



Mary Taylor, CPA
Auditor of State

CITY OF MOUNT VERNON
KNOX COUNTY

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' 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

To the Members of City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio, (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 8, 2010.

We intend this report solely for the information and use of the audit committee, management, City Council and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

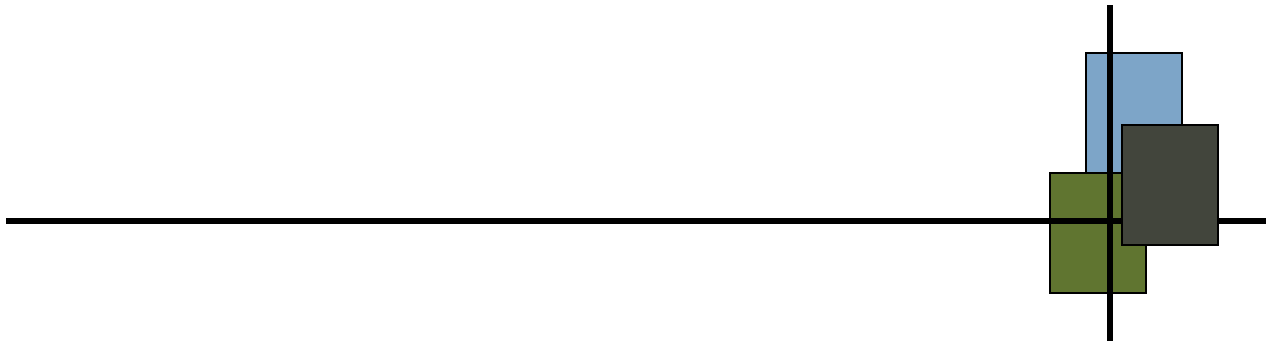
Mary Taylor, CPA
Auditor of State

June 8, 2010

CITY OF MOUNT VERNON, OHIO



***Comprehensive Annual
Financial Report
Year Ended
December 31, 2009***



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

Prepared by the Auditor's Office

Terry Scott
City Auditor



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KNOX COUNTY, OHIO

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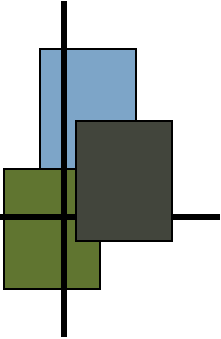


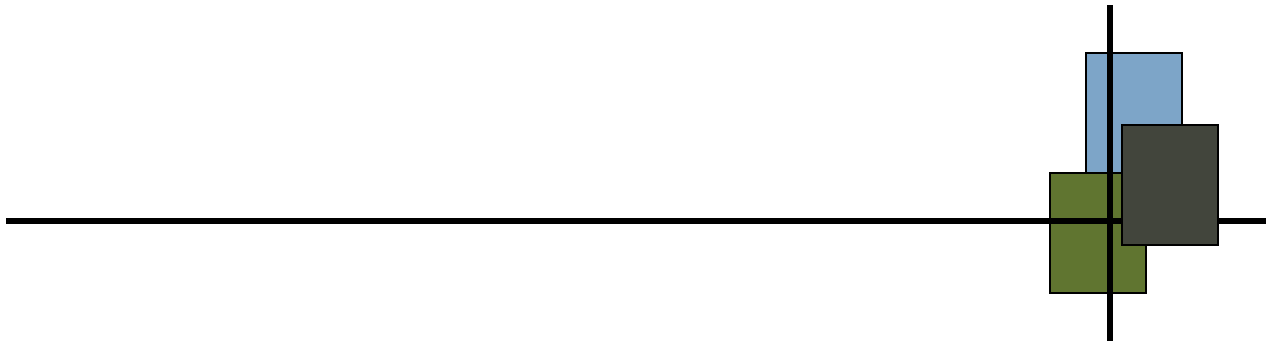
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Introductory Section







CITY OF MOUNT VERNON

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Terry Scott, City Auditor

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June 9, 2010

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, 2009. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Mount Vernon (the City) to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects; 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.

Generally Accepted Accounting Principles 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 Accountants' 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*, 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 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.

CITY OF MOUNT VERNON, OHIO

Letter of Transmittal For the Year Ended December 31, 2009

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 2009.

Mid Ohio Transit Authority (MOTA) is a jointly governed organization whose board is composed of four members; one county commissioner, one township representative, and one representative from the municipal corporation. These three members collectively appoint one non-elected representative from within the county. MOTA was organized to provide public transportation for the entire county. The City did not appoint a majority of the members of the Board, nor is the City accountable for any operating deficits of MOTA. The MOTA Board is responsible for the fiscal operation of MOTA. The City appropriated \$20,000 for an operating grant to MOTA for 2009.

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 \$44,151 for operations of the combined District for 2009.

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, 2009***

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 15,256. 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-one individuals including both civilian employees and sworn police officers. The department is responsible for enforcing various criminal and traffic statutes as well as local parking laws.

Fire Department - The department is comprised of sixteen firefighters, twenty-one firefighter/paramedics, three 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.

Engineering Department - This department has a total of six full-time engineering personnel and one part-time code enforcement officer. They are responsible for code enforcement, 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.

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

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

Water Department - This department operates with ten full-time employees and 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 6,400 customers and customers located in the Village of Gambier (approximately three miles east of Mount Vernon). All treatment plant employees are required to have a Class I operators license within two years of employment.

Wastewater Department - This department operates with twelve full-time employees and 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 operators license within two years of employment.

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

Economic Outlook

To help assist in the area of foreclosed homes, the State of Ohio, Department of Development awarded the City a federal grant in 2008, known as the Neighborhood Stabilization Program (NSP), to provide funding for homes that have been foreclosed on and are abandoned. The City was paired with Knox County and Richland County (excluding the City of Mansfield) to create Region 9. The City was appointed to be the lead agent for the entire region, and will have full responsibility in managing and overseeing the NSP grant project. Selected mapping areas were defined for each separate governmental entity to be used as target areas. Homes within these target areas will be assessed to determine if they meet the test for purchasing and rehabilitating, then resold, or if they merely need to be demolished and either set aside the land for green space, or reconstruct a new dwelling for resale. There are several public agencies who have an interest in either purchasing rehabilitated properties, or acquiring empty lots where new dwellings can be constructed. Habitat for Humanity (in Knox and Richland counties) has ongoing needs for available lots to construct new homes, along with the Knox County Metropolitan Housing Authority who has interest in owning properties they can rent to low to moderate income families. The grant provides for both of these agencies to become beneficiaries once properties have been identified. The NSP has a duration of four years to complete the defined goals that were awarded in the grant. The City will be required to provide ongoing monitoring of the receipt of grant funds in conjunction with monitoring of the expenditure of grant funds throughout the duration of the grant. During the year of 2009, this grant provided for demolition of several properties within the region, and also provided funding for the acquisition of a property for the Sanctuary (a senior citizen agency) located in the Danville area.

The City was awarded a Community Development Block Grant to provide funding for additional sidewalks and crosswalks in the Sychar Road, Pleasant Street, Wooster Road area in 2010. In addition to these improvements, an additional parking facility will be installed at the Hiawatha park area. These improvements will cost approximately \$330,000 of which the grant will cover entirely.

The City has applied for a grant through Ohio Public Works Commission with an estimated value of seven hundred seventy-four thousand dollars to provide funding for the widening of Edgewood Road and Gambier Road intersection and provide funding for additional resurfacing of streets located through the city. If awarded, these projects will begin during the third quarter of 2010.

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 one hundred sixty two building permits in 2009 and one hundred sixty in 2008, an increase of two permits.

Long-term Financial Planning:

Upgrades to the wastewater treatment plant will be nearing the final design phase in mid 2010. These upgrades will include new electrical and instrumentation throughout the facility, a new methane gas heating unit, and the possibility of a new public septic receiving station. Since this facility has very limited alternative power supply, this project will incorporate a new generator large enough to power the entire facility when alternative power is needed. A significant amount of the plant is currently operated by manual labor force, and this project will allow the instrumentation to be converted to a more automated operated facility with computerized oversight in place. The current estimated cost is approximately \$10 million dollars, but the final estimate will be available once the final design has been completed.

***Letter of Transmittal
For the Year Ended December 31, 2009***

The City anticipates that it will initiate borrowings for the construction, through the Ohio Environmental Protection Agency (OEPA) Division of Environmental and Financial Assistance (DEFA) program. DEFA has funding available from the Water Pollution Control Loan Fund (WPCLF) whereby participation in the program may help provide funding assistance towards the construction of the public septic receiving station. As outlined by OEPA, as an incentive for public owners of treatment facilities to include equipment designed to receive, treat, and dispose of septage, the WPCLF offers a reduction to a recipient's basic interest rate when it is borrowing from the WPCLF to improve other facilities. The estimated cost of construction of the public septic receiving station is \$1.5 million dollars. The City will continue to review all funding options prior to making a final determination. The upgrade project is scheduled to go for public bidding in December, 2010.

Employee Relations:

The City of Mount Vernon began the first year of a three year contract with the City's three unions. All union contracts were effective January 1, 2009, through December 31, 2011, with annual raises on January 1st of each year. 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 continued to be stable for 2009. Starting out the year at 7.3 percent, the unemployment rate flexed with steady increases at mid year at 10.1 percent, then decreased at year end to 9.7 percent. A contributor to this sudden increase would be the reduction in seasonal labor in the workforce and the over all economic impact businesses were experiencing due to reduced consumer purchasing. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Major Initiatives

Municipal Court:

The Municipal Court found 2009 to be a regular year of operations. While there continue to be ongoing law changes, the Court did not experience any significant changes compared to previous years.

In October, the court recognized the retirement of Judy Smith, Clerk of Court with nearly thirty-eight years of service in the department. The department recognizes they will miss the hard working efforts Judy exemplified along with the remarkable knowledge of the court system over the years. Kathy Savage was appointed to serve as the new Clerk of Court beginning in November.

Traffic cases filed numbered 5,867, an increase of 56 from those filed in 2008, while criminal case filings of 1,246 increased by 89 cases from those filed in 2008. There was a decrease in civil case filings, 1,425 in 2009 compared to 1,484 in 2008.

Fire Department:

The Fire Department updated a portion of there turn out gear along with the replacement of a thermal imagine camera during the year. New mobile data terminals were installed in several vehicles. These terminals allow the department access to GPS software that can identify where fire hydrants are located as well as certain floor plan layouts of commercial and industrial structures. Training and certification of firefighters and paramedics continue to be major concentrations for the department. Over 2,000 hours were dedicated to training both in fire service and emergency medical services. Each paramedic is required to maintain continued education and recertification every two years. Each firefighter holds Emergency Medical Technician certification which requires recertification and continued education also.

The department also trained two employees to administer H1N1 vaccines. All employees within the department received the vaccine with the assistance of the Knox County Health Department.

Fire prevention and education were widely covered by the department in 2009. Over one thousand children were hosted for department tours and safety presentations. Senior citizens received blood pressure checks and testing for elevated blood sugar levels at the Station Break throughout the year.

Fire inspections were an important function of the department during the year. The department is responsible for assessing all commercial and industrial structures within the city. A total of 1,009 inspections were completed during 2009.

Police Department:

The Police Department continues to advance into new technology with the acquisition of mobile data terminals for all marked cruisers. This will allow the department to have access to law enforcement related software and the ability to prepare all reports via electronic format. Replacement of three marked police cruisers were made during 2009.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Training using the Law Enforcement Training Network (LETN) has been very beneficial throughout the year as LETN affords employees the ability to use online training to meet the demands of law enforcement of today. The LETN delivers targeted training that enables officers to respond appropriately to ensure officer safety and reduce liability.

Law enforcement within the City maintains a safe and secure environment for all of its citizens and visitors.

Street Department:

Although the City has many great historical structures, one cannot pass through this community without achieving the opportunity to travel on some nine miles of brick streets distributed through the City. In 2009, the City continued the restoration of brick streets. McArthur and McKenzie Streets received new curbing and gutters over a two and three block area.

A new road grader was acquired for the department to grade alleys in and around the city. Other small equipment was acquired to allow the department to begin using force labor to make minor repairs and improvement to the brick streets throughout the city. Work crews would remove old bricks, improve the base course, and reinstall the bricks for a more level driving road surface. The results of this project were so successful the City plans to continue it for next year. The investment in tools and equipment combined with our force labor, costs are significantly reduced from hiring a contractor to totally remove the roadway and relay it. A new Bobcat Skid Steer loader was acquired along with related attachments for the department to move supplies and materials as well as assist other departments with handling needs.

Road improvements to Blackjack Road were completed during 2009. The widening of the roadway along with the installation of public utilities services was being installed. This project was conducted to help assist with the relocation of a local business. Funding for this road project was obtained by the issuance of bonds in the amount of \$2.165 million dollars.

New asphalt roads are always an improvement for traffic flow throughout the City. During 2009, the City was able to improve the surface course on twelve streets at a value of \$424,943.

With above average snow fall during the months of winter, purchasing road salt was a concern for the department. Pricing and supply were major indicators for all governments state wide. Since the City participates with the state's purchasing program, we did not realize a shortage and the pricing was slightly higher than the previous year. Other routine projects completed by the Street Department included street sweeping, traffic line painting, traffic signal repairs, traffic sign replacement and leaf pick-up.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Cemetery Department:

The Cemetery Department continued its restoration project on the chapel located within the cemetery during the year by adding storm windows, interior wood trim, electric service, and walls were patched and painted. This structure has been dated back to as early as 1884, and is currently being petitioned for recognition as a historical structure in Ohio. Continued repairs to monuments and foundations were completed throughout the year. The department continued its five year plan of resurfacing a portion of the roads within the cemetery in 2009. This year was the third year of the program and it will be carried forward until all roadways have been improved. Funding for the roadway improvements will be provided for by the Capital Improvements Fund.

Engineering Department:

The Engineering Department continued to serve the needs of new construction within the City in 2009. One hundred sixty two zoning permits, representing approximately seven million dollars in increased property values were issued in 2009. The Engineering Department provided assistance for all new construction and upgrade projects that were conducted by the City in 2009.

Public Buildings and Land and Parks Department:

The Public Buildings and Land Department and Parks Department share employees on an as needed basis. The salary of the superintendent and foreman is paid one half from each department. The Public Buildings and Land Department is responsible for a total of thirteen buildings and property. The Parks Department maintains eight parks with a total acreage of 176.576 acres of land. Foundation Park, a nature trail and fishing park continues to receive improvements.

The municipal parking garage received extensive maintenance to deteriorating structure cross members. These improvements would contain water drainage and provide for a safer environment for drivers. This thirty-five year old facility also had new floor coating applied to two levels and a new roof was applied to the Plaza Building which sits atop the parking garage.

The Hiawatha Water Park/Pool complex continued to be a real attraction for the community. In 2009, the water park ended the season with over seven hundred household memberships covering over twenty-five hundred individuals. This was very comparable to the previous year's membership totals. Total daily visitors to the water park were at 1,000 to 1,200. Public participation continues to be well received due to the fact that swimming lessons are included free with the purchase of a membership. During 2009, there were three different schedules for swim lessons, where approximately sixty youth were trained in proper swimming techniques.

Foundation Park received a new shelter/restroom facility. This much needed building will provide many sources of use from this nature park. A local service club provided public donations in the amount of \$12,000 towards this new facility and the overall cost of construction is approximately \$198,000.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Water Department:

The Water Distribution Division of the Water Department performed various maintenance activities to the lines in 2009. Backflow prevention continues to be monitored to prevent contaminants through the water service connection into the public water system. High risk consumers are the major users the City requires to comply with these regulations. Future service connections to be required will be industrial, commercial and residential users. This will include current and new service connections.

Online bill pay was implemented mid year. Customers can now access their account online and make payment at the same time. Comparative water usage is also included with this service. The response of use by the customers has been greatly accepted and used widely.

Wastewater Department:

The Wastewater Treatment Plant Division of the Wastewater Department performed routine maintenance of the facility and equipment throughout 2009. The department continues working with the consulting engineers on the design of the wastewater treatment plant upgrades to the electrical and instrumentation operating equipment. This project is planned to be ready for public bid by late 2010, and long-term financing is still being reviewed.

The Kokosing Interceptor and the Center Run Interceptor wastewater lines have been evaluated by consulting engineers. The Ohio Environmental Protection Agency has amended its operating permit regulations whereby each public utility system needs to reduce its infiltration from outside sources and curtail any by pass treatment processes during high rainfall periods. These two major interceptors have been identified as having infiltration issues, and the improvements to resolve these issues will be relining of the existing pipe. When engineering of this project is completed in 2010, the projects will be scheduled for bidding and construction to begin shortly thereafter but prior to year end. Bonds in the amount of \$2,595,000 million dollars were secured in December, 2009 for these projects.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Financial Information

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

All internal control evaluations occur within this framework. It is the belief of the administration and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Mount Vernon City Council. All funds are included in the annual appropriated budget. The level of budgetary control (that is, the levels at which expenditures cannot legally exceed the appropriated amount) is at the object level within each department. Budgetary control is maintained within the personal services, operating expenses, and capital outlay categories with each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Encumbered appropriations carry forward to the following year(s) until expended or liquidated. Unencumbered amounts lapse at year end. Open encumbrances as of December 31, 2009, that have not been included as an accrued item are reported as reservations of fund balances with this report.

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

Other Information

Independent Audit:

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

Awards:

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mount Vernon, Ohio for its comprehensive annual financial report for the year ended December 31, 2008. 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 eighteen consecutive years (fiscal years ended 1991-2008). 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, 2009***

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 2009 Comprehensive Annual Financial Report and annual independent audit.

Special appreciation is extended to, Nick Neuerer, audit manager of the City's audit by the Auditor of the State of Ohio, 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 flourish extending to the right.

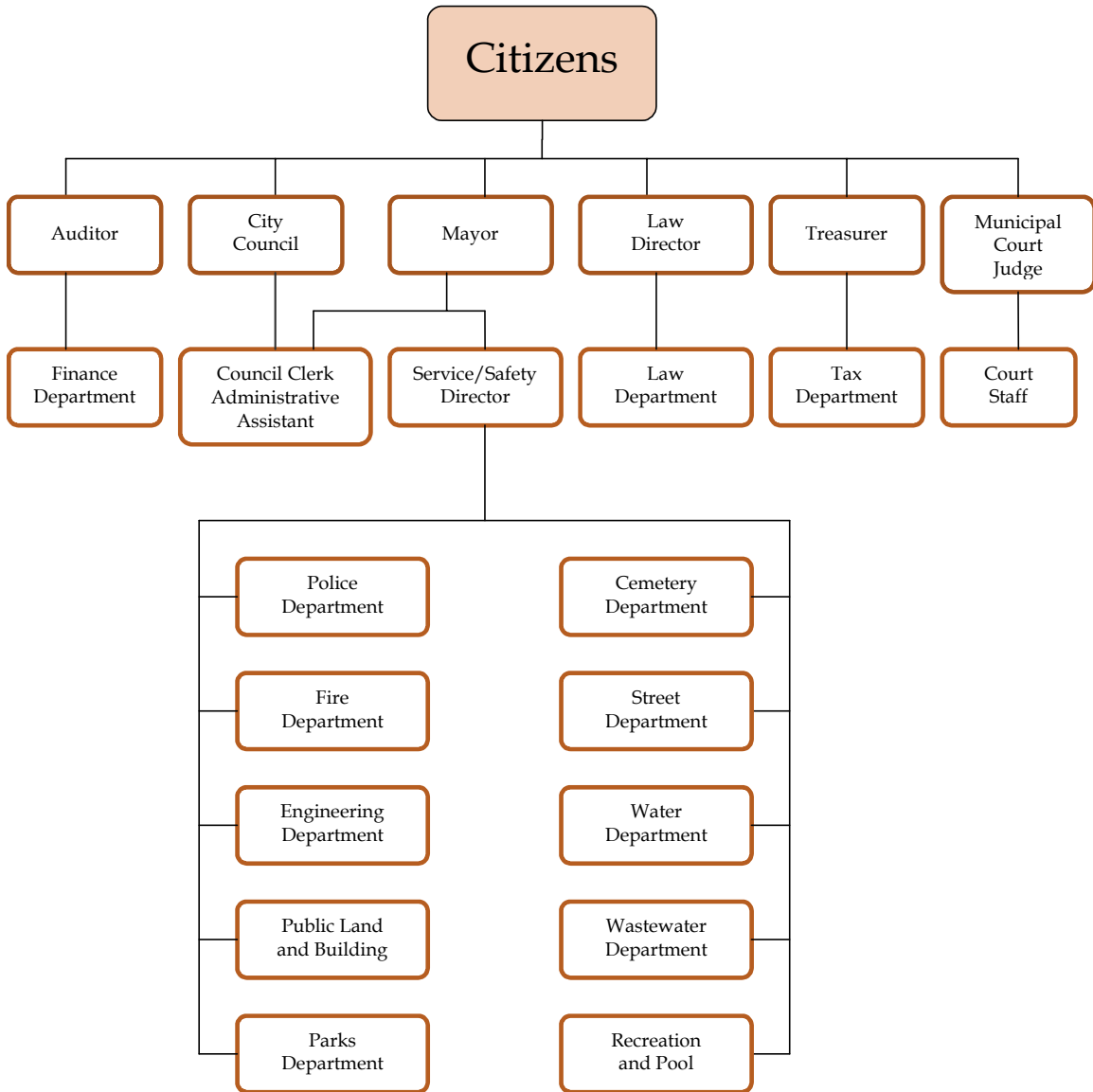
Terry Scott,
City Auditor

CITY OF MOUNT VERNON, OHIO

***List of Principal Officials
For the Year Ended December 31, 2009***

<i>NAME</i>	<i>TITLE</i>	<i>YEARS OF SERVICE</i>
<u>City Council</u>		
John Booth	President	6
Burt Hanson	First Ward Member	9
Charles K. Dice	Second Ward Member	11
D. Derk Demaree	Third Ward Member	6
John Fair	Fourth Ward Member	10
Mike Hillier	Member At-Large	4
Rebecca Jordan	Member At-Large	2
Bruce Hawkins	Member At-Large	3
<u>City Administration</u>		
Richard K. Mavis	Mayor	14
Terry Scott	Auditor	15
William D. Smith	Law Director	29
James Shipley	Treasurer	10
David C. Glass	Safety-Service Director	31
Janet M. Brown	Clerk of Council	17
<u>Department Heads</u>		
Debora Tyson	Income Tax Administrator	19
Michael Merrilees	Police Chief	21
Shawn Christy	Fire Chief	7
Paul G. Oliver	Parks, Public Buildings and Land Superintendent	27
David Carpenter	Street Superintendent	18
Deborah S. Briscoe	Cemetery Foreman	29
Pam Muralt	Water and Wastewater Meter and Customer Service Administrator	29
Judith Scott	Water and Wastewater Treatment and Distribution Administrator	27

***City Organizational Chart
For the Year Ended December 31, 2009***



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

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, 2008

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



A stylized, handwritten signature in black ink.

