

**CITY OF MOUNT VERNON**  
**KNOX COUNTY**  
**SINGLE AUDIT**  
**JANUARY 1, 2015 – DECEMBER 31, 2015**







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Mount Vernon, Knox County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 8, 2016

**This page intentionally left blank.**

**CITY OF MOUNT VERNON  
KNOX COUNTY**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	1
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	2
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	3
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE	5
SCHEDULE OF FINDINGS – 2 CFR § 200.515	8

**CITY OF MOUNT VERNON  
KNOX COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Federal Grantor/ Pass Through Grantor/ Program Grant Title</b>	Pass Through Entity Number	CFDA Number	Expenditures
<b>U.S. Department of Justice</b>			
Crime Victim Assistance	15-5041-0-2-754	16.575	\$ 7,105
<b>U.S. Department of Housing and Urban Development</b>			
<i>Passed through Ohio Development Services Agency:</i>			
Community Development Block Grants/State's program	A-F-13-149-1	14.228	361,781
Community Development Block Grants/State's program	A-F-14-2CP-1	14.228	23,530
Total Community Development Block Grant/State's Program			<u>385,311</u>
Home Investment Partnerships Program	A-C-12-149-1	14.239	1,458
Home Investment Partnerships Program	A-C-14-2CP-1	14.239	172,348
Home Investment Partnerships Program	A-C-14-2CP-2	14.239	160,127
Total Home Investment Partnership Program			<u>333,933</u>
Total Department of Housing and Urban Development			<u>719,244</u>
<b>U.S. Department of Transportation; Federal Highway Administration</b>			
<i>Passed through Ohio Department of Transportation:</i>			
Highway Planning and Construction	92412	20.205	554,252
<b>Total Federal Awards Expenditures</b>			<u>\$ 1,280,601</u>

**CITY OF MOUNT VERNON  
KNOX COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal funds is not included on the Schedule.



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

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

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2016 wherein we noted the City adopted GASB Statement No. 68 and No. 71 as disclosed in Note 2.

***Internal Control Over Financial Reporting***

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

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

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

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635



***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
June 28, 2016



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

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

To City Council:

***Report on Compliance for The Major Federal Program***

We have audited the City of Mount Vernon's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Mount Vernon's major federal program for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Mount Vernon's major federal program.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

***Opinion on The Major Federal Program***

In our opinion, the City of Mount Vernon complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2015.

***Report on Internal Control over Compliance***

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

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

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

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

City of Mount Vernon  
Knox County  
Independent Auditor's Report on Compliance With Requirements  
Applicable to the Major Federal Program and On Internal Control  
Over Compliance And the Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance  
Page 3

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mount Vernon, Knox County (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 28, 2016 wherein we noted the City adopted GASB Statement No. 68 and 71 as disclosed in Note 2. We conducted our audit to opine on the City's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Wilson, Shannon & Snow, Inc.*

Newark, Ohio  
June 28, 2016

**CITY OF MOUNT VERNON  
KNOX COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2015**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Highway Planning and Construction, CFDA #20.205
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

**CITY OF MOUNT VERNON  
KNOX COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2015**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.



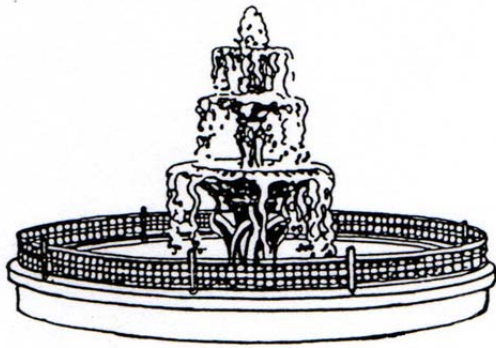
# City of Mount Vernon, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2015



**Mount Vernon**





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2015

*Prepared by the Auditor's Office*

Terry Scott  
City Auditor



TABLE OF CONTENTS

CITY OF MOUNT VERNON  
KNOX COUNTY, OHIO

---

**I** INTRODUCTORY SECTION

**A** Letter of Transmittal ..... v  
**B** List of Principal Officials ..... xiv  
**C** City Organizational Chart ..... xv  
**D** Certificate of Achievement for Excellence in Financial Reporting..... xvi

**II** FINANCIAL SECTION

**A** Independent Auditor’s Report..... 1  
**B** Management’s Discussion and Analysis..... 5  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Position ..... 16  
        Statement of Activities ..... 18  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet ..... 20  
            Reconciliation of Total Governmental Fund Balances to Net Position of  
            Governmental Activities..... 22  
            Statement of Revenues, Expenditures and Changes in Fund Balances ..... 24  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
            in Fund Balances of Governmental Funds to the Statement of Activities ..... 26  
            Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget and Actual (Non-GAAP Budgetary Basis):  
                General Fund ..... 27  
                Municipal Income Tax ½% (Voted) Fund..... 28  
                Community Development Block Grant Fund..... 29  
        *Proprietary Funds:*  
            Statement of Net Position ..... 30  
            Statement of Revenues, Expenses and Changes in Fund Net Position..... 33  
            Statement of Cash Flows ..... 34  
        *Fiduciary Funds:*  
            Statement of Assets and Liabilities..... 36  
Notes to the Basic Financial Statements..... 37

**D Required Supplemental Information:**

Schedule of City’s Proportionate Share of the Net Pension Liability.....	86
Schedule of City Contributions .....	87

**E Combining and Individual Fund Statements and Schedules:**

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	93
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	98
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	103

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i> .....	104
<i>Special Revenue Funds:</i>	
Municipal Income Tax ½% (Voted) Fund.....	110
Community Development Block Grant Fund.....	111
<i>Debt Service Fund:</i>	
General Bond Retirement Fund.....	112
<i>Capital Projects Funds:</i>	
Capital Improvement Fund.....	113
TIF District-Coshocton Road Fund .....	114

Nonmajor Governmental Funds:

<i>Special Revenue Funds:</i>	
Street Construction, Maintenance and Repair Fund.....	115
State Highway Improvement Fund.....	116
Permissive Auto License Tax Fund.....	117
Cemetery Fund .....	118
Park Development Fund .....	119
Parking Fund .....	120
Law Enforcement Trust Fund.....	121
Drug Enforcement Trust Fund.....	122

Nonmajor Governmental Funds: (Continued)

Permissive License Registration Fund .....	123
Indigent Drivers Alcohol Treatment Fund .....	124
DUI - Enforcement and Education Fund.....	125
Court Computerization Fund.....	126
Probation Services Fund.....	127
Court Clerk Computer Fund.....	128
Lodging Excise Tax Fund .....	129
Driver’s Interlock and Alcohol Monitoring Fund .....	130
Public Service Street Repair Fund.....	131
Hiawatha Water Park Scholarship Fund.....	132
Police Pension Fund .....	133
Fire Pension Fund.....	134
Mausoleum Fund.....	135
Veterans Honor Walkway Fund .....	136
 <i>Debt Service Fund:</i>	
General Bond Retirement Fund-Income Tax Fund .....	137
 <i>Capital Projects Funds:</i>	
B & O Railroad Depot Fund.....	138
TIF District – Industrial Area Fund.....	139
 <i>Permanent Fund:</i>	
Perpetual Care Fund .....	140
 Fiduciary Funds – Agency Funds:	
Combining Statement of Changes in Assets and Liabilities .....	142

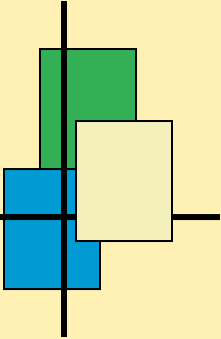


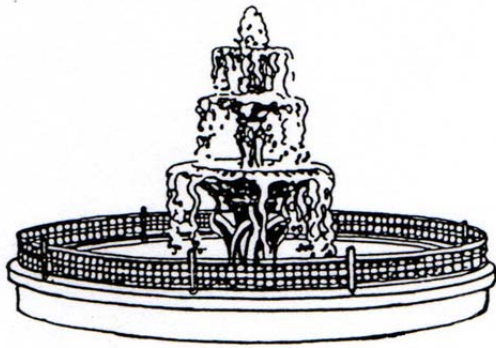
**III** STATISTICAL SECTION

Net Position by Component - Last Ten Years ..... S 2  
Changes in Net Position - Last Ten Years..... S 4  
Fund Balances, Governmental Funds - Last Ten Years ..... S 8  
Changes in Fund Balances, Governmental Funds - Last Ten Years ..... S 10  
Income Tax Revenues by Source, Governmental Funds - Last Ten Years ..... S 14  
Income Tax Collections - Current Year and Nine Years Ago..... S 17  
Ratio of Outstanding Debt By Type - Last Ten Years ..... S 18  
Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 20  
Computation of Direct and Overlapping - Debt Attributable to  
Governmental Activities - Current Year ..... S 23  
Debt Limitations - Last Ten Years ..... S 24  
Pledged Revenue Coverage - Last Ten Years ..... S 26  
Demographic and Economic Statistics - Last Ten Years ..... S 28  
Principal Employers - Current Year and Nine Years Ago ..... S 31  
Full Time Equivalent Employees by Function - Last Ten Years ..... S 32  
Operating Indicators by Function - Last Ten Years ..... S 34  
Capital Asset Statistics by Function - Last Ten Years ..... S 36



# Introductory Section









# CITY OF MOUNT VERNON

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

phone (740) 393-9523

fax (740)-397-5288

---

June 28, 2016

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, 2015. The report has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## Introduction

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

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

### *THE REPORTING ENTITY:*

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

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

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 2015.

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 \$50,000 for operations of the combined District for 2015.

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, 2015***

---

**The City of Mount Vernon:**

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

**The Management:**

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

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

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

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 nine full-time employees and five part-time or seasonal employees to help with the summer road maintenance projects, mowing, and fall leaf pick-up program.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

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

Water Department - This department operates with ten full-time employees and fifteen shared full-time employees. The shared employees also work with the Wastewater Department. The Water Department is responsible for the treatment and distribution of potable water to the City's 6,540 customers and customers located in the Village of Gambier (approximately three miles east of Mount Vernon). All treatment plant employees are required to have a Class I operator's license within two years of employment.

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

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

The citizens of Mount Vernon elect one part-time Treasurer (for a four year term), who appoints the staff of the Income Tax Department. The Income Tax Department has three full-time employees, who are responsible for the administration and collection of the City's 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 the entire City's court cases.

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

**Economic Outlook**

Two bridges located within the residential portion of the city's east side were replaced during 2015. The Catherine Street Bridge at a total cost of \$251,815 and the Sychar Road Bridge at a total cost of \$174,316 will provide for significant drainage improvements for year to come. These two projects were supported by a Community Development Block (CDBG) grant that provided \$340,000 towards the overall cost.

Highland Drive and Boynton Street were two additional areas served by upgrades to the stormwater drainage infrastructure. City funding was provided for these projects at a cost of \$41,366.

The police department was able to purchase body cameras and Tasers for the officers during the year from a generous public donation in the amount of \$52,400. Extensive training along with policies and procedures were incurred before implementation of these new devices. Not only will these devices provide for safety and security of the officers, it will also provide the prosecutors with additional digital video that may become a part of certain legal cases if needed during court proceedings. Furthermore these devices will provide the department administration with training materials to ensure the officers performing their services to the community properly.

The City has been actively continuing its tree plantings and tree replacement program over the past several years. This ongoing project continued for 2015 merely due to the extreme generosity of the Ariel Foundation. This foundation has contributed tens of thousands of dollars into tree plantings and tree replacements over the past years and in 2015, an addition \$27,000 was provided to continue the ongoing efforts. Our tree lined streets and recreation parks all have been the beneficiary of this project and more is planned for the upcoming year as well.

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

Thanks to the foresight of City management, coupled with the cooperation of the City's department heads, the growth in the local economy resulted in a favorable impact on the City's ability to provide quality services to the public. The Engineering Department issued one hundred thirty-two building permits in 2015 and one hundred forty in 2014, a decrease of eight permits.

**Long-term Financial Planning:**

The City has been in communication with the Ohio Department of Transportation (ODOT) in regards to the Mount Vernon Avenue Bridge. This bridge was constructed in the early 1970's at which time it was owned by Knox County. Current regulations now require that all bridges located within the local municipality must be under the ownership and management of the municipality. This bridge is now scheduled to be replaced in 2018; however the estimated cost is approximately \$8 million. ODOT has indicated they can provide \$2.5 million towards the replacement, leaving the City with the remaining \$5.5million. In order to provide the necessary funding for this bridge replacement, the City intends to issue bonds for its portion of the construction costs. While funding will not be required until early to mid-2017, the City continues to pursue other funding sources such as grants to help offset its portion of the project costs.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

**Employee Relations:**

The City of Mount Vernon is in the first year of a three year contract with the City's three unions. All union contracts were effective January 1, 2015, through December 31, 2017, with annual raises on January 1st of each year beginning in 2015. The first is, the Dan Emmett Chapter of the Ohio Civil Service Employees Association (OCSEA), Local 11/American Federation of State, County and Municipal Employees, AFL-CIO, which consists of fifty-seven members from the public service departments (Engineering, Public Building and Land, Parks, Street, Cemetery, Water and Wastewater). The second is the Ohio Association of Professional Firefighters, The Mount Vernon Firefighters and Paramedics Local 3712 which consists of thirty-seven members of the fire department. The final bargaining unit is the Kokosing Chapter of the Fraternal Order of Police, Ohio Labor Council, Inc. (FOP) which consists of twenty-seven members of the police department. The remaining departments along with all the department heads are not represented by any union.

