

CITY OF MOUNT VERNON
KNOX COUNTY
SINGLE AUDIT
JANUARY 1, 2018 – DECEMBER 31, 2018



OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the City of Mount Vernon, Knox County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 2, 2019

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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, 2018**

Federal Grantor/ Pass Through Grantor/ Program Grant Title	Pass Through Entity Number	CFDA Number	Expenditures
U.S. Department of Justice			
Bulletproof Vest Partnership Program (Direct)	N/A	16.607	\$ 1,049
<i>Passed through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	15-5041-0-2-754	16.575	<u>69,711</u>
Total Department of Justice			<u>70,760</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-C-16-2CP-1	14.228	343,101
Community Development Block Grants/State's Program	A-F-16-2CP-1	14.228	<u>353,327</u>
Total Community Development Block Grant/State's Program			<u>696,428</u>
Home Investment Partnerships Program	A-C-14-2CP-2	14.239	<u>150,089</u>
Total Home Investment Partnership Program			<u>150,089</u>
Total Department of Housing and Urban Development			<u>846,517</u>
U.S. Department of Homeland Security			
Assistance to Firefighters Grant (Direct)	NA	97.044	<u>636,228</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,553,505</u></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, 2018**

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, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - MATCHING REQUIREMENTS

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

**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 43055

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2019, wherein we noted the City adopted GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*" as disclosed in Note 2.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2018-001 through 2018-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-003.

City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the City's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Wilson, Shannon & Sons, Inc.

Newark, Ohio
June 26, 2019

**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:

Report on Compliance for The Major Federal Program

We have audited City of Mount Vernon's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Mount Vernon's major federal programs for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City major programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on The Major Federal Program

In our opinion, City of Mount Vernon complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

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

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

City of Mount Vernon
Knox County
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
Page 3

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 26, 2019 wherein we noted the City adopted GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" as disclosed in Note 2. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
June 26, 2019

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**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2018

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)?	Yes
<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)?	Yes
<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/CFDA #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

**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2018

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

Finding Number	2018-001
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Material Weakness

Monthly Cash Reconciliations - Municipal Court

The Municipal Court has established procedures governing monthly bank account cash reconciliations that the Municipal Court is responsible.

The Municipal Court's criminal/bond bank accounts reported an unreconciled variance of \$7,749.05 at December 31, 2018.

We recommend the Municipal Court develop procedures to reconcile all bank accounts timely and identify, with supporting itemized detail, all adjusting items in order to verify the reconciled bank balance agrees to the Municipal Court's month end accounting balances. The Municipal Court should also develop a procedure to report to immediate supervisors, which may include the Clerk of Courts and Judge, unreconciled variances or unusual items.

Finding Number	2018-002
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Material Weakness

Non-Cash Adjustments – Municipal Court

Non-cash adjustments to case files are attributed to credits or adjustment for payments incorrectly applied, late charges, or unexpected changes to account balances based on court disposition. Currently, such correcting entries are accounted for within the CMI accounting system and monthly reports are printed identifying such transactions, however, when such transactions occur there are no specific procedures to identify and approve such transactions.

There is currently not a formal process to account for adjustments reported within the CMI accounting system and printed on a monthly basis. At a minimum, the Municipal Court should have procedures which include providing back-up documentation for all non-cash adjustments which would also include approval from the Clerk of Courts and if necessary, the Municipal Court Judge.

We recommend that at the end of each month the Municipal Court generate a manual listing of all non-cash adjustments and provide an explanation and the reason for any adjustments furthermore being retained for audit purposes.

**CITY OF MOUNT VERNON
KNOX COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2018

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

Finding Number	2018-003
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Material Weakness/Noncompliance

Timeliness of Deposits

Ohio Revised Code Section 9.38 states public money must be deposited with the treasurer of the public office *or* to a designated depository on the business day following the day of receipt. Public money collected for other public offices must be deposited by the first business day following the date of receipt.

For example, a City employee, other than the fiscal officer, collecting funds and issuing a receipt, must deposit the funds with the fiscal officer on the business day following the day of receipt. As an alternative to depositing the funds with the fiscal officer, the employee instead may deposit funds with the government's designated depository on the business day following the day of receipt.

If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the first business day following the date of receipt.

The Ohio Revised Code does not require the public official to deposit receipts with the designated depository on the business day following the day of receipt, or any other specific time. However, if the public official is holding significant amounts of cash and checks for an unreasonable period, the City should address the internal controls related to timely deposits of public funds.

The Municipal Court had a reconciling item of \$7,749.05 at December 31, 2018 which related to unidentified cash receipts recorded within the accounting system but not deposited within the Municipal Court's financial institution.

We recommend the Municipal Court develop procedures governing the deposit of public money so as to ensure monies are secured and deposited timely.

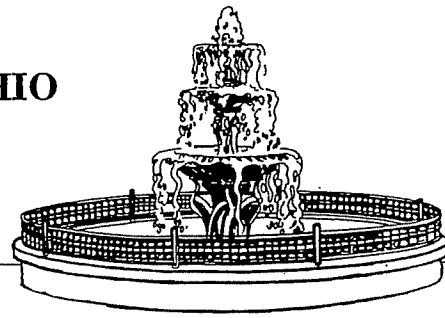
3. FINDINGS FOR FEDERAL AWARDS

None.

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THE CITY OF MOUNT VERNON, OHIO

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



CITY OF MOUNT VERNON KNOX COUNTY

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c)

DECEMBER 31, 2018

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	Monthly Cash Reconciliations – This will be incorporated into the new Fiscal Management Policy originally adopted on June 1, 2019 as an amendment.	June 27, 2019	Stephanie Hardman, Municipal Court Clerk
2018-002	Timeliness of Deposits – This will be incorporated into the new Fiscal Management Policy originally adopted on June 1, 2019 as amended.	June 27, 2019	Stephanie Hardman, Municipal Court Clerk
2018-003	Non-Cash Adjustments – This will be incorporated as a new policy by the Court.	June 27, 2019	Stephanie Hardman, Municipal Court Clerk

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City of Mount Vernon, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2018



Mount Vernon



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

Prepared by the Auditor's Office

Terry Scott
City Auditor



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KNOX COUNTY, OHIO

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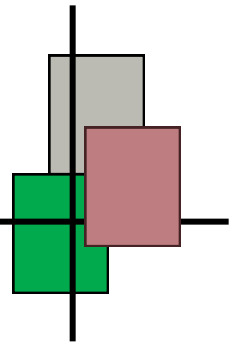
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Introductory Section







CITY OF MOUNT VERNON

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

phone (740) 393-9523

fax (740)-397-5288

June 26, 2019

To The Members of Council and
all Citizens of the City of
Mount Vernon, Ohio

As City Auditor, I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Mount Vernon for the fiscal year ended December 31, 2018. 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, 2018***

The Knox County Emergency Management Agency (EMA) is a jointly governed organization whose board is composed of seven members; one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to help insure the most effective use of resources during an emergency. The City did not appoint a majority of the members of the board of the EMA nor is the City accountable for any operating deficits of the EMA. Knox County is the fiscal agent for the EMA. The City appropriated \$6,000 for an operating grant to the EMA for 2018.

Knox County General Health District as a combined agency was created in 1983 as provided in Section 3709.07 of the Ohio Revised Code. The jointly governed organization's board is composed of nine members; six members from the townships and villages, and three members from the City. The combined Knox County General Health District was organized to provide public health services as required by the Ohio Revised Code and the Ohio Administrative Code, and such other services as are duly authorized or required by regulations of the District and can be furnished within the financial resources available to the District. The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$55,000 for operations of the combined District for 2018.

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, 2018***

The City of Mount Vernon:

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

The Management:

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

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2018***

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 6,594 customers and customers located in the Village of Gambier (approximately three miles east of Mount Vernon). All treatment plant employees are required to have a Class I operator's license within two years of employment.

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2018***

Economic Outlook

A ballot initiative that was placed before the voters in November, 2017 general election was successful in gaining approval by the voters. This ballot initiative was to increase the income tax rate of 1.5% to 2.0% effective January 1, 2018 with the increase being solely for the expenditures of police, fire and EMS services.

With these new funds being allocated for the safety forces, this in turn gave the General Fund the opportunity to extract police and fire from the General Fund accounting and provide what would appear to be additional funding for the General Fund. This was not the case as the legislative body quickly took action to provide for a new allocation of the unvoted 1% income tax.

The new formula provides an allocation of 52% to the General Fund (formally was 81%), 3% to the Street Fund, 4% to the Cemetery Fund, 19.5% to the Capital Improvement Fund (formally was 10%), and created a new fund called Roads & Bridges with 19.5% allocation.

These two capital funds will be utilized to handle the costs of equipment and building replacements, and the cost of road infrastructure (asphalt or brick) improvements, bridge upgrades or replacements drainage improvements and the ability to retire debt service that may come about in the future.

The city has a number of original brick streets that were installed in the early 1900's in the residential areas of the city. Most would say this is what gives Mount Vernon the character that visitors and transient guests view as they tour through the city. During 2018, two final blocks of Pleasant Street received total rebuilds with new base course, intermediate course and surface course along with curbing and drainage facilities. At the same time, new public utility services of water and wastewater were renewed along with the project. This finished project certainly maintained that same 1900's character only with a 2018 look. The total project cost was \$532,711 of which \$280,156 was provided by a grant from a Community Development Block Grant.

The Mount Vernon Avenue bridge replacement project has begun its final design phase with the Ohio Department of Transportation of Ohio (ODOT). This bridge is slated for replacement beginning the second quarter of 2019. ODOT is providing substantial grant funding for the project with the City providing approximately \$1.2 million dollars as matching funding. It is estimated this project will take approximately a year to complete.

Several other traffic related improvement projects were implemented during the year, however they are either in progress but incomplete or are in the design stages at year end.

The police department had three new officers join the force in 2018. Two of them came to the department with college degrees in the field of criminal justice and the third one is currently in college to obtain a degree in criminal justice. The City is proud to have these new officers as a part of the police department and hope they will have a long lasting career with the department.

CITY OF MOUNT VERNON, OHIO

Letter of Transmittal For the Year Ended December 31, 2018

The department's Emergency Services Unit (ESU) responds to critical incidents to assist the police force as needed. To be as efficient as they can be, training is focused on marksmanship skills, tactical entry and movement, and unit cohesion. This unit trains on a monthly basis. To enhance their training skills, the ESU participated in the Rastin Challenge, which is an obstacle course of the roughest nature ever possible to complete. There were two teams who participated in the event of which one team came in second place and the other fourth place with all other unit members providing stewardship services for the event. The second place team won \$500.00 for their placement of which the department used to acquire a drone for the department's use.

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

Training continues to be at the forefront for police officers and staff. With new requirements for officers to obtain an additional six hours of continuing education for human trafficking and one hour for companion animal encounters. Above the required training, the department provided an additional seven officers with specialized training spanning drug related issues to Survival Tactics Instructor course to Interview and Interrogation Techniques. Training will continue to be provided for future years.

Equipment upgrades were provided for the department during the year. Three new police cruisers were acquired along with seven new mobile data terminals for the cruisers.

The fire department was the beneficiary of a new aerial ladder/pumper truck. Being in the making for almost a year, the department received their new vehicle in November, 2018. The total cost of the truck was \$754,423 of which a FEMA grant provided \$636,228 and the City paid the remaining balance.

Additional grant funding was sought and awarded to the department in the amount of \$10,000 by the Ohio Bureau of Workers' Compensation – Firefighter Exposure to Environmental Elements. This grant provided for the ability to purchase a Personal Protective Equipment (PPE) Extractor. The extractor is an industrial washing machine that is used to wash fire gear after a fire or when involved in a hazardous environment situation. Contaminated fire gear is one of the leading causes of firefighter cancer.

The department also was able to acquire a Pedi-Mater Plus and Neo-Mate Plus restraint system for their medic. These devices give the medics the ability to properly transport children less than 10 pounds and children from 10 to 100 pounds in the medics. The Baldwin Shrine Club of Mount Vernon provided approximately \$600 for these restraints.

From an assessment that was conducted in the prior year, the department made an assessment of its only substation and determined from an array of analysis information to close the facility. The structure was built in 1965 and was in need of significant repairs and upgrades. With the increased run volume, the department moved all the equipment apparatus and personnel to the main station. This provided them the ability to manage vehicle staffing levels more efficiently and to provide better patient care and incident safety. Because the substation was relatively close to the main station, run times, incident stabilization and patient care was not compromised in the southern run district. The facility is slated to be sold in the upcoming year.

***Letter of Transmittal
For the Year Ended December 31, 2018***

Since the fire department has a state certified training facility within the firehouse, the department was able to provide CPR training to more than 100 students in basic life support. This on-going training is essential in every community, merely because we never know when we may encounter an individual who is in distress, and because of the basic training, we can help save that individual's life. Everyone who is able to administer lifesaving tactics should enroll in a CPR training class and retain recertification.

The City has been actively continuing its tree plantings and tree replacement program over the past several years. This ongoing project continued for 2018 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 2018, an additional \$104,000 was provided to continue the ongoing efforts. Our tree lined streets and recreation parks all have been the beneficiary of this project and more is planned for the upcoming year as well.

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

Thanks to the foresight of City management, coupled with the cooperation of the City's department heads, the growth in the local economy resulted in a favorable impact on the City's ability to provide quality services to the public. The Engineering Department issued two hundred building permits in 2018 and one hundred eighty-four in 2017, an increase of sixteen permits.

Long-term Financial Planning:

The City has been in communication with the Ohio Department of Transportation (ODOT) in regards to the Mount Vernon Avenue Bridge. This bridge was constructed in the early 1970's at which time it was owned by Knox County. Current regulations now require that all bridges located within the local municipality must be under the ownership and management of the municipality. This bridge is now scheduled to be replaced in 2019; however the estimated cost is approximately \$6,856,684. ODOT has indicated they can provide \$4,716,297 towards the replacement, leaving the City with the remaining \$2,140,387. In order to provide the necessary funding for this bridge replacement, the City intends to issue long-term bonds for its portion of the construction costs. While funding will not be required until first quarter 2019, the City continues to pursue other funding sources such as grants to help offset its portion of the project costs.

***Letter of Transmittal
For the Year Ended December 31, 2018***

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, 2018, through December 31, 2020, with raises beginning on January 1, 2018 through December 31, 2020 for the OCSEA union, and April 8, 2018 for the FOP and IAFF. Both the FOP & IAFF members received a stipend of \$250 each to cover the period of January 1, 2018 through April 7, 2018 and a wage increase through the remainder of 2018. A reopener clause for wages only with the FOP and IAFF unions will take place February 1, 2019 to negotiate the wage increases for years 2019 and 2020.

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

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

Unemployment Rates:

The City of Mount Vernon's economic outlook showed signs of steady improvement for 2018. Starting out the year at 4.4 percent, the unemployment rate fluctuated over the first half of the year to end at 5.0 percent, and then leveled off at the end of the year finishing at 4.5 percent. Employers in the city continue to advertise and post for additional workers. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

Major Initiatives

Various equipment purchases were made for various departments within the City. Two pickup trucks, an asphalt buggy, a flex-finger rock picker, a laptop and upgraded software for the traffic controllers for the Street Department, a tractor with mower, four additional mowers, and a dump truck for the Parks Department were a few of the equipment purchases made during the year. The Cemetery Department received a new tractor with loader attachment.

Land purchase for the expansion of the bike trail was acquired. Building upgrades included the renovations for the law director's offices, Plaza Building lighting upgrade to LED lighting fixtures as well as an additional surveillance camera system, bulletproof transaction windows for the income tax department and the public utility customer service office were installed during the year.

***Letter of Transmittal
For the Year Ended December 31, 2018***

Financial Information

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

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

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, 2018***

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 Administrative Requirements, Cost Principles, and Audit Requirements, which includes a financial and compliance audit as well as an evaluation of internal accounting controls and tests of transactions. The auditor's unmodified opinion letter is included in this report.

Awards:

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mount Vernon, Ohio for its comprehensive annual financial report for the year ended December 31, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Mount Vernon received a Certificate of Achievement for the last twenty-seven consecutive years (fiscal years ended 1991-2017). I believe this current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA.

Public Disclosure:

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

***Letter of Transmittal
For the Year Ended December 31, 2018***

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 2018 Comprehensive Annual Financial Report and annual independent audit.

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

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

Respectfully,

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

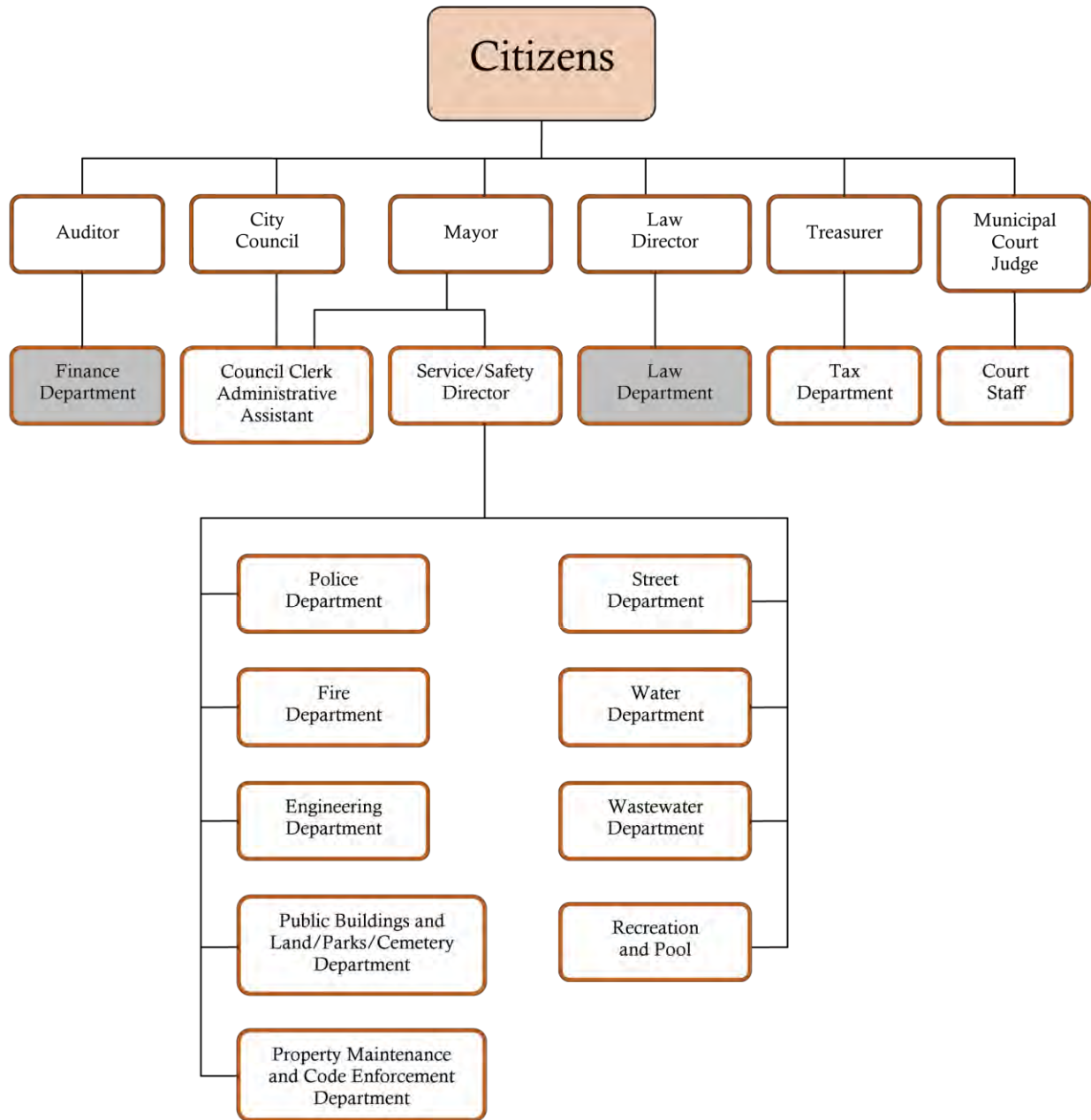
Terry Scott
City Auditor

CITY OF MOUNT VERNON, OHIO

**List of Principal Officials
For the Year Ended December 31, 2018**

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF SERVICE</u>
<u>City Council</u>		
Bruce Hawkins	President	12
Sam Barone	First Ward Member	7
John Francis	Second Ward Member	7
Nancy Vail	Third Ward Member	9
John Gottke	Fourth Ward Member	1
Christopher Menapace	Member At-Large	1
Matt Starr	Member At-Large	1
Janis Seavolt	Member At-Large	7
<u>City Administration</u>		
Richard K. Mavis	Mayor	23
Terry Scott	Auditor	24
P. Robert Broren	Law Director	5
David M. Stuller	Treasurer	1
Joel Daniels, II	Safety-Service Director	11
Tanya Newell	Clerk of Council	7
<u>Department Heads</u>		
Lisa Brown	Income Tax Administrator	4
Roger Monroe	Police Chief	29
Chad Christopher	Fire Chief	17
David Carpenter	Parks, Public Buildings and Land, Cemetery Superintendent	28
Thomas Hinkle	Street Superintendent	13
Mathias Orndorf	Public Utility Director	28

***City Organizational Chart
For the Year Ended December 31, 2018***



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



Government Finance Officers Association

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

Presented to

**City of Mount Vernon
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

Financial Section





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

INDEPENDENT AUDITOR'S REPORT

To the Elected Officials:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Municipal Income Tax #1 ½% (Voted) Fund, Municipal Income Tax #2 ½% (Voted) Fund and the Community Development Block Grant Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*". We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America.

City of Mount Vernon
Knox County
Independent Auditor's Report

In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 26, 2019



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, 2018. 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 2018 are as follows:

- ❑ In total, net position increased \$4,017,328. Net position of governmental activities increased \$1,834,706 which represents a 6.2% increase from 2017. Net position of business-type activities increased \$2,182,622 from 2017.
- ❑ General revenues accounted for \$20,092,835 in revenue or 58.5% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$14,260,971 or 41.5% of total revenues of \$34,353,806.
- ❑ The City had \$23,712,926 in expenses related to governmental activities; only \$5,455,769 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$20,091,863 provided for these programs.
- ❑ Among major funds, the general fund had \$9,153,774 in revenues and other financing sources and \$8,642,394 in expenditures and other financing uses. The general fund's fund balance increased from \$2,338,512 to \$2,850,020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplemental 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 and the TIF District-Coshocton Road Fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CITY OF MOUNT VERNON, OHIO

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. All of the City’s fiduciary activities are reported in a separate Statement of Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City’s net position for 2018 compared to 2017:

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$16,386,158	\$13,696,712	\$7,246,008	\$6,677,003	\$23,632,166	\$20,373,715
Capital assets, Net	52,467,460	51,328,353	32,560,840	33,188,310	85,028,300	84,516,663
Total assets	<u>68,853,618</u>	<u>65,025,065</u>	<u>39,806,848</u>	<u>39,865,313</u>	<u>108,660,466</u>	<u>104,890,378</u>
Deferred outflows of resources	3,961,747	4,274,603	760,127	1,306,924	4,721,874	5,581,527
Long-term liabilities outstanding	6,684,718	7,270,330	11,195,645	13,789,338	17,880,363	21,059,668
Net pension liability	15,970,653	17,658,614	1,716,102	2,662,994	17,686,755	20,321,608
Net OPEB liability	14,103,922	11,874,552	1,261,522	1,221,796	15,365,444	13,096,348
Other liabilities	1,148,351	987,471	432,871	200,265	1,581,222	1,187,736
Total liabilities	<u>37,907,644</u>	<u>37,790,967</u>	<u>14,606,140</u>	<u>17,874,393</u>	<u>52,513,784</u>	<u>55,665,360</u>
Deferred inflows of resources	3,671,880	2,107,566	496,218	15,849	4,168,098	2,123,415
Net position:						
Net investment in capital assets	47,275,648	45,255,324	21,803,319	19,432,673	69,078,967	64,687,997
Restricted	8,250,183	6,176,687	1,421,106	1,473,090	9,671,289	7,649,777
Unrestricted (Deficit)	(24,289,990)	(22,030,876)	2,240,192	2,376,232	(22,049,798)	(19,654,644)
Total net position	<u>\$31,235,841</u>	<u>\$29,401,135</u>	<u>\$25,464,617</u>	<u>\$23,281,995</u>	<u>\$56,700,458</u>	<u>\$52,683,130</u>

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” For fiscal year 2018, the City adopted GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

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In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017 from \$41,225,005 to \$29,401,135 for Governmental Activities and from \$24,489,397 to \$23,281,995 for Business-type Activities.