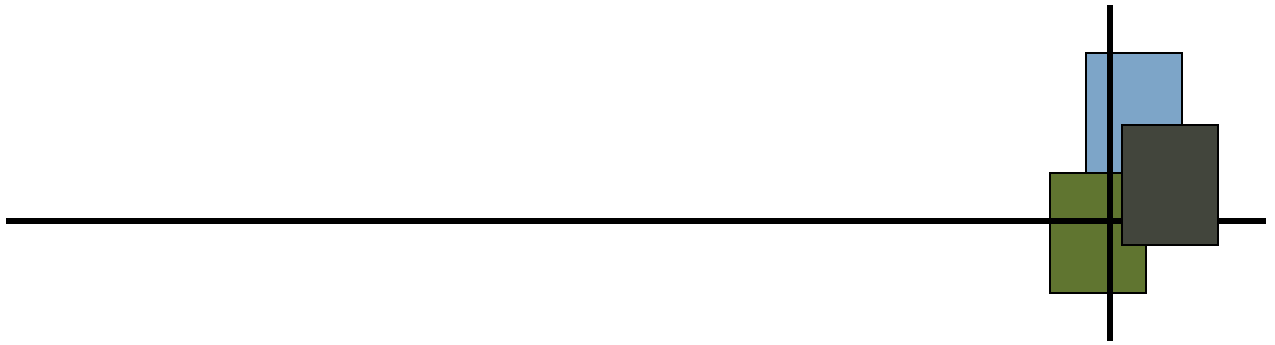
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enner".

Executive Director

Financial Section







Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of City Council:

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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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, 2009, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Community Development Block Grant Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied to the audit of the basic financial statements. 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 tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 8, 2010

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, 2009. 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 2009 are as follows:

- ❑ In total, net assets increased \$2,090,333. Net assets of governmental activities increased \$2,311,194 which represents a 4.74% increase from 2008. Net assets of business-type activities decreased \$220,861 from 2008.
- ❑ General revenues accounted for \$12,940,761 in revenue or 52.9% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$11,532,610, 47.1% of total revenues of \$24,473,371.
- ❑ The City had \$16,108,688 in expenses related to governmental activities; only \$5,485,515 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$12,934,367 were also used to provide for these programs.
- ❑ Among major funds, the general fund had \$12,416,495 in revenues and other financing sources and \$12,611,495 in expenditures and other financing uses. The general fund's fund balance increased from \$4,853,201 to \$4,658,440.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, 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 assets includes all of the City's assets and liabilities. 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 assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets 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 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2009 compared to 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$18,731,898	\$17,807,410	\$7,967,188	\$6,639,886	\$26,699,086	\$24,447,296
Capital assets, Net	46,653,529	44,500,670	30,480,598	30,763,587	77,134,127	75,264,257
Total assets	65,385,427	62,308,080	38,447,786	37,403,473	103,833,213	99,711,553
Long-term liabilities outstanding	9,093,813	9,184,068	18,143,680	16,782,601	27,237,493	25,966,669
Other liabilities	5,198,895	4,342,487	275,072	370,977	5,473,967	4,713,464
Total liabilities	14,292,708	13,526,555	18,418,752	17,153,578	32,711,460	30,680,133
Net assets						
Invested in capital assets, net of related debt	38,939,693	37,018,250	15,255,947	14,278,602	54,195,640	51,296,852
Restricted	5,911,959	4,237,726	3,475,907	1,237,219	9,387,866	5,474,945
Unrestricted	6,241,067	7,525,549	1,297,180	4,734,074	7,538,247	12,259,623
Total net assets	\$51,092,719	\$48,781,525	\$20,029,034	\$20,249,895	\$71,121,753	\$69,031,420

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CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2009 compared to 2008:

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,295,109	\$2,249,127	\$6,005,477	\$5,823,286	\$8,300,586	\$8,072,413
Operating Grants and Contributions	2,336,173	1,761,824	0	0	2,336,173	1,761,824
Capital Grants and Contributions	854,233	447,392	41,618	0	895,851	447,392
Total Program Revenues	5,485,515	4,458,343	6,047,095	5,823,286	11,532,610	10,281,629
General Revenues:						
Property Taxes	2,121,388	1,968,104	0	0	2,121,388	1,968,104
Income Taxes	9,383,772	10,359,164	0	0	9,383,772	10,359,164
Other Local Taxes	94,493	99,236	0	0	94,493	99,236
Intergovernmental Revenues, Unrestricted	992,167	842,850	0	0	992,167	842,850
Investment Earnings	190,437	421,642	6,394	40,907	196,831	462,549
Miscellaneous	152,110	243,948	0	0	152,110	243,948
Total General Revenues	12,934,367	13,934,944	6,394	40,907	12,940,761	13,975,851
Total Revenues	18,419,882	18,393,287	6,053,489	5,864,193	24,473,371	24,257,480
Program Expenses						
Security of Persons and Property	6,257,913	5,728,419	0	0	6,257,913	5,728,419
Public Health and Welfare Services	769,637	644,241	0	0	769,637	644,241
Leisure Time Activities	881,252	952,192	0	0	881,252	952,192
Community Environment	293,474	211,150	0	0	293,474	211,150
Transportation	2,898,557	2,433,003	0	0	2,898,557	2,433,003
General Government	4,685,914	4,627,134	0	0	4,685,914	4,627,134
Interest and Fiscal Charges	321,941	263,523	0	0	321,941	263,523
Water	0	0	3,388,734	3,390,852	3,388,734	3,390,852
Wastewater	0	0	2,885,616	2,858,183	2,885,616	2,858,183
Total Expenses	16,108,688	14,859,662	6,274,350	6,249,035	22,383,038	21,108,697
Total Change in Net Assets	2,311,194	3,533,625	(20,861)	(384,842)	2,090,333	3,148,783
Beginning Net Assets	48,781,525	45,247,900	20,249,895	20,634,737	69,031,420	65,882,637
Ending Net Assets	\$51,092,719	\$48,781,525	\$20,029,034	\$20,249,895	\$71,121,753	\$69,031,420

Governmental Activities

Net assets of the City's governmental activities increased by \$2,311,194 over 2008. The increase in Net Assets is the result of additional operating grants, capital grants, real property tax revenues and emergency medical service billing revenues.

The City receives an income tax, which is based on 1.5% of all salaries, wages, commissions and other compensation and on net profits earned from those working in the City.

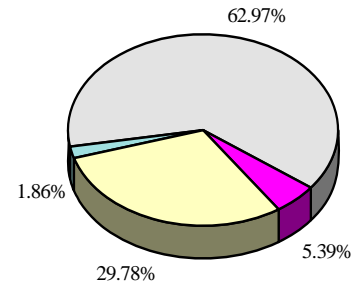
CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Income taxes and property taxes made up 50.94% and 11.52 respectively of revenues for governmental activities for the City in 2009. The City's reliance upon tax revenues is demonstrated by the following graph indicating 62.97% of total revenues from general tax revenues:

Revenue Sources	2009	Percent of Total
General Tax Revenues	\$11,599,653	62.97%
Intergovernmental Revenues, Unrestricted	992,167	5.39%
Program Revenues	5,485,515	29.78%
General Other	342,547	1.86%
Total Revenue	\$18,419,882	100.00%



Business-Type Activities

Net assets of the business type activities decreased by \$220,861. This decrease was primarily the result of reduced investment earnings due to continuing falling market rates associated with economic conditions throughout the year and tap fees associated with declining new construction during the year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$12,700,254, which is an increase from last year's balance of \$11,410,777. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2009 and 2008:

	Fund Balance December 31, 2009	Fund Balance December 31, 2008	Increase (Decrease)
General	\$4,658,440	\$4,853,201	(\$194,761)
Community Development Block Grant	266,525	28,536	237,989
General Bond Retirement	2,110,568	0	2,110,568
Capital Improvement	1,416,802	2,989,832	(1,573,030)
TIF District-Coshocton Road	2,092,944	1,621,630	471,314
Other Governmental	2,154,975	1,917,578	237,397
Total	\$12,700,254	\$11,410,777	\$1,289,477

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

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:

	2009 <u>Revenues</u>	2008 <u>Revenues</u>	Increase <u>(Decrease)</u>
Property and Other Taxes	\$8,872,511	\$9,766,143	(\$893,632)
Intergovernmental Revenue	1,163,307	942,384	220,923
Charges for Services	1,447,325	1,401,084	46,241
Licenses and Permits	11,671	15,161	(3,490)
Investment Earnings	185,847	399,907	(214,060)
Fines and Forfeitures	630,213	654,393	(24,180)
All Other Revenue	92,146	147,388	(55,242)
Total	<u><u>\$12,403,020</u></u>	<u><u>\$13,326,460</u></u>	<u><u>(\$923,440)</u></u>

General Fund revenues in 2009 decreased approximately 6.9% compared to revenues in 2008. The decrease is in city income tax revenues, estate tax revenues, and water park revenues. The decrease in investment earnings is due to continuing falling market rates associated with economic conditions throughout the year.

	2009 <u>Expenditures</u>	2008 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Security of Persons and Property	\$5,082,202	\$4,784,001	\$298,201
Public Health and Welfare Services	353,908	344,517	9,391
Leisure Time Activities	697,900	679,325	18,575
Community Environment	24,783	34,647	(9,864)
Transportation	66,012	69,143	(3,131)
General Government	5,364,810	4,871,571	493,239
Debt Service:			
Principal Retirement	9,260	8,879	381
Interest and Fiscal Charges	18,615	18,996	(381)
Total	<u><u>\$11,617,490</u></u>	<u><u>\$10,811,079</u></u>	<u><u>\$806,411</u></u>

General Fund expenditures increased by \$806,411 or 7.46% compared to the prior year primarily due to increased health insurance costs and basic wage increases.

CITY OF MOUNT VERNON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2009***

Unaudited

Community Development Block Grant Fund – The Community Development Block Grant Fund balance increased from \$28,536 to \$266,525 due to increases in intergovernmental revenues.

General Bond Retirement Fund – The General Debt Retirement Fund balance increased \$10,568 from the previous year due to premiums received on the issuance of General Obligation Notes.

Capital Improvement Fund - The Capital Improvement Fund balance decreased from \$2,989,832 to \$1,416,802 due to the rebuild of four blocks of highway on Gay Street.

TIF District-Coshocton Road Fund - The TIF District-Coshocton Road Fund balance increased from \$1,621,630 to \$2,092,944 due to continued development within the district creating additional tax revenues and reduced expenses.

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 2009 the City amended its General Fund budget several times. The increase in the final budget of \$13,677,652 over the original budget of \$12,933,880 was due to awards from operating grants. Actual expenditures were less than the final budget because of conservative fiscal management practices.

For the General Fund, final budget basis revenue of \$13,310,736 did not significantly change from the original budget estimates. Actual Revenues were less than the final budget due to reduced state funding sources.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009 the City had \$77,134,127 net of accumulated depreciation invested in buildings, infrastructure, equipment and vehicles. Of this total, \$46,653,529 was related to governmental activities and \$30,480,598 to the business-type activities. The following table shows 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$10,779,218	\$10,777,668	\$1,550
Construction In Progress	1,115,540	2,156,829	(1,041,289)
Buildings	10,988,824	10,756,514	232,310
Improvements Other than Buildings	621,331	613,672	7,659
Infrastructure	38,069,472	34,420,433	3,649,039
Machinery and Equipment	6,501,831	5,888,101	613,730
Less: Accumulated Depreciation	(21,422,687)	(20,112,547)	(1,310,140)
Totals	<u>\$46,653,529</u>	<u>\$44,500,670</u>	<u>\$2,152,859</u>

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Constructions in Progress decreased due to various transportation projects being completed during the year. Infrastructures increased due to additional roads being resurfaced in 2009, drainage projects performed during the year and the completion of transportation projects.

	Business-Type Activities		Increase (Decrease)
	2009	2008	
Land	\$819,311	\$819,311	\$0
Construction in Progress	1,248,400	553,068	695,332
Buildings and Improvements	25,398,831	25,391,136	7,695
Utility Structures in Service	23,605,888	23,189,151	416,737
Machinery and Equipment	3,390,520	3,340,459	50,061
Less: Accumulated Depreciation	(23,982,352)	(22,529,538)	(1,452,814)
Totals	\$30,480,598	\$30,763,587	(\$282,989)

Business type capital assets decreased as a result of depreciation expense; however, this was somewhat offset by replacement equipment, improvements to utility lines and new projects being designed for upcoming construction projects. Construction in Progress increased due to design costs of the wastewater plant electrical upgrade project and the interceptor wastewater rehabilitation project and the initial construction of water filter media at the water plant. Utility Structure in Service increased due to the installation of two new water lines. Additional information on the City's capital assets can be found in Note 7.

Debt

At December 31, 2009, the City had \$20,555,000 in bonds outstanding, \$1,325,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2009 and 2008:

	2009	2008
Governmental Activities:		
General Obligation Bonds Payable	\$7,280,711	\$5,420,015
Long-term General Obligation Note Payable	0	2,100,000
Ohio Public Works Commission Loan	433,125	329,375
Police and Firemen's Pension Accrued Liability	431,014	440,274
Compensated Absences	948,963	894,404
Total Governmental Activities	9,093,813	9,184,068
Business-Type Activities:		
Mortgage Revenue Bonds Payable	4,420,000	5,015,000
General Obligation Bonds Payable	13,274,289	11,469,985
Ohio Public Works Commission Loan	125,362	0
Compensated Absences	324,029	297,616
Total Business-Type Activities	18,143,680	16,782,601
Totals	\$27,237,493	\$25,966,669

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, 2009, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 10.

ECONOMIC FACTORS

The Central Ohio Technical College (COTC) concluded its capital campaign to renovate their existing structure. \$6 million dollars were raised to afford the renovations to begin in the fall of 2010. During the renovation process, COTC's academic studies will be relocated to a former high school in the Fredericktown area. We are so fortunate to have COTC located in our central business district in downtown Mount Vernon. The inflow of people is immense for the retail businesses located in the district. Enrollment in the Knox Campus continues to increase annually.

Mount Vernon Nazarene University (MVNU), a liberal arts, Christian Based University completed renovations to a former retail establishment located in the central business district in downtown Mount Vernon. The three story renovated facility provides classrooms and an art studio with the ground floor being a retail art gallery. The facility became available for academic use beginning with the fall quarter of the 2009-2010 year.

Development continues to prosper within the community. Seven commercial/industrial permits were issued in 2009, contributing an estimated \$3.8 million in tax valuation. Residential developments provided approximately \$3.1 million in tax valuation with forty-six permits being issued. Overall development continues to provide enhancements throughout the community and with such diversification; this helps to support our tax base and also helps to provide additional employment within the community.

Unemployment increased throughout the year. Starting out the year with 7.3 percent, it managed a continuous climb to 10.1 percent by midyear, and finally dipped downward for the third quarter at 8.7 percent, then rose severely to 9.7 percent by year end. The impact of such increases and decreases throughout the year are minimal due to the diverse mix of employers throughout the City.

REQUESTS FOR INFORMATION

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

CITY OF MOUNT VERNON, OHIO

**Statement of Net Assets
December 31, 2009**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 9,870,239	\$ 4,968,418	\$ 14,838,657
Investments	862,282	1,137,718	2,000,000
Receivables:			
Taxes	4,604,028	0	4,604,028
Accounts	144,524	1,288,978	1,433,502
Intergovernmental	2,647,423	0	2,647,423
Interest	25,603	0	25,603
Inventory of Supplies	18,933	73,931	92,864
Prepaid Items	112,057	10,769	122,826
Deferred Charge	61,750	45,374	107,124
Restricted Assets:			
Cash and Cash Equivalents	350,823	0	350,823
Cash and Cash Equivalents with Fiscal Agent	34,236	442,000	476,236
Capital Assets			
Capital Assets not Being Depreciated	11,894,758	2,067,711	13,962,469
Capital Assets Being Depreciated	34,758,771	28,412,887	63,171,658
Total Assets	65,385,427	38,447,786	103,833,213
Liabilities:			
Accounts Payable	404,916	120,891	525,807
Accrued Wages and Benefits	419,795	103,670	523,465
Contracts Payable	251,452	31,101	282,553
Matured Bonds & Interest Payable	0	650	650
Unearned Revenue	2,013,328	0	2,013,328
Accrued Interest Payable	9,404	18,760	28,164
General Obligation Notes Payable	2,100,000	0	2,100,000
Noncurrent liabilities:			
Due within one year	700,058	1,434,936	2,134,994
Due in more than one year	8,393,755	16,708,744	25,102,499
Total Liabilities	14,292,708	18,418,752	32,711,460

CITY OF MOUNT VERNON, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Assets:			
Invested in Capital Assets, Net of Related Debt	38,939,693	15,255,947	54,195,640
Restricted For:			
Capital Projects	2,162,207	3,033,907	5,196,114
Debt Service	0	442,000	442,000
Perpetual Care, Nonexpendable	350,823	0	350,823
Security of Persons and Property	714,488	0	714,488
Leisure Time Activities	55,358	0	55,358
Community Environment	1,814,843	0	1,814,843
Transportation	814,240	0	814,240
Unrestricted	6,241,067	1,297,180	7,538,247
Total Net Assets	\$ 51,092,719	\$ 20,029,034	\$ 71,121,753

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Activities
For the Year Ended December 31, 2009**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 6,257,913	\$ 1,141,818	\$ 0	\$ 0
Public Health and Welfare Services	769,637	68,352	0	0
Leisure Time Activities	881,252	256,078	0	12,833
Community Environment	293,474	6,621	1,230,518	0
Transportation	2,898,557	3,070	796,381	841,400
General Government	4,685,914	819,170	309,274	0
Interest and Fiscal Charges	321,941	0	0	0
Total Governmental Activities	16,108,688	2,295,109	2,336,173	854,233
Business-Type Activities:				
Water	3,388,734	3,287,232	0	41,618
Sewer	2,885,616	2,718,245	0	0
Total Business-Type Activities	6,274,350	6,005,477	0	41,618
Totals	\$ 22,383,038	\$ 8,300,586	\$ 2,336,173	\$ 895,851

General Revenues

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

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,116,095)	\$ 0	\$ (5,116,095)
(701,285)	0	(701,285)
(612,341)	0	(612,341)
943,665	0	943,665
(1,257,706)	0	(1,257,706)
(3,557,470)	0	(3,557,470)
(321,941)	0	(321,941)
<u>(10,623,173)</u>	<u>0</u>	<u>(10,623,173)</u>
0	(59,884)	(59,884)
<u>0</u>	<u>(167,371)</u>	<u>(167,371)</u>
<u>0</u>	<u>(227,255)</u>	<u>(227,255)</u>
<u>(10,623,173)</u>	<u>(227,255)</u>	<u>(10,850,428)</u>
682,820	0	682,820
175,254	0	175,254
1,263,314	0	1,263,314
9,383,772	0	9,383,772
94,493	0	94,493
992,167	0	992,167
190,437	6,394	196,831
152,110	0	152,110
<u>12,934,367</u>	<u>6,394</u>	<u>12,940,761</u>
2,311,194	(220,861)	2,090,333
<u>48,781,525</u>	<u>20,249,895</u>	<u>69,031,420</u>
<u>\$ 51,092,719</u>	<u>\$ 20,029,034</u>	<u>\$ 71,121,753</u>