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

**Unemployment Rates:**

The City of Mount Vernon's economic outlook showed signs of steady improvement for 2015. Starting out the year at 5.6 percent, the unemployment rate decreased consistently over the first half of the year to 4.7 percent, then increased slight upward at the end of the year finishing at 4.9 percent. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

**Major Initiatives**

In 2015, the City became the beneficiary of a significant gift from the Ariel-Foundation Park Conservancy Board which expanded the park by an additional 65 acres. The year-long development of this additional land includes walking trails, structure remnants from the former Pittsburgh Plate Glass (PPG) Industries facilities that once occupied the land along with elaborate landscaping. Steel from this site that was once part of an old World's Fair event from yesteryears has been salvaged and unique architectures have been sculpted and erected throughout the park. The City bestows its greatest appreciation to the Ariel-Foundation Park Conservancy Board and its partners for this generous gift.

The City's resurfacing program continued to provide maintenance to our roadways throughout the city. Approximately \$650,000 was disbursed for resurfacing in 2015. Sixteen streets in addition to streets within Mound View Cemetery were slated for resurfacing. The 2015 paving was a combination of Phase II carry over from the 2014 paving program that did not get completed before the end of the paving season and the 2015 paving program. Funding for these combined projects from the two year period was provided by the City along with assistance through a grant from Ohio Public Works Commission in the amount of \$221,823.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

A structural wall within Mound View Cemetery bordering along Mansfield Avenue and Warden Street was replaced in 2015. The original cement poured wall had fractured and due to drainage issues, the wall was pushing away from the earthen property creating a very unstable and unsafe issue for the public. New design cut concrete cubes with the architecture look of cut stone from yesteryear and new fencing assembled on top of the cap stones make for a very warm and decorative wall both for the cemetery and for the residential neighborhood surrounding the area. The cost of the project was funded by the City's capital improvement fund in the amount of \$414,623.

Various equipment purchases were made for various departments within the City. A new Lucas 2 Chest Compression equipment for the Fire Department along with a dump truck with snow plow and salt spreader for the Street Department and two zero turn mowers for the Cemetery Department were a few of the equipment purchases made during the year.

**Financial Information**

**Internal Control, Budgetary Control and the Accounting System:**

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

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

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

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

**Other Information**

**Independent Audit:**

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

**Awards:**

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mount Vernon, Ohio for its comprehensive annual financial report for the year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Mount Vernon received a Certificate of Achievement for the last twenty-four consecutive years (fiscal years ended 1991-2014). 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, 2015***

---

**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 2015 Comprehensive Annual Financial Report and annual independent audit.

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

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

Respectfully,

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

Terry Scott  
City Auditor

**CITY OF MOUNT VERNON, OHIO**

---

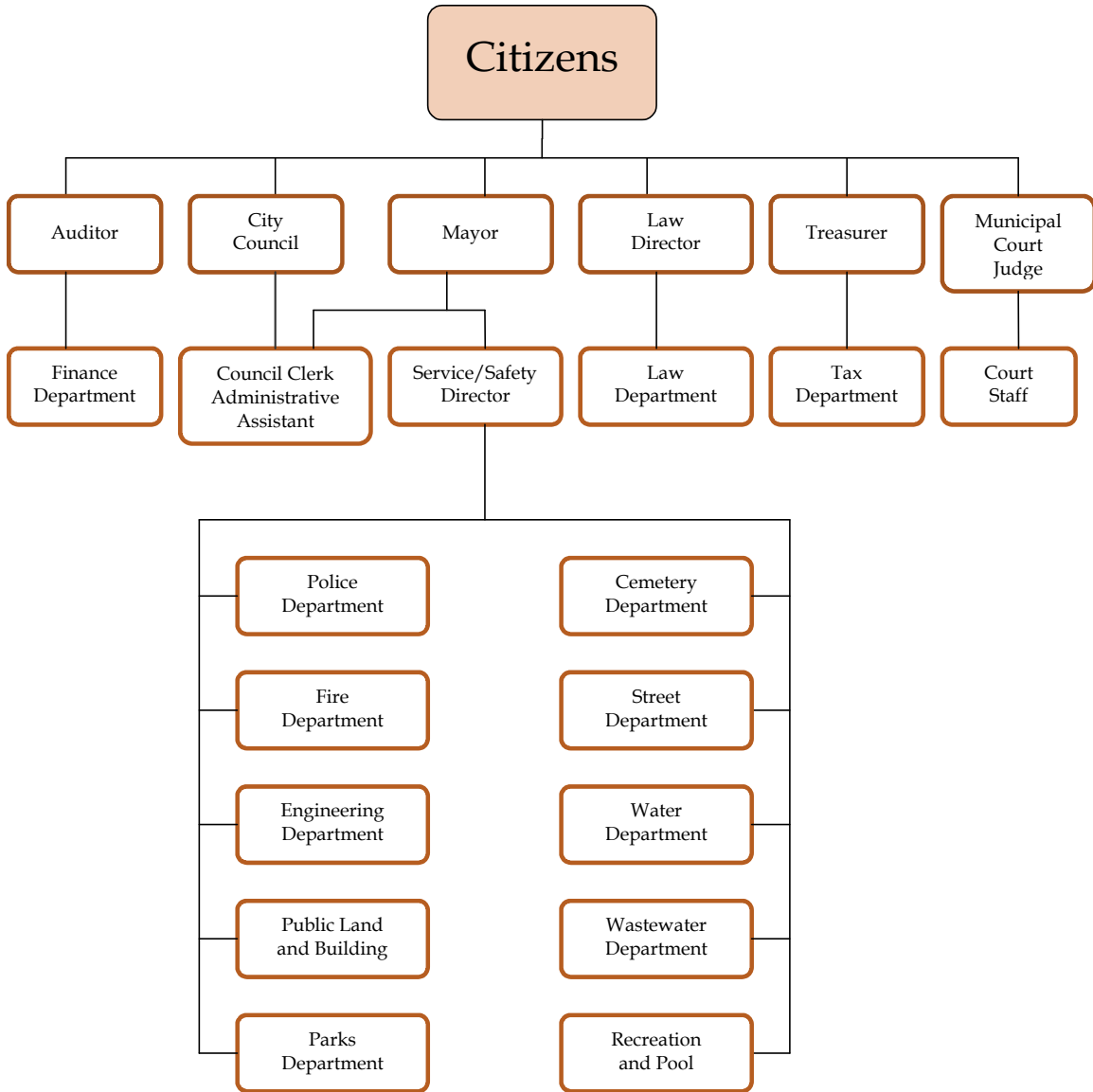
***List of Principal Officials  
For the Year Ended December 31, 2015***

---

<b><i>NAME</i></b>	<b><i>TITLE</i></b>	<b><i>YEARS OF SERVICE</i></b>
<b><u>City Council</u></b>		
Bruce Hawkins	President	9
Sam Barone	First Ward Member	4
John Francis	Second Ward Member	4
Nancy Vail	Third Ward Member	6
John Fair	Fourth Ward Member	16
Mike Hillier	Member At-Large	10
Susan Kahrl	Member At-Large	4
Janis Seavolt	Member At-Large	4
<b><u>City Administration</u></b>		
Richard K. Mavis	Mayor	20
Terry Scott	Auditor	21
P. Robert Broren	Law Director	2
Anton Krutsch	Treasurer	4
David C. Glass	Safety-Service Director	37
Tanya Newell	Clerk of Council	4
<b><u>Department Heads</u></b>		
Lisa Brown	Income Tax Administrator	1
Roger Monroe	Police Chief	26
Chad Christopher	Fire Chief	14
Scott Zimmerman	Parks, Public Buildings and Land Superintendent	17
David Carpenter	Street Superintendent	24
Deborah S. Briscoe	Cemetery Foreman	35
Pam Muralt	Water and Wastewater Meter and Customer Service Administrator	35
Mathias Orndorf	Acting Water and Wastewater Treatment and Distribution Administrator	25

***City Organizational Chart  
For the Year Ended December 31, 2015***

---



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

---



Government Finance Officers Association

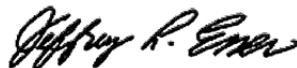
**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Mount Vernon  
Ohio**

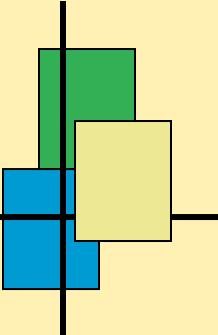
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

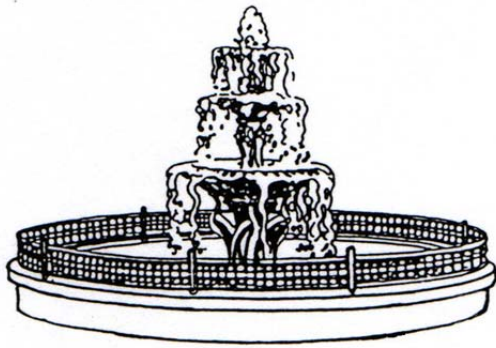
**December 31, 2014**



Executive Director/CEO

# Financial Section







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

## INDEPENDENT AUDITOR'S REPORT

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General, Municipal Income Tax ½% (Voted) and Community Development Block Grant Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

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



City of Mount Vernon  
Knox County  
Independent Auditor's Report

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Wilson, Shannon & Sons, Inc.*

Newark, Ohio  
June 28, 2016



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, 2015. 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 2015 are as follows:

- ❑ In total, net position increased \$1,497,864. Net position of governmental activities increased \$1,274,609 which represents a 2.9% increase from 2014 as restated. Net position of business-type activities increased \$223,255 from 2014 as restated.
- ❑ General revenues accounted for \$14,377,003 in revenue or 48.9% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$15,004,859, 51.1% of total revenues of \$29,381,862.
- ❑ The City had \$21,259,731 in expenses related to governmental activities; only \$8,157,893 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues were sufficient to provide for these programs.
- ❑ Among major funds, the general fund had \$10,424,898 in revenues and other financing sources and \$9,452,620 in expenditures and other financing uses. The general fund's fund balance increased from \$4,169,258 to \$5,141,746.

## **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 position includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

**Fund Financial Statements**

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

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

**CITY OF MOUNT VERNON, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**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 position for 2015 compared to 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Current and other assets	\$16,836,297	\$17,924,481	\$4,690,665	\$4,875,447	\$21,526,962	\$22,799,928
Capital assets, Net	50,438,762	48,751,924	35,710,864	37,256,456	86,149,626	86,008,380
Total assets	<u>67,275,059</u>	<u>66,676,405</u>	<u>40,401,529</u>	<u>42,131,903</u>	<u>107,676,588</u>	<u>108,808,308</u>
Deferred outflows of resources	1,824,548	1,069,109	630,500	311,420	2,455,048	1,380,529
Long-term liabilities outstanding	8,419,655	8,783,134	17,737,733	19,425,377	26,157,388	28,208,511
Net pension liability	12,408,992	11,732,762	1,725,415	1,706,932	14,134,407	13,439,694
Other liabilities	780,291	1,132,727	220,809	216,877	1,001,100	1,349,604
Total liabilities	<u>21,608,938</u>	<u>21,648,623</u>	<u>19,683,957</u>	<u>21,349,186</u>	<u>41,292,895</u>	<u>42,997,809</u>
Deferred inflows of resources	2,147,769	2,028,600	30,680	0	2,178,449	2,028,600
Net position:						
Net investment in capital assets	43,612,477	40,927,848	18,610,103	18,252,176	62,222,580	59,180,024
Restricted	6,512,955	6,576,302	1,783,244	1,758,460	8,296,199	8,334,762
Unrestricted (Deficit)	(4,782,532)	(3,435,859)	924,045	1,083,501	(3,858,487)	(2,352,358)
Total net position	<u>\$45,342,900</u>	<u>\$44,068,291</u>	<u>\$21,317,392</u>	<u>\$21,094,137</u>	<u>\$66,660,292</u>	<u>\$65,162,428</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

---

Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014. The net pension liability reduced beginning of year net position by \$10,663,653 in governmental activities and \$1,514,992 in business-type activities.