Changes in Net Position – The following table shows the changes in net position for 2018 compared to 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,088,011	\$2,934,685	\$8,805,202	\$9,648,963	\$11,893,213	\$12,583,648
Operating Grants and Contributions	2,141,509	1,747,093	0	0	2,141,509	1,747,093
Capital Grants and Contributions	226,249	1,168,867	0	0	226,249	1,168,867
Total Program Revenues	5,455,769	5,850,645	8,805,202	9,648,963	14,260,971	15,499,608
General Revenues:						
Property Taxes	2,368,794	2,267,797	0	0	2,368,794	2,267,797
Income Taxes	16,401,453	10,390,679	0	0	16,401,453	10,390,679
Other Local Taxes	141,874	131,785	0	0	141,874	131,785
Intergovernmental Revenues, Unrestricted	319,344	342,555	0	0	319,344	342,555
Investment Earnings	161,072	91,431	972	20,902	162,044	112,333
Miscellaneous	699,326	510,361	0	0	699,326	510,361
Total General Revenues	20,091,863	13,734,608	972	20,902	20,092,835	13,755,510
Total Revenues	25,547,632	19,585,253	8,806,174	9,669,865	34,353,806	29,255,118
Program Expenses						
Security of Persons and Property	10,283,448	8,259,679	0	0	10,283,448	8,259,679
Public Health and Welfare Services	585,043	760,614	0	0	585,043	760,614
Leisure Time Activities	1,271,709	1,362,160	0	0	1,271,709	1,362,160
Community Environment	891,732	355,354	0	0	891,732	355,354
Transportation	2,695,510	3,648,289	0	0	2,695,510	3,648,289
General Government	7,789,359	7,297,638	0	0	7,789,359	7,297,638
Interest and Fiscal Charges	196,125	212,742	0	0	196,125	212,742
Water	0	0	3,146,692	3,066,560	3,146,692	3,066,560
Sewer	0	0	3,476,860	3,750,082	3,476,860	3,750,082
Total Expenses	23,712,926	21,896,476	6,623,552	6,816,642	30,336,478	28,713,118
Total Change in Net Position	1,834,706	(2,311,223)	2,182,622	2,853,223	4,017,328	542,000
Beginning Net Position, Restated	29,401,135	N/A	23,281,995	N/A	52,683,130	N/A
Ending Net Position	\$31,235,841	\$29,401,135	\$25,464,617	\$23,281,995	\$56,700,458	\$52,683,130

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The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$50,682 for Governmental Activities and \$14,394 for Business-type Activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,284,934 for Governmental Activities and \$55,261 for Business-type Activities.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2018 program expenses under GASB 75	\$23,712,926	\$6,623,552
OPEB expense under GASB 75	(1,284,934)	(55,261)
2018 contractually required contribution	21,902	0
Adjusted 2018 program expenses	22,449,894	6,568,291
Total 2017 program expenses under GASB 45	21,896,476	6,816,642
Change in program expenses not related to OPEB	\$553,418	(\$248,351)

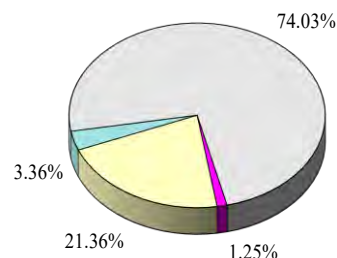
Governmental Activities

Net position of the City's governmental activities increased by \$1,834,706 compared to 2017. 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 64.20% and 9.27% respectively of revenues for governmental activities for the City in 2018. The City's reliance upon tax revenues is demonstrated by the following graph indicating 74.03% of total revenues from general tax revenues:

Revenue Sources	2018	Percent of Total
General Tax Revenues	\$18,912,121	74.03%
Intergovernmental Revenues, Unrestricted	319,344	1.25%
Program Revenues	5,455,769	21.36%
General Other	860,398	3.36%
Total Revenue	\$25,547,632	100.00%



CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
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Unaudited

Business-Type Activities

Net position of the business type activities increased by \$2,182,622. This increase is the result of a full year of the implementation of monthly billing cycles started in 2017, as opposed to quarterly billing cycles in prior years.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$11,223,428, which is an increase from last year's balance of \$8,323,245. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2018 and 2017:

	Fund Balance December 31, 2018	Fund Balance December 31, 2017	Increase (Decrease)
General	\$2,850,020	\$2,338,512	\$511,508
Municipal Income Tax 1/2% (Voted)	625,370	501,195	124,175
Municipal Income Tax #2 1/2% (Voted)	1,038,775	0	1,038,775
Community Development Block Grant	97,993	174,868	(76,875)
General Bond Retirement	0	0	0
Capital Improvement	1,329,179	235,204	1,093,975
TIF District-Coshocton Road	3,529,311	3,396,607	132,704
Other Governmental	1,752,780	1,676,859	75,921
Total	<u>\$11,223,428</u>	<u>\$8,323,245</u>	<u>\$2,900,183</u>

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

	2018 Revenues	2017 Revenues	Increase (Decrease)
Property and Other Taxes	\$4,714,194	\$6,221,394	(\$1,507,200)
Intergovernmental Revenue	936,899	1,000,229	(63,330)
Charges for Services	2,044,276	2,029,982	14,294
Licenses and Permits	56,420	16,615	39,805
Investment Earnings	160,770	73,248	87,522
Fines and Forfeitures	674,996	628,997	45,999
All Other Revenue	542,630	427,480	115,150
Total	<u>\$9,130,185</u>	<u>\$10,397,945</u>	<u>(\$1,267,760)</u>

General Fund revenues in 2018 decreased approximately 12.19% compared to revenues in 2017. The major decrease was caused by applying a new allocation formula of the unvoted 1% income tax beginning in 2018. The General Fund was receiving 81% of the unvoted income tax, the revision reset the percentage at 52%.

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	2018 Expenditures	2017 Expenditures	Increase (Decrease)
Security of Persons and Property	\$235,741	\$2,297,128	(\$2,061,387)
Public Health and Welfare Services	102,538	332,108	(229,570)
Leisure Time Activities	850,356	924,701	(74,345)
Community Environment	37,472	37,805	(333)
Transportation	39,894	34,331	5,563
General Government	7,021,760	6,661,644	360,116
Debt Service:			
Principal Retirement	13,521	12,964	557
Interest and Fiscal Charges	14,354	14,911	(557)
Total	<u>\$8,315,636</u>	<u>\$10,315,592</u>	<u>(\$1,999,956)</u>

General Fund expenditures decreased by \$1,999,956 or 19.39% compared to the prior year primarily due to removal of the police and fire departments from the General Fund.

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

Municipal Income Tax ½% (Voted) Fund - The Municipal Income Tax ½% (Voted) Fund balance increased from \$501,195 to \$625,370 due to modest increase in income tax revenues.

Municipal Income Tax #2 ½% (Voted) Fund - The Municipal Income Tax ½% (Voted) Fund balance increased from \$0 to \$1,038,775 due to the new voted tax levy taking affect during 2018.

Community Development Block Grant Fund - The Community Development Block Grant Fund balance decreased from \$174,868 to \$97,993 due to the current grant program coming to a close of the grant period.

Capital Improvement Fund - The Capital Improvement Fund balance increased from \$235,204 to \$1,329,179 due to the reallocation formula of the unvoted 1% tax. This fund was receiving 10% of the unvoted tax, the revised formula provides for a 19.5% allocation.

TIF District-Coshocton Road Fund - The TIF District-Coshocton Road Fund balance increased from \$3,396,607 to \$3,529,311 due to a modest increase in property tax revenues and some roadway repairs performed during the year.

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

During the course of 2018 the City amended its General Fund budget several times. The increase in the final budget of \$10,624,238 over the original budget of \$8,843,011 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. Actual expenditures and other financing uses were less than the final budget by \$1,526,837 because of the creation of a budget stabilization appropriation formula the legislative body created in 2018 along with conservative fiscal management practices.

For the General Fund, final budget basis revenue of \$8,826,267 increased \$1,208,931 due to the receipt of additional taxes, intergovernmental grants, investment earnings and other revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018 the City had \$85,028,300 net of accumulated depreciation invested in land, construction in progress, buildings, infrastructure, equipment and vehicles. Of this total, \$52,467,460 was related to governmental activities and \$32,560,840 to the business-type activities. The following table shows 2018 and 2017 balances:

	Governmental Activities		Increase (Decrease)
	2018	2017	
Land	\$13,886,123	\$13,805,283	\$80,840
Construction In Progress	2,617,921	569,054	2,048,867
Buildings	15,873,763	15,668,652	205,111
Improvements Other than Buildings	2,454,478	2,454,478	0
Infrastructure	48,538,563	47,990,471	548,092
Machinery and Equipment	10,577,888	9,525,903	1,051,985
Less: Accumulated Depreciation	(41,481,276)	(38,685,488)	(2,795,788)
Totals	<u>\$52,467,460</u>	<u>\$51,328,353</u>	<u>\$1,139,107</u>

Land increased due to the purchase of property for roadway improvements. Constructions in Progress increased due to the engineering design costs for upcoming construction projects. Improvements Other than Buildings had no change. Infrastructures increased due to a new intersection being constructed during the year and additional roads being resurfaced in 2018. Machinery and Equipment increased due to acquisition of vehicles for the police department, a new fire quint/aerial truck for the fire department and equipment for the parks and street departments.

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**Management's Discussion and Analysis
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	Business-Type Activities		Increase (Decrease)
	2018	2017	
Land	\$819,311	\$819,311	\$0
Construction in Progress	207,424	86,002	121,422
Buildings and Improvements	35,364,749	35,351,317	13,432
Utility Structures in Service	28,375,546	27,596,320	779,226
Machinery and Equipment	4,664,865	4,695,675	(30,810)
Less: Accumulated Depreciation	(36,871,055)	(35,360,315)	(1,510,740)
Totals	<u>\$32,560,840</u>	<u>\$33,188,310</u>	<u>(\$627,470)</u>

Business type capital assets decreased as a result primarily of depreciation expense. Some line improvements were made during the year along with some machinery and equipment acquisitions. Additional information on the City's capital assets can be found in Note 8.

Debt

At December 31, 2018, the City had \$8,321,900 in general obligation bonds outstanding, \$990,000 due within one year. The following table summarizes the City's liabilities outstanding as of December 31, 2018 and 2017.

	2018	Restated 2017
Governmental Activities:		
General Obligation Bonds Payable	\$3,871,700	\$4,324,200
Ohio Public Works Commission Loan	199,375	226,875
Special Obligation Bonds Payable	1,147,500	1,260,000
Net Pension Liability	15,970,653	17,658,614
Net OPEB Liability	14,103,922	11,874,552
Police and Firemen's Pension Accrued Liability	327,561	341,082
Compensated Absences	1,138,582	1,118,173
Total Governmental Activities	<u>36,759,293</u>	<u>36,803,496</u>
Business-Type Activities:		
Mortgage Revenue Bonds Payable	0	950,000
General Obligation Bonds Payable	4,450,200	5,617,700
Special Obligation Bonds Payable	1,147,500	1,260,000
Ohio Public Works Commission Loan	107,535	116,886
Ohio Water Development Authority Loan	5,196,426	5,536,388
Net Pension Liability	1,716,102	2,662,994
Net OPEB Liability	1,261,522	1,221,796
Compensated Absences	293,984	308,364
Total Business-Type Activities	<u>14,173,269</u>	<u>17,674,128</u>
Totals	<u>\$50,932,562</u>	<u>\$54,477,624</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, 2018, 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

Rural King, a farm supply store became the city's newest retail establishment in December, 2018. This retail store is a great asset for our community merely because we are located in a rural segment of the state, not to mention the number of agriculture venues we have surrounding us as well. They carry a very large selection of inventory for both agriculture and non-agriculture customers.

Siemen's had announced they would be closing their Mount Vernon location effective September 30, 2018. In reality the employment of staffing did continue beyond the end of the year and by the end of March, 2019 only a select few employees remained. Siemen's was one of the top two employers in our community, and the impact to their closing will be a significant financial impact to the community as a whole.

To help secure resources to continue providing the services our residents have become accustomed to, the new income tax levy approved in November, 2017 ballot initiative took effect on January 1, 2018. Tax revenues exceeded the estimated projections providing a good solid foundation for carry over resources into the future years.

Mount Vernon Nazarene University (MVNU) paired up with Knox Labs, a newly created makers space initiative to renovate a former retail establishment in the downtown corridor of the city. MVNU will use the upper levels of the facility for their engineer degree students and Knox Labs will utilize the store front portion for their wood working labs along with 3-D printing labs. These two labs spaces are offerings to the general public where by individuals will receive hands-on training on how to operate various related equipment and tools associated with the respective trades. MVNU will garner significant space for their students and provide for state of the art equipment and tools to assist students with their various projects and education. This is a significant enhancement within our revitalized central business district on South Main Street.

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

The Woodward Opera House restoration project had announced they would be completing their long and drawn out restoration project near the end of the year. This Opera House will become the "oldest Authentic 19th Century Opera House theatre." While there is one other continuously operating theatre in the United States, it has received significant restoration over the years to the point of being considered rather modern looking. The Woodward Opera House renovations left the theatre with all the significant enhancements and embellishments it had when it first opened in December, 1851. The theatre hosted its first act in February, 2019 to a sold out crowd of more than 425 in attendance.

The Woodward, located in the heart of the central business district of town has generated more renovation projects that will take place in the upcoming year. Loft apartments will be designed in some second, third and in some cases fourth floors of existing buildings lining South Main Street area. Night life will be enlighten for dining and entertainment as these improvements get completed over the next year.

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, 2018. 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, 2018**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 2,988,351	\$ 1,264,277	\$ 4,252,628
Investments	6,687,081	3,312,919	10,000,000
Receivables:			
Taxes	4,409,688	0	4,409,688
Accounts	378,735	2,434,196	2,812,931
Intergovernmental	1,097,509	0	1,097,509
Inventory of Supplies	52,502	205,822	258,324
Prepaid Items	230,960	28,794	259,754
Restricted Assets:			
Cash and Cash Equivalents	479,233	0	479,233
Cash and Cash Equivalents with Fiscal Agent	62,099	0	62,099
Capital Assets			
Capital Assets not Being Depreciated	16,504,044	1,026,735	17,530,779
Capital Assets Being Depreciated	35,963,416	31,534,105	67,497,521
Total Assets	68,853,618	39,806,848	108,660,466
Deferred Outflows of Resources:			
Deferred Charge on Refunding	107,122	247,993	355,115
Pension	2,516,456	419,300	2,935,756
OPEB	1,338,169	92,834	1,431,003
Total Deferred Outflows of Resources	3,961,747	760,127	4,721,874
Liabilities:			
Accounts Payable	508,957	217,919	726,876
Accrued Wages and Benefits	336,406	78,878	415,284
Contracts Payable	216,756	90,360	307,116
Retainage Payable	66,694	0	66,694
Matured Bonds & Interest Payable	0	650	650
Accrued Interest Payable	19,538	45,064	64,602
Long-term Liabilities:			
Due Within One Year	973,442	1,106,364	2,079,806
Due in More than One Year:			
Net Pension Liability	15,970,653	1,716,102	17,686,755
Net OPEB Liability	14,103,922	1,261,522	15,365,444
Other Amounts Due in More than One Year	5,711,276	10,089,281	15,800,557
Total Liabilities	37,907,644	14,606,140	52,513,784
Deferred Inflow of Resources:			
Property Taxes	2,096,000	0	2,096,000
Pension	1,254,731	402,243	1,656,974
OPEB	321,149	93,975	415,124
Total Deferred Inflows of Resources	3,671,880	496,218	4,168,098

CITY OF MOUNT VERNON, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	47,275,648	21,803,319	69,078,967
Restricted For:			
Capital Projects	3,611,682	1,421,106	5,032,788
Perpetual Care, Nonexpendable	479,233	0	479,233
Security of Persons and Property	2,146,084	0	2,146,084
Leisure Time Activities	18,741	0	18,741
Community Environment	781,780	0	781,780
Transportation	668,226	0	668,226
Public Health and Welfare	64,097	0	64,097
General Government	480,340	0	480,340
Unrestricted (Deficit)	(24,289,990)	2,240,192	(22,049,798)
Total Net Position	<u>\$ 31,235,841</u>	<u>\$ 25,464,617</u>	<u>\$ 56,700,458</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Activities
For the Year Ended December 31, 2018**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 10,283,448	\$ 1,707,975	\$ 14,377	\$ 0
Public Health and Welfare Services	585,043	57,821	0	0
Leisure Time Activities	1,271,709	284,339	0	0
Community Environment	891,732	9,688	638,400	0
Transportation	2,695,510	12,638	852,115	226,249
General Government	7,789,359	1,015,550	636,617	0
Interest and Fiscal Charges	196,125	0	0	0
Total Governmental Activities	23,712,926	3,088,011	2,141,509	226,249
Business-Type Activities:				
Water	3,146,692	4,683,774	0	0
Sewer	3,476,860	4,121,428	0	0
Total Business-Type Activities	6,623,552	8,805,202	0	0
Totals	\$ 30,336,478	\$ 11,893,213	\$ 2,141,509	\$ 226,249

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, Restated
Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (8,561,096)	\$ 0	\$ (8,561,096)
(527,222)	0	(527,222)
(987,370)	0	(987,370)
(243,644)	0	(243,644)
(1,604,508)	0	(1,604,508)
(6,137,192)	0	(6,137,192)
(196,125)	0	(196,125)
<u>(18,257,157)</u>	<u>0</u>	<u>(18,257,157)</u>
0	1,537,082	1,537,082
0	644,568	644,568
<u>0</u>	<u>2,181,650</u>	<u>2,181,650</u>
<u>(18,257,157)</u>	<u>2,181,650</u>	<u>(16,075,507)</u>
706,874	0	706,874
162,492	0	162,492
145,217	0	145,217
1,354,211	0	1,354,211
16,401,453	0	16,401,453
141,874	0	141,874
319,344	0	319,344
161,072	972	162,044
699,326	0	699,326
<u>20,091,863</u>	<u>972</u>	<u>20,092,835</u>
1,834,706	2,182,622	4,017,328
29,401,135	23,281,995	52,683,130
<u>\$ 31,235,841</u>	<u>\$ 25,464,617</u>	<u>\$ 56,700,458</u>

CITY OF MOUNT VERNON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2018**

	General	Municipal Income Tax 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	Community Development Block Grant
Assets:				
Cash and Cash Equivalents	\$ 153,287	\$ 471,168	\$ 774,653	\$ 23,493
Investments	2,136,233	0	0	0
Receivables:				
Taxes	1,411,805	515,246	515,246	0
Accounts	361,944	16,397	394	0
Intergovernmental	134,984	0	0	623,900
Inventory of Supplies	490	0	0	0
Prepaid Items	169,322	0	22,117	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 4,368,065	\$ 1,002,811	\$ 1,312,410	\$ 647,393
Liabilities:				
Accounts Payable	\$ 322,446	\$ 0	\$ 41,439	\$ 0
Accrued Wages and Benefits Payable	84,319	178,129	7,901	0
Contracts Payable	8,590	0	24,983	0
Retainage Payable	0	0	0	0
Total Liabilities	415,355	178,129	74,323	0
Deferred Inflows of Resources:				
Property Tax	597,000	0	0	0
Unavailable Revenue	505,690	199,312	199,312	549,400
Total Deferred Inflows of Resources	1,102,690	199,312	199,312	549,400
Fund Balances:				
Nonspendable	169,812	0	22,117	0
Restricted	15,855	625,370	1,016,658	97,993
Committed	9,060	0	0	0
Assigned	2,103,484	0	0	0
Unassigned	551,809	0	0	0
Total Fund Balances	2,850,020	625,370	1,038,775	97,993
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,368,065	\$ 1,002,811	\$ 1,312,410	\$ 647,393

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

General Bond Retirement	Capital Improvement	TIF District-Coshocton Road	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 61,520	\$ 174,594	\$ 1,329,636	\$ 2,988,351
0	1,185,736	3,365,112	0	6,687,081
0	165,845	1,330,961	470,585	4,409,688
0	0	0	0	378,735
0	0	0	338,625	1,097,509
0	0	0	52,012	52,502
0	0	0	39,521	230,960
0	0	0	479,233	479,233
0	0	0	62,099	62,099
<u>\$ 0</u>	<u>\$ 1,413,101</u>	<u>\$ 4,870,667</u>	<u>\$ 2,771,711</u>	<u>\$ 16,386,158</u>
\$ 0	\$ 3,270	\$ 0	\$ 141,802	\$ 508,957
0	0	0	66,057	336,406
0	9,099	10,395	163,689	216,756
0	0	0	66,694	66,694
0	12,369	10,395	438,242	1,128,813
0	0	1,300,000	199,000	2,096,000
0	71,553	30,961	381,689	1,937,917
0	71,553	1,330,961	580,689	4,033,917
0	0	0	570,766	762,695
0	1,329,179	3,529,311	1,175,364	7,789,730
0	0	0	79,492	88,552
0	0	0	0	2,103,484
0	0	0	(72,842)	478,967
0	1,329,179	3,529,311	1,752,780	11,223,428
<u>\$ 0</u>	<u>\$ 1,413,101</u>	<u>\$ 4,870,667</u>	<u>\$ 2,771,711</u>	<u>\$ 16,386,158</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2018***

Total Governmental Fund Balances		\$	11,223,428
<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.			52,467,460
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.			1,937,917
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	2,516,456		
Deferred Inflows - Pension	(1,254,731)		
Net Pension Liability	<u>(15,970,653)</u>		(14,708,928)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - OPEB	1,338,169		
Deferred Inflows - OPEB	(321,149)		
Net OPEB Liability	<u>(14,103,922)</u>		(13,086,902)
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	(3,871,700)		
Less: Deferred Charges on Refunding	107,122		
Special Obligation Bonds Payable	(1,147,500)		
Ohio Public Works Commission Loan Payable	(199,375)		
Police and Firemen's Pension Accrued Liability	(327,561)		
Compensated Absences Payable	(1,138,582)		
Accrued Interest Payable	<u>(19,538)</u>		(6,597,134)
<i>Net Position of Governmental Activities</i>		\$	<u>31,235,841</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, 2018**