CITY OF MOUNT VERNON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2009**

	General	Community Development Block Grant	General Bond Retirement	Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 2,574,281	\$ 26,581	\$ 2,112,844	\$ 1,250,821
Investments	575,856	0	0	286,426
Receivables:				
Taxes	2,901,256	0	0	134,240
Accounts	139,524	0	0	5,000
Intergovernmental	493,649	1,788,262	0	0
Interest	25,603	0	0	0
Inventory of Supplies	666	0	0	0
Prepaid Items	108,793	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 6,819,628	\$ 1,814,843	\$ 2,112,844	\$ 1,676,487
Liabilities:				
Accounts Payable	\$ 196,226	\$ 0	\$ 2,276	\$ 0
Accrued Wages and Benefits Payable	363,986	0	0	0
Contracts Payable	0	0	0	231,603
Deferred Revenue	1,600,976	1,548,318	0	28,082
General Obligation Notes Payable	0	0	2,100,000	0
Total Liabilities	2,161,188	1,548,318	2,102,276	259,685
Fund Balances:				
Reserved for Encumbrances	332,750	26,581	0	12,878
Reserved for Prepaid Items	108,793	0	0	0
Reserved for Supplies Inventory	666	0	0	0
Reserved for Debt Service	0	0	10,568	0
Reserved for Endowments	0	0	0	0
Undesignated/Unreserved in:				
General Fund	4,216,231	0	0	0
Special Revenue Funds	0	239,944	0	0
Capital Projects Funds	0	0	0	1,403,924
Total Fund Balances	4,658,440	266,525	10,568	1,416,802
Total Liabilities and Fund Balances	\$ 6,819,628	\$ 1,814,843	\$ 2,112,844	\$ 1,676,487

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

TIF District- Coshocton Road	Other Governmental Funds	Total Governmental Funds
\$ 2,107,644	\$ 1,798,068	\$ 9,870,239
0	0	862,282
1,213,280	355,252	4,604,028
0	0	144,524
0	365,512	2,647,423
0	0	25,603
0	18,267	18,933
0	3,264	112,057
0	350,823	350,823
0	34,236	34,236
<u>\$ 3,320,924</u>	<u>\$ 2,925,422</u>	<u>\$ 18,670,148</u>
\$ 0	\$ 206,414	\$ 404,916
0	55,809	419,795
14,700	5,149	251,452
1,213,280	503,075	4,893,731
0	0	2,100,000
<u>1,227,980</u>	<u>770,447</u>	<u>8,069,894</u>
6,500	88,840	467,549
0	3,264	112,057
0	18,267	18,933
0	0	10,568
0	350,823	350,823
0	0	4,216,231
0	1,654,408	1,894,352
2,086,444	39,373	3,529,741
<u>2,092,944</u>	<u>2,154,975</u>	<u>10,600,254</u>
<u>\$ 3,320,924</u>	<u>\$ 2,925,422</u>	<u>\$ 18,670,148</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2009***

Total Governmental Fund Balances		\$ 10,600,254
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.		46,653,529
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		2,880,403
Bond issuance costs, reported as expenditures in governmental funds are allocated as an expense over the life of the debt on a full accrual basis.		61,750
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	(7,280,711)	
Ohio Public Works Commission Loan Payable	(433,125)	
Police and Firemen's Pension Accrued Liability	(431,014)	
Compensated Absences Payable	(948,963)	
Accrued Interest Payable	(9,404)	
		<u>(9,103,217)</u>
<i>Net Assets of Governmental Activities</i>		<u>\$ 51,092,719</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, 2009**

	General	Community Development Block Grant	General Bond Retirement	Capital Improvement
Revenues:				
Taxes	\$ 8,872,511	\$ 0	\$ 0	\$ 585,125
Intergovernmental Revenues	1,163,307	506,675	0	841,400
Charges for Services	1,447,325	0	0	0
Licenses and Permits	11,671	0	0	0
Investment Earnings	185,847	5	103	1,867
Fines and Forfeitures	630,213	0	0	0
All Other Revenue	92,146	0	0	22,764
Total Revenue	12,403,020	506,680	103	1,451,156
Expenditures:				
Current:				
Security of Persons and Property	5,082,202	0	0	0
Public Health and Welfare Services	353,908	0	0	68,259
Leisure Time Activities	697,900	0	0	0
Community Environment	24,783	268,691	0	0
Transportation	66,012	0	0	2,332,958
General Government	5,364,810	0	0	747,969
Debt Service:				
Principal Retirement	9,260	0	2,425,554	0
Interest and Fiscal Charges	18,615	0	311,123	0
Total Expenditures	11,617,490	268,691	2,736,677	3,149,186
Excess (Deficiency) of Revenues Over Expenditures	785,530	237,989	(2,736,574)	(1,698,030)
Other Financing Sources (Uses):				
Sale of Capital Assets	13,475	0	0	0
Public Works Commission Loan	0	0	0	125,000
General Obligation Bonds Issued	0	0	2,165,000	0
Premium on General Obligation Notes Issued	0	0	8,232	0
Transfers In	0	0	573,910	0
Transfers Out	(994,005)	0	0	0
Total Other Financing Sources (Uses)	(980,530)	0	2,747,142	125,000
Net Change in Fund Balances	(195,000)	237,989	10,568	(1,573,030)
Fund Balances at Beginning of Year	4,853,201	28,536	0	2,989,832
Increase (Decrease) in Inventory Reserve	239	0	0	0
Fund Balances End of Year	\$ 4,658,440	\$ 266,525	\$ 10,568	\$ 1,416,802

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

TIF District- Coshocton Road	Other Governmental Funds	Total Governmental Funds
\$ 1,232,200	\$ 804,535	\$ 11,494,371
0	884,602	3,395,984
0	82,553	1,529,878
0	3,800	15,471
0	2,615	190,437
0	116,150	746,363
0	42,328	157,238
<u>1,232,200</u>	<u>1,936,583</u>	<u>17,529,742</u>
0	746,700	5,828,902
0	332,542	754,709
0	8,785	706,685
0	0	293,474
468,721	1,072,792	3,940,483
0	256,949	6,369,728
0	0	2,434,814
0	0	329,738
<u>468,721</u>	<u>2,417,768</u>	<u>20,658,533</u>
763,479	(481,185)	(3,128,791)
0	4,390	17,865
0	0	125,000
0	0	2,165,000
0	0	8,232
0	712,260	1,286,170
(292,165)	0	(1,286,170)
<u>(292,165)</u>	<u>716,650</u>	<u>2,316,097</u>
471,314	235,465	(812,694)
1,621,630	1,917,578	11,410,777
0	1,932	2,171
<u>\$ 2,092,944</u>	<u>\$ 2,154,975</u>	<u>\$ 10,600,254</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, 2009***

Net Change in Fund Balances - Total Governmental Funds \$ (812,694)

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

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

Capital Outlay	4,149,078	
Depreciation Expense	<u>(1,705,313)</u>	2,443,765

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

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	<u>(290,906)</u>	(290,906)
--	------------------	-----------

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

879,038

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

General Obligation Bonds Issued	(2,165,000)	
Ohio Public Works Commission Loan	<u>(125,000)</u>	(2,290,000)

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 assets.

General Obligation Bond Principal Payment	304,304	
General Obligation Long-term Note Principal Payment	2,100,000	
Ohio Public Works Commission Loan Payment	21,250	
Police Firemen's Pension Accrued Liability Principal Payment	<u>9,260</u>	2,434,814

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

(435)

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	(54,559)	
Change in Inventory	<u>2,171</u>	<u>(52,388)</u>

Change in Net Assets of Governmental Activities **\$ 2,311,194**

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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
Revenues:				
Taxes	\$ 10,284,536	\$ 10,284,536	\$ 8,963,886	\$ (1,320,650)
Intergovernmental Revenue	647,562	937,350	1,031,270	93,920
Charges for Services	1,183,450	1,183,450	1,424,512	241,062
Licenses and Permits	25,400	25,400	13,260	(12,140)
Investment Earnings	375,000	375,000	232,692	(142,308)
Fines and Forfeitures	400,000	400,000	622,452	222,452
All Other Revenues	105,000	105,000	100,231	(4,769)
Total Revenues	13,020,948	13,310,736	12,388,303	(922,433)
Expenditures:				
Current:				
Security of Persons and Property	5,348,718	5,630,650	5,400,597	230,053
Public Health and Welfare Services	362,867	415,303	403,314	11,989
Leisure Time Activities	806,050	846,346	712,995	133,351
Community Environment	41,724	46,606	27,483	19,123
Transportation	88,397	95,566	64,265	31,301
General Government	6,286,124	6,643,181	5,656,416	986,765
Total Expenditures	12,933,880	13,677,652	12,265,070	1,412,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,068	(366,916)	123,233	490,149
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	13,475	13,475
Transfers Out	(1,564,375)	(1,563,875)	(994,005)	569,870
Total Other Financing Sources (Uses):	(1,564,375)	(1,563,875)	(980,530)	583,345
Net Change in Fund Balance	(1,477,307)	(1,930,791)	(857,297)	1,073,494
Fund Balance at Beginning of Year	2,977,307	2,977,307	2,977,307	0
Prior Year Encumbrances	453,483	453,483	453,483	0
Fund Balance at End of Year	\$ 1,953,483	\$ 1,499,999	\$ 2,573,493	\$ 1,073,494

See accompanying notes to the basic financial statements

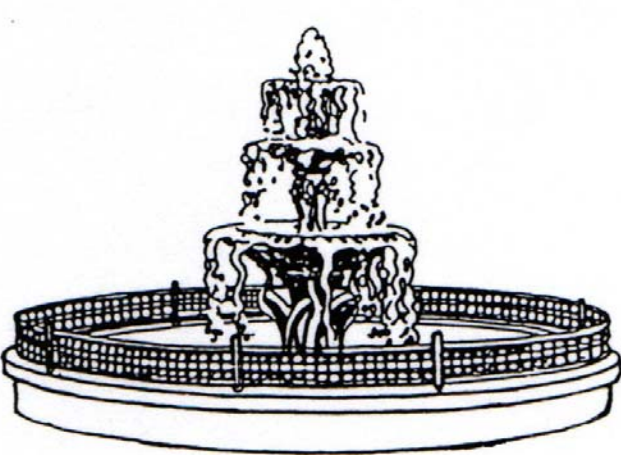
CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund
For the Year Ended December 31, 2009**

COMMUNITY DEVELOPMENT BLOCK GRANT

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 869,100	\$ 2,093,474	\$ 308,206	\$ (1,785,268)
Investment Earnings	10	10	5	(5)
Total Revenues	<u>869,110</u>	<u>2,093,484</u>	<u>308,211</u>	<u>(1,785,273)</u>
Expenditures:				
Current:				
Community Environment	<u>884,397</u>	<u>2,109,278</u>	<u>324,015</u>	<u>1,785,263</u>
Total Expenditures	<u>884,397</u>	<u>2,109,278</u>	<u>324,015</u>	<u>1,785,263</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,287)	(15,794)	(15,804)	(10)
Fund Balance at Beginning of Year	15,297	15,297	15,297	0
Prior Year Encumbrances	<u>507</u>	<u>507</u>	<u>507</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 517</u>	<u>\$ 10</u>	<u>\$ 0</u>	<u>\$ (10)</u>

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

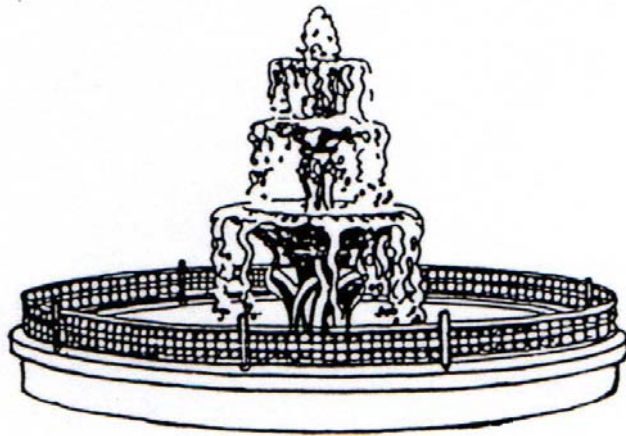
**Statement of Net Assets
Proprietary Funds
December 31, 2009**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 908,980	\$ 4,059,438	\$ 4,968,418
Investments	208,147	929,571	1,137,718
Accounts receivable (net of allowance for uncollectibles)	679,649	609,329	1,288,978
Inventory of Supplies	41,728	32,203	73,931
Prepaid Items	5,200	5,569	10,769
Total current assets	<u>1,843,704</u>	<u>5,636,110</u>	<u>7,479,814</u>
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	442,000	0	442,000
Deferred Charges	0	45,374	45,374
Capital assets:			
Capital Assets Not Being Depreciated	433,701	1,634,010	2,067,711
Capital Assets Being Depreciated	<u>16,666,396</u>	<u>11,746,491</u>	<u>28,412,887</u>
Total capital assets	<u>17,100,097</u>	<u>13,380,501</u>	<u>30,480,598</u>
Total noncurrent assets	<u>17,542,097</u>	<u>13,425,875</u>	<u>30,967,972</u>
Total assets	<u>19,385,801</u>	<u>19,061,985</u>	<u>38,447,786</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	14,967	105,924	120,891
Accrued Wages and Benefits	51,059	52,611	103,670
Contracts Payable	18,372	12,729	31,101
Matured Bonds and Interest Payable	650	0	650
Accrued Interest Payable	8,721	10,039	18,760
General Obligation Bonds Payable - Current	491,525	434,482	926,007
Revenue Bond Payable - Current	400,000	0	400,000
OPWC Loans Payable - Current	3,134	0	3,134
Compensated Absences Payable - Current	<u>42,340</u>	<u>63,455</u>	<u>105,795</u>
Total Current Liabilities	<u>1,030,768</u>	<u>679,240</u>	<u>1,710,008</u>

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities		
	Enterprise Funds		Total
	Water	Sewer	
Noncurrent Liabilities:			
General Obligation Bonds Payable	4,988,765	7,359,517	12,348,282
Revenue Bonds Payable	4,020,000	0	4,020,000
OPWC Loans Payable	122,228	0	122,228
Compensated Absences Payable	94,195	124,039	218,234
Total noncurrent liabilities	<u>9,225,188</u>	<u>7,483,556</u>	<u>16,708,744</u>
Total Liabilities	<u>10,255,956</u>	<u>8,162,796</u>	<u>18,418,752</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,074,445	8,181,502	15,255,947
Restricted for Capital Projects	506,183	2,527,724	3,033,907
Restricted for Debt Service	442,000	0	442,000
Unrestricted	<u>1,107,217</u>	<u>189,963</u>	<u>1,297,180</u>
Total Net Assets	<u>\$ 9,129,845</u>	<u>\$ 10,899,189</u>	<u>\$ 20,029,034</u>

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
Operating Revenues:			
Charges for Services	\$ 3,284,549	\$ 2,662,001	\$ 5,946,550
Other Operating Revenues	2,683	56,244	58,927
Total Operating Revenues	3,287,232	2,718,245	6,005,477
Operating Expenses:			
Personal Services	1,166,322	1,266,742	2,433,064
Contractual Services	284,762	239,440	524,202
Materials and Supplies	337,632	264,456	602,088
Utilities	202,577	237,664	440,241
Depreciation	908,668	544,146	1,452,814
Total Operating Expenses	2,899,961	2,552,448	5,452,409
Operating Income	387,271	165,797	553,068
Non-Operating Revenues (Expenses):			
Interest Income	5,723	671	6,394
Interest and Fiscal Charges	(488,773)	(333,168)	(821,941)
Intergovernmental Grants	41,618	0	41,618
Total Non-Operating Revenues (Expenses)	(441,432)	(332,497)	(773,929)
Change in Net Assets	(54,161)	(166,700)	(220,861)
Net Assets Beginning of Year	9,184,006	11,065,889	20,249,895
Net Assets End of Year	\$ 9,129,845	\$ 10,899,189	\$ 20,029,034

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, 2009**

	Business-Type Activities Enterprise Funds		Total
	Water	Sewer	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$3,314,364	\$2,683,963	\$5,998,327
Cash Payments for Goods and Services	(827,215)	(725,776)	(1,552,991)
Cash Payments to Employees	(1,176,541)	(1,260,334)	(2,436,875)
Net Cash Provided by Operating Activities	<u>1,310,608</u>	<u>697,853</u>	<u>2,008,461</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Ohio Public Works Commission Grant	41,618	0	41,618
Proceeds from Ohio Public Works Commission Loan	125,362	0	125,362
Proceeds from General Obligation Bonds	4,420,000	2,524,620	6,944,620
Proceeds from Premium on General Obligation Bonds	19,301	0	19,301
Acquisition and Construction of Assets	(218,434)	(951,169)	(1,169,603)
Principal Paid on General Obligation Bonds	(471,375)	(319,321)	(790,696)
Principal Paid on Revenue Bonds	(5,015,000)	0	(5,015,000)
Interest Paid on All Debt	(509,764)	(241,674)	(751,438)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(1,608,292)</u>	<u>1,012,456</u>	<u>(595,836)</u>
<u>Cash Flows from Investing Activities:</u>			
Proceeds from Sale of Investments	816,605	2,004,511	2,821,116
Receipt of Interest	5,723	671	6,394
Net Cash Provided by Investing Activities	<u>822,328</u>	<u>2,005,182</u>	<u>2,827,510</u>
Net Increase in Cash and Cash Equivalents	524,644	3,715,491	4,240,135
Cash and Cash Equivalents at Beginning of Year	826,336	343,947	1,170,283
Cash and Cash Equivalents at End of Year	<u>\$1,350,980</u>	<u>\$4,059,438</u>	<u>\$5,410,418</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$908,980	\$4,059,438	\$4,968,418
Restricted Cash with Fiscal Agent	442,000	0	442,000
Cash and Cash Equivalents at End of Year	<u>\$1,350,980</u>	<u>\$4,059,438</u>	<u>\$5,410,418</u>

(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	\$387,271	\$165,797	\$553,068
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	908,668	544,146	1,452,814
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	27,132	(34,282)	(7,150)
Decrease in Inventory	39,589	39,019	78,608
(Increase) Decrease in Prepaid Items	(15)	95	80
Increase (Decrease) in Accounts Payable	(24,246)	65,154	40,908
Decrease in Accrued Wages and Benefits	(16,479)	(14,745)	(31,224)
Decrease in Contracts Payable	(16,984)	(88,072)	(105,056)
Increase in Compensated Absences	5,672	20,741	26,413
Total Adjustments	923,337	532,056	1,455,393
Net Cash Provided by Operating Activities	\$1,310,608	\$697,853	\$2,008,461

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2009 the Water and Sewer Funds had outstanding liabilities of \$11,331 and \$3,101 respectively for certain capital assets.

In the Sewer Fund, bond issuance costs of \$70,380 were deducted from the bond proceeds.

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2009***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 107,974
Total Assets	<u>\$ 107,974</u>
Liabilities:	
Intergovernmental Payable	\$ 30,444
Due to Others	<u>77,530</u>
Total Liabilities	<u>\$ 107,974</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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, 2009 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,"* 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 2009.

Mid Ohio Transit Authority (MOTA) is a jointly governed organization whose board is composed of four members; one county commissioner, one township representative, and one representative from the City. These three members collectively appoint one non-elected representative from within the county. MOTA was organized to provide public transportation for the entire county.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The City did not appoint a majority of the members of the Board, nor is the City accountable for any operating deficits of MOTA. The MOTA Board is responsible for the fiscal operation of MOTA. The City appropriated \$20,000 for an operating grant to MOTA for 2009.

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.

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 \$44,151 for operations of the combined District for 2009.

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, liabilities, fund balance, net assets, 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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 and all liabilities associated with the operation of these funds are included on the statement of net assets. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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 clean up 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, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets 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 and current liabilities, 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 and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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, 2009***

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.

Property taxes measurable as of December 31, 2009 but which are not intended to finance 2009 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenues.

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.

For governmental activities and proprietary funds, the City applies Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only 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 an ordinance of the City Council.

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 2009.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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.

4. Encumbrances

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

5. Lapsing of Appropriations

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting

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

	Net Change in Fund Balance	
	General Fund	Community Development Block Grant Fund
GAAP Basis (as reported)	(\$195,000)	\$237,989
Increase (Decrease):		
Accrued Revenues at December 31, 2009 received during 2010	(2,017,761)	(239,944)
Accrued Revenues at December 31, 2008 received during 2009	2,025,574	41,475
Accrued Expenditures at December 31, 2009 paid during 2010	560,212	0
Accrued Expenditures at December 31, 2008 paid during 2009	(697,170)	(28,743)
2008 Prepaids for 2009	92,770	0
2009 Prepaids for 2010	(108,793)	0
Outstanding Encumbrances	(517,129)	(26,581)
Budget Basis	<u>(\$857,297)</u>	<u>(\$15,804)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 3, "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 3, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2009.

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 assets. 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, 2009, 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, 2009***

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 Assets, but they are not reported in the Fund Financial Statements.

Donated capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, 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 fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets 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, 2009***

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
Mortgage Revenue Bonds	Water Fund
Long-term General Obligation Notes	General Bond Retirement Fund
Ohio Public Works Loan	General Bond Retirement Fund, Water Fund
Police and Fire Pension Accrued Liability	General Fund
Compensated Absences	General Fund, Street Construction, Maintenance and Repair Fund, Cemetery Fund, 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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 net assets are available.

N. Pensions

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Reservations of Fund Balance

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

Q. Restricted Assets

Certain assets are classified as restricted cash on the statement of net assets 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

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs in the government-wide financial statements and proprietary fund types are deferred and amortized over the term of the bonds. Issuance costs are recorded as deferred charges.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” and Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants’ and auditing literature into the GASB’s accounting and financial reporting literature for state and local governments. The statement’s guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City’s financial statements.

NOTE 3 - 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

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

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). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

At year end the carrying amount of the City's deposits was \$15,850,425 and the bank balance \$16,029,467. The Federal Deposit Insurance Corporation (FDIC) covered \$500,000 of the bank balance. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$15,350,425</u>
Total Balance	<u><u>\$15,350,425</u></u>

Investment earnings of \$212,480 earned by other funds were credited to the General Fund as required by state statute.