**CITY OF MOUNT VERNON, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for 2015 compared to 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,361,436	\$2,257,038	\$6,846,966	\$6,882,654	\$9,208,402	\$9,139,692
Operating Grants and Contributions	1,114,030	1,470,114	0	37,591	1,114,030	1,507,705
Capital Grants and Contributions	4,682,427	2,781,681	0	0	4,682,427	2,781,681
Total Program Revenues	8,157,893	6,508,833	6,846,966	6,920,245	15,004,859	13,429,078
General Revenues:						
Property Taxes	2,023,674	2,061,759	0	0	2,023,674	2,061,759
Income Taxes	11,753,826	12,503,753	0	0	11,753,826	12,503,753
Other Local Taxes	106,100	103,876	0	0	106,100	103,876
Intergovernmental Revenues, Unrestricted	164,502	890,797	0	0	164,502	890,797
Investment Earnings	27,083	11,260	556	424	27,639	11,684
Miscellaneous	301,262	902,455	0	0	301,262	902,455
Total General Revenues	14,376,447	16,473,900	556	424	14,377,003	16,474,324
Total Revenues	22,534,340	22,982,733	6,847,522	6,920,669	29,381,862	29,903,402
Program Expenses						
Security of Persons and Property	7,035,151	6,370,982	0	0	7,035,151	6,370,982
Public Health and Welfare Services	711,222	757,435	0	0	711,222	757,435
Leisure Time Activities	870,144	1,279,240	0	0	870,144	1,279,240
Community Environment	763,019	323,093	0	0	763,019	323,093
Transportation	6,448,854	5,070,430	0	0	6,448,854	5,070,430
General Government	5,154,298	6,294,609	0	0	5,154,298	6,294,609
Interest and Fiscal Charges	277,043	263,497	0	0	277,043	263,497
Water	0	0	3,085,297	3,028,624	3,085,297	3,028,624
Wastewater	0	0	3,538,970	3,256,742	3,538,970	3,256,742
Total Expenses	21,259,731	20,359,286	6,624,267	6,285,366	27,883,998	26,644,652
Total Change in Net Position	1,274,609	2,623,447	223,255	635,303	1,497,864	3,258,750
Beginning Net Position, Restated	44,068,291	N/A	21,094,137	N/A	65,162,428	N/A
Ending Net Position	\$45,342,900	\$44,068,291	\$21,317,392	\$21,094,137	\$66,660,292	\$65,162,428

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,069,109 for Governmental Activities and \$191,940 for Business-type Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,228,350 for Governmental Activities and \$147,922 for Business-type Activities.

**CITY OF MOUNT VERNON, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2015 program expenses under GASB 68	\$21,259,731	\$6,624,267
Pension expense under GASB 68	(1,228,350)	(147,922)
2015 contractually required contribution	1,127,632	184,830
Adjusted 2015 program expenses	21,159,013	6,661,175
Total 2014 program expenses under GASB 27	20,359,286	6,285,366
Change in program expenses not related to pension	<u>\$799,727</u>	<u>\$375,809</u>

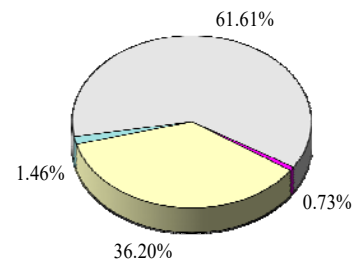
**Governmental Activities**

Net position of the City's governmental activities increased by \$1,274,609 over 2014 as restated. The increase in Net Position is the result of increased income from capital grants and contributions.

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.

Income taxes and property taxes made up 52.16% and 8.98% respectively of revenues for governmental activities for the City in 2015. The City's reliance upon tax revenues is demonstrated by the following graph indicating 61.61% of total revenues from general tax revenues:

Revenue Sources	2015	Percent of Total
General Tax Revenues	\$13,883,600	61.61%
Intergovernmental Revenues, Unrestricted	164,502	0.73%
Program Revenues	8,157,893	36.20%
General Other	328,345	1.46%
Total Revenue	<u>\$22,534,340</u>	<u>100.00%</u>



**Business-Type Activities**

Net position of the business type activities increased by \$223,255. This modest increase is the result of strategic managed operations during the year.



***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$12,312,872, which is an increase from last year's balance of \$11,037,224. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2015 and 2014:

	Fund Balance December 31, 2015	Fund Balance December 31, 2014	Increase (Decrease)
General	\$5,141,746	\$4,169,258	\$972,488
Municipal Income Tax 1/2% (Voted)	1,129,316	942,092	187,224
Community Development Block Grant	171,236	46,292	124,944
General Bond Retirement	2	3	(1)
Capital Improvement	1,130,571	1,832,584	(702,013)
TIF District-Coshocton Road	2,829,974	2,169,050	660,924
Other Governmental	1,910,027	1,877,945	32,082
Total	<u>\$12,312,872</u>	<u>\$11,037,224</u>	<u>\$1,275,648</u>

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

	2015 Revenues	2014 Revenues	Increase (Decrease)
Property and Other Taxes	\$7,442,532	\$6,944,116	\$498,416
Intergovernmental Revenue	586,512	479,589	106,923
Charges for Services	1,499,926	1,483,869	16,057
Licenses and Permits	38,573	15,603	22,970
Investment Earnings	26,553	10,282	16,271
Fines and Forfeitures	577,171	555,831	21,340
All Other Revenue	220,315	238,093	(17,778)
Total	<u>\$10,391,582</u>	<u>\$9,727,383</u>	<u>\$664,199</u>

General Fund revenues in 2015 increased approximately 6.83% compared to revenues in 2014. The major increase is in city income tax revenues.

**CITY OF MOUNT VERNON, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

	2015 Expenditures	2014 Expenditures	Increase (Decrease)
Security of Persons and Property	\$1,237,863	\$1,308,397	(\$70,534)
Public Health and Welfare Services	343,150	400,666	(57,516)
Leisure Time Activities	756,624	791,379	(34,755)
Community Environment	43,776	30,619	13,157
Transportation	132,087	47,785	84,302
General Government	5,923,820	5,760,906	162,914
Debt Service:			
Principal Retirement	11,918	11,427	491
Interest and Fiscal Charges	15,956	16,448	(492)
Total	<u>\$8,465,194</u>	<u>\$8,367,627</u>	<u>\$97,567</u>

General Fund expenditures increased by \$97,567 or 1.17% compared to the prior year primarily due to cost management during the year.

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

*Municipal Income Tax ½% (Voted) Fund* - The Municipal Income Tax ½% (Voted) Fund balance increased from \$942,092 to \$1,129,316 due to increased income tax revenues.

*Community Development Block Grant Fund* - The Community Development Block Grant Fund balance increased from \$46,292 to \$171,236 due to additional grant revenues from the most current grant program.

*Capital Improvement Fund* - The Capital Improvement Fund balance decreased from \$1,832,584 to \$1,130,571 due to the outflow of resources associated with a brownfield project from the current property owner.

*TIF District-Coshocton Road Fund* - The TIF District-Coshocton Road Fund balance increased from \$2,169,050 to \$2,829,974 due to an increase in taxes as a result of increased reappraisal values of the properties and recent development within the TIF District.

*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 2015 the City amended its General Fund budget several times. The increase in the final budget of \$12,086,163 over the original budget of \$11,380,730 primarily was the result of a grant from Crime Victim Assistance for a Victims of Crime Advocate within the law director's department and Ohio Department of Rehabilitation and Correction Grant for a Probation Improvement and Incentive Program within the municipal court system. Actual expenditures and other financing uses were less than the final budget by \$2,146,247 because of conservative fiscal management practices.

**CITY OF MOUNT VERNON, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

For the General Fund, final budget basis revenue of \$9,036,081 did not significantly change compared to the original budget basis revenue.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2015 the City had \$86,149,626 net of accumulated depreciation invested in buildings, infrastructure, equipment and vehicles. Of this total, \$50,438,762 was related to governmental activities and \$35,710,864 to the business-type activities. The following table shows 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$13,771,208	\$12,530,178	\$1,241,030
Construction In Progress	880,176	266,530	613,646
Buildings	15,297,080	15,284,865	12,215
Improvements Other than Buildings	1,596,005	1,181,382	414,623
Infrastructure	44,261,520	43,077,902	1,183,618
Machinery and Equipment	8,561,979	8,363,581	198,398
Less: Accumulated Depreciation	(33,929,206)	(31,952,514)	(1,976,692)
Totals	<u>\$50,438,762</u>	<u>\$48,751,924</u>	<u>\$1,686,838</u>

Land increased due to the donation of property for a new park. Constructions in Progress increased due to a bike connector trail being constructed during the year. Improvements Other than Buildings increased due to the erection of a wall at Mound View Cemetery. Infrastructures increased due to additional roads being resurfaced in 2015 and the completion of street projects. Machinery and Equipment increased due to acquisition of vehicles for the police department and equipment for the parks department.

	Business-Type Activities		Increase (Decrease)
	2015	2014	
Land	\$819,311	\$819,311	\$0
Construction in Progress	86,002	86,002	0
Buildings and Improvements	34,887,379	34,887,379	0
Utility Structures in Service	27,356,253	27,322,175	34,078
Machinery and Equipment	4,661,514	4,617,884	43,630
Less: Accumulated Depreciation	(32,099,595)	(30,476,295)	(1,623,300)
Totals	<u>\$35,710,864</u>	<u>\$37,256,456</u>	<u>(\$1,545,592)</u>

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

**CITY OF MOUNT VERNON, OHIO**

---

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

---

**Debt**

At December 31, 2015, the City had \$13,034,150 in general obligation bonds outstanding, \$1,592,050 due within one year. The following table summarizes the City's liabilities outstanding as of December 31, 2015 and 2014.

	2015	Restated 2014
	<u>          </u>	<u>          </u>
Governmental Activities:		
General Obligation Bonds Payable	\$5,205,500	\$5,436,000
Ohio Public Works Commission Loan	281,875	309,375
Special Obligation Bonds Payable	1,475,000	1,577,500
Net Pension Liability	12,408,992	11,732,762
Police and Firemen's Pension Accrued Liability	366,476	378,394
Compensated Absences	1,090,804	1,081,865
Total Governmental Activities	<u>20,828,647</u>	<u>20,515,896</u>
Business-Type Activities:		
Mortgage Revenue Bonds Payable	1,895,000	2,345,000
General Obligation Bonds Payable	7,828,650	8,604,000
Special Obligation Bonds Payable	1,475,000	1,577,500
Ohio Public Works Commission Loan	90,888	97,156
Ohio Water Development Authority Loan	6,154,888	6,500,028
Net Pension Liability	1,725,415	1,706,932
Compensated Absences	293,307	301,693
Total Business-Type Activities	<u>19,463,148</u>	<u>21,132,309</u>
Totals	<u>\$40,291,795</u>	<u>\$41,648,205</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2015, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

**ECONOMIC FACTORS**

The Mount Vernon Nazarene University (MVNU) has announced their intent to construct a new tennis court facility adjacent to the city's Memorial Park located on Mount Vernon Avenue in the upcoming year. These competition courts will not only provide a facility for the University, but they intend to offer the use of the facility to the Mount Vernon City School District for their tennis club members. In addition MVNU intends to add junior courts to the city's existing tennis court complex for which upcoming tennis members from the School District will gain skills and experience as they advance into the high school program. Construction is slated for mid to late summer, 2016.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

---

During 2015, Mount Vernon Nazarene University (MVNU) began the construction of a new hotel, replacing the current hotel located on the city's public square. Throughout the year it was breath taking to watch the weekly development of this transformation appearing nearly over night. With the intentions of having the construction completed and a grand opening for September, 2015, the completion of the project didn't occur until the turn of the year when the first guest arrived the third week of February, 2016. The City is very appreciative of the architecture design of this facility, as it truly gives the appearance this building certainly has been a pillar of the community for many years. For those historical buffs, it won't take long to do a before and after search of photographs to determine the design architects certainly did their homework prior to putting pencil to paper and crafting an award winning structure.

Knox Community Hospital (KCH) announced they intend to relocate their billing offices to the downtown central business district. The hospital has acquired a lease on a multi-story building on South Main Street that will afford sufficient space for the estimated one hundred employees who will be relocated to this area.

Local business developers have acquired other certain structures within the central business district that will provide for relocation of some existing businesses and the redevelopment of some parcels of land for much needed parking facilities to accommodate this new influx of employees of KCH.

Along with this relocation there are further plans to make available facilities and structures to cater to the newest bike trail that was currently completed by the Knox County Park District and will join to trails within the city and provide access to the Kokosing Gap Trail, an existing trail that will extend riders enjoyment eastward through the county. Further development plans are expected to be announced during the year of 2016.