	General	Municipal Income Tax 1/2% (Voted)	Municipal Income Tax #2 1/2% (Voted)	Community Development Block Grant
Revenues:				
Taxes	\$ 4,714,194	\$ 3,993,536	\$ 4,320,919	\$ 0
Intergovernmental Revenues	936,899	0	14,377	772,787
Charges for Services	2,044,276	0	13,300	0
Licenses and Permits	56,420	0	0	0
Investment Earnings	160,770	0	0	2
Fines and Forfeitures	674,996	0	0	0
All Other Revenue	542,630	16,397	16,196	4,596
Total Revenue	9,130,185	4,009,933	4,364,792	777,385
Expenditures:				
Current:				
Security of Persons and Property	235,741	3,707,629	2,582,953	0
Public Health and Welfare Services	102,538	0	0	0
Leisure Time Activities	850,356	0	0	0
Community Environment	37,472	0	0	854,260
Transportation	39,894	178,129	0	0
General Government	7,021,760	0	0	0
Debt Service:				
Principal Retirement	13,521	0	0	0
Interest and Fiscal Charges	14,354	0	0	0
Total Expenditures	8,315,636	3,885,758	2,582,953	854,260
Excess (Deficiency) of Revenues Over Expenditures	814,549	124,175	1,781,839	(76,875)
Other Financing Sources (Uses):				
Sale of Capital Assets	23,589	0	0	0
Transfers In	0	0	0	0
Transfers Out	(326,758)	0	(743,064)	0
Total Other Financing Sources (Uses)	(303,169)	0	(743,064)	0
Net Change in Fund Balances	511,380	124,175	1,038,775	(76,875)
Fund Balances at Beginning of Year	2,338,512	501,195	0	174,868
Increase in Inventory	128	0	0	0
Fund Balances End of Year	\$ 2,850,020	\$ 625,370	\$ 1,038,775	\$ 97,993

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

<u>General Bond Retirement</u>	<u>Capital Improvement</u>	<u>TIF District-Coshocton Road</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 1,515,693	\$ 1,293,260	\$ 2,758,841	\$ 18,596,443
0	0	0	1,685,050	3,409,113
0	0	0	55,964	2,113,540
0	0	0	13,357	69,777
0	0	0	300	161,072
0	0	0	301,337	976,333
0	921	0	23,966	604,706
<u>0</u>	<u>1,516,614</u>	<u>1,293,260</u>	<u>4,838,815</u>	<u>25,930,984</u>
0	7,500	0	1,199,280	7,733,103
0	34,695	0	388,617	525,850
0	84,142	0	333	934,831
0	0	0	0	891,732
0	203,677	955,714	2,793,072	4,170,486
0	92,625	0	935,158	8,049,543
480,000	0	0	112,500	606,021
107,762	0	0	50,513	172,629
<u>587,762</u>	<u>422,639</u>	<u>955,714</u>	<u>5,479,473</u>	<u>23,084,195</u>
(587,762)	1,093,975	337,546	(640,658)	2,846,789
0	0	0	1,720	25,309
587,762	0	0	749,664	1,337,426
0	0	(204,842)	(62,762)	(1,337,426)
<u>587,762</u>	<u>0</u>	<u>(204,842)</u>	<u>688,622</u>	<u>25,309</u>
0	1,093,975	132,704	47,964	2,872,098
0	235,204	3,396,607	1,676,859	8,323,245
0	0	0	27,957	28,085
<u>\$ 0</u>	<u>\$ 1,329,179</u>	<u>\$ 3,529,311</u>	<u>\$ 1,752,780</u>	<u>\$ 11,223,428</u>

CITY OF MOUNT VERNON, OHIO

**Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2018**

Net Change in Fund Balances - Total Governmental Funds		\$ 2,872,098
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay	4,118,752	
Depreciation Expense	<u>(2,955,296)</u>	1,163,456
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.	(25,309)	
The statement of activities reports gain arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	<u>960</u>	(24,349)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(406,333)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		1,389,962
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(2,465,395)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		(1,284,934)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bond Principal Payment	452,500	
Special Obligation Bond Principal Payment	112,500	
Ohio Public Works Commission Loan Payment	27,500	
Police Firemen's Pension Accrued Liability Principal Payment	<u>13,521</u>	606,021
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(12,784)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Compensated Absences	(20,409)	
Amortization of Deferred Charge on Refunding	(10,712)	
Change in Inventory	<u>28,085</u>	<u>(3,036)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,834,706</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)
General Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 4,416,800	\$ 4,416,800	\$ 4,854,125	\$ 437,325
Intergovernmental Revenue	541,263	1,498,237	955,910	(542,327)
Charges for Services	1,967,477	1,985,800	1,994,630	8,830
Licenses and Permits	8,200	8,277	56,420	48,143
Investment Earnings	50,000	50,000	160,770	110,770
Fines and Forfeitures	525,000	525,000	679,015	154,015
All Other Revenues	109,000	331,975	347,821	15,846
Total Revenues	7,617,740	8,816,089	9,048,691	232,602
Expenditures:				
Current:				
Security of Persons and Property	326,040	547,914	492,649	55,265
Public Health and Welfare Services	83,000	117,677	114,038	3,639
Leisure Time Activities	980,821	1,029,884	851,060	178,824
Community Environment	53,455	53,503	37,600	15,903
Transportation	44,000	45,600	39,269	6,331
General Government	6,978,655	8,453,120	7,236,027	1,217,093
Total Expenditures	8,465,971	10,247,698	8,770,643	1,477,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	(848,231)	(1,431,609)	278,048	1,709,657
Other Financing Sources (Uses):				
Sale of Capital Assets	0	10,582	23,589	13,007
Transfers Out	(377,040)	(376,540)	(326,758)	49,782
Total Other Financing Sources (Uses):	(377,040)	(365,958)	(303,169)	62,789
Net Change in Fund Balance	(1,225,271)	(1,797,567)	(25,121)	1,772,446
Fund Balance at Beginning of Year	1,217,846	1,217,846	1,217,846	0
Prior Year Encumbrances	579,725	579,725	579,725	0
Fund Balance at End of Year	\$ 572,300	\$ 4	\$ 1,772,450	\$ 1,772,446

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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,550,000	\$ 3,550,000	\$ 4,004,985	\$ 454,985
All Other Revenues	0	0	15,139	15,139
Total Revenues	<u>3,550,000</u>	<u>3,550,000</u>	<u>4,020,124</u>	<u>470,124</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>3,708,673</u>	<u>3,708,673</u>	<u>3,707,629</u>	<u>1,044</u>
Total Expenditures	<u>3,708,673</u>	<u>3,708,673</u>	<u>3,707,629</u>	<u>1,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(158,673)	(158,673)	312,495	471,168
Fund Balance at Beginning of Year	<u>158,673</u>	<u>158,673</u>	<u>158,673</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 471,168</u>	<u>\$ 471,168</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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,550,000	\$ 3,550,000	\$ 4,004,985	\$ 454,985
Intergovernmental Revenues	0	14,929	14,377	(552)
Charges for Services	0	0	13,300	13,300
All Other Revenues	0	0	15,802	15,802
Total Revenues	<u>3,550,000</u>	<u>3,564,929</u>	<u>4,048,464</u>	<u>483,535</u>
Expenditures:				
Current:				
Security of Persons and Property	2,800,000	2,821,865	2,722,549	99,316
Total Expenditures	<u>2,800,000</u>	<u>2,821,865</u>	<u>2,722,549</u>	<u>99,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	750,000	743,064	1,325,915	582,851
Other Financing Sources (Uses):				
Transfers Out	(750,000)	(743,064)	(743,064)	0
Total Other Financing Sources (Uses)	<u>(750,000)</u>	<u>(743,064)</u>	<u>(743,064)</u>	<u>0</u>
Net Change in Fund Balance	0	0	582,851	582,851
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 582,851</u>	<u>\$ 582,851</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Community Development Block Grant Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 755,441	\$ 755,441	\$ 743,941	\$ (11,500)
Investment Earnings	0	0	2	2
All Other Revenues	0	0	4,596	4,596
Total Revenues	755,441	755,441	748,539	(6,902)
Expenditures:				
Current:				
Community Environment:	776,380	884,655	856,735	27,920
Total Expenditures	776,380	884,655	856,735	27,920
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,939)	(129,214)	(108,196)	21,018
Fund Balance at Beginning of Year	20,939	20,939	20,939	0
Prior Year Encumbrances	108,275	108,275	108,275	0
Fund Balance at End of Year	\$ 108,275	\$ 0	\$ 21,018	\$ 21,018

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2018**

	Business-Type Activities		
	Enterprise Funds		Total
	Water	Sewer	
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 1,127,828	\$ 136,449	\$ 1,264,277
Investments	1,827,199	1,485,720	3,312,919
Accounts receivable (net of allowance for uncollectibles)	1,275,531	1,158,665	2,434,196
Inventory of Supplies	107,899	97,923	205,822
Prepaid Items	19,337	9,457	28,794
Total current assets	<u>4,357,794</u>	<u>2,888,214</u>	<u>7,246,008</u>
Noncurrent assets:			
Capital assets:			
Capital Assets Not Being Depreciated	274,773	751,962	1,026,735
Capital Assets Being Depreciated	<u>12,203,331</u>	<u>19,330,774</u>	<u>31,534,105</u>
Total noncurrent assets	<u>12,478,104</u>	<u>20,082,736</u>	<u>32,560,840</u>
Total Assets	<u>16,835,898</u>	<u>22,970,950</u>	<u>39,806,848</u>
Deferred Outflows of Resources:			
Deferred Charges on Refunding	32,224	215,769	247,993
Pension	205,395	213,905	419,300
OPEB	45,475	47,359	92,834
Total Deferred Outflows of Resources	<u>283,094</u>	<u>477,033</u>	<u>760,127</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	94,256	123,663	217,919
Accrued Wages and Benefits	39,377	39,501	78,878
Contracts Payable	39,100	51,260	90,360
Matured Bonds and Interest Payable	650	0	650
Accrued Interest Payable	1,386	43,678	45,064
General Obligation Bonds Payable - Current	35,775	497,025	532,800
OWDA Loans Payable - Current	0	343,917	343,917
OPWC Loans Payable - Current	9,351	0	9,351
Compensated Absences Payable - Current	40,383	64,913	105,296
Special Obligation Bonds Payable - Current	57,500	57,500	115,000
Total Current Liabilities	<u>317,778</u>	<u>1,221,457</u>	<u>1,539,235</u>

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
Noncurrent Liabilities:			
General Obligation Bonds Payable	280,400	3,637,000	3,917,400
OWDA Loans Payable	0	4,852,509	4,852,509
OPWC Loans Payable	98,184	0	98,184
Special Obligation Bonds Payable	516,250	516,250	1,032,500
Compensated Absences Payable	75,919	112,769	188,688
Net Pension Liability	840,637	875,465	1,716,102
Net OPEB Liability	617,960	643,562	1,261,522
Total noncurrent liabilities	<u>2,429,350</u>	<u>10,637,555</u>	<u>13,066,905</u>
Total Liabilities	<u>2,747,128</u>	<u>11,859,012</u>	<u>14,606,140</u>
Deferred Inflows of Resources:			
Pension	197,040	205,203	402,243
OPEB	46,034	47,941	93,975
Total Deferred Inflows of Resources	<u>243,074</u>	<u>253,144</u>	<u>496,218</u>
NET POSITION:			
Net Investment in Capital Assets	11,500,206	10,303,113	21,803,319
Restricted for Capital Projects	992,733	428,373	1,421,106
Unrestricted	1,635,851	604,341	2,240,192
Total Net Position	<u>\$ 14,128,790</u>	<u>\$ 11,335,827</u>	<u>\$ 25,464,617</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, 2018**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
Operating Revenues:			
Charges for Services	\$ 4,664,262	\$ 4,050,935	\$ 8,715,197
Other Operating Revenues	19,512	70,493	90,005
Total Operating Revenues	4,683,774	4,121,428	8,805,202
Operating Expenses:			
Personal Services	1,357,854	1,480,547	2,838,401
Contractual Services	154,102	408,327	562,429
Materials and Supplies	526,311	290,463	816,774
Utilities	236,189	275,620	511,809
Depreciation	836,555	775,762	1,612,317
Total Operating Expenses	3,111,011	3,230,719	6,341,730
Operating Income	1,572,763	890,709	2,463,472
Non-Operating Revenues (Expenses):			
Interest Income	972	0	972
Interest and Fiscal Charges	(35,681)	(246,141)	(281,822)
Total Non-Operating Revenues (Expenses)	(34,709)	(246,141)	(280,850)
Change in Net Position	1,538,054	644,568	2,182,622
Net Position Beginning of Year, Restated	12,590,736	10,691,259	23,281,995
Net Position End of Year	\$ 14,128,790	\$ 11,335,827	\$ 25,464,617

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, 2018**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$4,799,343	\$4,204,393	\$9,003,736
Cash Payments for Goods and Services	(930,269)	(1,012,941)	(1,943,210)
Cash Payments to Employees	(1,315,664)	(1,425,802)	(2,741,466)
Net Cash Provided by Operating Activities	2,553,410	1,765,650	4,319,060
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(361,614)	(522,704)	(884,318)
Principal Paid on General Obligation Bonds	(675,300)	(492,200)	(1,167,500)
Principal Paid on Ohio Public Works Commission Loan	(9,351)	0	(9,351)
Principal Paid on Revenue Bonds	(950,000)	0	(950,000)
Principal Paid on Special Obligation Bonds	(56,250)	(56,250)	(112,500)
Principal Paid on OWDA Loan	0	(339,962)	(339,962)
Interest Paid on All Debt	(41,775)	(191,358)	(233,133)
Net Cash Used for Capital and Related Financing Activities	(2,094,290)	(1,602,474)	(3,696,764)
<u>Cash Flows from Investing Activities:</u>			
Proceeds from Sale of Investments	(778,034)	(245,533)	(1,023,567)
Receipt of Interest	7,997	0	7,997
Net Cash Used by Investing Activities	(770,037)	(245,533)	(1,015,570)
Net Decrease in Cash and Cash Equivalents	(310,917)	(82,357)	(393,274)
Cash and Cash Equivalents at Beginning of Year	1,438,745	218,806	1,657,551
Cash and Cash Equivalents at End of Year	\$1,127,828	\$136,449	\$1,264,277

(Continued)

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$1,572,763	\$890,709	\$2,463,472
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	836,555	775,762	1,612,317
Changes in Assets, Deferred Outflows of Resources,			
Liabilities and Deferred Inflows of Resources:			
Decrease in Accounts Receivable	115,513	82,965	198,478
Increase in Inventory	(66,124)	(68,980)	(135,104)
Increase in Prepaid Items	(1,138)	(948)	(2,086)
Decrease Deferred Outflows-Pension	286,930	303,475	590,405
Increase Deferred Outflows-OPEB	(38,445)	(39,995)	(78,440)
Increase (Decrease) in Accounts Payable	50,642	(18,019)	32,623
Increase in Accrued Wages and Benefits	13,561	12,418	25,979
Increase in Contracts Payable	3,217	49,376	52,593
Decrease in Compensated Absences	(17,541)	3,161	(14,380)
Decrease in Net Pension Liability	(457,332)	(489,560)	(946,892)
Increase in Net OPEB Liability	19,460	20,266	39,726
Increase in Deferred Inflows-Pension	189,315	197,079	386,394
Increase in Deferred Inflows-OPEB	46,034	47,941	93,975
Total Adjustments	980,647	874,941	1,855,588
Net Cash Provided by Operating Activities	<u>\$2,553,410</u>	<u>\$1,765,650</u>	<u>\$4,319,060</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

***Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2018***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 164,955
Total Assets	<u>\$ 164,955</u>
Liabilities:	
Intergovernmental Payable	\$ 26,601
Due to Others	<u>138,354</u>
Total Liabilities	<u>\$ 164,955</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

The City, in conjunction with Knox County, the six villages and the twenty-two townships within Knox County, have created the Knox County Emergency Management Agency (EMA). The EMA is a jointly governed organization whose board is composed of seven members, one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to insure the most effective use of resources during an emergency. The City appropriated \$6,000 for operations of the EMA for 2018.

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, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$55,000 for operations of the combined District for 2018.

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

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

Agency Funds - These funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units. The agency funds account for municipal court collections that are distributed to various local governments, bond and inspection collections are funds on deposit as required by City ordinance for subdivision construction, and insurance trust funds are for insurance funds on deposit to ensure the cleanup of damaged property. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

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

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

E. Budgetary Process

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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 2018.

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.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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)	\$511,380	\$124,175	\$1,038,775	(\$76,875)
Increase (Decrease):				
Accrued Revenues at December 31, 2018 received during 2019	(847,683)	(332,331)	(316,328)	(74,500)
Accrued Revenues at December 31, 2017 received during 2018	766,190	342,522	0	45,654
Accrued Expenditures at December 31, 2018 paid during 2019	415,355	178,129	74,323	0
Accrued Expenditures at December 31, 2017 paid during 2018	(412,945)	0	0	0
2017 Prepays for 2018	186,524	0	0	0
2018 Prepays for 2019	(169,322)	0	(22,117)	0
Outstanding Encumbrances	(474,620)	0	(191,802)	(2,475)
Budget Basis	<u>(\$25,121)</u>	<u>\$312,495</u>	<u>\$582,851</u>	<u>(\$108,196)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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 are recognized as revenue in the operating statements. The City allocates interest among the various funds based upon state statutes and City legislation. See Note 4, "Cash, Cash Equivalents and Investments."

During 2018, 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 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, 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, 2018***

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, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Bond Retirement Fund Water Fund Sewer Fund
Special Obligation Bonds	General Bond Retirement –Income Tax Fund Water Fund Sewer Fund
Mortgage Revenue Bonds	Water Fund
Ohio Public Works Loan	General Bond Retirement Fund, Water Fund
Ohio Water Development Authority	Sewer Fund
Police and Fire Pension Accrued Liability	General Fund
Compensated Absences	General Fund, Street Construction Maintenance and Repair Fund, Cemetery Fund, 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, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

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

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

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

M. Net Position

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pensions/Other Postemployment Benefits (OPEB)

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

O. Interfund Transactions

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

P. Fund Balances

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balances (Continued)

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

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

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

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

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Bond Issuance Costs

Bond issuance costs are recognized in the current period.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources

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

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

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

U. Fair Value

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND ACCOUNTABILITY

A. Change in Accounting Principle

For 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” Statement No. 85, “Omnibus 2017,” and Statement No. 86, “Certain Debt Extinguishment Issues.”

GASB Statement No. 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). These changes were incorporated in the City’s 2018 financial statements, however, there was no effect on beginning net position/fund balance.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. These changes were incorporated in the City’s 2018 financial statements, however, there was no effect on beginning net position/fund balance.

The implementation of GASB 75 had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business-type Activities	Water Fund	Sewer Fund
Net position December 31, 2017	\$41,225,005	\$24,489,397	\$13,182,206	\$11,307,191
Adjustments:				
Net OPEB Liability	(11,874,552)	(1,221,796)	(598,500)	(623,296)
Deferred Outflow - Payments Subsequent to the Measurement Date	50,682	14,394	7,030	7,364
Restated Net Position December 31, 2017	<u>\$29,401,135</u>	<u>\$23,281,995</u>	<u>\$12,590,736</u>	<u>\$10,691,259</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND ACCOUNTABILITY (Continued)

B. Accountability

The fund deficits of \$7,653 in the Permissive Auto License Tax Fund (special revenue fund) and \$65,189 in the Roads and Bridges Capital Improvement Fund (capital projects fund) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. Transfers are provided when cash is required, not when accruals occur.

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-	Other	Total
	Fund	Income Tax 1/2% (Voted)	Income Tax #2 1/2% (Voted)	Development Block Grant Fund	Improvement Fund	Coshocton Road Fund	Governmental Funds	Governmental Funds
Nonspendable:								
Prepaid Items	\$169,322	\$0	\$22,117	\$0	\$0	\$0	\$39,521	\$230,960
Supplies Inventory	490	0	0	0	0	0	52,012	52,502
Endowment	0	0	0	0	0	0	479,233	479,233
Total Nonspendable	169,812	0	22,117	0	0	0	570,766	762,695
Restricted:								
Transportation Projects	0	0	0	0	1,329,179	3,529,311	387,330	5,245,820
Cemetery	0	0	0	0	0	0	75,871	75,871
Court Projects	0	0	0	0	0	0	444,783	444,783
Public Safety	15,855	625,370	1,016,658	0	0	0	160,779	1,818,662
Community Development	0	0	0	97,993	0	0	80,228	178,221
Debt Retirement	0	0	0	0	0	0	12,070	12,070
Parks and Recreation	0	0	0	0	0	0	14,303	14,303
Total Restricted	15,855	625,370	1,016,658	97,993	1,329,179	3,529,311	1,175,364	7,789,730
Committed:								
Parks and Recreation	0	0	0	0	0	0	79,492	79,492
Capital Improvements	9,060	0	0	0	0	0	0	9,060
Total Committed	9,060	0	0	0	0	0	79,492	88,552
Assigned:								
Projected Budgetary Deficit	1,772,449	0	0	0	0	0	0	1,772,449
Services and Supplies	331,035	0	0	0	0	0	0	331,035
Total Assigned	2,103,484	0	0	0	0	0	0	2,103,484
Unassigned:								
	551,809	0	0	0	0	0	(72,842)	478,967
Total Fund Balances	\$2,850,020	\$625,370	\$1,038,775	\$97,993	\$1,329,179	\$3,529,311	\$1,752,780	\$11,223,428

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018***

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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

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

At year end the carrying amount of the City's deposits was \$12,552,379 and the bank balance \$12,451,511. The Federal Deposit Insurance Corporation (FDIC) covered \$10,500,000 of the bank balance. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

Uninsured and collateralized with securities held by the Ohio Pooled Collateral System	<u>Balance</u> \$1,951,511
Total Balance	<u><u>\$1,951,511</u></u>

Investment earnings of \$160,770 earned by other funds were credited to the General Fund as required by state statute.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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

B. Investments

The City's investments at December 31, 2018 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	<u>\$2,406,536</u>	AAAm ¹	<u>\$2,406,536</u>
Total Investments	<u>\$2,406,536</u>		<u>\$2,406,536</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 \$62,099 being held by Knox County.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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	\$4,958,915	\$10,000,000
Certificates of Deposit (with maturities of more than 3 months)	10,000,000	(10,000,000)
Investments:		
STAR Ohio	<u>(2,406,536)</u>	<u>2,406,536</u>
Per GASB Statement No. 3	<u><u>\$12,552,379</u></u>	<u><u>\$2,406,536</u></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 2018 were levied after October 1, 2018 on assessed values as of January 1, 2018, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years, and equalization adjustments are made in the third year following reappraisal. The last revaluation was completed in 2016. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Mount Vernon. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2017 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2018 tax receipts were based was \$271,302,780. This amount constitutes \$254,910,120 in real property assessed value and \$16,392,660 in public utility assessed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018, 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, 2018***

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 2018, 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>
\$ 224	\$ 9,756	\$ 9,980

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CITY OF MOUNT VERNON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 6 - RECEIVABLES

Receivables at December 31, 2018 consisted of taxes, accounts, and intergovernmental receivables. All receivables are collectible in full and within one year except for allowance for doubtful accounts related to billings for governmental and proprietary funds.

