,194,360	\$317,882,000
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
26,670,750	28,486,792	28,792,541	28,938,573	33,305,408	33,377,610
2,185,850	2,004,600	1,819,300	1,631,500	1,434,000	1,234,000
0	0	0	0	0	0
2,185,850	2,004,600	1,819,300	1,631,500	1,434,000	1,234,000
\$24,484,900	\$26,482,192	\$26,973,241	\$27,307,073	\$31,871,408	\$32,143,610
\$254,007,140	\$271,302,780	\$274,214,680	\$275,605,460	\$317,194,360	\$317,882,000
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
13,970,393	14,921,653	15,081,807	15,158,300	17,445,690	17,483,510
2,185,850	2,004,600	1,819,300	1,631,500	1,434,000	1,234,000
0	0	0	0	0	0
2,185,850	2,004,600	1,819,300	1,631,500	1,434,000	1,234,000
\$11,784,543	\$12,917,053	\$13,262,507	\$13,526,800	\$16,011,690	\$16,249,510

City of Mount Vernon, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2012	2013	2014	2015
Water System Bonds 1999 Series (1)				
Gross Revenues (2)	\$3,560,407	\$3,451,448	\$3,685,199	\$3,563,294
Direct Operating Expenses (3)	(1,805,985)	(1,853,530)	(1,874,612)	(1,982,573)
Net Revenue Available for Debt Service	1,754,422	1,597,918	1,810,587	1,580,721
Annual Debt Service Requirement	542,650	540,200	537,450	539,400
Coverage	3.23	2.96	3.37	2.93
Tax Increment Financing (TIF) Bonds (4)				
Payment In Lieu of Taxes (PILOT) Collections	\$1,572,036	\$748,799	\$1,214,761	\$1,278,656
Debt Service				
Principal	231,000	149,600	156,200	158,400
Interest	87,076	74,120	28,627	25,569
Coverage	4.94	3.35	6.57	6.95

(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

2016	2017	2018	2019	2020	2021
\$3,538,481	\$5,118,429	\$4,684,746	\$4,755,471	\$4,647,435	\$4,771,652
(1,989,032)	(2,040,514)	(2,274,456)	(2,556,496)	(2,532,329)	(1,477,825)
1,549,449	3,077,915	2,410,290	2,198,975	2,115,106	3,293,827
540,900	539,625	985,625	0	0	0
2.86	5.70	2.45	N/A	N/A	N/A
\$1,301,697	\$1,256,931	\$1,293,260	\$1,456,794	\$1,359,690	\$1,349,963
160,600	165,000	167,200	169,400	174,670	176,000
22,628	19,521	16,393	13,205	9,994	6,679
7.10	6.81	7.04	7.98	7.36	7.39

City of Mount Vernon, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2012	2013	2014	2015
Population ⁽¹⁾				
City of Mount Vernon	16,990	16,990	16,990	16,990
Knox County	60,921	60,705	61,167	61,061
Income ^{(2) (a)}				
Total Personal (in thousands)	580,616	606,203	641,916	668,472
Per Capita	34,174	35,680	37,782	39,345
Unemployment Rate ⁽³⁾				
Federal	7.6%	7.4%	6.2%	5.3%
State	6.6%	7.4%	5.7%	4.9%
Knox County	6.2%	6.7%	5.2%	4.7%
Civilian Work Force Estimates ⁽³⁾				
State	5,701,000	5,726,000	5,719,000	5,700,300
Knox County	29,400	30,500	31,100	31,000

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2020 for the presentation of 2021 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

2016	2017	2018	2019	2020	2021
16,990	16,990	16,990	16,990	16,990	16,990
60,814	61,261	61,893	62,322	62,423	62,423
673,501	690,338	716,332	747,883	814,908	814,908
39,641	40,632	42,162	44,019	47,964	47,964
4.9%	4.4%	3.9%	3.4%	8.1%	5.3%
4.9%	5.0%	4.6%	3.8%	8.1%	5.1%
4.5%	4.5%	4.3%	3.6%	6.2%	4.0%
5,713,100	5,780,000	5,754,900	5,586,800	5,754,300	5,736,900
31,300	31,300	31,200	31,200	31,200	31,100



City of Mount Vernon, Ohio

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2021	
		Number of Employees	Rank
Ariel Corporation	Manufacturing	1,610	1
Knox Community Hospital	Medical Care	1,325	2
Knox County	Government	450	3
Mount Vernon City Schools	Education	409	4
Mount Vernon Nazarene University	Education	314	5
Wal-Mart	Retail	289	6
Sanoh America, Inc.	Manufacturing	210	7
Jeld-Wen, Inc.	Manufacturing	188	8
Park National Bank	Financial	159	9
Mauser USA, LLC	Manufacturing	112	10
Total		<u>5,066</u>	