**REQUESTS FOR INFORMATION**

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

The discussion and analysis of the City of Mount Vernon's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

**CITY OF MOUNT VERNON, OHIO**

**Statement of Net Position  
December 31, 2015**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,893,460	\$ 862,132	\$ 3,755,592
Investments	6,248,614	1,751,387	8,000,001
Receivables:			
Taxes	5,416,797	0	5,416,797
Accounts	255,237	1,482,124	1,737,361
Intergovernmental	1,355,716	0	1,355,716
Inventory of Supplies	36,215	126,658	162,873
Prepaid Items	170,440	26,921	197,361
Restricted Assets:			
Cash and Cash Equivalents	437,491	0	437,491
Cash and Cash Equivalents with Fiscal Agent	22,327	441,443	463,770
Capital Assets			
Capital Assets not Being Depreciated	14,651,384	905,313	15,556,697
Capital Assets Being Depreciated	35,787,378	34,805,551	70,592,929
<b>Total Assets</b>	<b>67,275,059</b>	<b>40,401,529</b>	<b>107,676,588</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	139,258	352,489	491,747
Pension	1,685,290	278,011	1,963,301
<b>Total Deferred Outflows of Resources</b>	<b>1,824,548</b>	<b>630,500</b>	<b>2,455,048</b>
<b>Liabilities:</b>			
Accounts Payable	407,460	117,800	525,260
Accrued Wages and Benefits	271,937	53,963	325,900
Contracts Payable	80,355	29,829	110,184
Matured Bonds & Interest Payable	0	650	650
Accrued Interest Payable	20,539	18,567	39,106
Long-term Liabilities:			
Due Within One Year	866,540	2,057,253	2,923,793
Due in More than One Year:			
Net Pension Liability	12,408,992	1,725,415	14,134,407
Other Amounts Due in More than One Year	7,553,115	15,680,480	23,233,595
<b>Total Liabilities</b>	<b>21,608,938</b>	<b>19,683,957</b>	<b>41,292,895</b>
<b>Deferred Inflow of Resources:</b>			
Property Taxes	2,107,100	0	2,107,100
Pension	40,669	30,680	71,349
<b>Total Deferred Inflows of Resources</b>	<b>2,147,769</b>	<b>30,680</b>	<b>2,178,449</b>

(Continued)

**CITY OF MOUNT VERNON, OHIO**

---

---

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	43,612,477	18,610,103	62,222,580
Restricted For:			
Capital Projects	2,870,665	1,341,801	4,212,466
Debt Service	0	441,443	441,443
Perpetual Care, Nonexpendable	446,360	0	446,360
Security of Persons and Property	1,420,343	0	1,420,343
Leisure Time Activities	5,496	0	5,496
Community Environment	947,049	0	947,049
Transportation	621,340	0	621,340
Public Health and Welfare	201,702	0	201,702
Unrestricted (Deficit)	<u>(4,782,532)</u>	<u>924,045</u>	<u>(3,858,487)</u>
<b>Total Net Position</b>	<u>\$ 45,342,900</u>	<u>\$ 21,317,392</u>	<u>\$ 66,660,292</u>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2015**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 7,035,151	\$ 1,098,742	\$ 0	\$ 0
Public Health and Welfare Services	711,222	90,889	0	0
Leisure Time Activities	870,144	261,876	0	1,907,817
Community Environment	763,019	21,127	80,001	0
Transportation	6,448,854	6,527	794,684	2,774,610
General Government	5,154,298	882,275	239,345	0
Interest and Fiscal Charges	277,043	0	0	0
<b>Total Governmental Activities</b>	<u>21,259,731</u>	<u>2,361,436</u>	<u>1,114,030</u>	<u>4,682,427</u>
<b>Business-Type Activities:</b>				
Water	3,085,297	3,562,765	0	0
Sewer	3,538,970	3,284,201	0	0
<b>Total Business-Type Activities</b>	<u>6,624,267</u>	<u>6,846,966</u>	<u>0</u>	<u>0</u>
<b>Totals</b>	<u>\$ 27,883,998</u>	<u>\$ 9,208,402</u>	<u>\$ 1,114,030</u>	<u>\$ 4,682,427</u>

**General Revenues**

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

See accompanying notes to the basic financial statements



**CITY OF MOUNT VERNON, OHIO**

---

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (5,936,409)	\$ 0	\$ (5,936,409)
(620,333)	0	(620,333)
1,299,549	0	1,299,549
(661,891)	0	(661,891)
(2,873,033)	0	(2,873,033)
(4,032,678)	0	(4,032,678)
(277,043)	0	(277,043)
<u>(13,101,838)</u>	<u>0</u>	<u>(13,101,838)</u>
0	477,468	477,468
<u>0</u>	<u>(254,769)</u>	<u>(254,769)</u>
0	222,699	222,699
<u>(13,101,838)</u>	<u>222,699</u>	<u>(12,879,139)</u>
434,944	0	434,944
105,810	0	105,810
143,874	0	143,874
1,339,046	0	1,339,046
11,753,826	0	11,753,826
106,100	0	106,100
164,502	0	164,502
27,083	556	27,639
301,262	0	301,262
<u>14,376,447</u>	<u>556</u>	<u>14,377,003</u>
1,274,609	223,255	1,497,864
44,068,291	21,094,137	65,162,428
<u>\$ 45,342,900</u>	<u>\$ 21,317,392</u>	<u>\$ 66,660,292</u>

**CITY OF MOUNT VERNON, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2015**

	General	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant	General Bond Retirement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 675,557	\$ 212,591	\$ 79,768	\$ 2
Investments	3,126,211	0	0	0
Receivables:				
Taxes	2,458,564	1,084,238	0	0
Accounts	243,064	0	0	0
Intergovernmental	149,261	0	867,281	0
Inventory of Supplies	689	0	0	0
Prepaid Items	158,790	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
<b>Total Assets</b>	<b>\$ 6,812,136</b>	<b>\$ 1,296,829</b>	<b>\$ 947,049</b>	<b>\$ 2</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 311,160	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	229,990	0	0	0
Contracts Payable	74,507	0	0	0
<b>Total Liabilities</b>	<b>615,657</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax	627,000	0	0	0
Unavailable Revenue	427,733	167,513	775,813	0
<b>Total Deferred Inflows of Resources</b>	<b>1,054,733</b>	<b>167,513</b>	<b>775,813</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	159,479	0	0	0
Restricted	8,080	1,129,316	171,236	2
Committed	426	0	0	0
Assigned	3,576,344	0	0	0
Unassigned	1,397,417	0	0	0
<b>Total Fund Balances</b>	<b>5,141,746</b>	<b>1,129,316</b>	<b>171,236</b>	<b>2</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,812,136</b>	<b>\$ 1,296,829</b>	<b>\$ 947,049</b>	<b>\$ 2</b>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

---

<u>Capital Improvement</u>	<u>TIF District- Coshocton Road</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,005	\$ 664,131	\$ 1,258,406	\$ 2,893,460
956,560	2,165,843	0	6,248,614
193,299	1,296,660	384,036	5,416,797
0	0	12,173	255,237
2,534	0	336,640	1,355,716
0	0	35,526	36,215
0	0	11,650	170,440
0	0	437,491	437,491
0	0	22,327	22,327
<u>\$ 1,155,398</u>	<u>\$ 4,126,634</u>	<u>\$ 2,498,249</u>	<u>\$ 16,836,297</u>
\$ 0	\$ 0	\$ 96,300	\$ 407,460
0	0	41,947	271,937
3,168	0	2,680	80,355
<u>3,168</u>	<u>0</u>	<u>140,927</u>	<u>759,752</u>
0	1,280,000	200,100	2,107,100
21,659	16,660	247,195	1,656,573
<u>21,659</u>	<u>1,296,660</u>	<u>447,295</u>	<u>3,763,673</u>
0	0	493,536	653,015
1,130,571	2,829,974	1,299,078	6,568,257
0	0	117,413	117,839
0	0	0	3,576,344
0	0	0	1,397,417
<u>1,130,571</u>	<u>2,829,974</u>	<u>1,910,027</u>	<u>12,312,872</u>
<u>\$ 1,155,398</u>	<u>\$ 4,126,634</u>	<u>\$ 2,498,249</u>	<u>\$ 16,836,297</u>

**CITY OF MOUNT VERNON, OHIO**

---

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2015***

---

**Total Governmental Fund Balances** \$ 12,312,872

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. 50,438,762

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 1,656,573

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	1,685,290	
Deferred Inflows - Pension	(40,669)	
Net Pension Liability	<u>(12,408,992)</u>	(10,764,371)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds Payable	(5,205,500)	
Less: Deferred Charges on Refunding	139,258	
Special Obligation Bonds Payable	(1,475,000)	
Ohio Public Works Commission Loan Payable	(281,875)	
Police and Firemen's Pension Accrued Liability	(366,476)	
Compensated Absences Payable	(1,090,804)	
Accrued Interest Payable	<u>(20,539)</u>	<u>(8,300,936)</u>

***Net Position of Governmental Activities*** \$ 45,342,900

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, 2015**

	General	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant	General Bond Retirement
<b>Revenues:</b>				
Taxes	\$ 7,442,532	\$ 4,281,034	\$ 0	\$ 0
Intergovernmental Revenues	586,512	0	844,187	0
Charges for Services	1,499,926	0	0	0
Licenses and Permits	38,573	0	0	0
Investment Earnings	26,553	0	0	2
Fines and Forfeitures	577,171	0	0	0
All Other Revenue	220,315	19,553	0	4,164
<b>Total Revenue</b>	<b>10,391,582</b>	<b>4,300,587</b>	<b>844,187</b>	<b>4,166</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	1,237,863	4,113,363	0	0
Public Health and Welfare Services	343,150	0	0	0
Leisure Time Activities	756,624	0	0	0
Community Environment	43,776	0	719,243	0
Transportation	132,087	0	0	0
General Government	5,923,820	0	0	0
Debt Service:				
Principal Retirement	11,918	0	0	423,150
Interest and Fiscal Charges	15,956	0	0	218,653
<b>Total Expenditures</b>	<b>8,465,194</b>	<b>4,113,363</b>	<b>719,243</b>	<b>641,803</b>
Excess (Deficiency) of Revenues Over Expenditures	1,926,388	187,224	124,944	(637,637)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	33,316	0	0	0
General Obligation Refunding Bonds Issued	0	0	0	1,995,150
Payment to Refunded Bond Escrow Agent	0	0	0	(1,969,258)
Transfers In	0	0	0	611,744
Transfers Out	(987,426)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(954,110)</b>	<b>0</b>	<b>0</b>	<b>637,636</b>
Net Change in Fund Balances	972,278	187,224	124,944	(1)
<b>Fund Balances at Beginning of Year</b>	<b>4,169,258</b>	<b>942,092</b>	<b>46,292</b>	<b>3</b>
Increase in Inventory Reserve	210	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 5,141,746</b>	<b>\$ 1,129,316</b>	<b>\$ 171,236</b>	<b>\$ 2</b>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

Capital Improvement	TIF District- Coshocton Road	Other Governmental Funds	Total Governmental Funds
\$ 818,911	\$ 1,278,656	\$ 1,173,564	\$ 14,994,697
2,208,265	0	825,213	4,464,177
0	0	92,703	1,592,629
0	0	7,702	46,275
291	0	237	27,083
0	0	110,088	687,259
148,783	12,299	37,120	442,234
<u>3,176,250</u>	<u>1,290,955</u>	<u>2,246,627</u>	<u>22,254,354</u>
0	0	926,481	6,277,707
15,858	0	334,971	693,979
67,760	0	1,046	825,430
0	0	0	763,019
3,848,718	424,812	1,104,358	5,509,975
70,927	0	182,162	6,176,909
0	0	102,500	537,568
0	0	41,015	275,624
<u>4,003,263</u>	<u>424,812</u>	<u>2,692,533</u>	<u>21,060,211</u>
(827,013)	866,143	(445,906)	1,194,143
0	0	8,840	42,156
0	0	0	1,995,150
0	0	0	(1,969,258)
125,000	0	506,230	1,242,974
0	(205,219)	(50,329)	(1,242,974)
<u>125,000</u>	<u>(205,219)</u>	<u>464,741</u>	<u>68,048</u>
(702,013)	660,924	18,835	1,262,191
1,832,584	2,169,050	1,877,945	11,037,224
0	0	13,247	13,457
<u>\$ 1,130,571</u>	<u>\$ 2,829,974</u>	<u>\$ 1,910,027</u>	<u>\$ 12,312,872</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, 2015**