A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund	
Homestead and Rollback Reimbursement	\$39,711
Local Government	88,046
School Resource Officer Grant	6,885
Lodging Tax	342
Total General Fund	<u>134,984</u>
Major Special Revenue Fund:	
CDBG Fund - CDBG Grants	623,900
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Gasoline Tax	243,333
Motor Vehicle Tax	42,687
Total Street Construction, Maintenance and Repair Fund	<u>286,020</u>
State Highway Improvement Fund	
Gasoline Tax	19,730
Motor Vehicle Tax	3,461
Total State Highway Improvement Fund	<u>23,191</u>
Permissive License Registration Fund - Permissive Tax	17,115
Driver's Interlock and Alcohol Monitoring - Fines and Forfeitures	335
Police Pension Fund - Homestead and Rollback Reimbursement and School Resource Officer Grant	7,372
Fire Pension Fund - Homestead and Rollback Reimbursement	4,592
Total Nonmajor Special Revenue Funds	<u>338,625</u>
Total Governmental Fund Types	<u><u>\$1,097,509</u></u>

CITY OF MOUNT VERNON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 7 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2018:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$326,758
Municipal Income Tax #2 1/2% (Voted)	0	743,064
General Bond Retirement Fund	587,762	0
TIF District-Coshocton Road Fund	0	204,842
Other Governmental Funds	749,664	62,762
Total Governmental Funds	<u>\$1,337,426</u>	<u>\$1,337,426</u>

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

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets as of December 31, 2018:

Historical Cost:

Class	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
Capital assets not being depreciated:				
Land	\$13,805,283	\$80,840	\$0	\$13,886,123
Construction in Progress	569,054	2,048,867	0	2,617,921
Subtotal	14,374,337	2,129,707	0	16,504,044
Capital assets being depreciated:				
Buildings	15,668,652	205,111	0	15,873,763
Improvements Other than Buildings	2,454,478	0	0	2,454,478
Infrastructure	47,990,471	578,685	(30,593)	48,538,563
Machinery and Equipment	9,525,903	1,205,249	(153,264)	10,577,888
Subtotal	75,639,504	1,989,045	(183,857)	77,444,692
Total Cost	\$90,013,841	\$4,118,752	(\$183,857)	\$93,948,736

Accumulated Depreciation:

Class	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
Buildings	(\$7,567,080)	(\$511,338)	\$0	(\$8,078,418)
Improvements	(778,085)	(79,784)	0	(857,869)
Infrastructure	(23,247,243)	(1,723,175)	30,220	(24,940,198)
Machinery and Equipment	(7,093,080)	(640,999)	129,288	(7,604,791)
Total Depreciation	(\$38,685,488)	(\$2,955,296)	\$159,508	(\$41,481,276)
Net Value:	\$51,328,353			\$52,467,460

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$456,878
Leisure Time Activities	302,119
Public Health & Welfare	30,666
Transportation	1,867,785
General Government	297,848
Total Depreciation Expense	\$2,955,296

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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, 2018:

Historical Cost:

Class	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
Capital assets not being depreciated:				
Land	\$819,311	\$0	\$0	\$819,311
Construction in Progress	86,002	121,422	0	207,424
Subtotal	905,313	121,422	0	1,026,735
Capital assets being depreciated:				
Buildings	35,351,317	13,432	0	35,364,749
Utility Structures in Service	27,596,320	779,226	0	28,375,546
Machinery and Equipment	4,695,675	71,942	(102,752)	4,664,865
Subtotal	67,643,312	864,600	(102,752)	68,405,160
Total Cost	\$68,548,625	\$986,022	(\$102,752)	\$69,431,895

Accumulated Depreciation:

Class	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
Buildings	(\$17,112,155)	(\$978,311)	\$0	(\$18,090,466)
Utility Structures in Service	(14,818,030)	(403,858)	0	(15,221,888)
Machinery and Equipment	(3,430,130)	(230,148)	101,577	(3,558,701)
Total Depreciation	(\$35,360,315)	(\$1,612,317)	\$101,577	(\$36,871,055)
Net Value:	\$33,188,310			\$32,560,840

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent 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 percent.

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

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 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 \$633,527 for 2018. Of this amount, \$78,035 is reported as an accrued wages and benefits.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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 may be obtained by visiting the OPF website at www.opf.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent 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 three percent of their base pension or disability benefit.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$946,995 for 2018. Of this amount, \$110,727 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, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. 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	\$5,117,132	\$12,569,623	\$17,686,755
Proportion of the Net Pension Liability-2018	0.032618%	0.204802%	
Proportion of the Net Pension Liability-2017	<u>0.033942%</u>	<u>0.199149%</u>	
Percentage Change	<u>(0.001324%)</u>	<u>0.005653%</u>	
Pension Expense	\$887,431	\$1,820,333	\$2,707,764

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2018, 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	\$611,532	\$547,725	\$1,159,257
Differences between expected and actual experience	5,225	190,752	195,977
City contributions subsequent to the measurement date	<u>633,527</u>	<u>946,995</u>	<u>1,580,522</u>
Total Deferred Outflows of Resources	<u>\$1,250,284</u>	<u>\$1,685,472</u>	<u>\$2,935,756</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,098,581	\$434,814	\$1,533,395
Differences between expected and actual experience	<u>100,842</u>	<u>22,737</u>	<u>123,579</u>
Total Deferred Inflows of Resources	<u>\$1,199,423</u>	<u>\$457,551</u>	<u>\$1,656,974</u>

\$1,580,522 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, 2019. 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:			
2019	\$458,355	\$316,283	\$774,638
2020	(105,841)	201,971	96,130
2021	(483,756)	(248,397)	(732,153)
2022	(451,424)	(163,050)	(614,474)
2023	0	140,438	140,438
2024	0	33,681	33,681
Total	<u>(\$582,666)</u>	<u>\$280,926</u>	<u>(\$301,740)</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, 2018***

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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 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 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$9,086,722	\$5,117,132	\$1,807,690

Changes between Measurement Date and Report Date In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City’s net pension liability is not known.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent for increases based on the lesser of the increase in CPI and 3%.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2017 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

* levered 2x

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

Discount Rate The total pension liability was calculated using the discount rate of 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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	\$17,424,794	\$12,569,623	\$8,609,788

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, 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, 2018***

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 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. 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 2018 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 2018.

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

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org 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, 2018***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, 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 \$21,902 for 2018. Of this amount, \$2,567 is reported as an accrued wages and benefits.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, 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, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$3,761,649	\$11,603,795	\$15,365,444
Proportion of the Net OPEB Liability-2018	0.034640%	0.204802%	
Proportion of the Net OPEB Liability-2017	<u>0.036070%</u>	<u>0.199149%</u>	
Percentage Change	<u>(0.001430%)</u>	<u>0.005653%</u>	
OPEB Expense	\$164,957	\$1,175,238	\$1,340,195

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2018, 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	\$273,887	\$1,132,284	\$1,406,171
Differences between expected and actual experience	2,930	0	2,930
City contributions subsequent to the measurement date	<u>0</u>	<u>21,902</u>	<u>21,902</u>
Total Deferred Outflows of Resources	<u>\$276,817</u>	<u>\$1,154,186</u>	<u>\$1,431,003</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$280,218	\$76,382	\$356,600
Differences between expected and actual experience	<u>0</u>	<u>58,524</u>	<u>58,524</u>
Total Deferred Inflows of Resources	<u>\$280,218</u>	<u>\$134,906</u>	<u>\$415,124</u>

\$21,902 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 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2019	\$62,294	\$137,885	\$200,179
2020	62,294	137,885	200,179
2021	(57,932)	137,885	79,953
2022	(70,057)	137,888	67,831
2023	0	156,981	156,981
2024	0	156,981	156,981
2025	<u>0</u>	<u>131,873</u>	<u>131,873</u>
Total	<u>(\$3,401)</u>	<u>\$997,378</u>	<u>\$993,977</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

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

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

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 2017 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 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. 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 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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 following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$4,997,513	\$3,761,649	\$2,761,847

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 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 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$3,599,096	\$3,761,649	\$3,929,562

Changes between Measurement Date and Report Date In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 10 - DEFINED BENEFIT OPEB 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 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, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 Conduent Modified 2016 Improvement Scale.

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 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, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$14,504,883	\$11,603,795	\$9,371,534

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$9,014,036	\$11,603,795	\$15,093,912

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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

Long-term debt and other long-term obligations of the City at December 31, 2018 were as follows:

			Restated Balance December 31, 2017	Additions	(Reductions)	Balance December 31, 2018	Amounts Due Within One Year
Business-Type Activities:							
Mortgage Revenue Bonds:							
3.00 - 3.75%	Water Refunding 1999	2009	\$950,000	\$0	(\$950,000)	\$0	\$0
General Obligation Bonds:							
4.00 - 5.500%	Waterworks Refunding 1997	2007	640,000	0	(640,000)	0	0
1.86%	Wastewater Refunding 2003	2012	566,970	0	(110,200)	456,770	111,650
1.86%	Wastewater Refunding 2003	2012	412,030	0	(79,800)	332,230	80,850
1.86%	Water Refunding 2003	2012	29,475	0	(5,700)	23,775	5,775
1.86%	Wastewater Refunding 2003	2012	29,475	0	(5,700)	23,775	5,775
2.61%	W/W Refunding 2009B	2015	1,755,000	0	(130,000)	1,625,000	130,000
2.51%	Water Refunding 2007	2015	322,000	0	(29,600)	292,400	30,000
2.51%	W/W Refunding 2007	2015	1,862,750	0	(166,500)	1,696,250	168,750
	Total General Obligation Bonds Payable		5,617,700	0	(1,167,500)	4,450,200	532,800
Special Obligation Bonds:							
2.60%	Water - Building Project	2012	630,000	0	(56,250)	573,750	57,500
2.60%	Wastewater - Building Project	2012	630,000	0	(56,250)	573,750	57,500
	Total Special Obligation Bonds Payable		1,260,000	0	(112,500)	1,147,500	115,000
Ohio Public Works Commission Loan:							
0.000%	Water Improvements	2009	116,886	0	(9,351)	107,535	9,351
Ohio Water Development Authority							
1.160%	Wastewater Improvements	2011	5,536,388	0	(339,962)	5,196,426	343,917
Net Pension Liability:							
	Ohio Public Employees Retirement System		2,662,994	0	(946,892)	1,716,102	0
Net OPEB Liability:							
	Ohio Public Employees Retirement System		1,221,796	39,726	0	1,261,522	0
Compensated Absences							
			308,364	236,258	(250,638)	293,984	105,296
	Total Business-Type Activities		\$17,674,128	\$275,984	(\$3,776,843)	\$14,173,269	\$1,106,364

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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

			Restated Balance December 31, 2017	Additions	(Reductions)	Balance December 31, 2018	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bond:							
2.00- 4.250%	Highway Project	2009	\$1,455,000	\$0	(\$100,000)	\$1,355,000	\$100,000
1.86%	Building Refunding 2003	2012	58,950	0	(11,400)	47,550	11,550
1.86%	Highway Refunding 2003	2012	864,600	0	(167,200)	697,400	169,400
2.51%	Water Park Refund 2007	2015	1,945,650	0	(173,900)	1,771,750	176,250
	Total General Obligation Bonds Payable		<u>4,324,200</u>	<u>0</u>	<u>(452,500)</u>	<u>3,871,700</u>	<u>457,200</u>
Special Obligation Bonds:							
2.60%	Building Project	2012	1,260,000	0	(112,500)	1,147,500	115,000
	Total Special Obligation Bonds Payable		<u>1,260,000</u>	<u>0</u>	<u>(112,500)</u>	<u>1,147,500</u>	<u>115,000</u>
Ohio Public Works Commission Loans:							
0.000%	OPWC Loan Payable	2003	148,750	0	(21,250)	127,500	21,250
0.000%	OPWC Loan Payable	2009	78,125	0	(6,250)	71,875	6,250
	Total OPWC Loans Payable		<u>226,875</u>	<u>0</u>	<u>(27,500)</u>	<u>199,375</u>	<u>27,500</u>
Net Pension Liability:							
	Ohio Public Employees Retirement System		5,044,657	0	(1,643,627)	3,401,030	0
	Ohio Police and Fire Pension Fund		12,613,957	0	(44,334)	12,569,623	0
	Total Net Pension Liability		<u>17,658,614</u>	<u>0</u>	<u>(1,687,961)</u>	<u>15,970,653</u>	<u>0</u>
Net OPEB Liability:							
	Ohio Public Employees Retirement System		2,421,397	78,730	0	2,500,127	0
	Ohio Police and Fire Pension Fund		9,453,155	2,150,640	0	11,603,795	0
	Total Net OPEB Liability		<u>11,874,552</u>	<u>2,229,370</u>	<u>0</u>	<u>14,103,922</u>	<u>0</u>
	Compensated Absences		1,118,173	1,010,916	(990,507)	1,138,582	359,641
	Police and Firemen's Pension Accrued Liability		341,082	0	(13,521)	327,561	14,101
	Total Governmental Activities		<u>\$36,803,496</u>	<u>\$3,240,286</u>	<u>(\$3,284,489)</u>	<u>\$36,759,293</u>	<u>\$973,442</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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

A. Long-term Debt Purpose

Business Type Activities: Mortgage Revenue Bonds Refunding 1999 (2009) and General Obligation Bonds, Waterworks Refunding 1997 (2007) were issued for the construction of a new water treatment plant. Water and Wastewater-Building Project (2003) was for the acquisition and renovation of a building for the customer service and billing division. Wastewater Improvements (2003) was for the construction of a major wastewater main line. Waterworks (2007) was for the construction of a major water main line. Wastewater-Refunding 1992 (2003) was for the construction of two anaerobic aerobic digester tanks. Wastewater Treatment Facility (2007) was for aeration and infiltration upgrades. Wastewater Improvements (2009) was for relining of wastewater lines and manhole rehabilitation. Wastewater Improvements (2011) was for upgrades to electrical and instrumentation at treatment plant. Wastewater Refunding 2003 (2012) and Water Refunding 2003 (2012) were for the acquisition and renovation of a building for the customer service and billing division. Water and Wastewater building project (2012) was for the construction of a combined maintenance facility building for the Distribution and Collection Departments.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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:		
Waterworks Refunding 1997	2007	\$5,785,000
Waterworks	2007	520,000
Wastewater Treatment Facility	2007	2,890,000
Wastewater Improvements	2009	2,595,000
Wastewater Refunding	2012	1,020,800
Wastewater Refunding	2012	739,200
Wastewater Refunding	2012	52,800
Water Refunding	2012	52,800
Water Refunding 2007	2015	330,000
Wastewater Refunding 2007	2015	2,095,000
Total General Obligation Bonds		<u>16,080,600</u>
Special Obligation Bonds:		
Wastewater-Building Project	2012	887,500
Water-Building Project	2012	887,500
Total Special Obligation Bonds		<u>1,775,000</u>
Ohio Public Works Commission Loan:		
Wastewater Improvements	2009	125,362
Ohio Water Development Authority		
Wastewater Improvements	2011	7,178,446
Total Business Type Activities		<u><u>\$25,159,408</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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.

		Original Issue
Governmental Activities Long-Term Debt:		
General Obligation Bonds:		
Water Park Facility	2007	\$3,035,000
Highway Project	2009	2,165,000
Building Refunding 2003	2012	105,600
Highway Refunding 2003	2012	1,548,800
Water Park Facility Refunding 2007	2015	2,007,500
Total General Obligation Bonds		<u>8,861,900</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
Total Ohio Public Works Commission Loan Payable		<u>550,000</u>
Total Governmental Activities		<u>\$11,186,900</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, 2018 was \$458,676 in principal and interest payments through the year 2035.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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, 2018 are as follows:

Business-type Activities:

Years	General Obligation Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest
2019	\$532,800	\$108,492	\$9,351	\$0
2020	553,700	96,275	9,351	0
2021	559,000	83,494	9,351	0
2022	571,950	70,630	9,351	0
2023	364,950	57,453	9,351	0
2024-2028	1,715,750	143,051	46,755	0
2029-2032	152,050	4,306	14,025	0
Totals	\$4,450,200	\$563,701	\$107,535	\$0

Years	Ohio Water Development Authority Loan		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2019	\$343,917	\$59,284	\$115,000	\$29,834
2020	347,918	55,283	117,500	26,918
2021	351,965	51,235	120,000	23,790
2022	356,060	47,141	125,000	20,670
2023	360,202	42,999	127,500	17,420
2024-2028	1,864,853	151,152	542,500	35,724
2029-2032	1,571,511	41,293	0	0
Totals	\$5,196,426	\$448,387	\$1,147,500	\$154,356

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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
2019	\$457,200	\$108,492	\$14,101	\$13,772	\$27,500	\$0
2020	476,300	96,275	14,707	13,167	27,500	0
2021	486,000	83,494	15,339	12,536	27,500	0
2022	498,050	70,630	15,998	11,876	27,500	0
2023	310,050	57,453	16,685	11,190	27,500	0
2024-2028	1,494,100	143,051	94,810	44,561	52,500	0
2029-2033	150,000	4,306	116,999	22,374	9,375	0
2034-2035	0	0	38,922	1,639	0	0
Totals	<u>\$3,871,700</u>	<u>\$563,701</u>	<u>\$327,561</u>	<u>\$131,115</u>	<u>\$199,375</u>	<u>\$0</u>

Years	Special Obligation Bonds	
	Principal	Interest
2019	\$115,000	\$29,835
2020	117,500	26,918
2021	120,000	23,790
2022	125,000	20,670
2023	127,500	17,420
2024-2028	542,500	35,724
Totals	<u>\$1,147,500</u>	<u>\$154,357</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	54,616	\$722,331
Vacation	14,436	359,260
Compensatory Time	<u>2,236</u>	<u>56,991</u>
Total	<u><u>71,288</u></u>	<u><u>\$1,138,582</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, 2018.

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, 2018***

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, 2017 and 2018:

	<u>2017</u>	<u>2018</u>
Assets	\$ 44,452,326	\$ 49,921,998
Liabilities	<u>13,004,011</u>	<u>14,676,199</u>
Net Assets	<u>\$ 31,448,315</u>	<u>\$ 35,245,799</u>

At December 31, 2017 and 2018, respectively, the liabilities above include approximately \$11.5 million and \$11.3 million of estimated incurred claims payable. The assets above also include approximately \$11.8 million and \$11.3 million of unpaid claims to be billed. The Pool's membership increased from 527 members in 2017 to 538 members in 2018. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the City's share of these unpaid claims collectible in future years is approximately \$341,216.

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>
2017	\$ 169,161
2018	170,608

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, 2018**

NOTE 14 - SIGNIFICANT COMMITMENTS

A. Construction Commitments

As of December 31, 2018, the City had the following commitments with respect to capital projects:

<u>Contractual Commitments</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
City Hall Front Steps	\$37,819	April 2019
2018 Road Resurfacing Project South Main/Parrott Street Intersection Improvement Project	\$202,490	July 2019
	\$181,145	June 2019

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	\$474,620
1/2% Tax #2 Voted	191,801
Community Development Block Grant Fund	2,475
Capital Improvement Fund	91,295
TIF District - Coshocton Road Fund	19,668
Other Governmental Funds	<u>193,863</u>
Total Governmental Funds	973,722
Enterprise Funds:	
Water Fund	247,044
Sewer Fund	<u>312,157</u>
Total Enterprise Funds	559,201
Agency Funds	<u>60,070</u>
Total	<u><u>\$1,592,993</u></u>

NOTE 15 - CONTINGENCIES

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018, Economic Development Revenue Refunding Bonds outstanding for the Mount Vernon Nazarene University totaled \$8,186,178.

NOTE 17 –SUBSEQUENT EVENT

On April 11, 2019, the City issued Road and Bridge Improvement Bonds, Series 2019 in the amount of \$2,600,000. The bond proceeds will be used to provide local matching funds against the grants the Ohio Department of Transportation is providing for the bridge replacement project on Mount Vernon Avenue. The project is to begin construction in the second quarter of 2019.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOUNT VERNON, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Five 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>
0.033942%	0.032618%
\$7,707,651	\$5,117,132
\$4,548,125	\$4,310,262
169.47%	118.72%
77.25%	84.66%

<u>2017</u>	<u>2018</u>
0.199149%	0.204802%
\$12,613,957	\$12,569,623
\$4,187,303	\$4,394,677
301.24%	286.02%
68.36%	70.91%

CITY OF MOUNT VERNON, OHIO

***Schedule of City Pension Contributions
Last Six 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>
\$545,775	\$560,334	\$633,527
<u>545,775</u>	<u>560,334</u>	<u>633,527</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,548,125	\$4,310,262	\$4,525,193
12.00%	13.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$905,295	\$944,416	\$946,995
<u>905,295</u>	<u>944,416</u>	<u>946,995</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,187,303	\$4,394,677	\$4,380,180
21.62%	21.49%	21.62%



CITY OF MOUNT VERNON, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

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

CITY OF MOUNT VERNON, OHIO

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Six 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>
\$90,963	\$43,100	\$0
<u>90,963</u>	<u>43,100</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,548,125	\$4,310,262	\$4,525,193
2.00%	1.00%	0.00%

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

***Notes to the Supplementary Required Information
For the Year Ended December 31, 2018***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

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 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%

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

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

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

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

***Notes to the Supplementary Required Information
For the Year Ended December 31, 2018***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 3.79% to 3.24%.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Permissive Auto License Tax Fund

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

Cemetery Fund

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

Park Development Fund

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

Parking Fund

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

Law Enforcement Trust Fund

To account for the proceeds from the confiscation of contraband.

Drug Enforcement Trust Fund

To account for mandatory fines collected for drug offenses.

Permissive License Registration Fund

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

Indigent Drivers Alcohol Treatment Fund

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

DUI - Enforcement and Education Fund

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

(Continued)

Special Revenue Funds (Continued)

Court Computerization Fund

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

Probation Services Fund

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

Municipal Court Special Projects Fund

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

Federal Emergency Management Agency Fund (FEMA)

To account for grant monies received from Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Court Clerk Computer Fund

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

Lodging Excise Tax Fund

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

Driver's Interlock and Alcohol Monitoring Fund

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

Public Service Street Repair Fund

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

Hiawatha Water Park Scholarship Fund

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

Available Petition Fund

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

(Continued)

Special Revenue Funds (Continued)

Police Pension Fund

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

Fire Pension Fund

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

Mausoleum Fund

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

Veterans Honor Walkway Fund

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

Debt Service Fund

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

General Bond Retirement-Income Tax Fund

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

(Continued)

Capital Projects Funds

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

Baltimore and Ohio (B&O) Railroad Depot Fund

To account for financial resources used for the acquisition and improvements of a 1907 historical railroad depot station. The improvements are being funded by public contributions and potential future historical preservation grants. The site will provide space for community activities or additional governmental operations. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

Roads and Bridges Capital Improvement Fund

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.