Employer	Nature of Business	2012	
		Number of Employees	Rank
Ariel Corporation	Manufacturing	1,241	1
Rolls Royce Energy Systems, Inc	Manufacturing	1,132	2
Knox Community Hospital	Medical Care	936	3
Jeld-Wen Windows & Doors	Manufacturing	450	4
Knox County	Government	425	5
Mount Vernon City Schools	Education	414	6
Mount Vernon Nazarene University	Education	370	7
Wal-Mart	Retail	325	8
Sanoh America, Inc.	Manufacturing	280	9
First Knox National Bank	Financial	206	10
Total		<u>5,779</u>	

Source:
City Auditor's Office

City of Mount Vernon, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2012	2013	2014	2015	2016
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	6.00	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	56.50	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>215.00</u>	<u>215.00</u>	<u>214.50</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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
11.00	11.00	11.00	11.00	11.00
2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
6.00	6.00	6.00	6.00	6.00
1.75	1.75	1.75	1.75	1.75
32.00	32.00	32.00	32.00	32.00
40.00	40.00	40.00	40.00	40.00
12.50	12.50	12.50	12.50	12.50
56.50	56.50	56.50	56.50	56.50
5.25	5.25	5.25	5.25	5.25
17.00	17.00	17.00	17.00	17.00
19.00	19.00	19.00	19.00	19.00
<u>213.50</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*

	2012	2013	2014
Governmental Activities			
General Government			
Court			
Number of Civil Cases	1,258	780	823
Number of Criminal Cases	1,365	1,280	1,272
Number of Traffic Cases	5,500	4,978	4,573
Number of Open Cases	547	440	322
Licenses and Permits			
Number of Building Permits	150	122	140
Security of Persons and Property			
Police			
Number of Citations Issued	2,557	3,117	1,971
Fire			
Number of Fire Calls	1,185	918	1,049
Number of EMS Runs	3,817	3,583	3,581
Number of Inspections	750	740	580
Business-Type Activities			
Water			
Number of Service Connections	6,507	6,514	6,527
Daily Average Consumption (thousands of gallons)	2,530,735	2,748,137	2,542,049
Sewer			
Number of Service Connections	6,726	6,734	6,745
Daily Average Sewage Treatment (thousands of gallons)	2,676,145	2,779,449	2,794,266

Source: City Auditor's Office

City of Mount Vernon, Ohio

2015	2016	2017	2018	2019	2020	2021
932	1,443	1,496	1,407	1,462	951	943
1,163	967	1,201	1,731	1,190	1,058	702
4,664	4,603	4,387	4,721	4,700	3,251	3,735
678	829	833	868	661	921	593
132	137	184	200	230	272	205
1,832	2,274	2,713	2,791	2,708	3,894	4,315
1,108	1,055	1,322	1,170	1,020	1,011	710
3,850	3,777	4,050	4,151	4,255	4,153	5,200
420	641	570	454	498	294	478
6,540	6,559	6,575	6,594	6,638	6,677	6,680
2,728,019	2,761,211	2,756,540	2,906,855	2,726,490	2,537,205	2,401,260
6,764	6,783	6,792	6,805	6,821	6,843	6,848
2,783,184	2,567,540	3,021,038	3,468,123	3,240,389	3,384,942	2,911,378

City of Mount Vernon, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2012	2013	2014	2015
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	12.4	12.7	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	92	92
Street Lights	1,470	1,470	1,470	1,470
Traffic Signals	54	54	54	54
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	244.98	244.98	269.98	337.56
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	2,530,735	2,748,137	2,542,049	2,728,019
Storage Capacity (thousands of gallons)	7,000	7,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	2,676,145	2,779,449	2,794,266	2,783,184
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

City of Mount Vernon, Ohio

2016	2017	2018	2019	2020	2021
12.7 9	12.7 9	12.7 9	12.7 9	12.7 9	12.7 9
1 13	1 13	1 13	1 13	1 13	1 13
2 11	2 11	2 11	1 11	1 11	1 11
92 1,470 54 13	92 1,470 54 13	92 1,470 54 13	92 1,470 54 13	92 1,470 54 13	92 1,470 54 13
337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2
63 484 2,761,211 7,000	63 484 2,756,540 7,000	63 484 2,906,855 7,000	63 484 2,726,490 7,000	63 484 2,537,205 7,000	63 484 2,401,260 7,000
62 2,567,540 5,000	62 3,021,038 5,000	62 3,468,123 5,000	62 3,240,389 5,000	62 3,384,942 5,000	62 2,911,378 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 9/27/2022

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