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ 1,262,191
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlay	1,748,061	
Depreciation Expense	<u>(2,384,232)</u>	(636,171)
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and sales) is to increase net position.		
In the statement of activities, only the gain on the sale of capital assets is reported. However, in governmental funds, the proceeds from the sale increase financial resources.		
	(37,855)	
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources		
	2,364,162	
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>(3,298)</u>	2,323,009
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(2,088,477)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,127,632
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(1,228,350)
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, but has no effect on net position.		
Refunding General Obligation Bonds Issued	(1,995,150)	
Payment to Refunded Bond Escrow Agent	<u>1,969,258</u>	(25,892)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bond Principal Payment	395,650	
Special Obligation Bond Principal Payment	102,500	
Ohio Public Works Commission Loan Payment	27,500	
Police Firemen's Pension Accrued Liability Principal Payment	<u>11,918</u>	537,568
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(1,419)
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	(8,939)	
Change in Inventory	<u>13,457</u>	4,518
<b>Change in Net Position of Governmental Activities</b>		<u>\$ 1,274,609</u>

See accompanying notes to the basic financial statements



**CITY OF MOUNT VERNON, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 6,395,196	\$ 6,395,196	\$ 7,204,224	\$ 809,028
Intergovernmental Revenue	355,249	610,355	586,655	(23,700)
Charges for Services	1,382,330	1,382,330	1,411,247	28,917
Licenses and Permits	6,200	6,200	38,573	32,373
Investment Earnings	8,000	8,000	26,553	18,553
Fines and Forfeitures	525,000	525,000	584,786	59,786
All Other Revenues	109,000	109,000	149,701	40,701
Total Revenues	<u>8,780,975</u>	<u>9,036,081</u>	<u>10,001,739</u>	<u>965,658</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	1,844,078	2,150,343	1,500,326	650,017
Public Health and Welfare Services	315,178	354,186	353,717	469
Leisure Time Activities	870,810	880,451	808,773	71,678
Community Environment	36,965	46,165	44,446	1,719
Transportation	55,900	51,100	33,731	17,369
General Government	7,058,040	7,471,259	6,211,497	1,259,762
Total Expenditures	<u>10,180,971</u>	<u>10,953,504</u>	<u>8,952,490</u>	<u>2,001,014</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,399,996)	(1,917,423)	1,049,249	2,966,672
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	33,316	33,316
Transfers Out	(1,199,759)	(1,132,659)	(987,426)	145,233
Total Other Financing Sources (Uses):	<u>(1,199,759)</u>	<u>(1,132,659)</u>	<u>(954,110)</u>	<u>178,549</u>
Net Change in Fund Balance	(2,599,755)	(3,050,082)	95,139	3,145,221
Fund Balance at Beginning of Year	2,651,087	2,651,087	2,651,087	0
Prior Year Encumbrances	450,837	450,837	450,837	0
Fund Balance at End of Year	<u>\$ 502,169</u>	<u>\$ 51,842</u>	<u>\$ 3,197,063</u>	<u>\$ 3,145,221</u>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

---

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Municipal Income Tax ½% (Voted) Fund  
For the Year Ended December 31, 2015**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,755,590	\$ 4,101,276	\$ 4,136,377	\$ 35,101
All Other Revenues	0	0	19,553	19,553
Total Revenues	<u>3,755,590</u>	<u>4,101,276</u>	<u>4,155,930</u>	<u>54,654</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	3,925,614	4,271,300	4,113,363	157,937
Total Expenditures	<u>3,925,614</u>	<u>4,271,300</u>	<u>4,113,363</u>	<u>157,937</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(170,024)	(170,024)	42,567	212,591
Fund Balance at Beginning of Year	<u>170,024</u>	<u>170,024</u>	<u>170,024</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 212,591</u>	<u>\$ 212,591</u>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

---

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Community Development Block Grant Fund  
For the Year Ended December 31, 2015**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,211,000	\$ 2,141,000	\$ 793,719	\$ (1,347,281)
Total Revenues	<u>1,211,000</u>	<u>2,141,000</u>	<u>793,719</u>	<u>(1,347,281)</u>
<b>Expenditures:</b>				
Current:				
Community Environment:	1,215,622	2,146,292	798,843	1,347,449
Total Expenditures	<u>1,215,622</u>	<u>2,146,292</u>	<u>798,843</u>	<u>1,347,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,622)	(5,292)	(5,124)	168
Fund Balance at Beginning of Year	4,622	4,622	4,622	0
Prior Year Encumbrances	<u>670</u>	<u>670</u>	<u>670</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 670</u>	<u>\$ 0</u>	<u>\$ 168</u>	<u>\$ 168</u>

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<b>ASSETS</b>			
Current assets:			
Cash and Cash Equivalents	\$ 202,536	\$ 659,596	\$ 862,132
Investments	1,003,944	747,443	1,751,387
Accounts receivable (net of allowance for uncollectibles)	827,198	654,926	1,482,124
Inventory of Supplies	77,959	48,699	126,658
Prepaid Items	18,047	8,874	26,921
Total current assets	2,129,684	2,119,538	4,249,222
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	441,443	0	441,443
Capital assets:			
Capital Assets Not Being Depreciated	196,021	709,292	905,313
Capital Assets Being Depreciated	13,840,509	20,965,042	34,805,551
Total capital assets	14,036,530	21,674,334	35,710,864
Total noncurrent assets	14,477,973	21,674,334	36,152,307
<b>Total Assets</b>	<b>16,607,657</b>	<b>23,793,872</b>	<b>40,401,529</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charges on Refunding	41,890	310,599	352,489
Pension	134,507	143,504	278,011
<b>Total Deferred Outflows of Resources</b>	<b>176,397</b>	<b>454,103</b>	<b>630,500</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	55,332	62,468	117,800
Accrued Wages and Benefits	27,472	26,491	53,963
Contracts Payable	13,740	16,089	29,829
Matured Bonds and Interest Payable	650	0	650
Accrued Interest Payable	8,810	9,757	18,567
General Obligation Bonds Payable - Current	592,200	456,150	1,048,350
Revenue Bond Payable - Current	465,000	0	465,000
OWDA Loans Payable - Current	0	345,140	345,140
OPWC Loans Payable - Current	6,268	0	6,268
Compensated Absences Payable - Current	38,453	49,042	87,495
Special Obligation Bonds Payable - Current	52,500	52,500	105,000
Total Current Liabilities	1,260,425	1,017,637	2,278,062

**CITY OF MOUNT VERNON, OHIO**

---

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
Noncurrent Liabilities:			
General Obligation Bonds Payable	1,668,375	5,111,925	6,780,300
Revenue Bonds Payable	1,430,000	0	1,430,000
OWDA Loans Payable	0	5,809,748	5,809,748
OPWC Loans Payable	84,620	0	84,620
Special Obligation Bonds Payable	685,000	685,000	1,370,000
Compensated Absences Payable	91,658	114,154	205,812
Net Pension Liability	841,632	883,783	1,725,415
Total noncurrent liabilities	4,801,285	12,604,610	17,405,895
<b>Total Liabilities</b>	<b>6,061,710</b>	<b>13,622,247</b>	<b>19,683,957</b>
<b>Deferred Inflows of Resources:</b>			
Pension	14,983	15,697	30,680
<b>NET POSITION:</b>			
Net Investment in Capital Assets	9,089,537	9,520,566	18,610,103
Restricted for Capital Projects	473,376	868,425	1,341,801
Restricted for Debt Service	441,443	0	441,443
Unrestricted	703,005	221,040	924,045
<b>Total Net Position</b>	<b>\$ 10,707,361</b>	<b>\$ 10,610,031</b>	<b>\$ 21,317,392</b>

See accompanying notes to the basic financial statements



**CITY OF MOUNT VERNON, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 3,558,212	\$ 3,121,372	\$ 6,679,584
Other Operating Revenues	4,553	162,829	167,382
<b>Total Operating Revenues</b>	<b>3,562,765</b>	<b>3,284,201</b>	<b>6,846,966</b>
<b>Operating Expenses:</b>			
Personal Services	1,166,723	1,322,605	2,489,328
Contractual Services	130,077	553,241	683,318
Materials and Supplies	437,635	215,470	653,105
Utilities	248,138	269,956	518,094
Depreciation	874,136	797,097	1,671,233
<b>Total Operating Expenses</b>	<b>2,856,709</b>	<b>3,158,369</b>	<b>6,015,078</b>
<b>Operating Income</b>	<b>706,056</b>	<b>125,832</b>	<b>831,888</b>
<b>Non-Operating Revenues (Expenses):</b>			
Interest Income	529	27	556
Interest and Fiscal Charges	(228,588)	(380,601)	(609,189)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(228,059)</b>	<b>(380,574)</b>	<b>(608,633)</b>
<b>Change in Net Position</b>	<b>477,997</b>	<b>(254,742)</b>	<b>223,255</b>
Net Position Beginning of Year, Restated	10,229,364	10,864,773	21,094,137
<b>Net Position End of Year</b>	<b>\$ 10,707,361</b>	<b>\$ 10,610,031</b>	<b>\$ 21,317,392</b>

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, 2015**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$3,566,226	\$3,320,613	\$6,886,839
Cash Payments for Goods and Services	(845,213)	(1,044,647)	(1,889,860)
Cash Payments to Employees	(1,183,098)	(1,363,874)	(2,546,972)
Net Cash Provided by Operating Activities	1,537,915	912,092	2,450,007
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Net Payment to Escrow Account for Refunded Bonds	(26,090)	(152,479)	(178,569)
Acquisition and Construction of Assets	(70,628)	(46,265)	(116,893)
Principal Paid on General Obligation Bonds	(565,400)	(286,400)	(851,800)
Principal Paid on Ohio Public Works Commission Loan	(6,268)	0	(6,268)
Principal Paid on Revenue Bonds	(450,000)	0	(450,000)
Principal Paid on Special Obligation Bonds	(51,250)	(51,250)	(102,500)
Principal Paid on OWDA Loan	0	(345,140)	(345,140)
Interest Paid on All Debt	(239,466)	(351,116)	(590,582)
Net Cash Used for Capital and Related Financing Activities	(1,409,102)	(1,232,650)	(2,641,752)
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	(454,273)	(226,820)	(681,093)
Receipt of Interest	529	27	556
Net Cash Used by Investing Activities	(453,744)	(226,793)	(680,537)
Net Decrease in Cash and Cash Equivalents	(324,931)	(547,351)	(872,282)
Cash and Cash Equivalents at Beginning of Year	968,910	1,206,947	2,175,857
Cash and Cash Equivalents at End of Year	\$643,979	\$659,596	\$1,303,575
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$202,536	\$659,596	\$862,132
Restricted Cash with Fiscal Agent	441,443	0	441,443
Cash and Cash Equivalents at End of Year	\$643,979	\$659,596	\$1,303,575

(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	\$706,056	\$125,832	\$831,888
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	874,136	797,097	1,671,233
Changes in Assets, Deferred Outflows of Resources,			
Liabilities and Deferred Inflows of Resources:			
Decrease in Accounts Receivable	3,461	36,412	39,873
Increase in Inventory	(28,656)	(4,602)	(33,258)
Increase in Prepaid Items	(10,281)	(2,741)	(13,022)
Increase Deferred Outflows-Pension	(40,769)	(45,302)	(86,071)
Decrease in Accounts Payable	(7,216)	(6,820)	(14,036)
Increase in Accrued Wages and Benefits	2,456	972	3,428
Increase in Contracts Payable	7,760	1,435	9,195
Increase (Decrease) in Compensated Absences	7,971	(16,357)	(8,386)
Increase in Net Pension Liability	8,014	10,469	18,483
Increase in Deferred Inflows-Pension	14,983	15,697	30,680
Total Adjustments	831,859	786,260	1,618,119
Net Cash Provided by Operating Activities	\$1,537,915	\$912,092	\$2,450,007

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2015 the Water and Sewer Funds had outstanding liabilities of \$4,920 and \$3,904 respectively for certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF MOUNT VERNON, OHIO**

---

***Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2015***

---

	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 140,889
<b>Total Assets</b>	<u>\$ 140,889</u>
<b>Liabilities:</b>	
Intergovernmental Payable	\$ 24,131
Due to Others	<u>116,758</u>
<b>Total Liabilities</b>	<u>\$ 140,889</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**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, 2015 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

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

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

The City, in conjunction with Knox County, the six villages and the twenty-two townships within Knox County, have created the Knox County Emergency Management Agency (EMA). The EMA is a jointly governed organization whose board is composed of seven members, one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to insure the most effective use of resources during an emergency. The City appropriated \$6,000 for operations of the EMA for 2015.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$50,000 for operations of the combined District for 2015.

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

**B. Basis of Presentation - Fund Accounting**

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

***Governmental Funds***

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

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

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

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

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

***Proprietary Funds***

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

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

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

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

***Fiduciary Funds***

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting**

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

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

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

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

**E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the modified tax budget, the certificate of estimated resources and the appropriation 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

1. Modified Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificates of estimated resources is amended to include any unencumbered fund balances from the preceding year, and are reported as original budget amounts on the budgetary statements. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the final budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2015.