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, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 1,289,396	\$ 12,070	\$ 28,170	\$ 0	\$ 1,329,636
Receivables:					
Taxes	263,883	0	206,702	0	470,585
Intergovernmental	338,625	0	0	0	338,625
Inventory of Supplies	52,012	0	0	0	52,012
Prepaid Items	39,521	0	0	0	39,521
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	479,233	479,233
Cash and Cash Equivalents with Fiscal Agent	62,099	0	0	0	62,099
Total Assets	\$ 2,045,536	\$ 12,070	\$ 234,872	\$ 479,233	\$ 2,771,711
Liabilities:					
Accounts Payable	\$ 141,802	\$ 0	\$ 0	\$ 0	\$ 141,802
Accrued Wages and Benefits Payable	66,057	0	0	0	66,057
Contracts Payable	19,499	0	144,190	0	163,689
Retainage Payable	0	0	66,694	0	66,694
Total Liabilities	227,358	0	210,884	0	438,242
Deferred Inflows of Resources:					
Deferred Inflow-Property Tax	138,000	0	61,000	0	199,000
Unavailable Revenue	353,512	0	28,177	0	381,689
Total Deferred Inflows of Resources	491,512	0	89,177	0	580,689
Fund Balances:					
Nonspendable	91,533	0	0	479,233	570,766
Restricted	1,163,294	12,070	0	0	1,175,364
Committed	79,492	0	0	0	79,492
Unassigned	(7,653)	0	(65,189)	0	(72,842)
Total Fund Balances	1,326,666	12,070	(65,189)	479,233	1,752,780
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,045,536	\$ 12,070	\$ 234,872	\$ 479,233	\$ 2,771,711

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 953,183	\$ 145,217	\$ 1,660,441	\$ 0	\$ 2,758,841
Intergovernmental Revenues	1,458,801	0	226,249	0	1,685,050
Charges for Services	55,964	0	0	0	55,964
Licenses and Permits	13,357	0	0	0	13,357
Investment Earnings	300	0	0	0	300
Fines and Forfeitures	301,337	0	0	0	301,337
All Other Revenue	20,016	0	0	3,950	23,966
Total Revenue	2,802,958	145,217	1,886,690	3,950	4,838,815
Expenditures:					
Current:					
Security of Persons and Property	1,055,090	0	144,190	0	1,199,280
Public Health and Welfare Services	388,617	0	0	0	388,617
Leisure Time Activities	333	0	0	0	333
Transportation	1,045,313	0	1,747,759	0	2,793,072
General Government	926,920	0	8,238	0	935,158
Debt Service:					
Principal Retirement	0	112,500	0	0	112,500
Interest and Fiscal Charges	0	50,513	0	0	50,513
Total Expenditures	3,416,273	163,013	1,900,187	0	5,479,473
Excess (Deficiency) of Revenues Over Expenditures	(613,315)	(17,796)	(13,497)	3,950	(640,658)
Other Financing Sources (Uses):					
Sale of Capital Assets	1,720	0	0	0	1,720
Transfers In	749,664	0	0	0	749,664
Transfers Out	0	0	(62,762)	0	(62,762)
Total Other Financing Sources (Uses)	751,384	0	(62,762)	0	688,622
Net Change in Fund Balances	138,069	(17,796)	(76,259)	3,950	47,964
Fund Balances at Beginning of Year	1,160,640	29,866	11,070	475,283	1,676,859
Increase in Inventory	27,957	0	0	0	27,957
Fund Balances End of Year	\$ 1,326,666	\$ 12,070	\$ (65,189)	\$ 479,233	\$ 1,752,780

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Assets:				
Cash and Cash Equivalents	\$ 150,478	\$ 77,570	\$ 3,638	\$ 70,665
Receivables:				
Taxes	25,514	0	0	34,020
Intergovernmental	286,020	23,191	0	0
Inventory of Supplies	49,107	0	0	2,905
Prepaid Items	3,171	0	0	742
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	62,099	0
Total Assets	\$ 514,290	\$ 100,761	\$ 65,737	\$ 108,332
Liabilities:				
Accounts Payable	\$ 14,686	\$ 0	\$ 0	\$ 7,887
Accrued Wages and Benefits Payable	19,245	0	0	8,050
Contracts Payable	617	207	11,291	63
Total Liabilities	34,548	207	11,291	16,000
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	201,688	15,461	62,099	14,678
Total Deferred Inflows of Resources	201,688	15,461	62,099	14,678
Fund Balances:				
Nonspendable	52,278	0	0	3,647
Restricted	225,776	85,093	0	74,007
Committed	0	0	0	0
Unassigned	0	0	(7,653)	0
Total Fund Balances	278,054	85,093	(7,653)	77,654
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 514,290	\$ 100,761	\$ 65,737	\$ 108,332

CITY OF MOUNT VERNON, OHIO

Park Development	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment
\$ 14,303	\$ 3,890	\$ 13,590	\$ 61,523	\$ 61,279	\$ 29,261
0	0	0	0	0	0
0	0	0	0	17,115	0
0	0	0	0	0	0
0	0	0	0	51	0
0	0	0	0	0	0
<u>\$ 14,303</u>	<u>\$ 3,890</u>	<u>\$ 13,590</u>	<u>\$ 61,523</u>	<u>\$ 78,445</u>	<u>\$ 29,261</u>
\$ 0	\$ 1,598	\$ 0	\$ 0	\$ 1,261	\$ 0
0	70	0	0	0	0
0	0	0	0	672	0
0	1,668	0	0	1,933	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
14,303	0	13,590	61,523	76,461	29,261
0	2,222	0	0	0	0
0	0	0	0	0	0
<u>14,303</u>	<u>2,222</u>	<u>13,590</u>	<u>61,523</u>	<u>76,512</u>	<u>29,261</u>
<u>\$ 14,303</u>	<u>\$ 3,890</u>	<u>\$ 13,590</u>	<u>\$ 61,523</u>	<u>\$ 78,445</u>	<u>\$ 29,261</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	DUI Enforcement and Education	Court Computerization	Probation Services	Municipal Court Special Projects
Assets:				
Cash and Cash Equivalents	\$ 43,256	\$ 6,639	\$ 55,972	\$ 71,302
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	925	0	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 43,256	\$ 7,564	\$ 55,972	\$ 71,302
Liabilities:				
Accounts Payable	\$ 0	\$ 1,887	\$ 612	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Contracts Payable	0	0	0	0
Total Liabilities	0	1,887	612	0
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	925	0	0
Restricted	43,256	4,752	55,360	71,302
Committed	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	43,256	5,677	55,360	71,302
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 43,256	\$ 7,564	\$ 55,972	\$ 71,302

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
\$ 101,040	\$ 0	\$ 141,017	\$ 3,946	\$ 4,438	\$ 79,657
0	5,706	0	0	0	571
0	0	335	0	0	0
0	0	0	0	0	0
34,632	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 135,672</u>	<u>\$ 5,706</u>	<u>\$ 141,352</u>	<u>\$ 3,946</u>	<u>\$ 4,438</u>	<u>\$ 80,228</u>
\$ 597	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	5,706	943	0	0	0
<u>597</u>	<u>5,706</u>	<u>943</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
34,632	0	0	0	0	0
100,443	0	140,409	0	0	80,228
0	0	0	3,946	4,438	0
0	0	0	0	0	0
<u>135,075</u>	<u>0</u>	<u>140,409</u>	<u>3,946</u>	<u>4,438</u>	<u>80,228</u>
<u>\$ 135,672</u>	<u>\$ 5,706</u>	<u>\$ 141,352</u>	<u>\$ 3,946</u>	<u>\$ 4,438</u>	<u>\$ 80,228</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Mausoleum</u>
Assets:			
Cash and Cash Equivalents	\$ 74,978	\$ 150,204	\$ 1,864
Receivables:			
Taxes	99,036	99,036	0
Intergovernmental	7,372	4,592	0
Inventory of Supplies	0	0	0
Prepaid Items	0	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Total Assets	<u>\$ 181,386</u>	<u>\$ 253,832</u>	<u>\$ 1,864</u>
Liabilities:			
Accounts Payable	\$ 43,076	\$ 70,198	\$ 0
Accrued Wages and Benefits Payable	14,940	23,752	0
Contracts Payable	0	0	0
Total Liabilities	<u>58,016</u>	<u>93,950</u>	<u>0</u>
Deferred Inflows of Resources:			
Deferred Inflows-Property Tax	69,000	69,000	0
Unavailable Revenue	29,793	29,793	0
Total Deferred Inflows of Resources	<u>98,793</u>	<u>98,793</u>	<u>0</u>
Fund Balances:			
Nonspendable	0	0	0
Restricted	24,577	61,089	1,864
Committed	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>24,577</u>	<u>61,089</u>	<u>1,864</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 181,386</u>	<u>\$ 253,832</u>	<u>\$ 1,864</u>

CITY OF MOUNT VERNON, OHIO

Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 68,886	\$ 1,289,396
0	263,883
0	338,625
0	52,012
0	39,521
<u>0</u>	<u>62,099</u>
<u>\$ 68,886</u>	<u>\$ 2,045,536</u>
\$ 0	\$ 141,802
0	66,057
<u>0</u>	<u>19,499</u>
<u>0</u>	<u>227,358</u>
0	138,000
<u>0</u>	<u>353,512</u>
<u>0</u>	<u>491,512</u>
0	91,533
0	1,163,294
68,886	79,492
<u>0</u>	<u>(7,653)</u>
<u>68,886</u>	<u>1,326,666</u>
<u>\$ 68,886</u>	<u>\$ 2,045,536</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, 2018***

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Revenues:				
Taxes	\$ 224,331	\$ 0	\$ 0	\$ 299,110
Intergovernmental Revenues	619,150	42,471	30,466	0
Charges for Services	0	0	0	53,871
Licenses and Permits	12,638	0	0	0
Investment Earnings	6	6	0	255
Fines and Forfeitures	0	0	0	0
All Other Revenue	9,985	87	0	4,455
Total Revenue	866,110	42,564	30,466	357,691
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	388,617
Leisure Time Activities	0	0	0	0
Transportation	829,147	44,934	43,387	0
General Government	0	0	0	0
Total Expenditures	829,147	44,934	43,387	388,617
Excess (Deficiency) of Revenues Over Expenditures	36,963	(2,370)	(12,921)	(30,926)
Other Financing Sources (Uses):				
Sale of Capital Assets	1,660	0	0	60
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	1,660	0	0	60
Net Change in Fund Balances	38,623	(2,370)	(12,921)	(30,866)
Fund Balances at Beginning of Year	213,772	87,463	5,268	106,222
Increase in Inventory	25,659	0	0	2,298
Fund Balances End of Year	\$ 278,054	\$ 85,093	\$ (7,653)	\$ 77,654

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	111,497	0
1,630	0	0	0	0	0
0	279	0	0	0	0
0	0	0	0	0	0
0	9,742	15,777	84,099	0	15,974
0	76	0	0	1,426	0
<u>1,630</u>	<u>10,097</u>	<u>15,777</u>	<u>84,099</u>	<u>112,923</u>	<u>15,974</u>
0	18,544	14,488	39,435	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	126,724	0
0	0	0	0	0	0
<u>0</u>	<u>18,544</u>	<u>14,488</u>	<u>39,435</u>	<u>126,724</u>	<u>0</u>
1,630	(8,447)	1,289	44,664	(13,801)	15,974
0	0	0	0	0	0
<u>1,600</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,600</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,230	(3,447)	1,289	44,664	(13,801)	15,974
11,073	5,669	12,301	16,859	90,313	13,287
0	0	0	0	0	0
<u>\$ 14,303</u>	<u>\$ 2,222</u>	<u>\$ 13,590</u>	<u>\$ 61,523</u>	<u>\$ 76,512</u>	<u>\$ 29,261</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, 2018**

	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	486	17,798	60,402	24,979
All Other Revenue	0	0	452	0
Total Revenue	486	17,798	60,854	24,979
Expenditures:				
Current:				
Security of Persons and Property	2,749	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	28,825	48,082	0
Total Expenditures	2,749	28,825	48,082	0
Excess (Deficiency) of Revenues Over Expenditures	(2,263)	(11,027)	12,772	24,979
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(2,263)	(11,027)	12,772	24,979
Fund Balances at Beginning of Year	45,519	16,704	42,588	46,323
Increase in Inventory	0	0	0	0
Fund Balances End of Year	\$ 43,256	\$ 5,677	\$ 55,360	\$ 71,302

CITY OF MOUNT VERNON, OHIO

FEMA	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair	Hiawatha Water Park Scholarship
\$ 0	\$ 0	\$ 122,305	\$ 0	\$ 0	\$ 0
636,228	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	440	0
0	0	0	0	0	0
0	59,882	0	12,198	0	0
0	0	0	0	0	1,000
<u>636,228</u>	<u>59,882</u>	<u>122,305</u>	<u>12,198</u>	<u>440</u>	<u>1,000</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	1,121	0
636,228	75,568	122,305	9,956	0	0
<u>636,228</u>	<u>75,568</u>	<u>122,305</u>	<u>9,956</u>	<u>1,121</u>	<u>0</u>
0	(15,686)	0	2,242	(681)	1,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	(15,686)	0	2,242	(681)	1,000
0	150,761	0	138,167	4,627	3,438
0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 135,075</u>	<u>\$ 0</u>	<u>\$ 140,409</u>	<u>\$ 3,946</u>	<u>\$ 4,438</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018**

	Available Petition	Police Pension	Fire Pension	Mausoleum
Revenues:				
Taxes	\$ 12,231	\$ 152,320	\$ 142,886	\$ 0
Intergovernmental Revenues	0	9,617	9,372	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	1
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	2,535	0	0
Total Revenue	<u>12,231</u>	<u>164,472</u>	<u>152,258</u>	<u>1</u>
Expenditures:				
Current:				
Security of Persons and Property	0	360,073	619,801	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	4,000	461	1,495	0
Total Expenditures	<u>4,000</u>	<u>360,534</u>	<u>621,296</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	8,231	(196,062)	(469,038)	1
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	213,347	529,717	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>213,347</u>	<u>529,717</u>	<u>0</u>
Net Change in Fund Balances	8,231	17,285	60,679	1
Fund Balances at Beginning of Year	71,997	7,292	410	1,863
Increase in Inventory	0	0	0	0
Fund Balances End of Year	<u>\$ 80,228</u>	<u>\$ 24,577</u>	<u>\$ 61,089</u>	<u>\$ 1,864</u>

CITY OF MOUNT VERNON, OHIO

Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 953,183
0	1,458,801
463	55,964
0	13,357
32	300
0	301,337
0	20,016
<u>495</u>	<u>2,802,958</u>
0	1,055,090
0	388,617
333	333
0	1,045,313
0	926,920
<u>333</u>	<u>3,416,273</u>
162	(613,315)
0	1,720
0	749,664
<u>0</u>	<u>751,384</u>
162	138,069
68,724	1,160,640
0	27,957
<u>\$ 68,886</u>	<u>\$ 1,326,666</u>

CITY OF MOUNT VERNON, OHIO

***Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018***

	TIF District- Industrial Area	Roads and Bridges Capital Improvement	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 0	\$ 28,170	\$ 28,170
Receivables:			
Taxes	61,000	145,702	206,702
Total Assets	\$ 61,000	\$ 173,872	\$ 234,872
Liabilities:			
Contracts Payable	\$ 0	\$ 144,190	\$ 144,190
Retainage Payable	0	66,694	66,694
Total Liabilities	0	210,884	210,884
Deferred Inflows of Resources:			
Deferred Inflows-Property Tax	61,000	0	61,000
Unavailable Revenue	0	28,177	28,177
Total Deferred Inflows of Resources	61,000	28,177	89,177
Fund Balances:			
Unassigned	0	(65,189)	(65,189)
Total Fund Balances	0	(65,189)	(65,189)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 61,000	\$ 173,872	\$ 234,872

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, 2018**

	B&O Railroad Depot	TIF District- Industrial Area	Roads and Bridges Capital Improvement	Total Nonmajor Capital Project Funds
Revenues:				
Taxes	\$ 0	\$ 60,951	\$ 1,599,490	\$ 1,660,441
Intergovernmental Revenues	0	0	226,249	226,249
Total Revenue	0	60,951	1,825,739	1,886,690
Expenditures:				
Current:				
Security of Persons and Property	0	0	144,190	144,190
Transportation	0	1,021	1,746,738	1,747,759
General Government	8,238	0	0	8,238
Total Expenditures	8,238	1,021	1,890,928	1,900,187
Excess (Deficiency) of Revenues Over Expenditures	(8,238)	59,930	(65,189)	(13,497)
Other Financing Sources (Uses):				
Transfers Out	0	(62,762)	0	(62,762)
Total Other Financing Sources (Uses)	0	(62,762)	0	(62,762)
Net Change in Fund Balances	(8,238)	(2,832)	(65,189)	(76,259)
Fund Balances at Beginning of Year	8,238	2,832	0	11,070
Fund Balances End of Year	\$ 0	\$ 0	\$ (65,189)	\$ (65,189)

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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 526,300	\$ 526,300	\$ 629,947	\$ 103,647
Municipal Income Tax	3,884,000	3,884,000	4,216,840	332,840
Other Local Taxes	6,500	6,500	7,338	838
Total Tax Revenues	<u>4,416,800</u>	<u>4,416,800</u>	<u>4,854,125</u>	<u>437,325</u>
Intergovernmental Revenues:				
State Levied Shared Taxes	240,500	286,022	291,572	5,550
Intergovernmental Revenues	300,763	1,212,215	664,338	(547,877)
Total Intergovernmental Revenues	<u>541,263</u>	<u>1,498,237</u>	<u>955,910</u>	<u>(542,327)</u>
Charges for Services	1,967,477	1,985,800	1,994,630	8,830
Licenses and Permits	8,200	8,277	56,420	48,143
Investment Earnings	50,000	50,000	160,770	110,770
Fines and Forfeitures	525,000	525,000	679,015	154,015
All Other Revenues	109,000	331,975	347,821	15,846
Total Revenues	<u>7,617,740</u>	<u>8,816,089</u>	<u>9,048,691</u>	<u>232,602</u>
Expenditures:				
Security of Persons and Property:				
Police Division:				
Personal Services	0	2,765	2,754	11
Travel and Transportation	15,676	18,512	2,747	15,765
Materials and Supplies	1,162	6,394	5,881	513
Contractual Services	6,000	15,892	14,325	1,567
Capital Outlay	0	102,672	101,445	1,227
Total Police Division	<u>22,838</u>	<u>146,235</u>	<u>127,152</u>	<u>19,083</u>
Fire and E.M.S. Division:				
Personal Services	0	2,200	2,168	32
Travel and Transportation	11,827	14,476	1,935	12,541
Materials and Supplies	0	7,104	7,017	87
Contractual Services	0	5,392	5,069	323
Capital Outlay	0	36,242	24,341	11,901
Total Fire and E.M.S. Division	<u>11,827</u>	<u>65,414</u>	<u>40,530</u>	<u>24,884</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	21,000	21,000	16,147	4,853
Contractual Services	220,000	241,890	235,852	6,038
Public Defender:				
Contractual Services	22,500	45,000	45,000	0
Debt Services:				
Principal Retirement	13,521	13,521	13,521	0
Interest and Fiscal Charges	14,354	14,354	14,354	0
Total Miscellaneous	<u>291,375</u>	<u>335,765</u>	<u>324,874</u>	<u>10,891</u>
Total Security of Persons and Property	<u>326,040</u>	<u>547,414</u>	<u>492,556</u>	<u>54,858</u>
Public Health and Welfare Services:				
Police Division:				
Contractual Services	0	20,977	20,977	0
Total Police Division	<u>0</u>	<u>20,977</u>	<u>20,977</u>	<u>0</u>
Humane Officer:				
Travel and Transportation	5,000	8,000	5,325	2,675
Contractual Services	23,000	33,700	32,736	964
Total Humane Officer	<u>28,000</u>	<u>41,700</u>	<u>38,061</u>	<u>3,639</u>
Health Department:				
Contractual Services	55,000	55,000	55,000	0
Total Health Department	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
Total Public Health and Welfare Services	<u>83,000</u>	<u>117,677</u>	<u>114,038</u>	<u>3,639</u>
Leisure Time Activities:				
Parks:				
Personal Services	291,850	289,260	264,846	24,414
Travel and Transportation	500	500	379	121
Materials and Supplies	12,700	13,553	9,860	3,693
Contractual Services	173,000	215,341	194,291	21,050
Capital Outlay	25,000	25,000	0	25,000
Total Parks	<u>503,050</u>	<u>543,654</u>	<u>469,376</u>	<u>74,278</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Recreation:				
Personal Services	13,500	13,500	13,424	76
Materials and Supplies	4,966	5,046	3,881	1,165
Contractual Services	12,805	12,805	8,819	3,986
Total Recreation	<u>31,271</u>	<u>31,351</u>	<u>26,124</u>	<u>5,227</u>
Pool:				
Personal Services	206,000	205,500	178,740	26,760
Travel and Transportation	4,000	4,200	1,800	2,400
Materials and Supplies	72,500	99,810	82,334	17,476
Contractual Services	86,000	94,369	80,605	13,764
Capital Outlay	78,000	51,000	12,081	38,919
Total Pool	<u>446,500</u>	<u>454,879</u>	<u>355,560</u>	<u>99,319</u>
Total Leisure Time Activities	<u>980,821</u>	<u>1,029,884</u>	<u>851,060</u>	<u>178,824</u>
Community Environment:				
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:				
Materials and Supplies	26,500	26,548	26,230	318
Contractual Services	26,955	26,955	11,370	15,585
Total Community Environment	<u>53,455</u>	<u>53,503</u>	<u>37,600</u>	<u>15,903</u>
Transportation:				
Miscellaneous:				
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:				
Materials and Supplies	34,000	36,000	35,731	269
Contractual Services	10,000	9,600	3,538	6,062
Total Transportation	<u>44,000</u>	<u>45,600</u>	<u>39,269</u>	<u>6,331</u>
General Government:				
Council:				
Personal Services	67,024	67,024	66,725	299
Travel and Transportation	1,000	500	370	130
Materials and Supplies	950	998	598	400
Contractual Services	200	200	0	200
Total Council	<u>69,174</u>	<u>68,722</u>	<u>67,693</u>	<u>1,029</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	115,514	115,514	115,398	116
Travel and Transportation	500	0	0	0
Materials and Supplies	3,725	3,783	3,019	764
Contractual Services	450	450	75	375
Total Mayor	<u>120,189</u>	<u>119,747</u>	<u>118,492</u>	<u>1,255</u>
Auditor:				
Personal Services	283,816	300,316	279,052	21,264
Travel and Transportation	500	500	100	400
Materials and Supplies	102,500	106,278	95,705	10,573
Contractual Services	22,893	23,393	20,852	2,541
Total Auditor	<u>409,709</u>	<u>430,487</u>	<u>395,709</u>	<u>34,778</u>
Treasurer:				
Personal Services	8,888	8,888	8,790	98
Materials and Supplies	300	350	330	20
Total Treasurer	<u>9,188</u>	<u>9,238</u>	<u>9,120</u>	<u>118</u>
Law Director:				
Personal Services	281,322	360,995	343,406	17,589
Travel and Transportation	3,000	3,241	1,194	2,047
Materials and Supplies	15,000	16,435	14,105	2,330
Contractual Services	11,000	11,000	5,197	5,803
Total Law Director	<u>310,322</u>	<u>391,671</u>	<u>363,902</u>	<u>27,769</u>
Income Tax:				
Personal Services	146,000	150,058	150,058	0
Travel and Transportation	3,000	1,442	753	689
Materials and Supplies	17,800	22,427	21,768	659
Contractual Services	145,000	245,240	241,446	3,794
Capital Outlay	3,000	2,000	505	1,495
Total Income Tax	<u>314,800</u>	<u>421,167</u>	<u>414,530</u>	<u>6,637</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	706,384	753,175	720,835	32,340
Travel and Transportation	14,000	12,680	7,912	4,768
Materials and Supplies	53,759	76,243	68,459	7,784
Contractual Services	17,566	142,934	129,281	13,653
Capital Outlay	(3,400)	89	0	89
Total Municipal Court	788,309	985,121	926,487	58,634
Civil Services:				
Personal Services	10,650	10,650	10,626	24
Materials and Supplies	4,000	10,775	9,881	894
Total Civil Services	14,650	21,425	20,507	918
Safety Service:				
Personal Services	174,700	174,925	168,696	6,229
Travel and Transportation	250	250	0	250
Materials and Supplies	7,100	7,682	6,716	966
Contractual Services	46,200	78,628	76,651	1,977
Total Safety Service	228,250	261,485	252,063	9,422
Engineering:				
Personal Services	310,100	331,259	330,376	883
Travel and Transportation	3,500	2,500	1,051	1,449
Materials and Supplies	17,500	16,998	15,689	1,309
Contractual Services	709,500	916,555	739,683	176,872
Capital Outlay	10,000	2,000	1,014	986
Total Engineering	1,050,600	1,269,312	1,087,813	181,499
Public Land and Buildings:				
Personal Services	79,000	81,855	79,656	2,199
Travel and Transportation	400	400	218	182
Materials and Supplies	25,000	40,370	37,120	3,250
Contractual Services	502,500	593,696	556,474	37,222
Total Public Land and Buildings	606,900	716,321	673,468	42,853