B. Investments

The City's investments at December 31, 2009 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>
			<u>less than 1</u>
STAR Ohio	<u>\$1,447,029</u>	AAAm ¹	<u>\$1,447,029</u>
Total Investments	<u><u>\$1,447,029</u></u>		<u><u>\$1,447,029</u></u>

¹ Standard & Poor's

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Cash with Fiscal Agents

In addition to deposits and investments, the City has uninsured and uncollateralized cash in the amount of \$34,236 being held by Knox County and the City had cash with fiscal agents in the amount of \$442,000 for bond reserve accounts, of which \$250,000 was insured by the FDIC and the remaining deposits were uninsured and uncollateralized.

D. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the 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	\$15,297,454	\$2,000,000
Certificates of Deposit (with maturities of more than 3 months)	2,000,000	(2,000,000)
Investments:		
STAR Ohio	<u>(1,447,029)</u>	<u>1,447,029</u>
Per GASB Statement No. 3	<u>\$15,850,425</u>	<u>\$1,447,029</u>

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2009 were levied after October 1, 2008 on assessed values as of January 1, 2007, 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 2008. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

Tangible personal property tax (other than public utility property) attaches as a lien and were levied, on the true value as of January 1, 2009. Tangible personal property of telephone and telecommunication companies (except for public utilities) is currently assessed for ad valorem taxation purposes at 10 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 4 - TAXES (Continued)

A. Property Taxes (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2012, the City will be fully reimbursed for the lost revenue. In calendar years 2013-2017, the reimbursements will be phased out.

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, 2009 was \$3.20 per \$1,000 of assessed value. The 2009 assessed value was \$261,803,090. This amount constitutes \$254,358,810 in real property assessed value and \$7,444,280 in public utility assessed.

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

B. Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 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: 81% of the unvoted 1% portion of the income tax is credited to the General Fund, 10% to the Capital Improvement 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 General Fund.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 5 - RECEIVABLES

Receivables at December 31, 2009 consisted of taxes, accounts, interest, 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	
Estate Tax	\$229,385
Homestead and Rollback Reimbursement	40,548
Local Government	223,428
Lodging Tax	288
Total General Fund	<u>493,649</u>
Major Special Revenue Fund:	
CDBG Fund - CDBG Grants	1,788,262
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Cents Per Gallon	25,706
Gasoline Tax	210,670
Motor Vehicle Tax	47,043
Total Street Construction, Maintenance and Repair Fund	<u>283,419</u>
State Highway Improvement Fund	
Gasoline Tax	19,166
Motor Vehicle Tax	3,814
Total State Highway Improvement Fund	<u>22,980</u>
Permissive Auto License Tax Fund - Permissive Tax	34,236
Permissive License Registration Fund - Permissive Tax	15,509
Police Pension Fund - Homestead and Rollback Reimbursement	4,684
Fire Pension Fund - Homestead and Rollback Reimbursement	4,684
Total Nonmajor Special Revenue Funds	<u>365,512</u>
Total Governmental Fund Types	<u><u>\$2,647,423</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 6 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2009:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$994,005
General Bond Retirement Fund	573,910	0
Capital Improvement Fund	0	0
TIF District-Coshocton Road Fund	0	292,165
Other Governmental Funds	712,260	0
Total Governmental Funds	<u>\$1,286,170</u>	<u>\$1,286,170</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.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 7 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets as of December 31, 2009:

Historical Cost:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Capital assets not being depreciated:				
Land	\$10,777,668	\$1,550	\$0	\$10,779,218
Construction in Progress	2,156,829	953,891	(1,995,180)	1,115,540
Subtotal	12,934,497	955,441	(1,995,180)	11,894,758
Capital assets being depreciated:				
Buildings	10,756,514	232,310	0	10,988,824
Improvements Other than Buildings	613,672	7,659	0	621,331
Infrastructure	34,420,433	4,241,690	(592,651)	38,069,472
Machinery and Equipment	5,888,101	707,158	(93,428)	6,501,831
Subtotal	51,678,720	5,188,817	(686,079)	56,181,458
Total Cost	\$64,613,217	\$6,144,258	(\$2,681,259)	\$68,076,216
Accumulated Depreciation:				
Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$3,531,893)	(\$366,282)	\$0	(\$3,898,175)
Improvements	(478,099)	(6,422)	0	(484,521)
Infrastructure	(11,865,158)	(943,043)	302,322	(12,505,879)
Machinery and Equipment	(4,237,397)	(389,566)	92,851	(4,534,112)
Total Depreciation	(\$20,112,547)	(\$1,705,313) *	\$395,173	(\$21,422,687)
Net Value:	\$44,500,670			\$46,653,529

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$317,840
Leisure Time Activities	222,608
Public Health & Welfare	12,833
Transportation	1,008,601
General Government	143,431
Total Depreciation Expense	\$1,705,313

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 7 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets as of December 31, 2009:

Historical Cost:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
<i>Capital assets not being depreciated:</i>				
Land	\$819,311	\$0	\$0	\$819,311
Construction in Progress	553,068	730,300	(34,968)	1,248,400
Subtotal	1,372,379	730,300	(34,968)	2,067,711
<i>Capital assets being depreciated:</i>				
Buildings	25,391,136	7,695	0	25,398,831
Utility Structures in Service	23,189,151	416,737	0	23,605,888
Machinery and Equipment	3,340,459	50,061	0	3,390,520
Subtotal	51,920,746	474,493	0	52,395,239
Total Cost	\$53,293,125	\$1,204,793	(\$34,968)	\$54,462,950

Accumulated Depreciation:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$8,268,070)	(\$951,633)	\$0	(\$9,219,703)
Utility Structures in Service	(11,385,926)	(352,284)	0	(11,738,210)
Machinery and Equipment	(2,875,542)	(148,897)	0	(3,024,439)
Total Depreciation	(\$22,529,538)	(\$1,452,814)	\$0	(\$23,982,352)
<i>Net Value:</i>	\$30,763,587			\$30,480,598

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$651,484, \$623,056 and \$598,683, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2009 were \$11,217 made by the City and \$8,012 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2009, 2008, and 2007 were \$170,763, \$166,269 and \$223,081 for police and \$327,739, \$306,150 and \$383,633 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 9 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – 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 plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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 is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2009, 2008, and 2007 were \$270,706, \$311,528 and \$237,745, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

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

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. 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% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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 2009, the employer contribution allocated to the health care plan was 6.75% 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 also is 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 contributions for health care to the OP&F for the years ending December 31, 2009, 2008, and 2007 were \$90,404, \$88,025 and \$90,994 for police and \$128,246, \$119,798 and \$107,896 for firefighters, respectively, which were equal to the required contributions for each year.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2009 were as follows:

		Balance December 31, 2008	Additions	(Reductions)	Balance December 31, 2009	Amounts Due Within One Year
Business-Type Activities:						
Mortgage Revenue Bonds:						
3.00 - 4.75%	Water	1999	\$5,015,000	\$0	(\$5,015,000)	\$0
3.00 - 3.75%	Water	2009	\$0	\$4,420,000	\$0	\$4,420,000
			\$5,015,000	\$4,420,000	(\$5,015,000)	\$4,420,000
						\$400,000
General Obligation Bonds:						
2.00 - 4.200%	Wastewater Improvements	2003	1,544,547	0	(123,696)	1,420,851
2.00 - 4.200%	Wastewater-Refunding 1992	2003	1,087,108	0	(89,250)	997,858
2.00 - 4.200%	Water-Building Project	2003	91,665	0	(6,375)	85,290
2.00 - 4.200%	Wastewater-Building Project	2003	91,665	0	(6,375)	85,290
4.00 - 5.500%	Waterworks Refunding 1997	2007	5,355,000	0	(445,000)	4,910,000
3.75 - 4.350%	Waterworks	2007	505,000	0	(20,000)	485,000
3.75 - 4.350%	W/W Treatment Facility	2007	2,795,000	0	(100,000)	2,695,000
1.15 - 6.000%	Wastewater Improvements	2009	0	2,595,000	0	2,595,000
	Total General Obligation Bonds Payable		11,469,985	2,595,000	(790,696)	13,274,289
						926,007
Ohio Public Works Commission Loan:						
0.000%	Wastewater Improvements	2009	0	125,362	0	125,362
	Compensated Absences		297,616	227,992	(201,579)	324,029
	Total Business-Type Activities		\$16,782,601	\$7,368,354	(\$6,007,275)	\$18,143,680
						\$1,434,936
Governmental Activities:						
General Obligation Bond:						
2.00 - 4.200%	Building Project	2003	\$181,945	\$0	(\$12,750)	\$169,195
2.00 - 4.200%	Highway Project	2003	2,303,070	0	(186,554)	2,116,516
3.75 - 4.350%	Water Park Facility	2007	2,935,000	0	(105,000)	2,830,000
2.00 - 4.250%	Highway Project	2009	0	2,165,000	0	2,165,000
	Total General Obligation Bonds Payable		5,420,015	2,165,000	(304,304)	7,280,711
						398,993
	Long-term General Obligation Note Payable	2008	2,100,000	0	(2,100,000)	0
						0
Ohio Public Works Commission Loans:						
0.000%	OPWC Loan Payable	2003	329,375	0	(21,250)	308,125
0.000%	OPWC Loan Payable	2009	0	125,000	0	125,000
	Total OPWC Loans Payable		329,375	125,000	(21,250)	433,125
						24,375
	Compensated Absences		894,404	1,149,481	(1,094,922)	948,963
	Police and Firemen's Pension Accrued Liability		440,274	0	(9,260)	431,014
	Total Governmental Activities		\$9,184,068	\$3,439,481	(\$3,529,736)	\$9,093,813
						\$700,058

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Long-term Debt Purpose

Business Type Activities: Mortgage Revenue Bonds (1999) 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.

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.

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, 2009 was \$709,545 in principal and interest payments through the year 2035.

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 10 - 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, 2009 are as follows:

Business-type Activities:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$926,007	\$560,182	\$400,000	\$142,383	\$3,134	\$0
2011	956,317	535,798	400,000	139,650	6,268	0
2012	986,938	501,581	415,000	127,650	6,268	0
2013	919,315	465,920	425,000	115,200	6,268	0
2014	954,626	431,915	435,000	102,450	6,268	0
2015-2019	4,703,406	1,523,313	2,345,000	260,550	31,340	0
2020-2024	2,312,680	700,597	0	0	31,340	0
2025-2029	1,515,000	212,040	0	0	31,340	0
2030	0	0	0	0	3,136	0
Totals	\$13,274,289	\$4,931,346	\$4,420,000	\$887,883	\$125,362	\$0

Governmental Activities:

Years	General Obligation Bonds		Police/Fire Pension Liability		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$398,993	\$277,924	\$9,658	\$18,216	\$24,375	\$0
2011	398,683	270,189	10,073	17,801	27,500	0
2012	418,062	257,221	10,505	17,369	27,500	0
2013	345,685	243,421	10,956	16,918	27,500	0
2014	355,374	231,827	11,428	16,448	27,500	0
2015-2019	2,021,594	947,865	64,932	74,436	137,500	0
2020-2024	2,022,320	519,392	80,131	59,242	126,875	0
2025-2029	1,320,000	146,318	98,881	40,489	31,250	0
2030-2034	0	0	122,028	17,348	3,125	0
2035	0	0	12,422	264	0	0
Totals	\$7,280,711	\$2,894,157	\$431,014	\$278,531	\$433,125	\$0

The Long-term Note Payable of \$2,100,000 was rolled into a new note payable in February 2009 and will be retired in February 2010 with the proceeds of General Obligation Bonds issued in December 2009. The interest requirement for 2009 is \$41,883.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

D. Current Refunding

In December 2009, the City refunded \$4,605,000 of Mortgage Revenue Bonds for Water System Improvements dated February 15, 1999 (the "1999 Bonds") through the issuance of \$4,420,000 of Mortgage Revenue Bonds for Water System Refunding Bonds (the "2009 Bonds"). The proceeds of the 2009 Bonds were placed in an escrow account and were used to call the bonds. The current refunding was undertaken to reduce total debt service payments over the next 9 years by \$420,785 and resulted in an economic gain of \$407,358 in the Water Fund. The acquisition price exceeded the net carrying amount of the old debt by \$19,301. This amount is considered immaterial and is not being amortized.

NOTE 11 – NOTE PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	<u>Maturity Date</u>	<u>Balance January 1, 2009</u>	<u>Issued</u>	<u>(Retired)</u>	<u>Balance December 31, 2009</u>
Note Payable:					
Street Improvements	2/23/2010	\$0	\$2,100,000	\$0	\$2,100,000

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, 2009, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	59,574	\$641,314
Vacation	13,176	267,032
Compensatory Time	1,960	40,617
Total	<u>74,710</u>	<u>\$948,963</u>

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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. PEP is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage

For occurrences prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

For occurrences on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

Property Coverage

Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$150,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined PEP members' total insurable values. If the stop loss is reached by payment of losses between \$150,000 and \$250,000, Travelers will reinsure specific losses exceeding \$150,000 up to their \$600,000,000 per occurrence limit.

The aforementioned casualty and property reinsurance agreements do 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, 2009**

NOTE 13 - RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Assets	\$ 36,374,898	\$ 35,769,535
Liabilities	<u>15,256,862</u>	<u>15,310,206</u>
Net Assets	<u><u>\$ 21,118,036</u></u>	<u><u>\$ 20,459,329</u></u>

At December 31, 2009 and 2008, respectively, casualty coverage liabilities noted above include approximately \$13.7 million and \$12.9 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 and 445 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The City's share of these unpaid claims collectible in future years is approximately \$251,632. This payable includes the subsequent year's contribution due if the City terminates participation, as described in the last paragraph below.

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>
2008	\$ 118,920
2009	125,816

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. 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, 2009***

NOTE 14 - CONSTRUCTION COMMITMENTS

As of December 31, 2009, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
2009 Brick Street Rehabilitation Project	\$158,109	January 2010
Water Filter Media Replacement Project	146,759	March 2010

NOTE 15 - CONTINGENCIES

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

NOTE 16 – SUBSEQUENT EVENTS

On February 23, 2010, the City retired \$2,100,000 Bond Anticipation Notes. The Bond Anticipation Notes were issued to finance the cost of road improvements.

*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.

(Continued)

Special Revenue Funds

Indigent Drivers Alcohol Treatment Fund

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

DUI - Enforcement and Education Fund

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

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.

Federal Emergency Management Agency (FEMA) Grant Fund

To account for grant monies received from Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects.

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.

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.

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.

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.

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, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,758,695	\$ 39,373	\$ 0	\$ 1,798,068
Receivables:				
Taxes	330,252	25,000	0	355,252
Intergovernmental	365,512	0	0	365,512
Inventory of Supplies	18,267	0	0	18,267
Prepaid Items	3,264	0	0	3,264
Restricted Assets:				
Cash and Cash Equivalents	0	0	350,823	350,823
Cash and Cash Equivalents with Fiscal Agent	34,236	0	0	34,236
Total Assets	\$ 2,510,226	\$ 64,373	\$ 350,823	\$ 2,925,422
Liabilities:				
Accounts Payable	\$ 206,414	\$ 0	\$ 0	\$ 206,414
Accrued Wages and Benefits Payable	55,809	0	0	55,809
Contracts Payable	5,149	0	0	5,149
Deferred Revenue	478,075	25,000	0	503,075
Total Liabilities	745,447	25,000	0	770,447
Fund Balances:				
Reserved for Encumbrances	88,840	0	0	88,840
Reserved for Prepaid Items	3,264	0	0	3,264
Reserved for Supplies Inventory	18,267	0	0	18,267
Reserved for Endowments	0	0	350,823	350,823
Undesignated/Unreserved				
Special Revenue Funds	1,654,408	0	0	1,654,408
Capital Projects Funds	0	39,373	0	39,373
Total Fund Balances	1,764,779	39,373	350,823	2,154,975
Total Liabilities and Fund Balances	\$ 2,510,226	\$ 64,373	\$ 350,823	\$ 2,925,422

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 782,615	\$ 21,920	\$ 0	\$ 804,535
Intergovernmental Revenues	884,602	0	0	884,602
Charges for Services	82,553	0	0	82,553
Licenses and Permits	3,800	0	0	3,800
Investment Earnings	2,615	0	0	2,615
Fines and Forfeitures	116,150	0	0	116,150
All Other Revenue	35,039	0	7,289	42,328
Total Revenue	1,907,374	21,920	7,289	1,936,583
Expenditures:				
Current:				
Security of Persons and Property	746,700	0	0	746,700
Public Health and Welfare Services	332,542	0	0	332,542
Leisure Time Activities	8,785	0	0	8,785
Transportation	1,072,432	360	0	1,072,792
General Government	253,342	3,607	0	256,949
Total Expenditures	2,413,801	3,967	0	2,417,768
Excess (Deficiency) of Revenues Over Expenditures	(506,427)	17,953	7,289	(481,185)
Other Financing Sources (Uses):				
Sale of Capital Assets	4,390	0	0	4,390
Transfers In	712,260	0	0	712,260
Total Other Financing Sources (Uses)	716,650	0	0	716,650
Net Change in Fund Balances	210,223	17,953	7,289	235,465
Fund Balances at Beginning of Year	1,552,624	21,420	343,534	1,917,578
Increase in Inventory Reserve	1,932	0	0	1,932
Fund Balances End of Year	\$ 1,764,779	\$ 39,373	\$ 350,823	\$ 2,154,975

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Assets:				
Cash and Cash Equivalents	\$ 281,763	\$ 111,756	\$ 0	\$ 100,626
Receivables:				
Taxes	40,271	0	0	53,696
Intergovernmental	283,419	22,980	34,236	0
Inventory of Supplies	17,553	0	0	714
Prepaid Items	2,415	0	0	557
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	34,236	0
Total Assets	\$ 625,421	\$ 134,736	\$ 68,472	\$ 155,593
Liabilities:				
Accounts Payable	\$ 7,454	\$ 758	\$ 0	\$ 2,530
Accrued Wages and Benefits Payable	33,748	0	0	10,938
Contracts Payable	0	0	0	0
Deferred Revenue	197,966	15,368	34,236	11,233
Total Liabilities	239,168	16,126	34,236	24,701
Fund Balances:				
Reserved for Encumbrances	13,845	4,963	0	7,581
Reserved for Prepaid Items	2,415	0	0	557
Reserved for Supplies Inventory	17,553	0	0	714
Unreserved, Undesignated in:				
Special Revenue Funds	352,440	113,647	34,236	122,040
Total Fund Balances	386,253	118,610	34,236	130,892
Total Liabilities and Fund Balances	\$ 625,421	\$ 134,736	\$ 68,472	\$ 155,593

CITY OF MOUNT VERNON, OHIO

<u>Park Development</u>	<u>Parking</u>	<u>Law Enforcement Trust</u>	<u>Drug Enforcement Trust</u>	<u>Permissive License Registration</u>	<u>Indigent Drivers Alcohol Treatment</u>
\$ 55,358	\$ 31,693	\$ 11,840	\$ 19,366	\$ 54,451	\$ 967
0	0	0	0	0	0
0	0	0	0	15,509	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 55,358</u>	<u>\$ 31,693</u>	<u>\$ 11,840</u>	<u>\$ 19,366</u>	<u>\$ 69,960</u>	<u>\$ 967</u>
\$ 0	\$ 702	\$ 0	\$ 0	\$ 4,354	\$ 0
0	157	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>859</u>	<u>0</u>	<u>0</u>	<u>4,354</u>	<u>0</u>
0	298	0	0	18,539	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>55,358</u>	<u>30,536</u>	<u>11,840</u>	<u>19,366</u>	<u>47,067</u>	<u>967</u>
<u>55,358</u>	<u>30,834</u>	<u>11,840</u>	<u>19,366</u>	<u>65,606</u>	<u>967</u>
<u>\$ 55,358</u>	<u>\$ 31,693</u>	<u>\$ 11,840</u>	<u>\$ 19,366</u>	<u>\$ 69,960</u>	<u>\$ 967</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	DUI Enforcement and Education	Court Computerization	Probation Services	FEMA
Assets:				
Cash and Cash Equivalents	\$ 35,868	\$ 139,402	\$ 31,990	\$ 472
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	292	0	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 35,868	\$ 139,694	\$ 31,990	\$ 472
Liabilities:				
Accounts Payable	\$ 0	\$ 402	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Contracts Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	0	402	0	0
Fund Balances:				
Reserved for Encumbrances	0	20,080	635	0
Reserved for Prepaid Items	0	292	0	0
Reserved for Supplies Inventory	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	35,868	118,920	31,355	472
Total Fund Balances	35,868	139,292	31,990	472
Total Liabilities and Fund Balances	\$ 35,868	\$ 139,694	\$ 31,990	\$ 472