3. Appropriations

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**4. Lapsing of Appropriations**

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

**5. Budgetary Basis of Accounting**

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

	Net Change in Fund Balance		
	General Fund	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant Fund
GAAP Basis (as reported)	\$972,278	\$187,224	\$124,944
Increase (Decrease):			
Accrued Revenues at December 31, 2015 received during 2016	(1,836,342)	(916,725)	(91,468)
Accrued Revenues at December 31, 2014 received during 2015	1,446,499	772,068	41,000
Accrued Expenditures at December 31, 2015 paid during 2016	615,657	0	0
Accrued Expenditures at December 31, 2014 paid during 2015	(527,511)	0	0
2014 Prepays for 2015	147,057	0	0
2015 Prepays for 2016	(158,790)	0	0
Outstanding Encumbrances	(563,709)	0	(79,600)
Budget Basis	<u>\$95,139</u>	<u>\$42,567</u>	<u>(\$5,124)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

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

**G. Investments**

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

The City has invested funds in the STAR Ohio during 2015. 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, 2015.

**H. Inventory**

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

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2015, 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, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation**

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

**1. Capital Assets - Governmental Activities**

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

Donated capital assets are recorded at 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 Position and in the respective funds.

**3. Depreciation**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations**

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

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

**L. Compensated Absences**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Compensated Absences (Continued)**

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

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

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

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

**M. Net Position**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Pensions**

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

**O. Interfund Transactions**

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

**P. Fund Balances**

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. Fund Balances** (Continued)

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

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

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

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

**Q. Restricted Assets**

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

**R. Operating Revenues and Expenses**

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

**S. Bond Issuance Costs**

Bond issuance costs are recognized in the current period.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**T. Deferred Outflows/Inflows of Resources**

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

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

In 2015 the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure.

The implementation of GASB 68 had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business-type Activities	Water Fund	Sewer Fund
Net Position December 31, 2014	\$54,731,944	\$22,609,129	\$10,969,244	\$11,639,885
Adjustments:				
Net Pension Liability	(11,732,762)	(1,706,932)	(833,618)	(873,314)
Deferred Outflows -				
Payments Subsequent to Measurement Date	1,069,109	191,940	93,738	98,202
Restated Net Position December 31, 2014	<u>\$44,068,291</u>	<u>\$21,094,137</u>	<u>\$10,229,364</u>	<u>\$10,864,773</u>

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

This space intentionally left blank.

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General	Municipal	Community	General	Capital	TIF District-	Other	Total
	Fund	Income Tax 1/2% (Voted)	Development Block Grant Fund	Bond Retirement Fund	Improvement Fund	Coshocton Road Fund	Governmental Funds	Governmental Funds
<b>Nonspendable:</b>								
Prepaid Items	\$158,790	\$0	\$0	\$0	\$0	\$0	\$11,650	\$170,440
Supplies Inventory	689	0	0	0	0	0	35,526	36,215
Endowment	0	0	0	0	0	0	446,360	446,360
<b>Total Nonspendable</b>	<b>159,479</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>493,536</b>	<b>653,015</b>
<b>Restricted:</b>								
Transportation Projects	0	0	0	0	1,130,571	2,829,974	418,291	4,378,836
Cemetery	0	0	0	0	0	0	219,163	219,163
Court Projects	0	0	0	0	0	0	367,721	367,721
Public Safety	8,080	1,129,316	0	0	0	0	183,374	1,320,770
Community Development	0	0	171,236	0	0	0	95,581	266,817
Debt Retirement	0	0	0	2	0	0	11,955	11,957
Parks and Recreation	0	0	0	0	0	0	2,993	2,993
<b>Total Restricted</b>	<b>8,080</b>	<b>1,129,316</b>	<b>171,236</b>	<b>2</b>	<b>1,130,571</b>	<b>2,829,974</b>	<b>1,299,078</b>	<b>6,568,257</b>
<b>Committed:</b>								
Parks and Recreation	0	0	0	0	0	0	71,179	71,179
Public Safety	0	0	0	0	0	0	32,491	32,491
Capital Improvements	426	0	0	0	0	0	13,743	14,169
<b>Total Committed</b>	<b>426</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>117,413</b>	<b>117,839</b>
<b>Assigned:</b>								
Projected Budgetary Deficit	3,197,065	0	0	0	0	0	0	3,197,065
Services and Supplies	379,279	0	0	0	0	0	0	379,279
<b>Total Assigned</b>	<b>3,576,344</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,576,344</b>
<b>Unassigned:</b>								
	1,397,417	0	0	0	0	0	0	1,397,417
<b>Total Fund Balances</b>	<b>\$5,141,746</b>	<b>\$1,129,316</b>	<b>\$171,236</b>	<b>\$2</b>	<b>\$1,130,571</b>	<b>\$2,829,974</b>	<b>\$1,910,027</b>	<b>\$12,312,872</b>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

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

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The City has no policy on custodial credit risk and is governed by Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). 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.

At year end the carrying amount of the City's deposits was \$11,480,709 and the bank balance \$11,657,208. The Federal Deposit Insurance Corporation (FDIC) covered \$8,750,000 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>\$2,907,208</u>
Total Balance	<u><u>\$2,907,208</u></u>

Investment earnings of \$26,178 earned by other funds were credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

---

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

**B. Investments**

The City's investments at December 31, 2015 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	<u>\$853,264</u>	AAAm <sup>1</sup>	<u>\$853,264</u>
Total Investments	<u><u>\$853,264</u></u>		<u><u>\$853,264</u></u>

<sup>1</sup> Standard & Poor's

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

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

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

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

**C. Cash with Fiscal Agents**

In addition to deposits and investments, the City has uninsured and uncollateralized cash in the amount of \$22,327 being held by Knox County and the City had cash with fiscal agents in the amount of \$441,443 for bond reserve accounts, of which \$250,000 was insured by the FDIC and the remaining deposits were uninsured and uncollateralized.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

---

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

**D. Reconciliation of Cash, Cash Equivalents and Investments**

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per GASB Statement No. 9	\$4,333,972	\$8,000,001
Certificates of Deposit (with maturities of more than 3 months)	8,000,001	(8,000,001)
Investments:		
STAR Ohio	(853,264)	853,264
Per GASB Statement No. 3	<u>\$11,480,709</u>	<u>\$853,264</u>

**NOTE 5 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property used in business and located in the City. Real property taxes (other than public utility) collected during 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, 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 2013. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Mount Vernon. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2015 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2015 tax receipts were based was \$249,125,840. This amount constitutes \$239,713,180 in real property assessed value and \$9,412,660 in public utility assessed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 5 - TAXES (Continued)**

**A. Property Taxes (Continued)**

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

**B. Income Tax**

The City levies a tax of 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 Municipal Income Tax ½% Voted Fund.

This space intentionally left blank.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2015 consisted of taxes, accounts, and intergovernmental receivables. All receivables are collectible in full and within one year except for allowance for doubtful accounts related to billings for governmental and proprietary funds.

A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund	
Homestead and Rollback Reimbursement	38,323
Local Government	106,681
School Resource Officer Grant	3,942
Lodging Tax	315
Total General Fund	<u>149,261</u>
Major Special Revenue Fund:	
CDBG Fund - CDBG Grants	867,281
Major Capital Improvement Fund:	
State Grants	2,534
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Cents Per Gallon	25,016
Gasoline Tax	198,316
Motor Vehicle Tax	43,261
Total Street Construction, Maintenance and Repair Fund	<u>266,593</u>
State Highway Improvement Fund	
Gasoline Tax	18,108
Motor Vehicle Tax	3,507
Total State Highway Improvement Fund	<u>21,615</u>
Permissive Auto License Tax Fund - Permissive Tax	22,327
Permissive License Registration Fund - Permissive Tax	16,821
Driver's Interlock and Alcohol Monitoring - Fines and Forfeitures	480
Police Pension Fund - Homestead and Rollback Reimbursement	4,402
Fire Pension Fund - Homestead and Rollback Reimbursement	4,402
Total Nonmajor Special Revenue Funds	<u>336,640</u>
Total Governmental Fund Types	<u><u>\$1,355,716</u></u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 7 - TRANSFERS**

Following is a summary of Transfers in and out for all funds for 2014:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$987,426
General Bond Retirement Fund	611,744	0
Capital Improvement Fund	125,000	0
TIF District-Coshocton Road Fund	0	205,219
Other Governmental Funds	506,230	50,329
Total Governmental Funds	<u>\$1,242,974</u>	<u>\$1,242,974</u>

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

This space intentionally left blank.

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 8 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets as of December 31, 2015:

*Historical Cost:*

Class	Balance at December 31, 2014	Additions	Deletions	Balance at December 31, 2015
<i>Capital assets not being depreciated:</i>				
Land	\$12,530,178	\$1,241,030	\$0	\$13,771,208
Construction in Progress	266,530	817,588	(203,942)	880,176
Subtotal	12,796,708	2,058,618	(203,942)	14,651,384
<i>Capital assets being depreciated:</i>				
Buildings	15,284,865	12,215	0	15,297,080
Improvements Other than Buildings	1,181,382	414,623	0	1,596,005
Infrastructure	43,077,902	1,237,830	(54,212)	44,261,520
Machinery and Equipment	8,363,581	592,879	(394,481)	8,561,979
Subtotal	67,907,730	2,257,547	(448,693)	69,716,584
Total Cost	\$80,704,438	\$4,316,165	(\$652,635)	\$84,367,968

*Accumulated Depreciation:*

Class	Balance at December 31, 2014	Additions	Deletions	Balance at December 31, 2015
Buildings	(\$6,061,101)	(\$489,781)	\$0	(\$6,550,882)
Improvements	(598,781)	(37,182)	0	(635,963)
Infrastructure	(19,358,482)	(1,350,178)	54,212	(20,654,448)
Machinery and Equipment	(5,934,150)	(507,091)	353,328	(6,087,913)
Total Depreciation	(\$31,952,514)	(\$2,384,232) *	\$407,540	(\$33,929,206)
<i>Net Value:</i>	\$48,751,924			\$50,438,762

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$367,696
Leisure Time Activities	240,206
Public Health & Welfare	18,357
Transportation	1,484,575
General Government	273,398
Total Depreciation Expense	\$2,384,232

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 8 – CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by category of changes in business-type activities capital assets as of December 31, 2015:

Land	\$819,311	\$0	\$0	\$819,311
Construction in Progress	86,002	0	0	86,002
Subtotal	<u>905,313</u>	<u>0</u>	<u>0</u>	<u>905,313</u>
<i>Capital assets being depreciated:</i>				
Buildings	34,887,379	0	0	34,887,379
Utility Structures in Service	27,322,175	34,078	0	27,356,253
Machinery and Equipment	4,617,884	101,360	(57,730)	4,661,514
Subtotal	<u>66,827,438</u>	<u>135,438</u>	<u>(57,730)</u>	<u>66,905,146</u>
Total Cost	<u>\$67,732,751</u>	<u>\$135,438</u>	<u>(\$57,730)</u>	<u>\$67,810,459</u>

*Accumulated Depreciation:*

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings	(\$13,954,786)	(\$1,049,959)	\$0	(\$15,004,745)
Utility Structures in Service	(13,616,063)	(402,367)	0	(14,018,430)
Machinery and Equipment	(2,905,446)	(218,907)	47,933	(3,076,420)
Total Depreciation	<u>(\$30,476,295)</u>	<u>(\$1,671,233)</u>	<u>\$47,933</u>	<u>(\$32,099,595)</u>
<i>Net Value:</i>	<u>\$37,256,456</u>			<u>\$35,710,864</u>

This space intentionally left blank.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$490,746 for 2015. Of this amount, \$48,785 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

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

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

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

**CITY OF MOUNT VERNON, OHIO**

---

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
<b>2015 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$821,716 for 2015. Of this amount, \$63,445 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$4,061,340	\$10,073,067	\$14,134,407
Proportion of the Net Pension Liability	0.033673%	0.194451%	
Pension Expense	\$392,752	\$983,520	\$1,376,272



**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$216,700	\$434,139	\$650,839
City contributions subsequent to the measurement date	<u>490,746</u>	<u>821,716</u>	<u>1,312,462</u>
Total Deferred Outflows of Resources	<u>\$707,446</u>	<u>\$1,255,855</u>	<u>\$1,963,301</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$71,349</u>	<u>\$0</u>	<u>\$71,349</u>

\$1,312,462 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2016	\$21,254	\$108,535	\$129,789
2017	21,254	108,535	129,789
2018	48,668	108,535	157,203
2019	<u>54,175</u>	<u>108,534</u>	<u>162,709</u>
Total	<u>\$145,351</u>	<u>\$434,139</u>	<u>\$579,490</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$7,471,702	\$4,061,340	\$1,188,994