(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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	33,080	22,650	10,430
Materials and Supplies	0	463,267	285,697	177,570
Total Summer Work Program	0	496,347	308,347	188,000
Miscellaneous:				
Personal Services	2,083,000	2,266,052	2,220,227	45,825
Materials and Supplies	8,439	8,439	5,290	3,149
Contractual Services	965,125	988,086	372,472	615,614
Total Miscellaneous	3,056,564	3,262,577	2,597,989	664,588
Total General Government	6,978,655	8,453,620	7,236,120	1,217,500
Total Expenditures	8,465,971	10,247,698	8,770,643	1,477,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	(848,231)	(1,431,609)	278,048	1,709,657
Other Financing Sources (Uses):				
Sale of Capital Assets	0	10,582	23,589	13,007
Transfers Out	(377,040)	(376,540)	(326,758)	49,782
Total Other Financing Sources (Uses)	(377,040)	(365,958)	(303,169)	62,789
Net Change in Fund Balance	(1,225,271)	(1,797,567)	(25,121)	1,772,446
Fund Balance at Beginning of Year	1,217,846	1,217,846	1,217,846	0
Prior Year Encumbrances	579,725	579,725	579,725	0
Fund Balance at End of Year	\$ 572,300	\$ 4	\$ 1,772,450	\$ 1,772,446

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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,550,000	\$ 3,550,000	\$ 4,004,985	\$ 454,985
All Other Revenues	0	0	15,139	15,139
Total Revenues	3,550,000	3,550,000	4,020,124	470,124
Expenditures:				
Security of Persons and Property:				
Personal Services	3,708,673	3,708,173	3,707,539	634
Contractual Services	0	500	90	410
Total Expenditures	3,708,673	3,708,673	3,707,629	1,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	(158,673)	(158,673)	312,495	471,168
Fund Balance at Beginning of Year	158,673	158,673	158,673	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 471,168	\$ 471,168

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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,550,000	\$ 3,550,000	\$ 4,004,985	\$ 454,985
Intergovernmental Revenues	0	14,929	14,377	(552)
Charges for Services	0	0	13,300	13,300
All Other Revenues	0	0	15,802	15,802
Total Revenues	<u>3,550,000</u>	<u>3,564,929</u>	<u>4,048,464</u>	<u>483,535</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	1,875,254	1,850,430	1,847,012	3,418
Materials and Supplies	352,240	380,648	342,423	38,225
Contractual Services	537,506	556,787	501,168	55,619
Capital Outlay	35,000	34,000	31,946	2,054
Total Expenditures	<u>2,800,000</u>	<u>2,821,865</u>	<u>2,722,549</u>	<u>99,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	750,000	743,064	1,325,915	582,851
Other Financing Sources (Uses):				
Transfers Out	<u>(750,000)</u>	<u>(743,064)</u>	<u>(743,064)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(750,000)</u>	<u>(743,064)</u>	<u>(743,064)</u>	<u>0</u>
Net Change in Fund Balance	0	0	582,851	582,851
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 582,851</u>	<u>\$ 582,851</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 755,441	\$ 755,441	\$ 743,941	\$ (11,500)
Investment Earnings	0	0	2	2
All Other Revenues	0	0	4,596	4,596
Total Revenues	<u>755,441</u>	<u>755,441</u>	<u>748,539</u>	<u>(6,902)</u>
Expenditures:				
Community Environment:				
Contractual Services	<u>776,380</u>	<u>884,655</u>	<u>856,735</u>	<u>27,920</u>
Total Expenditures	<u>776,380</u>	<u>884,655</u>	<u>856,735</u>	<u>27,920</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,939)	(129,214)	(108,196)	21,018
Fund Balance at Beginning of Year	20,939	20,939	20,939	0
Prior Year Encumbrances	<u>108,275</u>	<u>108,275</u>	<u>108,275</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 108,275</u>	<u>\$ 0</u>	<u>\$ 21,018</u>	<u>\$ 21,018</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Debt Service:				
Principal Retirement	480,000	480,000	480,000	0
Interest and Fiscal Charges	<u>125,525</u>	<u>125,525</u>	<u>107,762</u>	<u>17,763</u>
Total Expenditures	<u>605,525</u>	<u>605,525</u>	<u>587,762</u>	<u>17,763</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(605,525)	(605,525)	(587,762)	17,763
Other Financing Sources (Uses):				
Transfers In	<u>605,525</u>	<u>605,525</u>	<u>587,762</u>	<u>(17,763)</u>
Total Other Financing Sources (Uses)	<u>605,525</u>	<u>605,525</u>	<u>587,762</u>	<u>(17,763)</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>\$ 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)
Major Funds – Capital Projects Fund – Capital Improvement Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 1,306,500	\$ 1,306,500	\$ 1,481,965	\$ 175,465
All Other Revenues	0	0	921	921
Total Revenues	1,306,500	1,306,500	1,482,886	176,386
Expenditures:				
Security of Persons and Property:				
Police:				
Capital Outlay	0	7,500	7,500	0
Total Security of Persons and Property	0	7,500	7,500	0
Public Health and Welfare:				
Capital Outlay	40,846	40,400	34,695	5,705
Total Public Health and Welfare	40,846	40,400	34,695	5,705
Leisure Time Activities:				
Parks:				
Capital Outlay	102,240	124,946	124,861	85
Total Leisure Time Activities	102,240	124,946	124,861	85
Transportation:				
Street:				
Capital Outlay	270,365	311,452	230,675	80,777
Total Transportation	270,365	311,452	230,675	80,777
General Government:				
Auditor:				
Contractual Services	0	250	35	215
Capital Outlay	0	17,154	17,154	0
Income Tax:				
Capital Outlay	33,414	33,414	33,414	0
Public Lands and Buildings:				
Capital Outlay	803,500	803,500	79,837	723,663
Total General Government	836,914	854,318	130,440	723,878
Total Expenditures	1,250,365	1,338,616	528,171	810,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,135	(32,116)	954,715	986,831
Fund Balance at Beginning of Year	126,996	126,996	126,996	0
Prior Year Encumbrances	74,251	74,251	74,251	0
Fund Balance at End of Year	\$ 257,382	\$ 169,131	\$ 1,155,962	\$ 986,831

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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,293,260	\$ (6,740)
Total Revenues	1,300,000	1,300,000	1,293,260	(6,740)
Expenditures:				
Transportation:				
Street:				
Contractual Services	455,000	531,000	523,841	7,159
Capital Outlay	4,341,867	4,307,288	792,827	3,514,461
Total Expenditures	4,796,867	4,838,288	1,316,668	3,521,620
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,496,867)	(3,538,288)	(23,408)	3,514,880
Other Financing Sources (Uses):				
Transfers Out	(210,000)	(210,000)	(204,842)	5,158
Total Other Financing Sources (Uses)	(210,000)	(210,000)	(204,842)	5,158
Net Change in Fund Balance	(3,706,867)	(3,748,288)	(228,250)	3,520,038
Fund Balance at Beginning of Year	3,706,867	3,706,867	3,706,867	0
Prior Year Encumbrances	41,421	41,421	41,421	0
Fund Balance at End of Year	\$ 41,421	\$ 0	\$ 3,520,038	\$ 3,520,038

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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR				
Revenues:				
Municipal Income Taxes	\$ 201,000	\$ 201,000	\$ 227,994	\$ 26,994
Intergovernmental Revenues	589,000	589,000	618,325	29,325
Licenses and Permits	500	500	12,638	12,138
Investment Earnings	0	0	6	6
All Other Revenues	0	0	9,985	9,985
Total Revenues	<u>790,500</u>	<u>790,500</u>	<u>868,948</u>	<u>78,448</u>
Expenditures:				
Transportation:				
Personal Services	784,500	804,168	782,501	21,667
Travel and Transportation	2,000	2,000	1,673	327
Materials and Supplies	41,478	27,939	17,744	10,195
Contractual Services	44,900	59,143	43,723	15,420
Total Expenditures	<u>872,878</u>	<u>893,250</u>	<u>845,641</u>	<u>47,609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,378)	(102,750)	23,307	126,057
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	1,660	1,660
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,660</u>	<u>1,660</u>
Net Change in Fund Balance	(82,378)	(102,750)	24,967	127,717
Fund Balance at Beginning of Year	82,378	82,378	82,378	0
Prior Year Encumbrances	20,372	20,372	20,372	0
Fund Balance at End of Year	<u>\$ 20,372</u>	<u>\$ 0</u>	<u>\$ 127,717</u>	<u>\$ 127,717</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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 48,000	\$ 48,000	\$ 50,134	\$ 2,134
Investment Earnings	0	0	6	6
All Other Revenues	0	0	87	87
Total Revenues	<u>48,000</u>	<u>48,000</u>	<u>50,227</u>	<u>2,227</u>
Expenditures:				
Transportation:				
Capital Outlay	127,376	128,716	54,560	74,156
Total Expenditures	<u>127,376</u>	<u>128,716</u>	<u>54,560</u>	<u>74,156</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(79,376)	(80,716)	(4,333)	76,383
Fund Balance at Beginning of Year	79,376	79,376	79,376	0
Prior Year Encumbrances	1,340	1,340	1,340	0
Fund Balance at End of Year	<u>\$ 1,340</u>	<u>\$ 0</u>	<u>\$ 76,383</u>	<u>\$ 76,383</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, 2018***

PERMISSIVE AUTO LICENSE TAX				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Intergovernmental Revenues	\$ 78,000	\$ 78,000	\$ 30,466	\$ (47,534)
Total Revenues	<u>78,000</u>	<u>78,000</u>	<u>30,466</u>	<u>(47,534)</u>
Expenditures:				
Transportation:				
Capital Outlay	82,128	83,268	33,071	50,197
Total Expenditures	<u>82,128</u>	<u>83,268</u>	<u>33,071</u>	<u>50,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,128)	(5,268)	(2,605)	2,663
Fund Balance at Beginning of Year	4,128	4,128	4,128	0
Prior Year Encumbrances	1,140	1,140	1,140	0
Fund Balance at End of Year	<u>\$ 1,140</u>	<u>\$ 0</u>	<u>\$ 2,663</u>	<u>\$ 2,663</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, 2018***

CEMETERY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 268,000	\$ 268,000	\$ 303,993	\$ 35,993
Charges for Services	57,000	57,000	53,872	(3,128)
Investment Earnings	200	200	255	55
All Other Revenues	0	0	4,455	4,455
Total Revenues	<u>325,200</u>	<u>325,200</u>	<u>362,575</u>	<u>37,375</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	330,900	344,557	336,569	7,988
Travel and Transportation	600	178	48	130
Materials and Supplies	15,600	17,522	14,474	3,048
Contractual Services	54,100	50,716	43,555	7,161
Capital Outlay	5,809	7,674	6,721	953
Total Expenditures	<u>407,009</u>	<u>420,647</u>	<u>401,367</u>	<u>19,280</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(81,809)	(95,447)	(38,792)	56,655
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	60	60
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>60</u>	<u>60</u>
Net Change in Fund Balance	(81,809)	(95,447)	(38,732)	56,715
Fund Balance at Beginning of Year	81,809	81,809	81,809	0
Prior Year Encumbrances	13,638	13,638	13,638	0
Fund Balance at End of Year	<u>\$ 13,638</u>	<u>\$ 0</u>	<u>\$ 56,715</u>	<u>\$ 56,715</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, 2018***

PARK DEVELOPMENT				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 1,000	\$ 1,000	\$ 1,630	\$ 630
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,630</u>	<u>630</u>
Expenditures:				
Leisure Time Activities:				
Capital Outlay	13,073	13,073	0	13,073
Total Expenditures	<u>13,073</u>	<u>13,073</u>	<u>0</u>	<u>13,073</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,073)	(12,073)	1,630	13,703
Other Financing Sources (Uses):				
Transfers In	1,000	1,000	1,600	600
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>1,600</u>	<u>600</u>
Net Change in Fund Balance	(11,073)	(11,073)	3,230	14,303
Fund Balance at Beginning of Year	11,073	11,073	11,073	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,303</u>	<u>\$ 14,303</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, 2018***

	PARKING			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses and Permits	\$ 0	\$ 0	\$ 279	\$ 279
Fines and Forfeitures	5,000	5,000	9,742	4,742
All Other Revenues	0	0	76	76
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>10,097</u>	<u>5,097</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	15,470	15,680	10,345	5,335
Contractual Services	4,695	10,895	8,809	2,086
Total Expenditures	<u>20,165</u>	<u>26,575</u>	<u>19,154</u>	<u>7,421</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(15,165)	(21,575)	(9,057)	12,518
Other Financing Sources (Uses):				
Transfers In	10,000	15,000	5,000	(10,000)
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>15,000</u>	<u>5,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	(5,165)	(6,575)	(4,057)	2,518
Fund Balance at Beginning of Year	5,165	5,165	5,165	0
Prior Year Encumbrances	1,410	1,410	1,410	0
Fund Balance at End of Year	<u>\$ 1,410</u>	<u>\$ 0</u>	<u>\$ 2,518</u>	<u>\$ 2,518</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, 2018***

	LAW ENFORCEMENT TRUST			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 0	\$ 15,777	\$ 15,777	\$ 0
Total Revenues	<u>0</u>	<u>15,777</u>	<u>15,777</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	14,488	14,488	0
Total Expenditures	<u>0</u>	<u>14,488</u>	<u>14,488</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	1,289	1,289	0
Fund Balance at Beginning of Year	<u>12,301</u>	<u>12,301</u>	<u>12,301</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,301</u>	<u>\$ 13,590</u>	<u>\$ 13,590</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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DRUG ENFORCEMENT TRUST				
Revenues:				
Fines and Forfeitures	\$ 0	\$ 84,099	\$ 84,099	\$ 0
Total Revenues	<u>0</u>	<u>84,099</u>	<u>84,099</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	39,435	39,435	0
Total Expenditures	<u>0</u>	<u>39,435</u>	<u>39,435</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	44,664	44,664	0
Fund Balance at Beginning of Year	<u>16,859</u>	<u>16,859</u>	<u>16,859</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,859</u>	<u>\$ 61,523</u>	<u>\$ 61,523</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, 2018***

PERMISSIVE LICENSE REGISTRATION				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 107,000	\$ 107,000	\$ 112,065	\$ 5,065
All Other Revenues	0	2,332	1,426	(906)
Total Revenues	<u>107,000</u>	<u>109,332</u>	<u>113,491</u>	<u>4,159</u>
Expenditures:				
Transportation:				
Materials and Supplies	154,169	163,579	115,601	47,978
Contractual Services	20,500	22,624	21,721	903
Total Expenditures	<u>174,669</u>	<u>186,203</u>	<u>137,322</u>	<u>48,881</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,669)	(76,871)	(23,831)	53,040
Fund Balance at Beginning of Year	67,669	67,669	67,669	0
Prior Year Encumbrances	9,202	9,202	9,202	0
Fund Balance at End of Year	<u>\$ 9,202</u>	<u>\$ 0</u>	<u>\$ 53,040</u>	<u>\$ 53,040</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, 2018***

INDIGENT DRIVERS ALCOHOL TREATMENT				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 15,977	\$ 3,977
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>15,977</u>	<u>3,977</u>
Expenditures:				
General Government:				
Contractual Services	24,134	24,634	250	24,384
Total Expenditures	<u>24,134</u>	<u>24,634</u>	<u>250</u>	<u>24,384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,134)	(12,634)	15,727	28,361
Fund Balance at Beginning of Year	12,134	12,134	12,134	0
Prior Year Encumbrances	500	500	500	0
Fund Balance at End of Year	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 28,361</u>	<u>\$ 28,361</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, 2018***

DUI - ENFORCEMENT AND EDUCATION				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Fines and Forfeitures	\$ 750	\$ 750	\$ 560	\$ (190)
Total Revenues	<u>750</u>	<u>750</u>	<u>560</u>	<u>(190)</u>
Expenditures:				
General Government:				
Contractual Services	46,195	46,195	2,749	43,446
Total Expenditures	<u>46,195</u>	<u>46,195</u>	<u>2,749</u>	<u>43,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,445)	(45,445)	(2,189)	43,256
Fund Balance at Beginning of Year	<u>45,445</u>	<u>45,445</u>	<u>45,445</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,256</u>	<u>\$ 43,256</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 18,290	\$ 3,290
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>18,290</u>	<u>3,290</u>
Expenditures:				
General Government:				
Contractual Services	29,215	29,215	28,421	794
Total Expenditures	<u>29,215</u>	<u>29,215</u>	<u>28,421</u>	<u>794</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,215)	(14,215)	(10,131)	4,084
Fund Balance at Beginning of Year	<u>14,215</u>	<u>14,215</u>	<u>14,215</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,084</u>	<u>\$ 4,084</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, 2018***

PROBATION SERVICES				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 40,000	\$ 40,000	\$ 60,678	\$ 20,678
All Other Revenues	0	0	452	452
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>61,130</u>	<u>21,130</u>
Expenditures:				
General Government:				
Personal Services	33,750	51,580	48,520	3,060
Materials and Supplies	44,781	27,211	0	27,211
Total Expenditures	<u>78,531</u>	<u>78,791</u>	<u>48,520</u>	<u>30,271</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,531)	(38,791)	12,610	51,401
Fund Balance at Beginning of Year	38,531	38,531	38,531	0
Prior Year Encumbrances	260	260	260	0
Fund Balance at End of Year	<u>\$ 260</u>	<u>\$ 0</u>	<u>\$ 51,401</u>	<u>\$ 51,401</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, 2018***

MUNICIPAL COURT SPECIAL PROJECTS				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Fines and Forfeitures	\$ 24,000	\$ 24,000	\$ 25,565	\$ 1,565
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>25,565</u>	<u>1,565</u>
Expenditures:				
General Government:				
Materials and Supplies	68,622	68,622	0	68,622
Total Expenditures	<u>68,622</u>	<u>68,622</u>	<u>0</u>	<u>68,622</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,622)	(44,622)	25,565	70,187
Fund Balance at Beginning of Year	<u>44,622</u>	<u>44,622</u>	<u>44,622</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,187</u>	<u>\$ 70,187</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 636,228	\$ 636,228	\$ 636,228	\$ 0
Total Revenues	<u>636,228</u>	<u>636,228</u>	<u>636,228</u>	<u>0</u>
Expenditures:				
General Government:				
Materials and Supplies	636,228	636,228	636,228	0
Total Expenditures	<u>636,228</u>	<u>636,228</u>	<u>636,228</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018***

COURT CLERK COMPUTER				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 55,000	\$ 55,000	\$ 61,551	\$ 6,551
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>61,551</u>	<u>6,551</u>
Expenditures:				
General Government:				
Personal Services	3,800	3,800	3,600	200
Contractual Services	163,664	166,714	74,865	91,849
Total Expenditures	<u>167,464</u>	<u>170,514</u>	<u>78,465</u>	<u>92,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,464)	(115,514)	(16,914)	98,600
Fund Balance at Beginning of Year	112,464	112,464	112,464	0
Prior Year Encumbrances	3,050	3,050	3,050	0
Fund Balance at End of Year	<u>\$ 3,050</u>	<u>\$ 0</u>	<u>\$ 98,600</u>	<u>\$ 98,600</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 120,000	\$ 122,798	\$ 122,798	\$ 0
Total Revenues	<u>120,000</u>	<u>122,798</u>	<u>122,798</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	120,000	122,798	122,798	0
Total Expenditures	<u>120,000</u>	<u>122,798</u>	<u>122,798</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018***

DRIVERS INTERLOCK & ALCOHOL MONITORING				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 12,447	\$ 2,447
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>12,447</u>	<u>2,447</u>
Expenditures:				
General Government:				
Contractual Services	146,297	147,297	9,013	138,284
Total Expenditures	<u>146,297</u>	<u>147,297</u>	<u>9,013</u>	<u>138,284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(136,297)	(137,297)	3,434	140,731
Fund Balance at Beginning of Year	136,297	136,297	136,297	0
Prior Year Encumbrances	1,000	1,000	1,000	0
Fund Balance at End of Year	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ 140,731</u>	<u>\$ 140,731</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, 2018***

	PUBLIC SERVICE STREET REPAIR			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Licenses and Permits	\$ 1,050	\$ 1,050	\$ 440	\$ (610)
Total Revenues	<u>1,050</u>	<u>1,050</u>	<u>440</u>	<u>(610)</u>
Expenditures:				
General Government:				
Capital Outlay	4,880	5,677	1,121	4,556
Total Expenditures	<u>4,880</u>	<u>5,677</u>	<u>1,121</u>	<u>4,556</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,830)	(4,627)	(681)	3,946
Fund Balance at Beginning of Year	3,830	3,830	3,830	0
Prior Year Encumbrances	797	797	797	0
Fund Balance at End of Year	<u>\$ 797</u>	<u>\$ 0</u>	<u>\$ 3,946</u>	<u>\$ 3,946</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, 2018***

HIAWATHA WATER PARK SCHOLARSHIP				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 1,000	\$ 1,000
Total Revenues	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Expenditures:				
General Government:				
Materials and Supplies	3,438	3,438	0	3,438
Total Expenditures	<u>3,438</u>	<u>3,438</u>	<u>0</u>	<u>3,438</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,438)	(3,438)	1,000	4,438
Fund Balance at Beginning of Year	<u>3,438</u>	<u>3,438</u>	<u>3,438</u>	<u>0</u>
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, 2018***

	AVAILABLE PETITION			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Other Local Taxes	\$ 10,000	\$ 10,000	\$ 11,970	\$ 1,970
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>11,970</u>	<u>1,970</u>
Expenditures:				
General Government:				
Contractual Services	81,687	81,687	4,000	77,687
Total Expenditures	<u>81,687</u>	<u>81,687</u>	<u>4,000</u>	<u>77,687</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,687)	(71,687)	7,970	79,657
Fund Balance at Beginning of Year	<u>71,687</u>	<u>71,687</u>	<u>71,687</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 79,657</u>	<u>\$ 79,657</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, 2018***

	POLICE PENSION			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$ 64,500	\$ 64,500	\$ 72,826	\$ 8,326
Municipal Income Taxes	67,000	67,000	80,715	13,715
Intergovernmental Revenues	9,000	9,000	9,372	372
All Other Revenues	0	0	2,535	2,535
Total Revenues	<u>140,500</u>	<u>140,500</u>	<u>165,448</u>	<u>24,948</u>
Expenditures:				
Security of Persons and Property				
Personal Services	380,489	422,023	399,231	22,792
General Government:				
Contractual Services	1,500	1,500	461	1,039
Total Expenditures	<u>381,989</u>	<u>423,523</u>	<u>399,692</u>	<u>23,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(241,489)	(283,023)	(234,244)	48,779
Other Financing Sources (Uses):				
Transfers In	233,168	233,168	213,347	(19,821)
Total Other Financing Sources (Uses)	<u>233,168</u>	<u>233,168</u>	<u>213,347</u>	<u>(19,821)</u>
Net Change in Fund Balance	(8,321)	(49,855)	(20,897)	28,958
Fund Balance at Beginning of Year	8,321	8,321	8,321	0
Prior Year Encumbrances	41,534	41,534	41,534	0
Fund Balance at End of Year	<u>\$ 41,534</u>	<u>\$ 0</u>	<u>\$ 28,958</u>	<u>\$ 28,958</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, 2018***