CITY OF MOUNT VERNON, OHIO

Lodging Excise Tax	Driver's Interlock and Alcohol Monitoring	Police Pension	Fire Pension	Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 11,427	\$ 347,701	\$ 448,044	\$ 5,885	\$ 70,086	\$ 1,758,695
5,149	0	115,568	115,568	0	0	330,252
0	0	4,684	4,684	0	0	365,512
0	0	0	0	0	0	18,267
0	0	0	0	0	0	3,264
0	0	0	0	0	0	34,236
<u>\$ 5,149</u>	<u>\$ 11,427</u>	<u>\$ 467,953</u>	<u>\$ 568,296</u>	<u>\$ 5,885</u>	<u>\$ 70,086</u>	<u>\$ 2,510,226</u>
\$ 0	\$ 0	\$ 72,075	\$ 118,126	\$ 0	\$ 13	\$ 206,414
0	0	3,967	6,999	0	0	55,809
5,149	0	0	0	0	0	5,149
0	0	109,636	109,636	0	0	478,075
<u>5,149</u>	<u>0</u>	<u>185,678</u>	<u>234,761</u>	<u>0</u>	<u>13</u>	<u>745,447</u>
0	0	8,025	14,874	0	0	88,840
0	0	0	0	0	0	3,264
0	0	0	0	0	0	18,267
0	11,427	274,250	318,661	5,885	70,073	1,654,408
0	11,427	282,275	333,535	5,885	70,073	1,764,779
<u>\$ 5,149</u>	<u>\$ 11,427</u>	<u>\$ 467,953</u>	<u>\$ 568,296</u>	<u>\$ 5,885</u>	<u>\$ 70,086</u>	<u>\$ 2,510,226</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, 2009***

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Revenues:				
Taxes	\$ 175,538	\$ 0	\$ 0	\$ 234,050
Intergovernmental Revenues	587,407	47,629	68,051	0
Charges for Services	0	0	0	59,923
Licenses and Permits	3,070	0	0	0
Investment Earnings	529	247	0	1,669
Fines and Forfeitures	0	0	0	0
All Other Revenue	35,039	0	0	0
Total Revenue	801,583	47,876	68,051	295,642
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	332,542
Leisure Time Activities	0	0	0	0
Transportation	850,223	58,100	74,108	0
General Government	0	0	0	0
Total Expenditures	850,223	58,100	74,108	332,542
Excess (Deficiency) of Revenues Over Expenditures	(48,640)	(10,224)	(6,057)	(36,900)
Other Financing Sources (Uses):				
Sale of Capital Assets	50	0	0	1,763
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	50	0	0	1,763
Net Change in Fund Balances	(48,590)	(10,224)	(6,057)	(35,137)
Fund Balances at Beginning of Year	432,790	128,834	40,293	166,150
Increase (Decrease) in Inventory Reserve	2,053	0	0	(121)
Fund Balances End of Year	\$ 386,253	\$ 118,610	\$ 34,236	\$ 130,892

CITY OF MOUNT VERNON, OHIO

<u>Park Development</u>	<u>Parking</u>	<u>Law Enforcement Trust</u>	<u>Drug Enforcement Trust</u>	<u>Permissive License Registration</u>	<u>Indigent Drivers Alcohol Treatment</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	102,393	0
2,260	0	0	0	0	0
0	730	0	0	0	0
0	0	0	0	0	0
0	3,855	1,059	2,833	0	20,247
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,260</u>	<u>4,585</u>	<u>1,059</u>	<u>2,833</u>	<u>102,393</u>	<u>20,247</u>
0	26,213	3	3,161	0	0
0	0	0	0	0	0
7,830	0	0	0	0	0
0	0	0	0	90,001	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,833</u>
<u>7,830</u>	<u>26,213</u>	<u>3</u>	<u>3,161</u>	<u>90,001</u>	<u>19,833</u>
(5,570)	(21,628)	1,056	(328)	12,392	414
0	2,577	0	0	0	0
<u>2,260</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,260</u>	<u>27,577</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(3,310)	5,949	1,056	(328)	12,392	414
58,668	24,885	10,784	19,694	53,214	553
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 55,358</u>	<u>\$ 30,834</u>	<u>\$ 11,840</u>	<u>\$ 19,366</u>	<u>\$ 65,606</u>	<u>\$ 967</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, 2009**

	DUI Enforcement and Education	Court Computerization	Probation Services	FEMA
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	54,130
Charges for Services	0	0	17,830	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	1,478	75,144	407	0
All Other Revenue	0	0	0	0
Total Revenue	1,478	75,144	18,237	54,130
Expenditures:				
Current:				
Security of Persons and Property	231	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	75,683	11,509	53,658
Total Expenditures	231	75,683	11,509	53,658
Excess (Deficiency) of Revenues Over Expenditures	1,247	(539)	6,728	472
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	1,247	(539)	6,728	472
Fund Balances at Beginning of Year	34,621	139,831	25,262	0
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 35,868	\$ 139,292	\$ 31,990	\$ 472

CITY OF MOUNT VERNON, OHIO

Lodging Excise Tax	Driver's Interlock and Alcohol Monitoring	Police Pension	Fire Pension	Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 89,133	\$ 0	\$ 141,947	\$ 141,947	\$ 0	\$ 0	\$ 782,615
0	0	12,496	12,496	0	0	884,602
0	0	0	0	1,140	1,400	82,553
0	0	0	0	0	0	3,800
0	0	0	0	26	144	2,615
0	11,127	0	0	0	0	116,150
0	0	0	0	0	0	35,039
<u>89,133</u>	<u>11,127</u>	<u>154,443</u>	<u>154,443</u>	<u>1,166</u>	<u>1,544</u>	<u>1,907,374</u>
0	0	262,206	454,886	0	0	746,700
0	0	0	0	0	0	332,542
0	0	0	0	0	955	8,785
0	0	0	0	0	0	1,072,432
<u>89,133</u>	<u>0</u>	<u>1,763</u>	<u>1,763</u>	<u>0</u>	<u>0</u>	<u>253,342</u>
<u>89,133</u>	<u>0</u>	<u>263,969</u>	<u>456,649</u>	<u>0</u>	<u>955</u>	<u>2,413,801</u>
0	11,127	(109,526)	(302,206)	1,166	589	(506,427)
0	0	0	0	0	0	4,390
<u>0</u>	<u>0</u>	<u>185,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>712,260</u>
<u>0</u>	<u>0</u>	<u>185,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>716,650</u>
0	11,127	75,474	197,794	1,166	589	210,223
0	300	206,801	135,741	4,719	69,484	1,552,624
0	0	0	0	0	0	1,932
<u>\$ 0</u>	<u>\$ 11,427</u>	<u>\$ 282,275</u>	<u>\$ 333,535</u>	<u>\$ 5,885</u>	<u>\$ 70,073</u>	<u>\$ 1,764,779</u>

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009**

	<u>B&O Railroad Depot</u>	<u>TIF District- Industrial Area</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 3,967	\$ 35,406	\$ 39,373
Receivables:			
Taxes	<u>0</u>	<u>25,000</u>	<u>25,000</u>
Total Assets	<u>\$ 3,967</u>	<u>\$ 60,406</u>	<u>\$ 64,373</u>
Liabilities:			
Deferred Revenue	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>
Total Liabilities	<u>0</u>	<u>25,000</u>	<u>25,000</u>
Fund Balances:			
Unreserved, Undesignated in:			
Capital Projects Funds	<u>3,967</u>	<u>35,406</u>	<u>39,373</u>
Total Fund Balances	<u>3,967</u>	<u>35,406</u>	<u>39,373</u>
Total Liabilities and Fund Balances	<u>\$ 3,967</u>	<u>\$ 60,406</u>	<u>\$ 64,373</u>

CITY OF MOUNT VERNON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009***

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Project Funds
Revenues:			
Taxes	\$ 0	\$ 21,920	\$ 21,920
Total Revenue	<u>0</u>	<u>21,920</u>	<u>21,920</u>
Expenditures:			
Current:			
Transportation	0	360	360
General Government	3,607	0	3,607
Total Expenditures	<u>3,607</u>	<u>360</u>	<u>3,967</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,607)	21,560	17,953
Fund Balances at Beginning of Year	<u>7,574</u>	<u>13,846</u>	<u>21,420</u>
Fund Balances End of Year	<u>\$ 3,967</u>	<u>\$ 35,406</u>	<u>\$ 39,373</u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 596,300	\$ 596,300	\$ 638,950	\$ 42,650
Municipal Income Tax	9,683,236	9,683,236	8,319,576	(1,363,660)
Other Local Taxes	5,000	5,000	5,360	360
Total Tax Revenues	<u>10,284,536</u>	<u>10,284,536</u>	<u>8,963,886</u>	<u>(1,320,650)</u>
Intergovernmental Revenues:				
State Levied Shared Taxes	554,362	554,362	598,173	43,811
Intergovernmental Revenues	93,200	382,988	433,097	50,109
Total Intergovernmental Revenues	<u>647,562</u>	<u>937,350</u>	<u>1,031,270</u>	<u>93,920</u>
Charges for Services	1,183,450	1,183,450	1,424,512	241,062
Licenses and Permits	25,400	25,400	13,260	(12,140)
Investment Earnings	375,000	375,000	232,692	(142,308)
Fines and Forfeitures	400,000	400,000	622,452	222,452
All Other Revenues	105,000	105,000	100,231	(4,769)
Total Revenues	<u>13,020,948</u>	<u>13,310,736</u>	<u>12,388,303</u>	<u>(922,433)</u>
Expenditures:				
Security of Persons and Property:				
Police Division:				
Personal Services	1,644,400	1,648,457	1,593,584	54,873
Travel and Transportation	40,000	62,543	47,719	14,824
Materials and Supplies	44,000	58,898	51,000	7,898
Contractual Services	159,500	208,216	183,152	25,064
Capital Outlay	160,000	245,324	242,545	2,779
Total Police Division	<u>2,047,900</u>	<u>2,223,438</u>	<u>2,118,000</u>	<u>105,438</u>
Fire and E.M.S. Division:				
Personal Services	2,420,000	2,426,800	2,347,512	79,288
Travel and Transportation	43,000	38,425	33,955	4,470
Materials and Supplies	81,000	93,440	83,997	9,443
Contractual Services	157,329	160,101	145,049	15,052
Capital Outlay	341,500	372,470	363,962	8,508
Total Fire and E.M.S. Division	<u>3,042,829</u>	<u>3,091,236</u>	<u>2,974,475</u>	<u>116,761</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	30,000	68,960	64,548	4,412
Contractual Services	185,000	204,027	200,699	3,328
Public Defender:				
Contractual Services	15,000	15,000	15,000	0
Debt Services:				
Principal Retirement	9,260	9,260	9,260	0
Interest and Fiscal Charges	18,729	18,729	18,615	114
Total Miscellaneous	<u>257,989</u>	<u>315,976</u>	<u>308,122</u>	<u>7,854</u>
Total Security of Persons and Property	<u>5,348,718</u>	<u>5,630,650</u>	<u>5,400,597</u>	<u>230,053</u>
Public Health and Welfare Services:				
Police Division:				
Contractual Services	286,867	310,543	309,744	799
Total Police Division	<u>286,867</u>	<u>310,543</u>	<u>309,744</u>	<u>799</u>
Humane Officer:				
Travel and Transportation	8,500	18,260	15,394	2,866
Contractual Services	22,500	41,500	34,025	7,475
Total Humane Officer	<u>31,000</u>	<u>59,760</u>	<u>49,419</u>	<u>10,341</u>
Health Department:				
Contractual Services	45,000	45,000	44,151	849
Total Health Department	<u>45,000</u>	<u>45,000</u>	<u>44,151</u>	<u>849</u>
Total Public Health and Welfare Services	<u>362,867</u>	<u>415,303</u>	<u>403,314</u>	<u>11,989</u>
Leisure Time Activities:				
Parks:				
Personal Services	217,000	222,632	219,652	2,980
Travel and Transportation	500	328	122	206
Materials and Supplies	6,000	6,115	4,351	1,764
Contractual Services	165,500	194,765	123,964	70,801
Capital Outlay	25,000	26,386	15,975	10,411
Total Parks	<u>414,000</u>	<u>450,226</u>	<u>364,064</u>	<u>86,162</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Recreation:				
Personal Services	15,000	15,000	12,674	2,326
Materials and Supplies	5,700	5,820	3,751	2,069
Contractual Services	8,500	8,500	8,384	116
Total Recreation	<u>29,200</u>	<u>29,320</u>	<u>24,809</u>	<u>4,511</u>
Pool:				
Personal Services	188,100	180,822	179,787	1,035
Travel and Transportation	3,500	3,500	2,103	1,397
Materials and Supplies	98,250	96,528	82,719	13,809
Contractual Services	65,500	78,450	54,831	23,619
Capital Outlay	7,500	7,500	4,682	2,818
Total Pool	<u>362,850</u>	<u>366,800</u>	<u>324,122</u>	<u>42,678</u>
Total Leisure Time Activities	<u>806,050</u>	<u>846,346</u>	<u>712,995</u>	<u>133,351</u>
Community Environment:				
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:				
Materials and Supplies	22,000	22,368	22,284	84
Contractual Services	19,724	24,238	5,199	19,039
Total Community Environment	<u>41,724</u>	<u>46,606</u>	<u>27,483</u>	<u>19,123</u>
Transportation:				
Miscellaneous:				
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:				
Materials and Supplies	38,397	48,897	47,650	1,247
Contractual Services	50,000	46,669	16,615	30,054
Total Transportation	<u>88,397</u>	<u>95,566</u>	<u>64,265</u>	<u>31,301</u>
General Government:				
Council:				
Personal Services	63,176	63,176	63,176	0
Travel and Transportation	10,000	10,000	0	10,000
Materials and Supplies	5,000	8,580	4,987	3,593
Contractual Services	700	700	133	567
Total Council	<u>78,876</u>	<u>82,456</u>	<u>68,296</u>	<u>14,160</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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	102,427	102,427	101,052	1,375
Travel and Transportation	500	500	0	500
Materials and Supplies	4,600	5,440	3,753	1,687
Contractual Services	1,000	1,000	300	700
Total Mayor	108,527	109,367	105,105	4,262
Auditor:				
Personal Services	264,740	272,520	236,940	35,580
Travel and Transportation	1,000	1,000	290	710
Materials and Supplies	13,500	19,700	18,810	890
Contractual Services	23,800	27,550	25,297	2,253
Total Auditor	303,040	320,770	281,337	39,433
Treasurer:				
Personal Services	7,745	7,745	7,745	0
Materials and Supplies	250	250	0	250
Total Treasurer	7,995	7,995	7,745	250
Law Director:				
Personal Services	258,861	258,861	256,736	2,125
Travel and Transportation	2,000	504	503	1
Materials and Supplies	23,700	29,601	28,444	1,157
Contractual Services	5,000	5,000	1,057	3,943
Total Law Director	289,561	293,966	286,740	7,226
Income Tax:				
Personal Services	128,050	128,050	126,439	1,611
Travel and Transportation	2,500	2,500	1,335	1,165
Materials and Supplies	25,000	32,155	29,684	2,471
Contractual Services	190,000	222,971	219,567	3,404
Capital Outlay	5,000	5,000	3,100	1,900
Total Income Tax	350,550	390,676	380,125	10,551

(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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	542,200	545,730	533,981	11,749
Travel and Transportation	7,000	9,171	8,698	473
Materials and Supplies	44,000	46,627	42,981	3,646
Contractual Services	4,000	4,000	2,692	1,308
Total Municipal Court	<u>597,200</u>	<u>605,528</u>	<u>588,352</u>	<u>17,176</u>
Civil Services:				
Personal Services	8,755	9,053	9,053	0
Travel and Transportation	300	300	65	235
Materials and Supplies	10,950	12,351	3,213	9,138
Total Civil Services	<u>20,005</u>	<u>21,704</u>	<u>12,331</u>	<u>9,373</u>
Safety Service:				
Personal Services	114,000	114,207	110,294	3,913
Travel and Transportation	500	93	50	43
Materials and Supplies	7,000	7,810	6,044	1,766
Contractual Services	96,000	129,950	90,240	39,710
Total Safety Service	<u>217,500</u>	<u>252,060</u>	<u>206,628</u>	<u>45,432</u>
Engineering:				
Personal Services	312,270	314,382	314,125	257
Travel and Transportation	1,000	1,605	1,560	45
Materials and Supplies	10,700	15,175	14,235	940
Contractual Services	391,461	400,209	319,829	80,380
Capital Outlay	15,500	9,750	8,308	1,442
Total Engineering	<u>730,931</u>	<u>741,121</u>	<u>658,057</u>	<u>83,064</u>
Public Land and Buildings:				
Personal Services	85,400	86,060	85,857	203
Travel and Transportation	300	300	29	271
Materials and Supplies	30,800	50,510	40,848	9,662
Contractual Services	365,500	441,435	330,668	110,767
Total Public Land and Buildings	<u>482,000</u>	<u>578,305</u>	<u>457,402</u>	<u>120,903</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	236,500	193,553	42,947
Materials and Supplies	0	23,500	19,928	3,572
Total Summer Work Program	0	260,000	213,481	46,519
Miscellaneous:				
Personal Services	2,444,500	2,287,400	2,002,729	284,671
Materials and Supplies	11,500	11,500	5,952	5,548
Contractual Services	643,939	680,333	382,136	298,197
Total Miscellaneous	3,099,939	2,979,233	2,390,817	588,416
Total General Government	6,286,124	6,643,181	5,656,416	986,765
Total Expenditures	12,933,880	13,677,652	12,265,070	1,412,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,068	(366,916)	123,233	490,149
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	13,475	13,475
Transfers Out	(1,564,375)	(1,563,875)	(994,005)	569,870
Total Other Financing Sources (Uses)	(1,564,375)	(1,563,875)	(980,530)	583,345
Net Change in Fund Balance	(1,477,307)	(1,930,791)	(857,297)	1,073,494
Fund Balance at Beginning of Year	2,977,307	2,977,307	2,977,307	0
Prior Year Encumbrances	453,483	453,483	453,483	0
Fund Balance at End of Year	\$ 1,953,483	\$ 1,499,999	\$ 2,573,493	\$ 1,073,494

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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 869,100	\$ 2,093,474	\$ 308,206	\$ (1,785,268)
Investment Earnings	10	10	5	(5)
Total Revenues	<u>869,110</u>	<u>2,093,484</u>	<u>308,211</u>	<u>(1,785,273)</u>
Expenditures:				
Community Environment:				
Contractual Services	884,397	2,109,278	324,015	1,785,263
Total Expenditures	<u>884,397</u>	<u>2,109,278</u>	<u>324,015</u>	<u>1,785,263</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,287)	(15,794)	(15,804)	(10)
Fund Balance at Beginning of Year	15,297	15,297	15,297	0
Prior Year Encumbrances	507	507	507	0
Fund Balance at End of Year	<u>\$ 517</u>	<u>\$ 10</u>	<u>\$ 0</u>	<u>\$ (10)</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 50,000	\$ 78,389	\$ 78,389	\$ 0
Investment Earnings	0	0	103	103
Total Revenues	<u>50,000</u>	<u>78,389</u>	<u>78,492</u>	<u>103</u>
Expenditures:				
Basic Utility Service:				
Supplies and Materials	45,000	76,489	76,489	0
General Government:				
Contractual Services	1,600	1,900	1,900	0
Debt Service:				
Principal Retirement	1,526,250	10,332,917	8,000,094	2,332,823
Interest and Fiscal Charges	917,261	1,188,217	1,145,077	43,140
Total Expenditures	<u>2,490,111</u>	<u>11,599,523</u>	<u>9,223,560</u>	<u>2,375,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,440,111)	(11,521,134)	(9,145,068)	2,376,066
Other Financing Sources:				
General Obligation Bonds Issued	0	6,781,715	6,563,076	(218,639)
General Obligation Notes Issued	0	2,100,000	2,100,000	0
Premium of Sale of Bonds/Notes	0	164,323	164,323	0
Transfers In	2,440,111	2,475,096	2,430,513	(44,583)
Total Other Financing Sources	<u>2,440,111</u>	<u>11,521,134</u>	<u>11,257,912</u>	<u>(263,222)</u>
Net Change in Fund Balance	0	0	2,112,844	2,112,844
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>\$ 2,112,844</u>	<u>\$ 2,112,844</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 Project Funds – Capital Improvements Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 625,000	\$ 625,000	\$ 593,268	\$ (31,732)
Intergovernmental Revenues	0	360,000	841,400	481,400
Investment Earnings	0	0	1,867	1,867
All Other Revenues	0	0	17,764	17,764
Total Revenues	625,000	985,000	1,454,299	469,299
Expenditures:				
Transportation:				
Street:				
Capital Outlay	3,113,112	3,775,125	3,467,264	307,861
Total Transportation	3,113,112	3,775,125	3,467,264	307,861
Auditor:				
Capital Outlay	3,000	2,200	0	2,200
Law Director:				
Capital Outlay	5,000	5,800	5,590	210
Income Tax:				
Capital Outlay	12,500	12,500	11,970	530
Municipal Court:				
Capital Outlay	19,000	15,000	10,922	4,078
Public Lands and Buildings:				
Capital Outlay	1,379,469	1,400,879	892,291	508,588
Total General Government	1,418,969	1,436,379	920,773	515,606
Total Expenditures	4,532,081	5,211,504	4,388,037	823,467
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,907,081)	(4,226,504)	(2,933,738)	1,292,766
Other Financing Sources (Uses):				
Public Works Commission Loan	0	125,000	125,000	0
Total Other Financing Sources (Uses)	0	125,000	125,000	0
Net Change in Fund Balance	(3,907,081)	(4,101,504)	(2,808,738)	1,292,766
Fund Balance at Beginning of Year	3,907,081	3,907,081	3,907,081	0
Prior Year Encumbrances	194,423	194,423	194,423	0
Fund Balance at End of Year	\$ 194,423	\$ 0	\$ 1,292,766	\$ 1,292,766