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

\* levered 2x

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$13,932,575	\$10,073,067	\$6,805,237

**NOTE 10 - 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 coverage, deposits to a Health Reimbursement Arrangement, 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 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 10 - 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 visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 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 2015, 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.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were \$92,072, \$90,675 and \$43,545, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 10 - 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. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

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.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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 2015, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. 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, 2015, 2014, and 2013 were \$7,635, \$7,597 and \$56,898 for police and \$11,310, \$11,119 and \$81,590 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, 2015**

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

Long-term debt and other long-term obligations of the City at December 31, 2015 were as follows:

			Restated Balance December 31, 2014	Additions	(Reductions)	Balance December 31, 2015	Amounts Due Within One Year
<b>Business-Type Activities:</b>							
Mortgage Revenue Bonds:							
3.00 - 3.75%	Water Refunding 1999	2009	\$2,345,000	\$0	(\$450,000)	\$1,895,000	\$465,000
General Obligation Bonds:							
4.00 - 5.500%	Waterworks Refunding 1997	2007	2,400,000	0	(560,000)	1,840,000	560,000
3.75 - 4.350%	Waterworks	2007	373,800	0	(323,800)	50,000	22,800
3.75 - 4.350%	W/W Treatment Facility	2007	2,140,750	0	(1,870,000)	270,750	128,250
1.15 - 6.000%	Wastewater Improvements	2009	2,065,000	0	(2,065,000)	0	0
1.86%	Wastewater Refunding 2003	2012	888,850	0	(107,280)	781,570	104,400
1.86%	Wastewater Refunding 2003	2012	643,650	0	(76,220)	567,430	75,600
1.86%	Water Refunding 2003	2012	45,975	0	(5,400)	40,575	5,400
1.86%	Wastewater Refunding 2003	2012	45,975	0	(5,400)	40,575	5,400
2.61%	W/W Refunding 2009B	2015	0	2,095,000	(95,000)	2,000,000	120,000
2.51%	Water Refunding 2007	2015	0	330,000	0	330,000	4,000
2.51%	W/W Refunding 2007	2015	0	1,910,250	(2,500)	1,907,750	22,500
Total General Obligation Bonds Payable			8,604,000	4,335,250	(5,110,600)	7,828,650	1,048,350
Special Obligation Bonds:							
2.60%	Water - Building Project	2012	788,750	0	(51,250)	737,500	52,500
2.60%	Wastewater -Building Project	2012	788,750	0	(51,250)	737,500	52,500
Total Special Obligation Bonds Payable			1,577,500	0	(102,500)	1,475,000	105,000
Ohio Public Works Commission Loan:							
0.000%	Water Improvements	2009	97,156	0	(6,268)	90,888	6,268
Ohio Water Development Authority							
1.160%	Wastewater Improvements	2011	6,500,028	0	(345,140)	6,154,888	345,140
Net Pension Liability:							
Ohio Public Employees Retirement System			1,706,932	18,483	0	1,725,415	0
Compensated Absences			301,693	259,313	(267,699)	293,307	87,495
Total Business-Type Activities			\$21,132,309	\$4,613,046	(\$6,282,207)	\$19,463,148	\$2,057,253



**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

				Restated Balance December 31, 2014	Additions	(Reductions)	Balance December 31, 2015	Amounts Due Within One Year
<b>Governmental Activities:</b>								
General Obligation Bond:								
3.75 - 4.350%	Water Park Facility	2007	\$2,250,450	\$0	(\$1,963,950)	\$286,500	\$138,650	
2.00- 4.250%	Highway Project	2009	1,745,000	0	(90,000)	1,655,000	100,000	
1.86%	Building Refunding 2003	2012	91,950	0	(10,800)	81,150	10,950	
1.86%	Highway Refunding 2003	2012	1,348,600	0	(158,400)	1,190,200	160,600	
2.51%	Water Park Refund 2007	2015	0	1,995,150	(2,500)	1,992,650	23,500	
Total General Obligation Bonds Payable			5,436,000	1,995,150	(2,225,650)	5,205,500	433,700	
Special Obligation Bonds:								
2.60%	Building Project	2012	1,577,500	0	(102,500)	1,475,000	105,000	
Total Special Obligation Bonds Payable			1,577,500	0	(102,500)	1,475,000	105,000	
Ohio Public Works Commission Loans:								
0.000%	OPWC Loan Payable	2003	212,500	0	(21,250)	191,250	21,250	
0.000%	OPWC Loan Payable	2009	96,875	0	(6,250)	90,625	6,250	
Total OPWC Loans Payable			309,375	0	(27,500)	281,875	27,500	
Net Pension Liability:								
Ohio Public Employees Retirement System			2,262,676	73,249	0	2,335,925	0	
Ohio Police and Fire Pension Fund			9,470,086	602,981	0	10,073,067	0	
Total Net Pension Liability			11,732,762	676,230	0	12,408,992	0	
Compensated Absences			1,081,865	1,171,200	(1,162,261)	1,090,804	287,911	
Police and Firemen's Pension Accrued Liability			378,394	0	(11,918)	366,476	12,429	
Total Governmental Activities			\$20,515,896	\$3,842,580	(\$3,529,829)	\$20,828,647	\$866,540	

**A. Long-term Debt Purpose**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

**A. Long-term Debt Purpose (Continued)**

Ohio Water Development Authority, as administrator for the U. S. Environmental Protection Agency (EPA), provided funding for the construct a septage receiving station and electrical and instrumentation upgrades in 2011. In 2015, Advanced Refunding Bonds were issued to pay off the 2007 Various Purpose bonds for Waterworks and Wastewater Treatment Facility. The refunding will occur on December 1, 2017. These bonds were for the construction of a water line and wastewater improvements to the influent screening process. Wastewater Improvement Refunding Bonds were issued to retire Various Purpose Bonds, Series 2012 (**B**) that provided for relining of two main inceptor lines.

		Original Issue
		<u>                    </u>
<b>Business-Type Activities</b>		
Mortgage Revenue Bonds:		
Water Refunding 1999	2009	\$4,420,000
General Obligation Bonds:		
Waterworks Refunding 1997	2007	5,785,000
Waterworks	2007	520,000
Wastewater Treatment Facility	2007	2,890,000
Wastewater Improvements	2009	2,595,000
Wastewater Refunding	2012	1,020,800
Wastewater Refunding	2012	739,200
Wastewater Refunding	2012	52,800
Water Refunding	2012	52,800
Water Refunding 2007	2015	330,000
Wastewater Refunding 2007	2015	2,095,000
Total General Obligation Bonds		<u>16,080,600</u>
Special Obligation Bonds:		
Wastewater-Building Project	2012	887,500
Water-Building Project	2012	887,500
Total Special Obligation Bonds		<u>1,775,000</u>
Ohio Public Works Commission Loan:		
Wastewater Improvements	2009	125,362
Ohio Water Development Authority		
Wastewater Improvements	2011	7,178,446
Total Business Type Activities		<u><u>\$27,804,408</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

**A. Long-term Debt Purpose (Continued)**

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

		Original Issue
<b>Governmental Activities Long-Term Debt:</b>		
General Obligation Bonds:		
Water Park Facility	2007	\$3,035,000
Highway Project	2009	2,165,000
Building Refunding 2003	2012	105,600
Highway Refunding 2003	2012	1,548,800
Water Park Facility Refunding 2007	2015	2,007,500
Total General Obligation Bonds		<u>12,490,122</u>
Special Obligation Bonds:		
Building Project	2012	1,775,000
Total Special Obligation Bonds		<u>1,775,000</u>
Ohio Public Works Commission Loan:		
OPWC Loan Payable	2003	425,000
OPWC Loan Payable	2009	125,000
Total Ohio Public Works Commission Loan Payable		<u>550,000</u>
Total Governmental Activities		<u>\$14,815,122</u>

**B. Police and Firemen's Pension Fund**

The City's liability for past service costs related to the Police and Firemen's Pension Fund at December 31, 2015 was \$542,300 in principal and interest payments through the year 2035.

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

**C. Principal and Interest Requirements**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015 are as follows:

**Business-type Activities:**

Years	General Obligation Bonds		Mortgage Revenue Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$1,048,350	\$329,414	\$465,000	\$75,900	\$6,268	\$0
2017	1,130,250	283,113	480,000	59,625	6,268	0
2018	1,192,500	159,185	950,000	35,625	6,268	0
2019	557,800	122,389	0	0	6,268	0
2020	583,700	103,586	0	0	6,268	0
2021-2025	2,432,000	310,075	0	0	31,341	0
2026-2030	884,050	35,143	0	0	28,207	0
Totals	<u>\$7,828,650</u>	<u>\$1,342,905</u>	<u>\$1,895,000</u>	<u>\$171,150</u>	<u>\$90,888</u>	<u>\$0</u>

Years	Ohio Water Development Authority Loan		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$345,140	\$97,787	\$105,000	\$38,456
2017	331,279	92,517	110,000	35,620
2018	336,634	87,162	112,500	32,760
2019	342,075	81,720	115,000	29,834
2020	347,605	76,191	117,500	26,918
2021-2025	1,824,148	294,830	637,500	86,748
2026-2030	1,976,427	142,551	277,500	10,856
2030-2034	651,580	11,569	0	0
Totals	<u>\$6,154,888</u>	<u>\$884,327</u>	<u>\$1,475,000</u>	<u>\$261,192</u>

**CITY OF MOUNT VERNON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

**C. Principal and Interest Requirements (Continued)**

**Governmental Activities:**

Years	General Obligation Bonds		Police/Fire Pension Liability		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$433,700	\$230,798	\$12,429	\$15,444	\$27,500	\$0
2017	444,750	217,940	12,964	14,911	27,500	0
2018	452,500	125,525	13,521	14,354	27,500	0
2019	457,200	114,274	14,101	13,772	27,500	0
2020	476,300	102,699	14,707	13,167	27,500	0
2021-2025	1,948,000	332,653	83,573	55,800	116,250	0
2026-2030	993,050	77,456	103,128	36,242	28,125	0
2031-2035	0	0	112,053	12,134	0	0
Totals	<u>\$5,205,500</u>	<u>\$1,201,345</u>	<u>\$366,476</u>	<u>\$175,824</u>	<u>\$281,875</u>	<u>\$0</u>

Years	Special Obligation Bonds	
	Principal	Interest
2016	\$105,000	\$38,455
2017	110,000	35,620
2018	112,500	32,760
2019	115,000	29,835
2020	117,500	26,918
2021-2025	637,500	86,749
2026-2028	277,500	10,855
Totals	<u>\$1,475,000</u>	<u>\$261,192</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

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

**D. Defeased Debt**

In March 2015, the City defeased \$301,000 of Water General Obligation Bonds dated March, 2007 (the "2007 Bonds") through the issuance of \$330,000 of Water General Obligation Bonds. The net proceeds of the 2015 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$301,000 at December 31, 2015, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The refunding was undertaken to reduce total debt service payments over the next 12 years by \$12,197 and resulted in an economic gain of \$10,435 in the Water Fund.

In March 2015, the City defeased \$1,741,750 of Wastewater General Obligation Bonds dated March, 2007 (the "2007 Bonds") through the issuance of \$1,910,250 of Wastewater General Obligation Bonds. The net proceeds of the 2015 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,741,750 at December 31, 2015, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The refunding was undertaken to reduce total debt service payments over the next 12 years by \$68,609 and resulted in an economic gain of \$58,698 in the Sewer Fund.

In March 2015, the City defeased \$1,830,000 of General Obligation Bonds dated March, 2007 (the "2007 Bonds") through the issuance of \$1,995,150 of General Obligation Bonds. The net proceeds of the 2015 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,830,000 at December 31, 2015, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The refunding was undertaken to reduce total debt service payments over the next 12 years by \$71,659 and resulted in an economic gain of \$61,307 in the Governmental Activities.

In March 2015, the City refunded \$2,065,000 of Wastewater General Obligation Bonds dated March, 2009 (the "2009 Bonds") through the issuance of \$2,095,000 of Wastewater General Obligation Bonds. The net proceeds of the 2015 Bonds have been used to currently refund the 2009 bonds. The refunding was undertaken to reduce total debt service payments over the next 15 years by \$162,871 and resulted in an economic gain of \$137,801 in the Sewer Fund.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**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, 2015, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	60,416	\$733,458
Vacation	12,472	287,911
Compensatory Time	<u>3,003</u>	<u>69,435</u>
Total	<u><u>75,891</u></u>	<u><u>\$1,090,804</u></u>

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

**NOTE 13 - RISK MANAGEMENT**

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

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2015, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 13 - RISK MANAGEMENT (Continued)**

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2014 and 2015, the latest information available:

	2014	2015
Assets	\$ 35,402,177	\$ 38,307,677
Liabilities	12,363,257	12,759,127
Net Assets	<u>\$ 23,038,920</u>	<u>\$ 25,548,550</u>

At December 31, 2014 and 2015, respectively, the liabilities above include approximately \$11.1 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.0 million of unpaid claims to be billed. The Pool's membership increased from 488 members in 2014 to 499 members in 2015. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the City's share of these unpaid claims collectible in future years is approximately \$103,000.