	FIRE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 64,500	\$ 64,500	\$ 72,826	\$ 8,326
Municipal Income Taxes	67,000	67,000	71,281	4,281
Intergovernmental Revenues	9,000	9,000	9,372	372
Total Revenues	<u>140,500</u>	<u>140,500</u>	<u>153,479</u>	<u>12,979</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	655,378	723,998	700,987	23,011
General Government:				
Contractual Services	1,500	1,520	1,495	25
Total Expenditures	<u>656,878</u>	<u>725,518</u>	<u>702,482</u>	<u>23,036</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(516,378)	(585,018)	(549,003)	36,015
Other Financing Sources (Uses):				
Transfers In	508,168	508,168	529,717	21,549
Total Other Financing Sources (Uses)	<u>508,168</u>	<u>508,168</u>	<u>529,717</u>	<u>21,549</u>
Net Change in Fund Balance	(8,210)	(76,850)	(19,286)	57,564
Fund Balance at Beginning of Year	8,210	8,210	8,210	0
Prior Year Encumbrances	68,640	68,640	68,640	0
Fund Balance at End of Year	<u>\$ 68,640</u>	<u>\$ 0</u>	<u>\$ 57,564</u>	<u>\$ 57,564</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, 2018***

	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
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	1,863	1,863	0	1,863
Total Expenditures	<u>1,863</u>	<u>1,863</u>	<u>0</u>	<u>1,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,863)	(1,863)	1	1,864
Fund Balance at Beginning of Year	<u>1,863</u>	<u>1,863</u>	<u>1,863</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,864</u>	<u>\$ 1,864</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, 2018***

VETERANS HONOR WALKWAY				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 1,000	\$ 1,000	\$ 463	\$ (537)
Investment Earnings	5	5	32	27
Total Revenues	1,005	1,005	495	(510)
Expenditures:				
Leisure Time Activities				
Materials and Supplies	67,178	67,227	241	66,986
Contractual Services	2,500	2,500	140	2,360
Total Expenditures	69,678	69,727	381	69,346
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,673)	(68,722)	114	68,836
Fund Balance at Beginning of Year	68,676	68,676	68,676	0
Prior Year Encumbrances	48	48	48	0
Fund Balance at End of Year	\$ 51	\$ 2	\$ 68,838	\$ 68,836

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, 2018***

GENERAL BOND RETIREMENT - INCOME TAX				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Tax	\$ 145,260	\$ 145,260	\$ 145,217	\$ (43)
Total Revenues	<u>145,260</u>	<u>145,260</u>	<u>145,217</u>	<u>(43)</u>
Expenditures:				
Debt Service:				
Principal Retirement	112,500	112,500	112,500	0
Interest and Fiscal Charges	50,521	50,522	50,513	9
Total Expenditures	<u>163,021</u>	<u>163,022</u>	<u>163,013</u>	<u>9</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,761)	(17,762)	(17,796)	(34)
Fund Balance at Beginning of Year	<u>29,866</u>	<u>29,866</u>	<u>29,866</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,105</u>	<u>\$ 12,104</u>	<u>\$ 12,070</u>	<u>\$ (34)</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
General Government:				
Materials and Supplies	<u>8,238</u>	<u>8,238</u>	<u>8,238</u>	<u>0</u>
Total Expenditures	<u>8,238</u>	<u>8,238</u>	<u>8,238</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,238)</u>	<u>(8,238)</u>	<u>(8,238)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>8,238</u>	<u>8,238</u>	<u>8,238</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 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 Capital Projects Funds
For the Year Ended December 31, 2018***

TIF DISTRICT-INDUSTRIAL AREA				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$ 60,000	\$ 60,951	\$ 60,951	\$ 0
Total Revenues	<u>60,000</u>	<u>60,951</u>	<u>60,951</u>	<u>0</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	1,232	1,021	1,021	0
Total Expenditures	<u>1,232</u>	<u>1,021</u>	<u>1,021</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	58,768	59,930	59,930	0
Other Financing Sources (Uses):				
Transfers Out	(61,600)	(62,762)	(62,762)	0
Total Other Financing Sources (Uses)	<u>(61,600)</u>	<u>(62,762)</u>	<u>(62,762)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>2,832</u>	<u>2,832</u>	<u>2,832</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018***

ROADS AND BRIDGES CAPITAL IMPROVEMENT				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,306,500	\$ 1,306,500	\$ 1,481,965	\$ 175,465
Intergovernmental Revenues	0	1,052,964	226,249	(826,715)
Total Revenues	<u>1,306,500</u>	<u>2,359,464</u>	<u>1,708,214</u>	<u>(651,250)</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	0	250	35	215
Capital Outlay	1,306,380	2,359,094	1,683,592	675,502
Total Expenditures	<u>1,306,380</u>	<u>2,359,344</u>	<u>1,683,627</u>	<u>675,717</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	120	120	24,587	24,467
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 120</u>	<u>\$ 120</u>	<u>\$ 24,587</u>	<u>\$ 24,467</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, 2018***

	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
All Other Revenues	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 4,047</u>	<u>\$ (5,953)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>4,047</u>	<u>(5,953)</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	4,047	(5,953)
Fund Balance at Beginning of Year	<u>475,186</u>	<u>475,186</u>	<u>475,186</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 485,186</u>	<u>\$ 485,186</u>	<u>\$ 479,233</u>	<u>\$ (5,953)</u>

Fiduciary Funds

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

Agency Funds

Insurance Trust Fund

To account for insurance funds on deposit to insure the clean up of damaged property.

Bonds and Inspection Fee Trust Fund

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

Municipal Court Fund

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

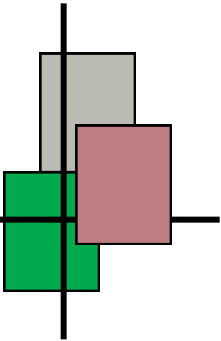
CITY OF MOUNT VERNON, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018**

	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
<u>Insurance Trust Fund</u>				
Assets:				
Cash and Cash Equivalents	\$50,278	\$15,850	(\$23,058)	\$43,070
Total Assets	<u>\$50,278</u>	<u>\$15,850</u>	<u>(\$23,058)</u>	<u>\$43,070</u>
Liabilities:				
Due to Others	\$50,278	\$15,850	(\$23,058)	\$43,070
Total Liabilities	<u>\$50,278</u>	<u>\$15,850</u>	<u>(\$23,058)</u>	<u>\$43,070</u>
<u>Bonds and Inspection Fee Trust Fund</u>				
Assets:				
Cash	\$19,651	\$23,000	(\$23,000)	\$19,651
Total Assets	<u>\$19,651</u>	<u>\$23,000</u>	<u>(\$23,000)</u>	<u>\$19,651</u>
Liabilities:				
Due to Others	\$19,651	\$23,000	(\$23,000)	\$19,651
Total Liabilities	<u>\$19,651</u>	<u>\$23,000</u>	<u>(\$23,000)</u>	<u>\$19,651</u>
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$85,031	\$999,264	(\$982,061)	\$102,234
Total Assets	<u>\$85,031</u>	<u>\$999,264</u>	<u>(\$982,061)</u>	<u>\$102,234</u>
Liabilities:				
Intergovernmental Payable	\$25,519	\$403,272	(\$402,190)	\$26,601
Due to Others	59,512	595,992	(579,871)	75,633
Total Liabilities	<u>\$85,031</u>	<u>\$999,264</u>	<u>(\$982,061)</u>	<u>\$102,234</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$154,960	\$1,038,114	(\$1,028,119)	\$164,955
Total Assets	<u>\$154,960</u>	<u>\$1,038,114</u>	<u>(\$1,028,119)</u>	<u>\$164,955</u>
Liabilities:				
Intergovernmental Payables	\$25,519	\$403,272	(\$402,190)	\$26,601
Due to Others	129,441	634,842	(625,929)	138,354
Total Liabilities	<u>\$154,960</u>	<u>\$1,038,114</u>	<u>(\$1,028,119)</u>	<u>\$164,955</u>



Statistical Section





STATISTICAL TABLES

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, which is income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

City of Mount Vernon, Ohio

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

	2009	2010	2011	2012
Governmental Activities:	(1)			
Net Investment in Capital Assets	\$36,745,484	\$38,627,947	\$39,308,561	\$39,426,306
Restricted	5,911,959	6,397,410	3,034,793	3,094,466
Unrestricted	6,241,067	4,489,751	5,784,699	8,349,905
Total Governmental Activities Net Position	<u>\$48,898,510</u>	<u>\$49,515,108</u>	<u>\$48,128,053</u>	<u>\$50,870,677</u>
Business-type Activities:				
Net Investment in Capital Assets	\$15,255,947	\$13,393,510	\$16,312,403	\$15,012,084
Restricted	3,475,907	3,329,674	1,847,384	1,008,353
Unrestricted	1,297,180	3,398,489	2,603,447	5,388,497
Total Business-type Activities Net Postion	<u>\$20,029,034</u>	<u>\$20,121,673</u>	<u>\$20,763,234</u>	<u>\$21,408,934</u>
Primary Government:				
Net Investment in Capital Assets	\$52,001,431	\$52,021,457	\$55,620,964	\$54,438,390
Restricted	9,387,866	9,727,084	4,882,177	4,102,819
Unrestricted	7,538,247	7,888,240	8,388,146	13,738,402
Total Primary Government Net Position	<u>\$68,927,544</u>	<u>\$69,636,781</u>	<u>\$68,891,287</u>	<u>\$72,279,611</u>

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

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

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

Source: City Auditor's Office

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
	(2)			(3)	
\$41,446,062	\$40,927,848	\$43,612,477	\$45,177,791	\$45,255,324	\$47,275,648
4,315,346	6,576,302	6,512,955	6,521,108	6,176,687	8,250,183
6,347,089	(3,435,859)	(4,782,532)	(8,162,671)	(22,030,876)	(24,289,990)
<u>\$52,108,497</u>	<u>\$44,068,291</u>	<u>\$45,342,900</u>	<u>\$43,536,228</u>	<u>\$29,401,135</u>	<u>\$31,235,841</u>
\$16,711,092	\$18,252,176	\$18,610,103	\$19,396,615	\$19,432,673	\$21,803,319
1,646,248	1,758,460	1,783,244	1,504,036	1,473,090	1,421,106
3,616,486	1,083,501	924,045	735,523	2,376,232	2,240,192
<u>\$21,973,826</u>	<u>\$21,094,137</u>	<u>\$21,317,392</u>	<u>\$21,636,174</u>	<u>\$23,281,995</u>	<u>\$25,464,617</u>
\$58,157,154	\$59,180,024	\$62,222,580	\$64,574,406	\$64,687,997	\$69,078,967
5,961,594	8,334,762	8,296,199	8,025,144	7,649,777	9,671,289
9,963,575	(2,352,358)	(3,858,487)	(7,427,148)	(19,654,644)	(22,049,798)
<u>\$74,082,323</u>	<u>\$65,162,428</u>	<u>\$66,660,292</u>	<u>\$65,172,402</u>	<u>\$52,683,130</u>	<u>\$56,700,458</u>

City of Mount Vernon, Ohio

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

	2009	2010	2011	2012
Expenses				
Governmental Activities:				
Security of Persons and Property	\$6,257,913	\$5,950,098	\$6,372,507	\$6,188,789
Public Health and Welfare Services	769,637	693,029	709,622	723,360
Leisure Time Activities	881,252	963,163	1,143,295	719,024
Community Environment	293,474	1,560,761	591,187	528,995
Transportation	2,898,557	2,586,915	4,440,371	4,228,585
General Government	4,685,914	4,711,970	4,188,865	4,852,231
Interest and Fiscal Charges	321,941	350,672	287,411	510,896
<i>Total Governmental Activities Expenses</i>	16,108,688	16,816,608	17,733,258	17,751,880
Business-type Activities:				
Water	3,388,734	3,347,380	3,180,709	3,019,406
Sewer	2,885,616	3,103,781	3,035,080	3,194,971
<i>Total Business-type Activities Expenses</i>	6,274,350	6,451,161	6,215,789	6,214,377
<i>Total Primary Government Expenses</i>	\$22,383,038	\$23,267,769	\$23,949,047	\$23,966,257
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$1,141,818	\$1,200,644	\$1,172,890	\$1,175,624
Public Health and Welfare Services	68,352	83,842	82,027	80,494
Leisure Time Activities	256,078	296,300	296,650	291,563
Community Environment	6,621	20,387	14,411	16,471
Transportation	3,070	2,702	200	313
General Government	819,170	898,161	910,868	866,410
Operating Grants and Contributions	2,336,173	1,807,522	888,663	2,024,553
Capital Grants and Contributions	854,233	880,033	173,557	2,169,916
<i>Total Governmental Activities Program Revenues</i>	5,485,515	5,189,591	3,539,266	6,625,344

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
\$6,492,718	\$6,370,982	\$7,035,151	\$7,735,685	\$8,259,679	\$10,283,448
709,251	757,435	711,222	783,628	760,614	585,043
980,442	1,279,240	870,144	1,210,663	1,362,160	1,271,709
648,532	323,093	763,019	1,012,146	355,354	891,732
3,367,249	5,070,430	6,448,854	2,890,767	3,648,289	2,695,510
5,316,607	6,294,609	5,154,298	7,057,974	7,297,638	7,789,359
276,071	263,497	277,043	206,340	212,742	196,125
<u>17,790,870</u>	<u>20,359,286</u>	<u>21,259,731</u>	<u>20,897,203</u>	<u>21,896,476</u>	<u>23,712,926</u>
3,049,583	3,028,624	3,085,297	3,115,505	3,066,560	3,146,692
3,118,011	3,256,742	3,538,970	3,281,725	3,750,082	3,476,860
<u>6,167,594</u>	<u>6,285,366</u>	<u>6,624,267</u>	<u>6,397,230</u>	<u>6,816,642</u>	<u>6,623,552</u>
<u>\$23,958,464</u>	<u>\$26,644,652</u>	<u>\$27,883,998</u>	<u>\$27,294,433</u>	<u>\$28,713,118</u>	<u>\$30,336,478</u>
\$1,119,039	\$1,252,995	\$1,098,742	\$1,333,712	\$1,732,071	\$1,707,975
82,513	48,631	90,889	83,441	68,440	57,821
255,558	246,341	261,876	307,643	280,239	284,339
18,872	9,423	21,127	2,016	13,871	9,688
750	1,094	6,527	825	2,756	12,638
768,254	698,554	882,275	765,663	837,308	1,015,550
1,937,129	1,470,114	1,114,030	2,763,295	1,747,093	2,141,509
1,590,955	2,781,681	4,682,427	1,281,804	1,168,867	226,249
<u>5,773,070</u>	<u>6,508,833</u>	<u>8,157,893</u>	<u>6,538,399</u>	<u>5,850,645</u>	<u>5,455,769</u>

(continued)

City of Mount Vernon, Ohio

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

	2009	2010	2011	2012
Business-type Activities:				
Charges for Services and Sales				
Water	3,287,232	3,392,757	3,371,924	3,559,198
Sewer	2,718,245	3,105,361	3,290,355	3,257,271
Operating Grants and Contributions	41,618	40,709	42,936	42,069
<i>Total Business-type Activities Program Revenues</i>	<u>6,047,095</u>	<u>6,538,827</u>	<u>6,853,950</u>	<u>6,858,538</u>
<i>Total Primary Government Program Revenues</i>	<u>11,532,610</u>	<u>11,728,418</u>	<u>10,393,216</u>	<u>13,483,882</u>
Net (Expense)/Revenue				
Governmental Activities	(10,623,173)	(11,627,017)	(14,193,992)	(11,126,536)
Business-type Activities	(227,255)	87,666	638,161	644,161
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$10,850,428)</u>	<u>(\$11,539,351)</u>	<u>(\$13,555,831)</u>	<u>(\$10,482,375)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$682,820	\$589,285	\$556,875	\$571,710
Special Purposes	0	0	0	134,352
Debt Service	175,254	167,876	152,820	32,707
Capital Outlay	1,263,314	1,381,766	1,521,575	1,441,186
Income Taxes	9,383,772	8,688,085	9,262,187	10,566,350
Other Local Taxes	94,493	87,796	84,821	98,030
Grants and Entitlements not Restricted to Specific Programs	992,167	1,087,350	963,370	725,574
Investment Earnings	190,437	60,858	21,582	37,698
Miscellaneous	152,110	180,599	243,707	261,553
<i>Total Governmental Activities</i>	<u>12,934,367</u>	<u>12,243,615</u>	<u>12,806,937</u>	<u>13,869,160</u>
Business-type Activities:				
Investment Earnings	6,394	4,973	3,400	1,539
<i>Total Business-type Activities</i>	<u>6,394</u>	<u>4,973</u>	<u>3,400</u>	<u>1,539</u>
<i>Total Primary Government</i>	<u>\$12,940,761</u>	<u>\$12,248,588</u>	<u>\$12,810,337</u>	<u>\$13,870,699</u>
Change in Net Position				
Governmental Activities	\$2,311,194	\$616,598	(\$1,387,055)	\$2,742,624
Business-type Activities	(220,861)	92,639	641,561	645,700
<i>Total Primary Government Change in Net Position</i>	<u>\$2,090,333</u>	<u>\$709,237</u>	<u>(\$745,494)</u>	<u>\$3,388,324</u>

Source: City Auditor's Office

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
3,450,880	3,684,807	3,562,765	3,537,845	5,114,590	4,683,774
3,243,715	3,197,847	3,284,201	3,177,531	4,534,373	4,121,428
37,266	37,591	0	0	0	0
<u>6,731,861</u>	<u>6,920,245</u>	<u>6,846,966</u>	<u>6,715,376</u>	<u>9,648,963</u>	<u>8,805,202</u>
<u>12,504,931</u>	<u>13,429,078</u>	<u>15,004,859</u>	<u>13,253,775</u>	<u>15,499,608</u>	<u>14,260,971</u>
(12,017,800)	(13,850,453)	(13,101,838)	(14,358,804)	(16,045,831)	(18,257,157)
564,267	634,879	222,699	318,146	2,832,321	2,181,650
<u>(\$11,453,533)</u>	<u>(\$13,215,574)</u>	<u>(\$12,879,139)</u>	<u>(\$14,040,658)</u>	<u>(\$13,213,510)</u>	<u>(\$16,075,507)</u>
\$552,305	\$536,836	\$434,944	\$582,788	\$677,443	\$706,874
130,272	131,724	105,810	132,590	156,590	162,492
143,647	143,215	143,874	143,606	145,590	145,217
720,963	1,249,984	1,339,046	1,403,568	1,288,174	1,354,211
10,805,563	12,503,753	11,753,826	9,501,005	10,390,679	16,401,453
94,973	103,876	106,100	121,627	131,785	141,874
451,426	890,797	164,502	322,917	342,555	319,344
29,448	11,260	27,083	44,327	91,431	161,072
327,023	902,455	301,262	299,704	510,361	699,326
<u>13,255,620</u>	<u>16,473,900</u>	<u>14,376,447</u>	<u>12,552,132</u>	<u>13,734,608</u>	<u>20,091,863</u>
625	424	556	636	20,902	972
<u>625</u>	<u>424</u>	<u>556</u>	<u>636</u>	<u>20,902</u>	<u>972</u>
<u>\$13,256,245</u>	<u>\$16,474,324</u>	<u>\$14,377,003</u>	<u>\$12,552,768</u>	<u>\$13,755,510</u>	<u>\$20,092,835</u>
\$1,237,820	\$2,623,447	\$1,274,609	(\$1,806,672)	(\$2,311,223)	\$1,834,706
564,892	635,303	223,255	318,782	2,853,223	2,182,622
<u>\$1,802,712</u>	<u>\$3,258,750</u>	<u>\$1,497,864</u>	<u>(\$1,487,890)</u>	<u>\$542,000</u>	<u>\$4,017,328</u>

City of Mount Vernon, Ohio

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

	2009	2010	2011	2012
General Fund				
Nonspendable	\$0	\$0	\$130,262	\$127,232
Restricted	0	0	8,080	8,080
Committed	0	0	16,480	16,480
Assigned	0	0	374,348	3,152,283
Unassigned	0	0	4,175,053	1,787,773
Reserved	442,209	416,367	0	0
Unreserved	4,216,231	4,593,098	0	0
<i>Total General Fund</i>	<u>4,658,440</u>	<u>5,009,465</u>	<u>4,704,223</u>	<u>5,091,848</u>
All Other Governmental Funds				
Nonspendable	0	0	408,506	420,915
Restricted	0	0	3,116,931	4,653,008
Committed	0	0	84,729	138,982
Unassigned	0	0	0	0
Reserved	156,330	403,850	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,894,352	1,182,665	0	0
Debt Service Funds	10,568	0	0	0
Capital Projects Funds	3,529,741	3,071,740	0	0
Permanent Fund	350,823	369,072	0	0
<i>Total All Other Governmental Funds</i>	<u>5,941,814</u>	<u>5,027,327</u>	<u>3,610,166</u>	<u>5,212,905</u>
<i>Total Governmental Funds</i>	<u><u>\$10,600,254</u></u>	<u><u>\$10,036,792</u></u>	<u><u>\$8,314,389</u></u>	<u><u>\$10,304,753</u></u>

Source: City Auditor's Office

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

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
\$135,855	\$147,536	\$159,479	\$186,763	\$186,886	\$169,812
8,080	8,080	8,080	8,080	676	15,855
16,480	4,741	426	2,405	7,105	9,060
2,680,908	2,754,129	3,576,344	2,459,740	1,586,448	2,103,484
970,240	1,254,772	1,397,417	649,074	557,397	551,809
0	0	0	0	0	0
0	0	0	0	0	0
3,811,563	4,169,258	5,141,746	3,306,062	2,338,512	2,850,020
454,286	443,738	493,536	530,833	536,108	592,883
4,653,741	6,299,667	6,560,177	5,047,602	5,357,929	7,773,875
134,995	124,561	117,413	103,467	90,696	79,492
0	0	0	(1,009)	0	(72,842)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
5,243,022	6,867,966	7,171,126	5,680,893	5,984,733	8,373,408
\$9,054,585	\$11,037,224	\$12,312,872	\$8,986,955	\$8,323,245	\$11,223,428

City of Mount Vernon, Ohio

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

	2009	2010	2011	2012
Revenues:				
Taxes	\$11,494,371	\$10,836,690	\$11,205,072	\$12,728,720
Intergovernmental Revenues	3,395,984	4,269,553	2,710,045	2,736,097
Charges for Services	1,529,878	1,632,849	1,642,971	1,628,400
Licenses and Permits	15,471	16,952	11,545	20,135
Investment Earnings	190,437	60,858	21,582	37,698
Fines and Forfeitures	746,363	845,195	812,749	785,523
All Other Revenue	157,238	191,701	232,273	1,224,294
Total Revenue	<u>17,529,742</u>	<u>17,853,798</u>	<u>16,636,237</u>	<u>19,160,867</u>
Expenditures:				
Current:				
Security of Persons and Property	5,828,902	5,584,614	6,166,170	5,548,197
Public Health and Welfare Services	754,709	677,715	694,326	707,922
Leisure Time Activities	706,685	728,146	718,703	700,979
Community Environment	293,474	1,560,761	591,187	528,995
Transportation	3,940,483	3,675,011	3,901,070	4,047,663
General Government	6,369,728	5,443,844	5,590,698	6,627,844
Debt Service:				
Principal Retirement	2,434,814	422,401	436,723	484,756
Interest and Fiscal Charges	329,738	339,425	287,960	359,602
Total Expenditures	<u>20,658,533</u>	<u>18,431,917</u>	<u>18,386,837</u>	<u>19,005,958</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,128,791)	(578,119)	(1,750,600)	154,909