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds – TIF District – Coshocton Road Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,160,000	\$ 1,160,000	\$ 1,232,200	\$ 72,200
Total Revenues	<u>1,160,000</u>	<u>1,160,000</u>	<u>1,232,200</u>	<u>72,200</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	400,000	400,000	353,632	46,368
Capital Outlay	<u>2,089,430</u>	<u>2,089,430</u>	<u>106,889</u>	<u>1,982,541</u>
Total Expenditures	<u>2,489,430</u>	<u>2,489,430</u>	<u>460,521</u>	<u>2,028,909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,329,430)	(1,329,430)	771,679	2,101,109
Other Financing Uses:				
Transfers Out	<u>(292,200)</u>	<u>(292,200)</u>	<u>(292,165)</u>	<u>35</u>
Total Other Financing (Uses)	<u>(292,200)</u>	<u>(292,200)</u>	<u>(292,165)</u>	<u>35</u>
Net Change in Fund Balance	(1,621,630)	(1,621,630)	479,514	2,101,144
Fund Balance at Beginning of Year	<u>1,621,630</u>	<u>1,621,630</u>	<u>1,621,630</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,101,144</u>	<u>\$ 2,101,144</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, 2009**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 210,000	\$ 210,000	\$ 177,981	\$ (32,019)
Intergovernmental Revenues	585,000	585,000	589,711	4,711
Licenses and Permits	0	0	3,070	3,070
Investment Earnings	2,000	2,000	529	(1,471)
All Other Revenues	0	0	35,039	35,039
Total Revenues	<u>797,000</u>	<u>797,000</u>	<u>806,330</u>	<u>9,330</u>
Expenditures:				
Transportation:				
Personal Services	835,511	843,076	754,283	88,793
Travel and Transportation	5,000	5,000	604	4,396
Materials and Supplies	155,000	173,538	75,089	98,449
Contractual Services	81,500	90,262	46,167	44,095
Capital Outlay	16,000	16,000	649	15,351
Total Expenditures	<u>1,093,011</u>	<u>1,127,876</u>	<u>876,792</u>	<u>251,084</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(296,011)	(330,876)	(70,462)	260,414
Other Financing Sources:				
Sale of Capital Assets	0	0	50	50
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>50</u>	<u>50</u>
Net Change in Fund Balance	(296,011)	(330,876)	(70,412)	260,464
Fund Balance at Beginning of Year	296,011	296,011	296,011	0
Prior Year Encumbrances	34,865	34,865	34,865	0
Fund Balance at End of Year	<u>\$ 34,865</u>	<u>\$ 0</u>	<u>\$ 260,464</u>	<u>\$ 260,464</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, 2009***

	STATE HIGHWAY IMPROVEMENT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 48,000	\$ 48,000	\$ 47,815	\$ (185)
Investment Earnings	850	850	247	(603)
Total Revenues	<u>48,850</u>	<u>48,850</u>	<u>48,062</u>	<u>(788)</u>
Expenditures:				
Transportation:				
Capital Outlay	<u>160,385</u>	<u>170,156</u>	<u>63,333</u>	<u>106,823</u>
Total Expenditures	<u>160,385</u>	<u>170,156</u>	<u>63,333</u>	<u>106,823</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,535)	(121,306)	(15,271)	106,035
Fund Balance at Beginning of Year	111,534	111,534	111,534	0
Prior Year Encumbrances	<u>9,772</u>	<u>9,772</u>	<u>9,772</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,771</u>	<u>\$ 0</u>	<u>\$ 106,035</u>	<u>\$ 106,035</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 90,000	\$ 90,000	\$ 74,102	\$ (15,898)
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>74,102</u>	<u>(15,898)</u>
Expenditures:				
Transportation:				
Capital Outlay	<u>90,006</u>	<u>90,006</u>	<u>74,108</u>	<u>15,898</u>
Total Expenditures	<u>90,006</u>	<u>90,006</u>	<u>74,108</u>	<u>15,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6)	(6)	(6)	0
Fund Balance at Beginning of Year	<u>6</u>	<u>6</u>	<u>6</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, 2009**

	CEMETERY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Municipal Income Taxes	\$ 250,000	\$ 250,000	\$ 237,307	\$ (12,693)
Charges for Services	50,000	50,000	63,044	13,044
Investment Earnings	6,000	6,000	1,669	(4,331)
Total Revenues	<u>306,000</u>	<u>306,000</u>	<u>302,020</u>	<u>(3,980)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	280,035	275,701	254,604	21,097
Travel and Transportation	400	556	556	0
Materials and Supplies	10,300	11,815	8,480	3,335
Contractual Services	34,650	39,240	30,577	8,663
Capital Outlay	104,669	110,730	51,093	59,637
Total Expenditures	<u>430,054</u>	<u>438,042</u>	<u>345,310</u>	<u>92,732</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,054)	(132,042)	(43,290)	88,752
Other Financing Sources:				
Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>1,763</u>	<u>1,763</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>1,763</u>	<u>1,763</u>
Net Change in Fund Balance	(124,054)	(132,042)	(41,527)	90,515
Fund Balance at Beginning of Year	124,055	124,055	124,055	0
Prior Year Encumbrances	<u>7,988</u>	<u>7,988</u>	<u>7,988</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,989</u>	<u>\$ 1</u>	<u>\$ 90,516</u>	<u>\$ 90,515</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, 2009**

PARK DEVELOPMENT

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 5,000	\$ 5,000	\$ 2,260	\$ (2,740)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>2,260</u>	<u>(2,740)</u>
Expenditures:				
Leisure Time Activities:				
Capital Outlay	68,668	68,668	7,830	60,838
Total Expenditures	<u>68,668</u>	<u>68,668</u>	<u>7,830</u>	<u>60,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,668)	(63,668)	(5,570)	58,098
Other Financing Sources:				
Transfers In	5,000	5,000	2,260	(2,740)
Total Other Financing Sources	<u>5,000</u>	<u>5,000</u>	<u>2,260</u>	<u>(2,740)</u>
Net Change in Fund Balance	(58,668)	(58,668)	(3,310)	55,358
Fund Balance at Beginning of Year	58,668	58,668	58,668	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,358</u>	<u>\$ 55,358</u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	PARKING			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses and Permits	\$ 0	\$ 0	\$ 730	\$ 730
Fines and Forfeitures	500	500	3,855	3,355
Total Revenues	<u>500</u>	<u>500</u>	<u>4,585</u>	<u>4,085</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	16,000	15,550	4,095	11,455
Materials and Supplies	200	150	0	150
Contractual Services	22,500	24,700	23,098	1,602
Total Expenditures	<u>38,700</u>	<u>40,400</u>	<u>27,193</u>	<u>13,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,200)	(39,900)	(22,608)	17,292
Other Financing Sources:				
Sale of Capital Assets	0	0	2,577	2,577
Transfers In	28,000	28,000	25,000	(3,000)
Total Other Financing Sources	<u>28,000</u>	<u>28,000</u>	<u>27,577</u>	<u>(423)</u>
Net Change in Fund Balance	(10,200)	(11,900)	4,969	16,869
Fund Balance at Beginning of Year	24,024	24,024	24,024	0
Prior Year Encumbrances	1,700	1,700	1,700	0
Fund Balance at End of Year	<u>\$ 15,524</u>	<u>\$ 13,824</u>	<u>\$ 30,693</u>	<u>\$ 16,869</u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,059	\$ 1,059	\$ 1,059	\$ 0
Total Revenues	<u>1,059</u>	<u>1,059</u>	<u>1,059</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
Total Expenditures	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,056	1,056	1,056	0
Fund Balance at Beginning of Year	<u>10,784</u>	<u>10,784</u>	<u>10,784</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,840</u>	<u>\$ 11,840</u>	<u>\$ 11,840</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 2,833	\$ 2,833	\$ 2,833	\$ 0
Total Revenues	<u>2,833</u>	<u>2,833</u>	<u>2,833</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>3,161</u>	<u>3,161</u>	<u>3,161</u>	<u>0</u>
Total Expenditures	<u>3,161</u>	<u>3,161</u>	<u>3,161</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(328)	(328)	(328)	0
Fund Balance at Beginning of Year	<u>19,694</u>	<u>19,694</u>	<u>19,694</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,366</u>	<u>\$ 19,366</u>	<u>\$ 19,366</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, 2009**

	PERMISSIVE LICENSE REGISTRATION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 100,000	\$ 100,000	\$ 102,077	\$ 2,077
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>102,077</u>	<u>2,077</u>
Expenditures:				
Transportation:				
Materials and Supplies	101,671	109,437	98,382	11,055
Contractual Services	30,000	31,671	13,245	18,426
Total Expenditures	<u>131,671</u>	<u>141,108</u>	<u>111,627</u>	<u>29,481</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,671)	(41,108)	(9,550)	31,558
Fund Balance at Beginning of Year	31,671	31,671	31,671	0
Prior Year Encumbrances	9,437	9,437	9,437	0
Fund Balance at End of Year	<u>\$ 9,437</u>	<u>\$ 0</u>	<u>\$ 31,558</u>	<u>\$ 31,558</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, 2009**

INDIGENT DRIVERS ALCOHOL TREATMENT

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 16,500	\$ 19,833	\$ 19,833	\$ 0
Total Revenues	<u>16,500</u>	<u>19,833</u>	<u>19,833</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	<u>16,500</u>	<u>19,833</u>	<u>19,833</u>	<u>0</u>
Total Expenditures	<u>16,500</u>	<u>19,833</u>	<u>19,833</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DUI - ENFORCEMENT AND EDUCATION				
Revenues:				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 1,504	\$ (496)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,504</u>	<u>(496)</u>
Expenditures:				
General Government:				
Contractual Services	<u>36,518</u>	<u>36,518</u>	<u>231</u>	<u>36,287</u>
Total Expenditures	<u>36,518</u>	<u>36,518</u>	<u>231</u>	<u>36,287</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,518)	(34,518)	1,273	35,791
Fund Balance at Beginning of Year	<u>34,518</u>	<u>34,518</u>	<u>34,518</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,791</u>	<u>\$ 35,791</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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 70,000	\$ 70,000	\$ 74,154	\$ 4,154
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>74,154</u>	<u>4,154</u>
Expenditures:				
General Government:				
Contractual Services	<u>183,138</u>	<u>191,588</u>	<u>83,679</u>	<u>107,909</u>
Total Expenditures	<u>183,138</u>	<u>191,588</u>	<u>83,679</u>	<u>107,909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(113,138)	(121,588)	(9,525)	112,063
Fund Balance at Beginning of Year	113,138	113,138	113,138	0
Prior Year Encumbrances	<u>8,450</u>	<u>8,450</u>	<u>8,450</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,450</u>	<u>\$ 0</u>	<u>\$ 112,063</u>	<u>\$ 112,063</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 8,500	\$ 8,500	\$ 17,830	\$ 9,330
Total Revenues	<u>8,500</u>	<u>8,500</u>	<u>17,830</u>	<u>9,330</u>
Expenditures:				
General Government:				
Personal Services	13,000	13,000	4,619	8,381
Materials and Supplies	<u>20,762</u>	<u>20,762</u>	<u>7,525</u>	<u>13,237</u>
Total Expenditures	<u>33,762</u>	<u>33,762</u>	<u>12,144</u>	<u>21,618</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,262)	(25,262)	5,686	30,948
Fund Balance at Beginning of Year	<u>25,262</u>	<u>25,262</u>	<u>25,262</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,948</u>	<u>\$ 30,948</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, 2009**

FEDERAL EMERGENCY MANAGEMENT AGENCY

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 54,130	\$ 54,130	\$ 0
Total Revenues	<u>0</u>	<u>54,130</u>	<u>54,130</u>	<u>0</u>
Expenditures:				
General Government:				
Personal Services	0	26,681	26,681	0
Materials and Supplies	0	27,449	26,977	472
Total Expenditures	<u>0</u>	<u>54,130</u>	<u>53,658</u>	<u>472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	472	472
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 472</u></u>	<u><u>\$ 472</u></u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 90,000	\$ 90,000	\$ 89,426	\$ (574)
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>89,426</u>	<u>(574)</u>
Expenditures:				
General Government:				
Contractual Services	<u>90,000</u>	<u>90,000</u>	<u>89,426</u>	<u>574</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>89,426</u>	<u>574</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 10,807	\$ 9,807
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>10,807</u>	<u>9,807</u>
Expenditures:				
General Government:				
Contractual Services	<u>1,150</u>	<u>1,150</u>	<u>0</u>	<u>1,150</u>
Total Expenditures	<u>1,150</u>	<u>1,150</u>	<u>0</u>	<u>1,150</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150)	(150)	10,807	10,957
Fund Balance at Beginning of Year	<u>150</u>	<u>150</u>	<u>150</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,957</u>	<u>\$ 10,957</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, 2009***

	POLICE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 76,700	\$ 76,700	\$ 83,434	\$ 6,734
Municipal Income Taxes	77,100	77,100	59,327	(17,773)
Intergovernmental Revenues	7,600	7,600	12,496	4,896
Total Revenues	<u>161,400</u>	<u>161,400</u>	<u>155,257</u>	<u>(6,143)</u>
Expenditures:				
Security of Persons and Property				
Personal Services	479,783	552,258	339,351	212,907
General Government:				
Contractual Services	4,500	4,500	1,763	2,737
Total Expenditures	<u>484,283</u>	<u>556,758</u>	<u>341,114</u>	<u>215,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(322,883)	(395,358)	(185,857)	209,501
Other Financing Sources:				
Transfers In	<u>135,000</u>	<u>135,000</u>	<u>185,000</u>	<u>50,000</u>
Total Other Financing Sources	<u>135,000</u>	<u>135,000</u>	<u>185,000</u>	<u>50,000</u>
Net Change in Fund Balance	(187,883)	(260,358)	(857)	259,501
Fund Balance at Beginning of Year	195,983	195,983	195,983	0
Prior Year Encumbrances	<u>72,475</u>	<u>72,475</u>	<u>72,475</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 80,575</u>	<u>\$ 8,100</u>	<u>\$ 267,601</u>	<u>\$ 259,501</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, 2009**

	FIRE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 76,700	\$ 76,700	\$ 83,434	\$ 6,734
Municipal Income Taxes	77,100	77,100	59,327	(17,773)
Intergovernmental Revenues	7,600	7,600	12,496	4,896
Total Revenues	<u>161,400</u>	<u>161,400</u>	<u>155,257</u>	<u>(6,143)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	616,047	749,647	589,297	160,350
General Government:				
Contractual Services	4,500	4,500	1,763	2,737
Total Expenditures	<u>620,547</u>	<u>754,147</u>	<u>591,060</u>	<u>163,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(459,147)	(592,747)	(435,803)	156,944
Other Financing Sources:				
Transfers In	350,000	350,000	500,000	150,000
Total Other Financing Sources	<u>350,000</u>	<u>350,000</u>	<u>500,000</u>	<u>150,000</u>
Net Change in Fund Balance	(109,147)	(242,747)	64,197	306,944
Fund Balance at Beginning of Year	117,247	117,247	117,247	0
Prior Year Encumbrances	133,600	133,600	133,600	0
Fund Balance at End of Year	<u>\$ 141,700</u>	<u>\$ 8,100</u>	<u>\$ 315,044</u>	<u>\$ 306,944</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, 2009**

	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 1,140	\$ 1,140
Investment Earnings	80	80	26	(54)
Total Revenues	<u>80</u>	<u>80</u>	<u>1,166</u>	<u>1,086</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	4,799	4,799	0	4,799
Total Expenditures	<u>4,799</u>	<u>4,799</u>	<u>0</u>	<u>4,799</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,719)	(4,719)	1,166	5,885
Fund Balance at Beginning of Year	4,719	4,719	4,719	0
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,885</u></u>	<u><u>\$ 5,885</u></u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

VETERANS HONOR WALKWAY

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 2,000	\$ 2,000	\$ 1,400	\$ (600)
Investment Earnings	60	60	144	84
Total Revenues	<u>2,060</u>	<u>2,060</u>	<u>1,544</u>	<u>(516)</u>
Expenditures:				
Leisure Time Activities				
Materials and Supplies	4,500	4,512	955	3,557
Contractual Services	67,044	67,044	0	67,044
Total Expenditures	<u>71,544</u>	<u>71,556</u>	<u>955</u>	<u>70,601</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,484)	(69,496)	589	70,085
Fund Balance at Beginning of Year	69,485	69,485	69,485	0
Prior Year Encumbrances	12	12	12	0
Fund Balance at End of Year	<u>\$ 13</u>	<u>\$ 1</u>	<u>\$ 70,086</u>	<u>\$ 70,085</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
General Government:				
Contractual Services	7,500	7,500	3,607	3,893
Materials and Supplies	<u>74</u>	<u>74</u>	<u>0</u>	<u>74</u>
Total Expenditures	<u>7,574</u>	<u>7,574</u>	<u>3,607</u>	<u>3,967</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,574)</u>	<u>(7,574)</u>	<u>(3,607)</u>	<u>3,967</u>
Fund Balance at Beginning of Year	<u>7,574</u>	<u>7,574</u>	<u>7,574</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,967</u></u>	<u><u>\$ 3,967</u></u>

CITY OF MOUNT VERNON, OHIO

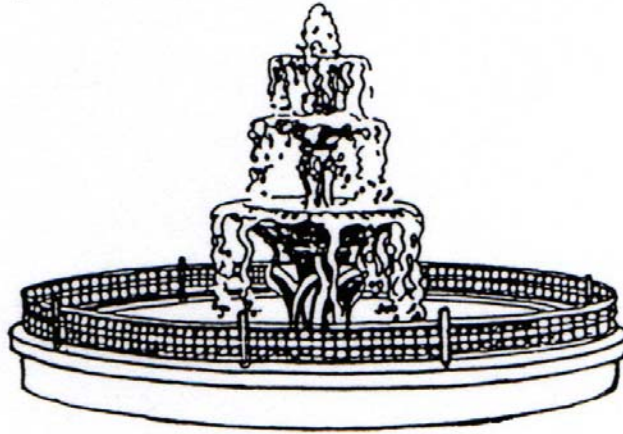
**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009**

TIF DISTRICT-INDUSTRIAL AREA				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 25,000	\$ 25,000	\$ 21,920	\$ (3,080)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>21,920</u>	<u>(3,080)</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	2,500	2,500	360	2,140
Capital Outlay	36,346	36,346	0	36,346
Total Expenditures	<u>38,846</u>	<u>38,846</u>	<u>360</u>	<u>38,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,846)	(13,846)	21,560	35,406
Fund Balance at Beginning of Year	<u>13,846</u>	<u>13,846</u>	<u>13,846</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 35,406</u></u>	<u><u>\$ 35,406</u></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, 2009**

	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 13,685</u>	<u>\$ 7,685</u>
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>13,685</u>	<u>7,685</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,000	6,000	13,685	7,685
Fund Balance at Beginning of Year	<u>337,138</u>	<u>337,138</u>	<u>337,138</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 343,138</u>	<u>\$ 343,138</u>	<u>\$ 350,823</u>	<u>\$ 7,685</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, 2009**

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Insurance Trust Fund				
Assets:				
Cash and Cash Equivalents	\$12,680	\$38,221	(\$46,101)	\$4,800
Total Assets	<u>\$12,680</u>	<u>\$38,221</u>	<u>(\$46,101)</u>	<u>\$4,800</u>
Liabilities:				
Due to Others	\$12,680	\$38,221	(\$46,101)	\$4,800
Total Liabilities	<u>\$12,680</u>	<u>\$38,221</u>	<u>(\$46,101)</u>	<u>\$4,800</u>
Bonds and Inspection Fee Trust Fund				
Assets:				
Cash	\$8,651	\$15,000	(\$18,000)	\$5,651
Total Assets	<u>\$8,651</u>	<u>\$15,000</u>	<u>(\$18,000)</u>	<u>\$5,651</u>
Liabilities:				
Due to Others	8,651	15,000	(18,000)	5,651
Total Liabilities	<u>\$8,651</u>	<u>\$15,000</u>	<u>(\$18,000)</u>	<u>\$5,651</u>
Municipal Court Fund				
Assets:				
Cash and Cash Equivalents	\$73,292	\$1,183,560	(\$1,159,329)	\$97,523
Total Assets	<u>\$73,292</u>	<u>\$1,183,560</u>	<u>(\$1,159,329)</u>	<u>\$97,523</u>
Liabilities:				
Intergovernmental Payable	\$29,984	\$423,487	(\$423,027)	\$30,444
Due to Others	43,308	760,073	(736,302)	67,079
Total Liabilities	<u>\$73,292</u>	<u>\$1,183,560</u>	<u>(\$1,159,329)</u>	<u>\$97,523</u>
Totals - All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$94,623	\$1,236,781	(\$1,223,430)	\$107,974
Total Assets	<u>\$94,623</u>	<u>\$1,236,781</u>	<u>(\$1,223,430)</u>	<u>\$107,974</u>
Liabilities:				
Intergovernmental Payables	\$29,984	\$423,487	(\$423,027)	\$30,444
Due to Others	64,639	813,294	(800,403)	77,530
Total Liabilities	<u>\$94,623</u>	<u>\$1,236,781</u>	<u>(\$1,223,430)</u>	<u>\$107,974</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF MOUNT VERNON, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2009***