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
\$12,820,372	\$14,018,827	\$14,994,697	\$11,782,401	\$12,742,449	\$18,596,443
2,243,029	2,727,769	4,464,177	3,005,589	2,900,021	3,409,113
1,538,771	1,565,290	1,592,629	1,645,697	2,092,297	2,113,540
10,252	18,747	46,275	20,353	20,496	69,777
29,448	11,260	27,083	44,327	91,431	161,072
696,006	675,007	687,259	805,303	822,688	976,333
1,004,302	1,549,515	442,234	321,651	509,548	604,706
<u>18,342,180</u>	<u>20,566,415</u>	<u>22,254,354</u>	<u>17,625,321</u>	<u>19,178,930</u>	<u>25,930,984</u>
6,201,515	6,173,136	6,277,707	6,627,332	6,751,717	7,733,103
696,102	747,707	693,979	725,904	687,038	525,850
762,156	848,879	825,430	883,875	960,435	934,831
648,532	323,093	763,019	1,012,146	355,354	891,732
2,868,350	3,526,598	5,509,975	3,687,931	3,316,511	4,170,486
7,660,676	6,202,716	6,176,909	7,228,697	6,968,691	8,049,543
500,756	515,327	537,568	579,980	596,714	606,021
279,021	264,038	275,624	205,623	205,820	172,629
<u>19,617,108</u>	<u>18,601,494</u>	<u>21,060,211</u>	<u>20,951,488</u>	<u>19,842,280</u>	<u>23,084,195</u>
(1,274,928)	1,964,921	1,194,143	(3,326,167)	(663,350)	2,846,789

(Continued)

City of Mount Vernon, Ohio

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

	2009	2010	2011	2012
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	17,865	3,259	38,177	11,342
Ohio Public Works Commission Loan	125,000	0	0	0
General Obligation Bonds Issued	2,165,000	0	0	0
General Obligation Refunding Bonds Issued	0	0	0	1,654,000
Special Obligation Bonds Issued	0	0	0	1,775,000
Premium on General Obligation Notes	8,232	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(1,600,053)
Transfers In	1,286,170	827,126	1,028,456	1,275,651
Transfers Out	(1,286,170)	(827,126)	(1,028,456)	(1,275,651)
Total Other Financing Sources (Uses)	2,316,097	3,259	38,177	1,840,289
Net Change in Fund Balance	(\$812,694)	(\$574,860)	(\$1,712,423)	\$1,995,198
 Debt Service as a Percentage of Noncapital Expenditures	 16.75%	 5.10%	 4.72%	 5.51%

Source: City Auditor's Office

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
31,689	3,148	42,156	7,238	4,450	25,309
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,995,150	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	(1,969,258)	0	0	0
1,656,139	1,252,978	1,242,974	1,187,721	1,319,499	1,337,426
(1,656,139)	(1,252,978)	(1,242,974)	(1,187,721)	(1,319,499)	(1,337,426)
31,689	3,148	68,048	7,238	4,450	25,309
(\$1,243,239)	\$1,968,069	\$1,262,191	(\$3,318,929)	(\$658,900)	\$2,872,098
5.03%	4.53%	4.21%	4.37%	4.42%	4.11%

City of Mount Vernon, Ohio

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

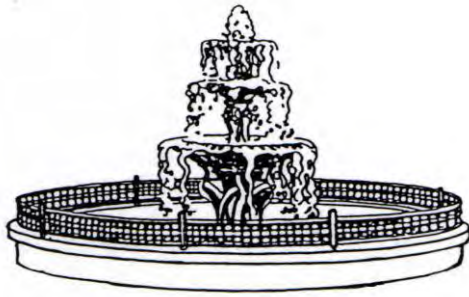
Tax year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$462,638	\$513,183	\$542,270	\$580,616
Total Tax Collected	\$9,446,804	\$8,556,302	\$9,017,691	\$10,128,973
Income Tax Receipts				
Withholding	7,159,863	6,967,691	7,408,369	7,854,868
Percentage	75.79%	81.43%	82.15%	77.55%
Corporate	1,673,288	926,225	961,045	1,578,706
Percentage	17.71%	10.83%	10.66%	15.59%
Individuals	613,653	662,386	648,277	695,399
Percentage	6.50%	7.74%	7.19%	6.86%

Source: City Income Tax Department

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

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
1.50%	1.50%	1.50%	1.50%	1.50%	2.00%
\$606,203	\$641,916	\$668,472	\$673,501	\$690,338	\$690,338
\$11,210,717	\$11,725,532	\$12,409,133	\$11,261,723	\$10,660,851	\$16,016,993
8,088,514	8,450,570	8,673,622	9,042,251	8,591,242	11,675,758
72.15%	72.07%	69.90%	80.29%	80.59%	72.90%
2,396,265	2,522,261	2,889,193	1,373,619	1,229,520	3,427,601
21.37%	21.51%	23.28%	12.20%	11.53%	21.40%
725,938	752,701	846,318	845,853	840,089	913,634
6.48%	6.42%	6.82%	7.51%	7.88%	5.70%



City of Mount Vernon, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2018				
<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	\$330,635,700	41.29%	\$6,612,714	41.29%
All Others	470,213,950	58.71%	9,404,279	58.71%
Total	<u>\$800,849,650</u>	<u>100.00%</u>	<u>\$16,016,993</u>	<u>100.00%</u>

Calendar Year 2009				
<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	\$323,821,467	51.42%	\$4,857,322	51.42%
All Others	305,965,467	48.58%	4,589,482	48.58%
Total	<u>\$629,786,934</u>	<u>100.00%</u>	<u>\$9,446,804</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Mount Vernon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2009	2010	2011	2012
Governmental Activities (1)				
General Obligation Bonds Payable	\$7,280,711	\$6,881,718	\$6,482,568	\$6,177,200
Special Obligation Bonds Payable	0	0	0	1,775,000
Ohio Public Works Commission Loan Payable	433,125	419,375	391,875	364,375
Business-type Activities (1)				
Ohio Public Works Commission Loan Payable	\$125,362	\$122,228	\$115,960	\$109,692
Ohio Water Development Authority	0	0	2,303,347	6,289,243
General Obligation Bonds Payable	13,274,289	12,348,282	11,392,432	10,522,800
Special Obligation Bonds Payable	0	0	0	1,775,000
Mortgage Revenue Bonds Payable	4,420,000	4,020,000	3,620,000	3,205,000
Total Primary Government	<u>\$25,533,487</u>	<u>\$23,791,603</u>	<u>\$24,306,182</u>	<u>\$30,218,310</u>
Population (2)				
City of Mount Vernon	15,256	16,990	16,990	16,990
Outstanding Debt Per Capita	\$1,674	\$1,400.33	\$1,430.62	\$1,778.59
Income (3)				
Personal (in thousands)	462,638	513,183	542,270	580,616
Percentage of Personal Income	5.52%	4.64%	4.48%	5.20%

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

2013	2014	2015	2016	2017	2018
\$5,812,400	\$5,436,000	\$5,205,500	\$4,770,450	\$4,324,200	\$3,871,700
1,677,500	1,577,500	1,475,000	1,370,000	1,260,000	1,147,500
336,875	309,375	281,875	254,375	226,875	199,375
\$103,424	\$97,156	\$90,888	\$126,237	\$116,886	\$107,535
6,476,726	6,500,028	6,154,888	5,872,440	5,536,388	5,196,426
9,582,600	8,604,000	7,828,650	6,747,950	5,617,700	4,450,200
1,677,500	1,577,500	1,475,000	1,370,000	1,260,000	1,147,500
2,780,000	2,345,000	1,895,000	1,430,000	950,000	0
<u>\$28,447,025</u>	<u>\$26,446,559</u>	<u>\$24,406,801</u>	<u>\$21,941,452</u>	<u>\$19,292,049</u>	<u>\$16,120,236</u>
16,990	16,990	16,990	16,990	16,990	16,990
\$1,674.34	\$1,556.60	\$1,436.54	\$1,291.43	\$1,135.49	\$948.81
606,203	641,916	668,472	673,501	690,338	690,338
4.69%	4.12%	3.65%	3.26%	2.79%	2.34%

City of Mount Vernon, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

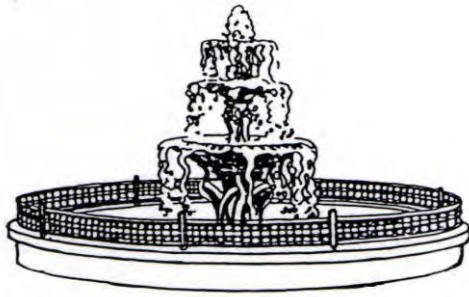
Year	2009	2010	2011	2012
Population (1)	15,256	16,990	16,990	16,990
Assessed Value (2)	\$261,803,090	\$259,179,980	\$247,090,750	\$247,754,300
General Bonded Debt (3)				
General Obligation Bonds	\$20,555,000	\$19,230,000	\$17,875,000	\$16,700,000
Resources Available to Pay Principal (4)	\$10,568	\$0	\$0	\$966
Net General Bonded Debt	\$20,544,432	\$19,230,000	\$17,875,000	\$16,699,034
Ratio of Net Bonded Debt to Assessed Value	7.85%	7.42%	7.23%	6.74%
Net Bonded Debt per Capita	\$1,346.65	\$1,131.84	\$1,052.09	\$982.87

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

2013	2014	2015	2016	2017	2018
16,990	16,990	16,990	16,990	16,990	16,990
\$249,053,880	\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680
\$15,395,000	\$14,040,000	\$13,034,150	\$11,518,400	\$9,941,900	\$8,321,900
\$0	\$0	\$0	\$0	\$0	\$0
\$15,395,000	\$14,040,000	\$13,034,150	\$11,518,400	\$9,941,900	\$8,321,900
6.18%	5.64%	5.17%	4.53%	3.66%	3.03%
\$906.12	\$826.37	\$767.17	\$677.95	\$585.16	\$489.81



City of Mount Vernon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2018*

<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	\$5,218,575	100.00%	\$5,218,575
Overlapping:			
Knox County	10,877,000	53.84%	5,856,417
Mount Vernon School District	838,622	4.15%	34,813
Knox County Career Center	8,486,000	42.01%	3,564,674
		Subtotal	9,455,904
		Total	<u>\$14,674,479</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	2009	2010	2011	2012
Total Debt				
Net Assessed Valuation	\$261,803,090	\$259,179,980	\$247,090,750	\$247,754,300
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	27,489,324	27,213,898	25,944,529	26,014,202
City Debt Outstanding (2)	2,999,195	2,876,145	2,752,795	2,607,800
Less: Applicable Debt Service Fund Amounts	(10,568)	0	0	(966)
Net Indebtedness Subject to Limitation	<u>2,988,627</u>	<u>2,876,145</u>	<u>2,752,795</u>	<u>2,606,834</u>
Overall Legal Debt Margin	<u>\$24,500,697</u>	<u>\$24,337,753</u>	<u>\$23,191,734</u>	<u>\$23,407,368</u>
Unvoted Debt				
Net Assessed Valuation	\$261,803,090	\$259,179,980	\$247,090,750	\$247,754,300
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,399,170	14,254,899	13,589,991	13,626,487
City Debt Outstanding (2)	2,999,195	2,876,145	2,752,795	2,607,800
Less: Applicable Debt Service Fund Amounts	(10,568)	0	0	(966)
Net Indebtedness Subject to Limitation	<u>2,988,627</u>	<u>2,876,145</u>	<u>2,752,795</u>	<u>2,606,834</u>
Overall Legal Debt Margin	<u>\$11,410,543</u>	<u>\$11,378,754</u>	<u>\$10,837,196</u>	<u>\$11,019,653</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

2013	2014	2015	2016	2017	2018
\$249,053,880	\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
26,150,657	26,158,213	26,476,456	26,670,750	28,486,792	28,792,541
2,477,600	2,342,400	2,360,300	2,185,850	2,004,600	1,819,300
0	0	0	0	0	0
2,477,600	2,342,400	2,360,300	2,185,850	2,004,600	1,819,300
\$23,673,057	\$23,815,813	\$24,116,156	\$24,484,900	\$26,482,192	\$26,973,241
\$249,053,880	\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780	\$274,214,680
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
13,697,963	13,701,921	13,868,620	13,970,393	14,921,653	15,081,807
2,477,600	2,342,400	2,360,300	2,185,850	2,004,600	1,819,300
0	0	0	0	0	0
2,477,600	2,342,400	2,360,300	2,185,850	2,004,600	1,819,300
\$11,220,363	\$11,359,521	\$11,508,320	\$11,784,543	\$12,917,053	\$13,262,507

City of Mount Vernon, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2009	2010	2011	2012
Water System Bonds 1999 Series (1)				
Gross Revenues (2)	\$3,292,955	\$3,394,458	\$3,373,589	\$3,560,407
Direct Operating Expenses (3)	(1,991,293)	(2,026,472)	(1,933,228)	(1,805,985)
Net Revenue Available for Debt Service	1,301,662	1,367,986	1,440,361	1,754,422
Annual Debt Service Requirement	638,600	542,383	539,650	542,650
Coverage	2.04	2.52	2.67	3.23
Tax Increment Financing (TIF) Bonds (4)				
Payment In Lieu of Taxes (PILOT) Collections	\$1,232,200	\$1,320,086	\$1,262,210	\$1,572,036
Debt Service				
Principal	186,554	190,943	195,800	231,000
Interest	84,361	79,136	72,745	87,076
Coverage	4.55	4.89	4.70	4.94

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

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) The Coshocton Road Tax Increment Financing Bonds were issued in 2003, in the amount of \$3,371,992

Source: City Auditor's Office

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
\$3,451,448	\$3,685,199	\$3,563,294	\$3,538,481	\$5,118,429	\$4,684,746
(1,853,530)	(1,874,612)	(1,982,573)	(1,989,032)	(2,040,514)	(2,274,456)
1,597,918	1,810,587	1,580,721	1,549,449	3,077,915	2,410,290
540,200	537,450	539,400	540,900	539,625	985,625
2.96	3.37	2.93	2.86	5.70	2.45
\$748,799	\$1,214,761	\$1,278,656	\$1,301,697	\$1,256,931	\$1,293,260
149,600	156,200	158,400	160,600	165,000	167,200
74,120	28,627	25,569	22,628	19,521	16,393
3.35	6.57	6.95	7.10	6.81	7.04

City of Mount Vernon, Ohio

Demographic and Economic Statistics Last Ten Years

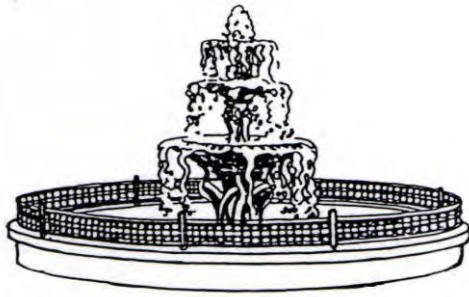
Calendar Year	2009	2010	2011	2012
Population ⁽¹⁾				
City of Mount Vernon	15,256	16,990	16,990	16,990
Knox County	54,500	60,921	60,921	60,921
Income ^{(2) (a)}				
Total Personal (in thousands)	462,638	513,183	542,270	580,616
Per Capita	30,325	30,205	31,917	34,174
Unemployment Rate ⁽³⁾				
Federal	5.8%	9.1%	8.3%	7.6%
State	6.6%	9.3%	7.6%	6.6%
Knox County	6.3%	9.1%	7.6%	6.2%
Civilian Work Force Estimates ⁽³⁾				
State	5,986,400	5,986,400	5,806,000	5,701,000
Knox County	30,800	30,800	29,600	29,400

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2017 for the presentation of 2018 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

2013	2014	2015	2016	2017	2018
16,990	16,990	16,990	16,990	16,990	16,990
60,705	61,167	61,061	60,814	61,261	61,261
606,203	641,916	668,472	673,501	690,338	690,338
35,680	37,782	39,345	39,641	40,632	40,632
7.4%	6.2%	5.3%	4.9%	4.4%	3.9%
7.4%	5.7%	4.9%	4.9%	5.0%	4.6%
6.7%	5.2%	4.7%	4.5%	4.5%	4.3%
5,726,000	5,719,000	5,700,300	5,713,100	5,780,000	5,754,900
30,500	31,100	31,000	31,300	31,300	31,200



City of Mount Vernon, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2018	
		Number of Employees	Rank
Ariel Corporation	Manufacturing	1,800	1
Knox Community Hospital	Medical Care	1,200	2
Knox County	Government	530	3
Jeld-Wen, Inc.	Manufacturing	470	4
Mount Vernon City Schools	Education	391	5
Mount Vernon Nazarene University	Education	309	6
Sanoh America, Inc.	Manufacturing	302	7
Wal-Mart	Retail	280	8
First Knox National Bank	Financial	111	9
Mauser USA, LLC	Manufacturing	106	10
Total		5,499	

Employer	Nature of Business	2009	
		Number of Employees	Rank
Rolls-Royce Energy Systems, Inc.	Manufacturing	1,000	1
Ariel Corporation	Manufacturing	900	2
Knox Community Hospital	Medical Care	725	3
Board of Education (City)	Education	538	5
Knox County	Government	467	4
Mount Vernon Nazarene University	Education	400	6
Wal-Mart	Retail	365	7
Jeld-Wen Windows & Doors	Manufacturing	277	8
United Precast, Inc.	Construction Concrete	225	9
Sanoh America, Inc.	Manufacturing	224	10
Total		5,121	

Source:

City Auditor's Office

Total Employment within the City is not available

City of Mount Vernon, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2009	2010	2011	2012	2013
Governmental Activities					
General Government					
Administration	1.00	1.00	1.00	1.00	1.00
Finance	2.00	2.00	2.00	2.00	2.00
Law Director	4.00	4.00	4.00	4.00	4.00
Income Tax	3.00	3.00	3.00	3.00	3.00
Legal/Court	11.00	11.00	11.00	11.00	11.00
Safety-Service	2.00	2.00	2.00	2.00	2.00
Civil Service	0.50	0.50	0.50	0.50	0.50
Engineering	6.50	6.50	6.50	6.50	6.50
Public Buildings/Lands	1.75	1.75	1.75	1.75	1.75
Security of Persons and Property					
Police	32.00	32.00	32.00	32.00	32.00
Fire	40.00	40.00	40.00	40.00	40.00
Transportation					
Street	12.50	12.50	12.50	12.50	12.50
Leisure Time Activities					
Parks/Recreation	53.75	53.75	55.25	56.50	56.50
Public Health and Welfare					
Cemetery	6.00	5.25	5.25	5.25	5.25
Business-Type Activities					
Utilities					
Water	17.50	17.50	17.50	17.50	17.50
Sewer	19.50	19.50	19.50	19.50	19.50
<i>Total Employees</i>	<u>213.00</u>	<u>212.25</u>	<u>213.75</u>	<u>215.00</u>	<u>215.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Elected Officials have been omitted from this table

Source: City Auditor's Office

City of Mount Vernon, Ohio

2014	2015	2016	2017	2018
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
11.00	11.00	11.00	11.00	11.00
2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
6.00	6.00	6.00	6.00	6.00
1.75	1.75	1.75	1.75	1.75
32.00	32.00	32.00	32.00	32.00
40.00	40.00	40.00	40.00	40.00
12.50	12.50	12.50	12.50	12.50
56.50	56.50	56.50	56.50	56.50
5.25	5.25	5.25	5.25	5.25
17.50	17.50	17.50	17.00	17.00
19.50	19.50	19.50	19.00	19.00
<u>214.50</u>	<u>214.50</u>	<u>214.50</u>	<u>213.50</u>	<u>213.50</u>

City of Mount Vernon, Ohio

*Operating Indicators by Function
Last Ten Years*

	2009	2010	2011
Governmental Activities			
General Government			
Court			
Number of Civil Cases	1,425	1,259	1,394
Number of Criminal Cases	1,246	1,378	1,551
Number of Traffic Cases	5,867	6,234	5,825
Number of Open Cases	1,038	884	514
Licenses and Permits			
Number of Building Permits	162	159	157
Security of Persons and Property			
Police			
Number of Citations Issued	3,295	3,640	3,117
Fire			
Number of Fire Calls	1,032	1,067	1,032
Number of EMS Runs	3,282	3,386	3,649
Number of Inspections	1,009	685	820
Business-Type Activities			
Water			
Number of Service Connections	6,469	6,484	6,495
Daily Average Consumption (thousands of gallons)	3,026,000	2,565,381	2,409,501
Sewer			
Number of Service Connections	6,682	6,704	6,717
Daily Average Sewage Treatment (thousands of gallons)	2,979,515	2,881,773	3,524,871

Source: City Auditor's Office

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017	2018
1,258	780	823	932	1,443	1,496	1,407
1,365	1,280	1,272	1,163	967	1,201	1,731
5,500	4,978	4,573	4,664	4,603	4,387	4,721
547	440	322	678	829	833	868
150	122	140	132	137	184	200
2,557	3,117	1,971	1,832	2,274	2,713	2,791
1,185	918	1,049	1,108	1,055	1,322	1,170
3,817	3,583	3,581	3,850	3,777	4,050	4,151
750	740	580	420	641	570	454
6,507	6,514	6,527	6,540	6,559	6,575	6,594
2,530,735	2,748,137	2,542,049	2,728,019	2,761,211	2,756,540	2,906,855
6,726	6,734	6,745	6,764	6,783	6,792	6,805
2,676,145	2,779,449	2,794,266	2,783,184	2,567,540	3,021,038	3,468,123

City of Mount Vernon, Ohio

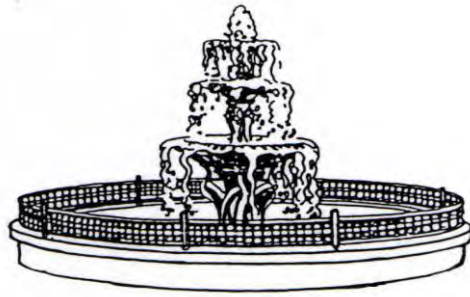
Capital Asset Statistics by Function Last Ten Years

	2009	2010	2011	2012
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	9.8	12.4	12.4	12.4
Buildings	9	9	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	13	13	13	13
Fire				
Stations	2	2	2	2
Vehicles	11	11	11	11
Transportation				
Street				
Streets (center line miles)	82	82	82	82
Street Lights	1,470	1,470	1,470	1,470
Traffic Signals	53	53	53	54
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	241.86	244.98	244.98	244.98
Buildings	14	14	14	14
Parks	8	8	8	8
Playgrounds	4	4	4	4
Swimming Pools	4	4	4	4
Tennis Courts	10	10	10	10
Baseball/Softball Diamonds	11	11	11	11
Soccer Fields	2	2	2	2
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	63	63	63	63
Number of Hydrants	484	484	484	484
Average Daily Consumption	3,026,000	2,565,381	2,409,501	2,530,735
Storage Capacity (thousands of gallons)	7,000	7,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	2,979,515	2,881,773	3,524,871	2,676,145
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

City of Mount Vernon, Ohio

2013	2014	2015	2016	2017	2018
12.7 9	12.7 9	12.7 9	12.7 9	12.7 9	12.7 9
1 13	1 13	1 13	1 13	1 13	1 13
2 11	2 11	2 11	2 11	2 11	2 11
82 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
244.98 14 8 4 4 10 11 2	269.98 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2
63 484 2,748,137 7,000	63 484 2,542,049 7,000	63 484 2,728,019 7,000	63 484 2,761,211 7,000	63 484 2,756,540 7,000	63 484 2,906,855 7,000
62 2,779,449 5,000	62 2,794,266 5,000	62 2,783,184 5,000	62 2,567,540 5,000	62 3,021,038 5,000	62 3,468,123 5,000



OHIO AUDITOR OF STATE KEITH FABER



CITY OF MOUNT VERNON

KNOX COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 15, 2019**