<u>Capital Assets</u>	
Land	\$10,779,218
Construction In Progress	1,115,540
Buildings	10,988,824
Improvements Other than Buildings	621,331
Infrastructure	38,069,472
Machinery and Equipment	6,501,831
Total Capital Assets	<u>\$68,076,216</u>
<u>Investment in Capital Assets</u>	
General Fund	\$6,659,811
Special Revenue Funds	482,542
Capital Projects Fund	54,114,493
Proprietary Funds	91,490
Contributions	518,625
Federal Grants	906,395
State Grants	5,302,860
Total Investment in Capital Assets	<u>\$68,076,216</u>

CITY OF MOUNT VERNON, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2009***

Function and Activity	Land	Construction In Progress	Buildings
<u>General Government:</u>			
Administration	\$109,375	\$0	\$1,158,167
City Council	0	0	3,990
Mayor	0	0	0
City Auditor	0	0	0
Law Director	0	0	0
Income Tax	0	0	0
Municipal Court	0	0	12,995
Civil Service	0	0	0
Safety and Service	0	0	0
Engineer	0	0	0
Public Lands and Buildings	163,158	943,247	2,059,888
Total	272,533	943,247	3,235,040
<u>Security of Persons and Property:</u>			
Police	0	0	255,058
Fire	809,550	0	2,614,705
Total	809,550	0	2,869,763
<u>Transportation:</u>			
Street	8,293,468	119,020	119,855
<u>Leisure Time Activities:</u>			
Parks and Recreation	1,355,632	53,273	4,653,643
<u>Public Health and Welfare:</u>			
Cemetery	48,035	0	110,523
Total Capital Assets	\$10,779,218	\$1,115,540	\$10,988,824

CITY OF MOUNT VERNON, OHIO

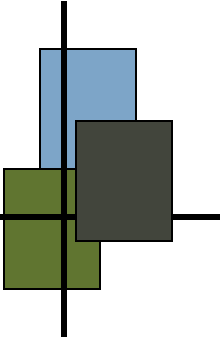
Improvements Other than Buildings	Infrastructure	Machinery and Equipment	Total
\$7,752	\$0	\$0	\$1,275,294
0	0	12,164	16,154
0	0	1,219	1,219
0	0	120,757	120,757
0	0	19,372	19,372
0	0	66,172	66,172
0	0	260,356	273,351
0	0	1,543	1,543
0	0	62,920	62,920
0	0	400,702	400,702
3,143	0	141,431	3,310,867
<u>10,895</u>	<u>0</u>	<u>1,086,636</u>	<u>5,548,351</u>
0	0	993,566	1,248,624
4,056	0	2,360,337	5,788,648
<u>4,056</u>	<u>0</u>	<u>3,353,903</u>	<u>7,037,272</u>
<u>20,437</u>	<u>38,069,472</u>	<u>1,363,895</u>	<u>47,986,147</u>
<u>488,934</u>	<u>0</u>	<u>525,395</u>	<u>7,076,877</u>
<u>97,009</u>	<u>0</u>	<u>172,002</u>	<u>427,569</u>
<u>\$621,331</u>	<u>\$38,069,472</u>	<u>\$6,501,831</u>	<u>\$68,076,216</u>

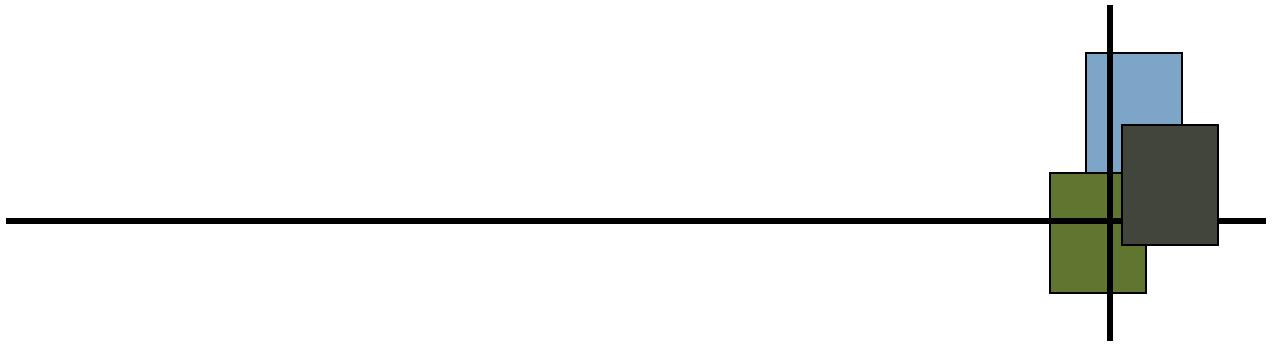
CITY OF MOUNT VERNON, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For Year Ended December 31, 2009**

Function and Activity	December 31, 2008	Transfers	Additions	Deletions	December 31, 2009
<u>General Government:</u>					
Administration	\$1,275,294	\$0	\$0	\$0	\$1,275,294
City Council	14,736	0	1,418	0	16,154
Mayor	1,219	0	0	0	1,219
City Auditor	120,757	0	0	0	120,757
Law Director	21,747	(2,375)	0	0	19,372
Income Tax	58,522	0	7,650	0	66,172
Municipal Court	251,733	0	21,618	0	273,351
Civil Service	1,543	0	0	0	1,543
Safety and Service	62,920	0	0	0	62,920
Engineer	411,347	0	12,250	(22,895)	400,702
Public Lands and Buildings	2,207,759	0	1,103,108	0	3,310,867
Total	4,427,577	(2,375)	1,146,044	(22,895)	5,548,351
<u>Security of Persons and Property:</u>					
Police	1,122,237	(54,442)	188,994	(8,165)	1,248,624
Fire	5,519,411	0	272,718	(3,481)	5,788,648
Total	6,641,648	(54,442)	461,712	(11,646)	7,037,272
<u>Transportation:</u>					
Street	46,144,998	17,188	4,459,280	(2,635,319)	47,986,147
<u>Leisure Time Activities:</u>					
Parks and Recreation	6,984,056	44,061	48,760	0	7,076,877
<u>Public Health and Welfare:</u>					
Cemetery	414,938	(4,432)	28,462	(11,399)	427,569
Total Capital Assets	\$64,613,217	\$0	\$6,144,258	(\$2,681,259)	\$68,076,216

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. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.	

City of Mount Vernon, Ohio

*Net Assets by Component
Last Seven Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$5,354,235	\$7,615,083	\$32,127,147	\$33,477,918
Restricted	3,083,896	2,985,534	4,339,253	5,717,336
Unrestricted	1,627,959	2,256,937	2,639,997	3,097,916
Total Governmental Activities Net Assets	<u>\$10,066,090</u>	<u>\$12,857,554</u>	<u>\$39,106,397</u>	<u>\$42,293,170</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$12,939,598	\$13,240,227	\$14,093,254	\$13,580,280
Restricted	707,033	694,806	1,258,730	2,353,194
Unrestricted	7,004,442	7,056,119	5,409,331	4,731,739
Total Business-type Activities Net Assets	<u>\$20,651,073</u>	<u>\$20,991,152</u>	<u>\$20,761,315</u>	<u>\$20,665,213</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$18,293,833	\$20,855,310	\$46,220,401	\$47,058,198
Restricted	3,790,929	3,680,340	5,597,983	8,070,530
Unrestricted	8,632,401	9,313,056	8,049,328	7,829,655
Total Primary Government Net Assets	<u>\$30,717,163</u>	<u>\$33,848,706</u>	<u>\$59,867,712</u>	<u>\$62,958,383</u>

Source: City Auditor's Office

City of Mount Vernon, Ohio

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$35,789,973	\$37,018,250	\$38,939,693
4,503,529	7,235,132	5,911,959
<u>4,954,398</u>	<u>4,528,143</u>	<u>6,241,067</u>
<u>\$45,247,900</u>	<u>\$48,781,525</u>	<u>\$51,092,719</u>
\$13,897,047	\$14,278,602	\$15,255,947
1,391,876	1,248,880	3,475,907
<u>5,345,814</u>	<u>4,734,074</u>	<u>1,297,180</u>
<u>\$20,634,737</u>	<u>\$20,261,556</u>	<u>\$20,029,034</u>
\$49,687,020	\$51,296,852	\$54,195,640
5,895,405	8,484,012	9,387,866
<u>10,300,212</u>	<u>9,262,217</u>	<u>7,538,247</u>
<u>\$65,882,637</u>	<u>\$69,043,081</u>	<u>\$71,121,753</u>

City of Mount Vernon, Ohio

*Changes in Net Assets
Last Seven Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Expenses				
Governmental Activities:				
Security of Persons and Property	\$4,764,413	\$4,664,297	\$4,875,188	\$5,506,801
Public Health and Welfare Services	559,211	556,057	593,592	567,989
Leisure Time Activities	394,372	314,140	332,477	407,254
Community Environment	668,592	717,905	245,735	446,970
Transportation	1,400,899	1,193,206	2,392,740	1,730,910
General Government	3,851,104	3,282,747	3,955,560	3,915,618
Interest and Fiscal Charges	134,030	137,418	130,057	126,090
<i>Total Governmental Activities Expenses</i>	<u>11,772,621</u>	<u>10,865,770</u>	<u>12,525,349</u>	<u>12,701,632</u>
Business-type Activities:				
Water	3,256,836	2,863,797	3,215,544	3,135,091
Sewer	2,520,031	2,240,963	2,436,112	2,847,417
<i>Total Business-type Activities Expenses</i>	<u>5,776,867</u>	<u>5,104,760</u>	<u>5,651,656</u>	<u>5,982,508</u>
<i>Total Primary Government Expenses</i>	<u>\$17,549,488</u>	<u>\$15,970,530</u>	<u>\$18,177,005</u>	<u>\$18,684,140</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$226,591	\$218,347	\$367,877	\$529,972
Public Health and Welfare Services	53,979	68,147	58,751	51,710
Leisure Time Activities	69,984	54,464	54,994	52,904
Community Environment	2,637	395	421	585
Transportation	446	1,066	2,254	9,712
General Government	682,713	705,234	877,480	845,758
Operating Grants and Contributions	1,571,916	870,878	1,439,733	898,391
Capital Grants and Contributions	183,870	1,995,939	1,376,854	884,203
<i>Total Governmental Activities Program Revenues</i>	<u>2,792,136</u>	<u>3,914,470</u>	<u>4,178,364</u>	<u>3,273,235</u>

City of Mount Vernon, Ohio

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$5,599,365	\$5,728,419	\$6,257,913
666,167	644,241	769,637
777,880	952,192	881,252
745,733	211,150	293,474
2,097,746	2,433,003	2,898,557
4,627,294	4,627,134	4,685,914
355,174	263,523	321,941
<u>14,869,359</u>	<u>14,859,662</u>	<u>16,108,688</u>
3,216,980	3,379,191	3,388,734
2,873,468	2,858,183	2,885,616
<u>6,090,448</u>	<u>6,237,374</u>	<u>6,274,350</u>
<u>\$20,959,807</u>	<u>\$21,097,036</u>	<u>\$22,383,038</u>
\$939,779	\$1,016,173	\$1,141,818
54,678	56,052	68,352
294,296	309,238	256,078
953	3,989	6,621
1,400	500	3,070
897,668	863,175	819,170
871,919	1,761,824	2,336,173
1,508,148	447,392	854,233
<u>4,568,841</u>	<u>4,458,343</u>	<u>5,485,515</u>

(continued)

City of Mount Vernon, Ohio

Changes in Net Assets Last Seven Years (accrual basis of accounting)

	2003	2004	2005	2006
Business-type Activities:				
Charges for Services				
Water	2,678,308	3,034,525	2,931,081	2,991,511
Sewer	2,378,554	2,459,814	2,475,962	2,681,466
Operating Grants and Contributions	0	0	14,776	0
<i>Total Business-type Activities Program Revenues</i>	5,056,862	5,494,339	5,421,819	5,672,977
<i>Total Primary Government Program Revenues</i>	7,848,998	9,408,809	9,600,183	8,946,212
Net (Expense)/Revenue				
Governmental Activities	(8,980,485)	(6,951,300)	(8,346,985)	(9,428,397)
Business-type Activities	(720,005)	389,579	(229,837)	(309,531)
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$9,700,490)	(\$6,561,721)	(\$8,576,822)	(\$9,737,928)
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied for:				
(General Purposes	\$548,109	\$832,058	\$628,011	\$590,185
)Debt Service	127,596	193,664	151,338	131,866
(Capital Outlay	442,636	510,867	566,001	919,577
Income Taxes	6,373,436	6,988,358	8,018,764	9,035,177
Other Local Taxes	125,688	2,727	2,899	107,926
Grants and Entitlements not				
Restricted to Specific Programs	723,556	939,630	971,834	1,239,375
Investment Earnings	93,876	103,091	214,335	471,742
Miscellaneous	75,013	122,869	107,067	119,322
Transfers	49,500	49,500	0	0
<i>Total Governmental Activities</i>	8,559,410	9,742,764	10,660,249	12,615,170
Business-type Activities:				
Investment Earnings	0	0	0	213,429
Transfers	(49,500)	(49,500)	0	0
<i>Total Business-type Activities</i>	(49,500)	(49,500)	0	213,429
<i>Total Primary Government</i>	\$8,509,910	\$9,693,264	\$10,660,249	\$12,828,599
Change in Net Assets				
Governmental Activities	(\$421,075)	\$2,791,464	\$2,313,264	\$3,186,773
Business-type Activities	(769,505)	340,079	(229,837)	(96,102)
<i>Total Primary Government Change in Net Assets</i>	(\$1,190,580)	\$3,131,543	\$2,083,427	\$3,090,671

Source: City Auditor's Office

City of Mount Vernon, Ohio

2007	2008	2009
3,197,165	3,308,139	3,287,232
2,675,408	2,515,147	2,718,245
0	0	41,618
<u>5,872,573</u>	<u>5,823,286</u>	<u>6,047,095</u>
<u>10,441,414</u>	<u>10,281,629</u>	<u>11,532,610</u>
(10,300,518)	(10,401,319)	(10,623,173)
(217,875)	(414,088)	(227,255)
<u>(\$10,518,393)</u>	<u>(\$10,815,407)</u>	<u>(\$10,850,428)</u>
\$736,982	\$632,956	\$682,820
181,624	158,796	175,254
1,058,750	1,176,352	1,263,314
9,260,355	10,359,164	9,383,772
106,968	99,236	94,493
1,057,943	842,850	992,167
675,429	421,642	190,437
177,197	243,948	152,110
0	0	0
<u>13,255,248</u>	<u>13,934,944</u>	<u>12,934,367</u>
187,399	40,907	6,394
0	0	0
<u>187,399</u>	<u>40,907</u>	<u>6,394</u>
<u>\$13,442,647</u>	<u>\$13,975,851</u>	<u>\$12,940,761</u>
\$2,954,730	\$3,533,625	\$2,311,194
(30,476)	(373,181)	(220,861)
<u>\$2,924,254</u>	<u>\$3,160,444</u>	<u>\$2,090,333</u>

City of Mount Vernon, Ohio

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

	2000	2001	2002	2003	2004
General Fund					
Reserved	\$359,446	\$451,473	\$452,615	\$300,833	\$270,566
Unreserved	3,210,612	2,954,889	2,159,404	1,587,655	2,041,286
<i>Total General Fund</i>	<u>3,570,058</u>	<u>3,406,362</u>	<u>2,612,019</u>	<u>1,888,488</u>	<u>2,311,852</u>
All Other Governmental Funds					
Reserved	489,955	322,545	775,975	411,570	286,964
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	858,231	753,381	565,443	607,698	701,300
Debt Service Funds	37,143	40,213	0	0	0
Capital Projects Funds	605,011	722,580	1,569,804	494,970	824,861
Permanent Fund	0	0	0	298,764	308,934
Total All Other Governmental Funds	<u>1,990,340</u>	<u>1,838,719</u>	<u>2,911,222</u>	<u>1,813,002</u>	<u>2,122,059</u>
<i>Total Governmental Funds</i>	<u>\$5,560,398</u>	<u>\$5,245,081</u>	<u>\$5,523,241</u>	<u>\$3,701,490</u>	<u>\$4,433,911</u>

Source: City Auditor's Office

NOTE: Years 2000-2002 do not include Perpetual Care Fund which was classified as a Fiduciary Fund prior to implementing GASB 34 in 2003

City of Mount Vernon, Ohio

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$230,254	\$301,509	\$607,319	\$395,128	\$442,209
<u>2,335,202</u>	<u>3,338,049</u>	<u>4,212,879</u>	<u>4,458,073</u>	<u>4,216,231</u>
<u>2,565,456</u>	<u>3,639,558</u>	<u>4,820,198</u>	<u>4,853,201</u>	<u>4,658,440</u>
278,367	371,377	322,041	271,232	156,330
824,716	900,067	1,189,268	1,479,376	1,894,352
0	840	0	0	10,568
1,623,553	801,833	2,655,574	4,463,434	3,529,741
<u>318,268</u>	<u>325,010</u>	<u>334,058</u>	<u>343,534</u>	<u>350,823</u>
<u>3,044,904</u>	<u>2,399,127</u>	<u>4,500,941</u>	<u>6,557,576</u>	<u>5,941,814</u>
<u>\$5,610,360</u>	<u>\$6,038,685</u>	<u>\$9,321,139</u>	<u>\$11,410,777</u>	<u>\$10,600,254</u>

City of Mount Vernon, Ohio

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

	2000	2001	2002	2003
Revenues:				
Taxes	\$6,874,972	\$7,162,621	\$7,333,467	\$7,705,183
Intergovernmental Revenues	2,281,644	3,299,208	2,361,696	2,191,567
Charges for Services	299,651	275,565	315,157	370,846
Licenses and Permits	205,464	337,654	410,109	22,496
Investment Earnings	347,948	243,570	172,363	93,876
Fines and Forfeitures	269,339	296,143	269,540	635,456
All Other Revenue	372,238	100,059	207,941	155,745
Total Revenue	10,651,256	11,714,820	11,070,273	11,175,169
Expenditures:				
Current:				
Security of Persons and Property	4,269,853	4,030,991	4,325,464	4,368,772
Public Health and Welfare Services	420,591	516,857	515,752	534,829
Leisure Time Activities	407,091	457,160	376,607	335,744
Community Environment	25,168	23,320	330,762	668,592
Basic Utility Services	12,265	0	0	0
Transportation	1,210,017	3,756,029	4,091,140	3,721,449
General Government	3,552,996	4,292,876	4,048,058	3,903,761
Capital Outlay	955,032	0	0	0
Debt Service:				
Principal Retirement	46,342	46,615	3,372,993	3,736,395
Interest and Fiscal Charges	36,514	37,956	154,447	217,840
Total Expenditures	10,935,869	13,161,804	17,215,223	17,487,382
Excess (Deficiency) of Revenues Over Expenditures	(284,613)	(1,446,984)	(6,144,950)	(6,312,213)

City of Mount Vernon, Ohio

2004	2005	2006	2007	2008	2009
\$8,243,192	\$9,237,011	\$10,980,389	\$11,440,727	\$12,456,495	\$11,494,371
4,128,601	3,329,519	2,995,086	3,138,477	1,910,413	3,395,984
385,912	661,031	689,374	1,422,430	1,464,750	1,529,878
4,834	34,329	34,776	21,786	15,661	15,471
103,091	214,335	471,742	675,429	421,642	190,437
645,627	656,958	758,950	761,462	759,240	746,363
191,174	174,126	247,003	782,894	301,400	157,238
<u>13,702,431</u>	<u>14,307,309</u>	<u>16,177,320</u>	<u>18,243,205</u>	<u>17,329,601</u>	<u>17,529,742</u>
4,353,302	4,617,588	5,197,207	5,274,270	5,517,450	5,828,902
541,546	578,186	564,521	654,455	631,418	754,709
270,347	287,260	1,325,158	655,489	683,733	706,685
620,049	446,243	301,064	745,733	211,150	293,474
0	0	0	0	0	0
3,268,392	2,852,792	2,735,444	2,393,098	4,177,685	3,940,483
3,626,077	4,017,230	5,295,380	7,721,022	5,567,468	6,369,728
0	0	0	0	0	0
217,786	212,377	217,413	217,763	325,179	2,434,814
133,006	125,645	121,678	350,762	250,142	329,738
<u>13,030,505</u>	<u>13,137,321</u>	<u>15,757,865</u>	<u>18,012,592</u>	<u>17,364,225</u>	<u>20,658,533</u>
671,926	1,169,988	419,455	230,613	(34,624)	(3,128,791)

(Continued)

City of Mount Vernon, Ohio

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

	2000	2001	2002	2003
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	15,243	10,658	24,916	8,167
Ohio Public Works Commission Loan	0	0	0	425,000
General Obligation Bonds Issued	0	0	3,790,000	3,628,222
General Obligation Notes Issued	0	0	0	0
Premium on General Obligation Notes	0	0	0	0
State Infrastructure Bank Loan	0	760,474	2,565,620	0
Transfers In	325,283	1,066,589	4,528,433	888,398
Transfers Out	(276,283)	(1,017,089)	(4,478,933)	(838,898)
Total Other Financing Sources (Uses)	64,243	820,632	6,430,036	4,110,889
Net Change in Fund Balance	(\$220,370)	(\$626,352)	\$285,086	(\$2,201,324)
 Debt Service as a Percentage of Noncapital Expenditures	 0.85%	 0.68%	 21.89%	 26.72%

Source: City Auditor's Office

NOTE: Years 2000-2002 do not include Perpetual Care Fund which was classified as a Fiduciary Fund prior to implementing GASB 34 in 2003

City of Mount Vernon, Ohio

2004	2005	2006	2007	2008	2009
11,171	4,541	2,784	23,688	12,298	17,865
0	0	0	0	0	125,000
0	0	0	3,035,000	0	2,165,000
0	0	0	0	2,100,000	0
0	0	0	0	7,245	8,232
0	0	0	0	0	0
709,532	1,519,676	1,546,311	1,712,982	2,785,286	1,286,170
(660,032)	(1,519,676)	(1,546,311)	(1,712,982)	(2,785,286)	(1,286,170)
60,671	4,541	2,784	3,058,688	2,119,543	2,316,097
<u>\$732,597</u>	<u>\$1,174,529</u>	<u>\$422,239</u>	<u>\$3,289,301</u>	<u>\$2,084,919</u>	<u>(\$812,694)</u>
3.41%	3.14%	3.05%	4.29%	4.41%	16.75%

City of Mount Vernon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

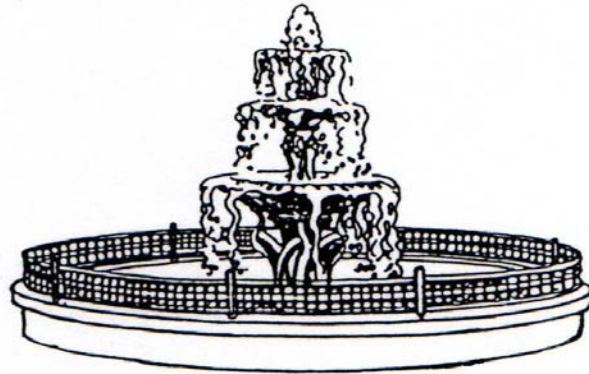
Tax year	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$353,893	\$361,338	\$366,144	\$373,940
Total Tax Collected	\$6,065,538	\$6,274,156	\$6,647,129	\$6,298,338
Income Tax Receipts				
Withholding	4,977,106	5,113,360	5,374,571	5,254,843
Percentage	82.06%	81.50%	80.86%	83.43%
Corporate	530,164	523,418	683,293	382,677
Percentage	8.74%	8.34%	10.28%	6.08%
Individuals	558,268	637,378	589,265	660,818
Percentage	9.20%	10.16%	8.86%	10.49%

Source: City Income Tax Department

(1) US Department of Commerce, Bureau of Economic Analysis information is only available through 2008 for the presentation of 2009 statistics, the City is using the latest information available.

City of Mount Vernon, Ohio

2004	2005	2006	2007	2008	2009
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$393,803	\$396,137	\$416,840	\$434,109	\$451,730	\$451,730
\$6,693,710	\$7,815,703	\$8,887,353	\$9,448,716	\$10,273,944	\$9,446,804
5,563,637	6,142,087	6,571,546	7,098,813	7,083,885	7,159,863
83.12%	78.59%	73.94%	75.13%	68.95%	75.79%
489,726	1,032,072	1,555,469	1,696,194	2,486,687	1,673,288
7.32%	13.21%	17.50%	17.95%	24.20%	17.71%
640,347	641,544	760,338	653,709	703,372	613,653
9.57%	8.21%	8.56%	6.92%	6.85%	6.50%



City of Mount Vernon, Ohio

*Income Tax Collections
Current Year and Eight Years Ago*

Calendar Year 2009

Income Tax Filers	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
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>

Calendar Year 2001

Income Tax Filers	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	\$180,990,200	43.27%	\$2,714,853	43.27%
All Others	237,286,867	56.73%	3,559,303	56.73%
Total	<u>\$418,277,067</u>	<u>100.00%</u>	<u>\$6,274,156</u>	<u>100.00%</u>

Source: City Income Tax Department

Information is not available in this format prior to 2001.

City of Mount Vernon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2000	2001	2002	2003
Governmental Activities ⁽¹⁾				
Long-Term Notes Payable	\$0	\$0	\$3,790,000	\$0
General Obligation Bonds Payable	80,000	40,000	0	3,439,022
Ohio Public Works Commission Loan Payable	0	0	0	425,000
Police & Firemen's Pension Accrued Liability	501,869	495,254	488,355	481,160
State Infrastructure Bank Loan	0	760,474	0	0
Business-type Activities ⁽¹⁾				
Long-Term Notes Payable	0	0	2,195,000	0
General Obligation Bonds Payable	8,305,000	7,960,000	7,640,000	11,155,978
Mortgage Revenue Bonds Payable	9,800,000	9,375,000	8,935,000	6,845,000
Total Primary Government	<u>\$18,686,869</u>	<u>\$18,630,728</u>	<u>\$23,048,355</u>	<u>\$22,346,160</u>
Population ⁽²⁾				
City of Mount Vernon	15,256	15,256	15,256	15,256
Outstanding Debt Per Capita	\$1,225	\$1,221	\$1,511	\$1,465
Income ⁽³⁾				
Personal (in thousands)	353,893	361,338	366,144	373,940
Percentage of Personal Income	5.28%	5.16%	6.29%	5.98%

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

2004	2005	2006	2007	2008	2009
\$0	\$0	\$0	\$0	\$2,100,000	\$0
3,239,365	3,056,065	2,868,065	5,715,065	5,420,015	7,280,711
414,375	393,125	371,875	350,625	329,375	433,125
473,656	465,829	457,666	449,153	440,274	431,014
0	0	0	0	0	0
0	0	0	0	0	0
10,625,635	10,053,935	9,461,935	12,229,935	11,469,985	13,274,289
6,505,000	6,155,000	5,790,000	5,410,000	5,015,000	4,420,000
<u>\$21,258,031</u>	<u>\$20,123,954</u>	<u>\$18,949,541</u>	<u>\$24,154,778</u>	<u>\$24,774,649</u>	<u>\$25,839,139</u>
15,256	15,256	15,256	15,256	15,256	15,256
\$1,393	\$1,319	\$1,242	\$1,583	\$1,624	\$1,694
393,803	396,137	416,840	434,109	451,730	451,730
5.40%	5.08%	4.55%	5.56%	5.48%	5.72%

City of Mount Vernon, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2000	2001	2002	2003
Population ⁽¹⁾	15,256	15,256	15,256	15,256
Assessed Value ⁽²⁾	\$277,059,819	\$247,657,131	\$283,775,593	\$285,051,489
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$8,385,000	\$8,000,000	\$7,640,000	\$14,595,000
Resources Available to Pay Principal ⁽⁴⁾	\$37,143	\$40,213	\$0	\$0
Net General Bonded Debt	\$8,347,857	\$7,959,787	\$7,640,000	\$14,595,000
Ratio of Net Bonded Debt to Assessed Value	3.01%	3.21%	2.69%	5.12%
Net Bonded Debt per Capita	\$547.19	\$521.75	\$500.79	\$956.67

Source:

- (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

2004	2005	2006	2007	2008	2009
15,256	15,256	15,256	15,256	15,256	15,256
\$287,409,437	\$296,485,180	\$282,994,466	\$285,828,244	\$258,440,860	\$261,803,090
\$13,865,000	\$13,110,000	\$12,330,000	\$17,945,000	\$16,890,000	\$20,555,000
\$2	\$0	\$840	\$0	\$0	\$10,568
\$13,864,998	\$13,110,000	\$12,329,160	\$17,945,000	\$16,890,000	\$20,544,432
4.82%	4.42%	4.36%	6.28%	6.54%	7.85%
\$908.82	\$859.33	\$808.15	\$1,176.26	\$1,107.11	\$1,346.65



City of Mount Vernon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2009*

<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	\$5,099,195	100.00%	\$5,099,195
Overlapping:			
Knox County	1,945,000	23.70%	460,965
Mount Vernon School District	6,839,200	49.81%	3,406,606
Knox County Career Center	131,316	21.11%	27,721
		Subtotal	3,895,292
		Total	\$8,994,487

Source: Knox County Auditor and Fiscal Officers of Subdivision

City of Mount Vernon, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Total Debt				
Net Assessed Valuation	\$277,059,819	\$247,657,131	\$283,775,593	\$285,051,489
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	29,091,281	26,003,999	29,796,437	29,930,406
City Debt Outstanding (2)	80,000	40,000	0	243,030
Less: Applicable Debt Service Fund Amounts	(37,143)	(40,213)	0	0
Net Indebtedness Subject to Limitation	<u>42,857</u>	<u>(213)</u>	<u>0</u>	<u>243,030</u>
Overall Legal Debt Margin	<u><u>\$29,048,424</u></u>	<u><u>\$26,004,212</u></u>	<u><u>\$29,796,437</u></u>	<u><u>\$29,687,376</u></u>
Unvoted Debt				
Net Assessed Valuation	\$277,059,819	\$247,657,131	\$283,775,593	\$285,051,489
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,238,290	13,621,142	15,607,658	15,677,832
City Debt Outstanding (2)	80,000	40,000	0	243,030
Less: Applicable Debt Service Fund Amounts	(37,143)	(40,213)	0	0
Net Indebtedness Subject to Limitation	<u>42,857</u>	<u>(213)</u>	<u>0</u>	<u>243,030</u>
Overall Legal Debt Margin	<u><u>\$15,195,433</u></u>	<u><u>\$13,621,355</u></u>	<u><u>\$15,607,658</u></u>	<u><u>\$15,434,802</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds 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

2004	2005	2006	2007	2008	2009
\$287,409,437	\$296,485,180	\$282,994,466	\$285,828,244	\$258,440,860	\$258,440,860
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
30,177,991	31,130,944	29,714,419	30,011,966	27,136,290	27,136,290
230,095	218,395	4,206,395	3,229,395	3,116,945	2,999,195
(2)	0	(840)	0	0	(10,568)
230,093	218,395	4,205,555	3,229,395	3,116,945	2,988,627
\$29,947,898	\$30,912,549	\$25,508,864	\$26,782,571	\$24,019,345	\$24,147,663
\$287,409,437	\$296,485,180	\$282,994,466	\$285,828,244	\$258,440,860	\$258,440,860
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
15,807,519	16,306,685	15,564,696	15,720,553	14,214,247	14,214,247
230,095	218,395	4,206,395	3,229,395	3,116,945	2,999,195
(2)	0	(840)	0	0	(10,568)
230,093	218,395	4,205,555	3,229,395	3,116,945	2,988,627
\$15,577,426	\$16,088,290	\$11,359,141	\$12,491,158	\$11,097,302	\$11,225,620

City of Mount Vernon, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2000	2001	2002	2003
Wastewater Mortgage Revenue				
Bonds 1992 Series (1 a)				
Gross Revenues (2)	\$2,564,841	\$2,516,508	\$2,508,208	\$0
Direct Operating Expenses (3)	(1,675,101)	(1,418,787)	(1,774,502)	0
Net Revenue Available for Debt Service	889,740	1,097,721	733,706	0
Annual Debt Service Requirement	239,030	238,050	236,690	0
Coverage	3.72	4.61	3.10	N/A
Water System Bonds 1999 Series (1 b)				
Gross Revenues (2)	\$2,836,361	\$2,850,267	\$2,871,562	\$2,678,308
Direct Operating Expenses (3)	(1,674,197)	(1,563,777)	(1,698,148)	(1,644,435)
Net Revenue Available for Debt Service	1,162,164	1,286,490	1,173,414	1,033,873
Annual Debt Service Requirement	635,548	635,813	635,443	634,103
Coverage	1.83	2.02	1.85	1.63
Tax Increment Financing (TIF) Bonds (4)				
Payment In Lieu of Taxes (PILOT) Collections	\$0	\$0	\$0	\$443,561
Debt Service				
Principal	0	0	0	176,000
Interest	0	0	0	72,259
Coverage	N/A	N/A	N/A	1.79

(1) The Mortgage Revenue Bonds were issued as follows:

- (a) The Waterworks system 1st Mortgage Revenue Bonds were issued in 1992, in the amount of \$2,800,000.
- (b) 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

2004	2005	2006	2007	2008	2009
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
N/A	N/A	N/A	N/A	N/A	N/A
\$3,034,525	\$2,931,081	\$3,091,208	\$3,348,689	\$3,344,136	\$3,292,955
(1,621,464)	(1,698,652)	(1,648,878)	(1,784,855)	(1,956,474)	(1,991,293)
1,413,061	1,232,429	1,442,330	1,563,834	1,387,662	1,301,662
637,078	634,158	635,858	636,623	636,612	638,600
2.22	1.94	2.27	2.46	2.18	2.04
\$510,867	\$566,671	\$917,141	\$1,060,626	\$1,155,370	\$1,232,200
186,722	171,600	176,000	176,000	182,600	186,554
102,245	98,857	95,397	91,905	88,297	84,361
1.77	2.10	3.38	3.96	4.26	4.55

City of Mount Vernon, Ohio

Demographic and Economic Statistics Last Ten Years

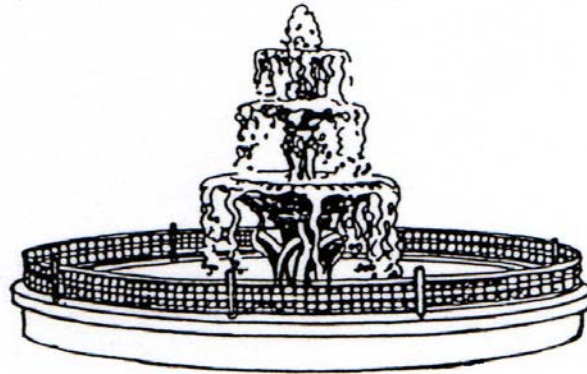
Calendar Year	2000	2001	2002	2003
Population (1)				
City of Mount Vernon	15,256	15,256	15,256	15,256
Knox County	54,500	54,500	54,500	54,500
Income (2) (a)				
Total Personal (in thousands)	353,893	361,338	366,144	373,940
Per Capita	23,197	23,685	24,000	24,511
Unemployment Rate (3)				
Federal	4.2%	3.8%	4.8%	5.8%
State	4.3%	3.7%	4.3%	5.7%
Knox County	4.0%	3.7%	4.7%	5.8%
Civilian Work Force Estimates (3)				
State	5,900,400	5,857,000	5,828,000	5,915,000
Knox County	26,000	26,600	26,900	27,600

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2008 for the presentation of 2009 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

City of Mount Vernon, Ohio

2004	2005	2006	2007	2008	2009
15,256	15,256	15,256	15,256	15,256	15,256
54,500	54,500	54,500	54,500	54,500	54,500
393,803	396,137	416,840	434,109	451,730	451,730
25,813	25,966	27,323	28,455	29,610	29,610
6.0%	5.5%	5.0%	4.6%	5.8%	5.8%
6.1%	6.0%	5.9%	5.6%	6.6%	6.6%
5.6%	5.4%	5.1%	5.4%	6.3%	6.3%
5,875,300	5,900,400	5,934,000	5,976,500	5,986,400	5,986,400
29,200	30,100	30,500	31,000	30,800	30,800



City of Mount Vernon, Ohio

*Principal Employers
Current Year and Nine Years Ago*

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		<u>5,121</u>	

Employer	Nature of Business	2000	
		Number of Employees	Rank
Rolls-Royce Energy Systems, Inc.	Manufacturing	765	1
Mount Vernon Nazarene College	Education	663	2
Board of Education (City)	Education	578	3
Knox Community Hospital	Medical Care	575	4
Knox County	Government	501	5
Ariel Corporation	Manufacturing	492	6
Kelsey-Hayes	Manufacturing	481	7
Jeld-Wen, Inc.	Manufacturing	400	8
Breon, Inc.	Restaurant	296	9
Wal-Mart	Retail	157	10
Total		<u>4,908</u>	

Sources:

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

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
Administration	1.00	1.00	1.00	1.00	1.00
Finance	1.50	2.00	2.00	2.50	2.50
Law Director	2.00	3.00	3.00	3.00	3.00
Income Tax	3.00	3.00	3.00	3.00	3.00
Legal/Court	10.00	9.50	10.00	10.00	10.50
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	7.00	7.00	7.00	7.00	6.00
Public Buildings/Lands	2.25	1.25	2.25	2.25	2.25
Security of Persons and Property					
Police	31.00	32.00	31.00	30.00	29.00
Fire	30.00	32.00	33.00	33.00	33.00
Transportation					
Street	14.25	14.00	13.50	14.50	13.25
Leisure Time Activities					
Parks/Recreation	17.00	17.00	15.75	18.50	16.50
Public Health and Welfare					
Cemetery	5.00	5.00	5.00	5.00	5.25
Business-Type Activities					
Utilities					
Water	17.50	17.50	17.50	17.50	16.50
Sewer	20.00	20.00	20.00	19.00	18.00
<i>Total Employees</i>	<u>164.00</u>	<u>166.75</u>	<u>166.50</u>	<u>168.75</u>	<u>162.25</u>

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

Elected Officials have been omitted from this table

Source: City Auditor's Office

City of Mount Vernon, Ohio

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
10.50	10.50	10.50	11.00	11.00
2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
5.00	5.50	6.00	6.50	6.50
1.75	1.75	1.75	1.75	1.75
29.00	28.50	32.00	31.00	32.00
31.00	33.00	40.00	40.00	40.00
12.75	13.00	12.50	12.50	12.50
16.75	16.75	58.25	53.75	53.75
5.00	5.00	6.00	6.00	6.00
17.50	17.50	17.50	17.50	17.50
19.00	19.00	19.50	19.50	19.50
<u>160.75</u>	<u>163.00</u>	<u>216.50</u>	<u>212.00</u>	<u>213.00</u>

City of Mount Vernon, Ohio

Operating Indicators by Function Last Ten Years

	2000	2001	2002	2003
Governmental Activities				
General Government				
Court				
Number of Civil Cases	764	942	1,029	1,085
Number of Criminal Cases	1,179	1,180	1,178	1,335
Number of Traffic Cases	6,779	6,938	7,749	6,620
Number of Open Cases	1,002	1,050	1,114	946
Licenses and Permits				
Number of Building Permits	203	214	206	213
Security of Persons and Property				
Police				
Number of Citations Issued	4,495	4,495	4,495	3,466
Fire				
Number of Fire Calls	3,335	3,425	3,442	3,826
Number of EMS Runs				
Number of Inspections	250	250	250	325
Business-Type Activities				
Water				
Number of Service Connections	5,962	6,047	6,106	6,186
Daily Average Consumption (thousands of gallons)	2,685,849	2,477,529	2,619,205	2,466,822
Sewer				
Number of Service Connections	6,042	6,217	6,320	6,408
Daily Average Sewage Treatment (thousands of gallons)	2,999,019	2,511,140	2,780,038	3,143,844

Source: City Auditor's Office

City of Mount Vernon, Ohio

2004	2005	2006	2007	2008	2009
1,193	1,098	1,078	1,252	1,484	1,425
1,151	1,146	1,170	1,088	1,335	1,246
5,257	6,002	6,571	5,491	5,811	5,867
959	985	928	1,020	1,003	1,038
223	218	211	119	160	162
2,953	3,608	3,322	3,081	3,857	3,295
4,003	4,003	868	752	871	1,032
		2,814	2,911	3,259	3,282
325	325	125	375	1,250	1,009
6,249	6,307	6,369	6,421	6,449	6,469
2,607,683	2,252,603	2,465,836	2,508,356	2,704,110	3,026,000
6,488	6,536	6,590	6,637	6,655	6,682
3,514,664	3,524,293	3,122,181	3,145,699	3,282,192	2,979,515

City of Mount Vernon, Ohio

Capital Asset Statistics by Function Last Ten Years

	2000	2001	2002	2003
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	9.2	9.2	9.2	9.2
Buildings	8	8	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	12	12	13	13
Fire				
Stations	2	2	2	2
Vehicles	11	11	11	11
Transportation				
Street				
Streets (lane miles)	76	76	76	76
Street Lights	1,470	1,470	1,470	1,470
Traffic Signals	47	47	50	50
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	176.58	176.58	176.58	176.58
Buildings	13	13	13	13
Parks	7	7	7	7
Playgrounds	4	4	4	4
Swimming Pools	2	2	2	2
Tennis Courts	10	10	10	10
Baseball/Softball Diamonds	11	11	11	11
Soccer Fields	2	2	2	2
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	63	63	63	63
Number of Hydrants	484	484	484	484
Average Daily Consumption	2,685,849	5,477,529	2,619,205	2,466,822
Storage Capacity (thousands of gallons)	5,000	5,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	2,999,019	2,511,140	2,780,038	3,143,844
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

City of Mount Vernon, Ohio

2004	2005	2006	2007	2008	2009
9.2 9	9.2 9	9.2 9	9.2 9	9.8 9	9.8 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 50 13	82 1,470 50 13	82 1,470 50 13	82 1,470 51 13	82 1,470 52 13	82 1,470 53 13
176.58 14 8 4 2 10 11 2	176.58 14 8 4 2 10 11 2	210.32 14 8 4 2 10 11 2	241.86 14 8 4 4 10 11 2	241.86 14 8 4 4 10 11 2	241.86 14 8 4 4 10 11 2
63 484 2,607,683 7,000	63 484 2,252,603 7,000	63 484 2,465,836 7,000	63 484 2,508,356 7,000	63 484 2,704,110 7,000	63 484 3,026,000 7,000
62 3,514,664 5,000	62 3,524,293 5,000	62 3,122,181 5,000	62 3,145,699 5,000	62 3,282,192 5,000	62 2,979,515 5,000





Mary Taylor, CPA
Auditor of State

CITY OF MOUNT VERNON

KNOX COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 27, 2010