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>
2014	\$ 153,974
2015	163,874

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

---

**NOTE 14 - CONSTRUCTION COMMITMENTS**

As of December 31, 2015, 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>
Former American National Can Site Remediation Project	\$378,126	July 2016
Plaza Drive Sanitary Rehab Project	\$70,516	August 2016
Downtown Connector Trail Project	\$55,448	July 2016

**NOTE 15 - CONTINGENCIES**

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

**NOTE 16 - CONDUIT DEBT OBLIGATIONS**

The City has issued Economic Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition, construction, renovation, installation and equipping of a 65,000 square foot expansion to the Prince Student Union, which will include a new arena and other intercollegiate athletic facilities, academic and office space facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2015, Economic Development Revenue Bonds outstanding for the Mount Vernon Nazarene University totaled \$8,400,000.



*REQUIRED SUPPLEMENTAL INFORMATION*

---

**CITY OF MOUNT VERNON, OHIO**

---

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

---

**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability	0.033673%	0.033673%
City's proportionate share of the net pension liability	\$3,969,608	\$4,061,340
City's covered-employee payroll	\$4,439,377	\$3,719,758
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	89.42%	109.18%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

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

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability	0.1944451%	0.1944451%
City's proportionate share of the net pension liability	\$9,470,086	\$10,073,067
City's covered-employee payroll	\$3,624,240	\$3,757,673
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.30%	268.07%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

**CITY OF MOUNT VERNON, OHIO**

---

***Schedule of City Contributions  
Last Three Years***

---

**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

---

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

***Nonmajor Governmental Funds***

---

---

***Special Revenue Funds***

---

---

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

**Street Construction, Maintenance and Repair Fund**

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

**State Highway Improvement Fund**

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

**Permissive Auto License Tax Fund**

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

**Cemetery Fund**

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

**Park Development Fund**

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

**Parking Fund**

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

**Law Enforcement Trust Fund**

To account for the proceeds from the confiscation of contraband.

**Drug Enforcement Trust Fund**

To account for mandatory fines collected for drug offenses.

**Permissive License Registration Fund**

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

**Indigent Drivers Alcohol Treatment Fund**

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

**DUI - Enforcement and Education Fund**

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

(Continued)

***Special Revenue Funds***

---

**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.

**Court Clerk Computer Fund**

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

**Lodging Excise Tax Fund**

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

**Driver's Interlock and Alcohol Monitoring Fund**

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

**Public Service Street Repair Fund**

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

**Hiawatha Water Park Scholarship Fund**

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

**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.

(Continued)



***Special Revenue Funds***

---

**Veterans Honor Walkway Fund**

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

***Debt Service Fund***

---

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

**General Bond Retirement-Income Tax Fund**

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

***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, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 1,229,741	\$ 11,955	\$ 16,710	\$ 0	\$ 1,258,406
Receivables:					
Taxes	328,536	0	55,500	0	384,036
Accounts	3,304	0	0	8,869	12,173
Intergovernmental	336,640	0	0	0	336,640
Inventory of Supplies	35,526	0	0	0	35,526
Prepaid Items	11,650	0	0	0	11,650
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	437,491	437,491
Cash and Cash Equivalents with Fiscal Agent	22,327	0	0	0	22,327
<b>Total Assets</b>	<b>\$ 1,967,724</b>	<b>\$ 11,955</b>	<b>\$ 72,210</b>	<b>\$ 446,360</b>	<b>\$ 2,498,249</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 96,300	\$ 0	\$ 0	\$ 0	\$ 96,300
Accrued Wages and Benefits Payable	41,947	0	0	0	41,947
Contracts Payable	2,680	0	0	0	2,680
<b>Total Liabilities</b>	<b>140,927</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140,927</b>
<b>Deferred Inflows of Resources:</b>					
Deferred Inflow-Property Tax	144,600	0	55,500	0	200,100
Unavailable Revenue	247,195	0	0	0	247,195
<b>Total Deferred Inflows of Resources</b>	<b>391,795</b>	<b>0</b>	<b>55,500</b>	<b>0</b>	<b>447,295</b>
<b>Fund Balances:</b>					
Nonspendable	47,176	0	0	446,360	493,536
Restricted	1,278,651	11,955	8,472	0	1,299,078
Committed	109,175	0	8,238	0	117,413
<b>Total Fund Balances</b>	<b>1,435,002</b>	<b>11,955</b>	<b>16,710</b>	<b>446,360</b>	<b>1,910,027</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,967,724</b>	<b>\$ 11,955</b>	<b>\$ 72,210</b>	<b>\$ 446,360</b>	<b>\$ 2,498,249</b>

**CITY OF MOUNT VERNON, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015***

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 974,247	\$ 143,874	\$ 55,443	\$ 0	\$ 1,173,564
Intergovernmental Revenues	825,213	0	0	0	825,213
Charges for Services	92,703	0	0	0	92,703
Licenses and Permits	7,702	0	0	0	7,702
Investment Earnings	237	0	0	0	237
Fines and Forfeitures	110,088	0	0	0	110,088
All Other Revenue	7,928	0	0	29,192	37,120
<b>Total Revenue</b>	<b>2,018,118</b>	<b>143,874</b>	<b>55,443</b>	<b>29,192</b>	<b>2,246,627</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	926,481	0	0	0	926,481
Public Health and Welfare Services	334,971	0	0	0	334,971
Leisure Time Activities	1,046	0	0	0	1,046
Transportation	1,103,387	0	971	0	1,104,358
General Government	182,162	0	0	0	182,162
Debt Service:					
Principal Retirement	0	102,500	0	0	102,500
Interest and Fiscal Charges	0	41,015	0	0	41,015
<b>Total Expenditures</b>	<b>2,548,047</b>	<b>143,515</b>	<b>971</b>	<b>0</b>	<b>2,692,533</b>
Excess (Deficiency) of Revenues Over Expenditures	(529,929)	359	54,472	29,192	(445,906)
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	8,840	0	0	0	8,840
Transfers In	506,230	0	0	0	506,230
Transfers Out	0	0	(50,329)	0	(50,329)
<b>Total Other Financing Sources (Uses)</b>	<b>515,070</b>	<b>0</b>	<b>(50,329)</b>	<b>0</b>	<b>464,741</b>
Net Change in Fund Balances	(14,859)	359	4,143	29,192	18,835
<b>Fund Balances at Beginning of Year</b>	<b>1,436,614</b>	<b>11,596</b>	<b>12,567</b>	<b>417,168</b>	<b>1,877,945</b>
Increase in Inventory	13,247	0	0	0	13,247
<b>Fund Balances End of Year</b>	<b>\$ 1,435,002</b>	<b>\$ 11,955</b>	<b>\$ 16,710</b>	<b>\$ 446,360</b>	<b>\$ 1,910,027</b>

**CITY OF MOUNT VERNON, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery	Park Development
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 134,683	\$ 76,984	\$ 8,505	\$ 159,854	\$ 2,993
Receivables:					
Taxes	57,990	0	0	77,320	0
Accounts	0	0	0	3,304	0
Intergovernmental	266,593	21,615	22,327	0	0
Inventory of Supplies	35,245	0	0	281	0
Prepaid Items	3,371	0	0	725	0
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	0	0	22,327	0	0
<b>Total Assets</b>	<b>\$ 497,882</b>	<b>\$ 98,599</b>	<b>\$ 53,159</b>	<b>\$ 241,484</b>	<b>\$ 2,993</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 19,325	\$ 100	\$ 0	\$ 8,887	\$ 0
Accrued Wages and Benefits Payable	12,856	0	0	5,468	0
Contracts Payable	484	0	0	157	0
<b>Total Liabilities</b>	<b>32,665</b>	<b>100</b>	<b>0</b>	<b>14,512</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>					
Deferred Inflows-Property Tax	0	0	0	0	0
Unavailable Revenue	184,056	14,396	22,327	8,664	0
<b>Total Deferred Inflows of Resources</b>	<b>184,056</b>	<b>14,396</b>	<b>22,327</b>	<b>8,664</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	38,616	0	0	1,006	0
Restricted	242,545	84,103	30,832	217,302	2,993
Committed	0	0	0	0	0
<b>Total Fund Balances</b>	<b>281,161</b>	<b>84,103</b>	<b>30,832</b>	<b>218,308</b>	<b>2,993</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 497,882</b>	<b>\$ 98,599</b>	<b>\$ 53,159</b>	<b>\$ 241,484</b>	<b>\$ 2,993</b>

**CITY OF MOUNT VERNON, OHIO**

<u>Parking</u>	<u>Law Enforcement Trust</u>	<u>Drug Enforcement Trust</u>	<u>Permissive License Registration</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>DUI Enforcement and Education</u>	<u>Court Computerization</u>
\$ 33,379	\$ 8,946	\$ 39,480	\$ 38,229	\$ 35,369	\$ 43,814	\$ 44,033
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	16,821	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	933
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 33,379</u>	<u>\$ 8,946</u>	<u>\$ 39,480</u>	<u>\$ 55,050</u>	<u>\$ 35,369</u>	<u>\$ 43,814</u>	<u>\$ 44,966</u>
\$ 888	\$ 0	\$ 0	\$ 2,384	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	327	0	0	0
<u>888</u>	<u>0</u>	<u>0</u>	<u>2,711</u>	<u>0</u>	<u>0</u>	<u>0</u>
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>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	933
0	8,946	39,480	52,339	35,369	43,814	44,033
32,491	0	0	0	0	0	0
<u>32,491</u>	<u>8,946</u>	<u>39,480</u>	<u>52,339</u>	<u>35,369</u>	<u>43,814</u>	<u>44,966</u>
<u>\$ 33,379</u>	<u>\$ 8,946</u>	<u>\$ 39,480</u>	<u>\$ 55,050</u>	<u>\$ 35,369</u>	<u>\$ 43,814</u>	<u>\$ 44,966</u>

(Continued)

**CITY OF MOUNT VERNON, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	Probation Services	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 51,363	\$ 120,491	\$ 91,943	\$ 117,256	\$ 5,505
Receivables:					
Taxes	0	0	5,350	0	0
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	480	0
Inventory of Supplies	0	0	0	0	0
Prepaid Items	0	6,621	0	0	0
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 51,363</u>	<u>\$ 127,112</u>	<u>\$ 97,293</u>	<u>\$ 117,736</u>	<u>\$ 5,505</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 1,271	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0
Contracts Payable	0	0	1,712	0	0
<b>Total Liabilities</b>	<u>1,271</u>	<u>0</u>	<u>1,712</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources:</b>					
Deferred Inflows-Property Tax	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>					
Nonspendable	0	6,621	0	0	0
Restricted	50,092	120,491	95,581	117,736	0
Committed	0	0	0	0	5,505
<b>Total Fund Balances</b>	<u>50,092</u>	<u>127,112</u>	<u>95,581</u>	<u>117,736</u>	<u>5,505</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 51,363</u>	<u>\$ 127,112</u>	<u>\$ 97,293</u>	<u>\$ 117,736</u>	<u>\$ 5,505</u>

**CITY OF MOUNT VERNON, OHIO**

Hiawatha Water Park Scholarship	Police Pension	Fire Pension	Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 2,503	\$ 59,100	\$ 84,774	\$ 1,861	\$ 68,676	\$ 1,229,741
0	93,938	93,938	0	0	328,536
0	0	0	0	0	3,304
0	4,402	4,402	0	0	336,640
0	0	0	0	0	35,526
0	0	0	0	0	11,650
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,327</u>
<u>\$ 2,503</u>	<u>\$ 157,440</u>	<u>\$ 183,114</u>	<u>\$ 1,861</u>	<u>\$ 68,676</u>	<u>\$ 1,967,724</u>
\$ 0	\$ 21,491	\$ 41,954	\$ 0	\$ 0	\$ 96,300
0	8,166	15,457	0	0	41,947
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,680</u>
<u>0</u>	<u>29,657</u>	<u>57,411</u>	<u>0</u>	<u>0</u>	<u>140,927</u>
0	72,300	72,300	0	0	144,600
<u>0</u>	<u>8,876</u>	<u>8,876</u>	<u>0</u>	<u>0</u>	<u>247,195</u>
<u>0</u>	<u>81,176</u>	<u>81,176</u>	<u>0</u>	<u>0</u>	<u>391,795</u>
0	0	0	0	0	47,176
0	46,607	44,527	1,861	0	1,278,651
<u>2,503</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68,676</u>	<u>109,175</u>
<u>2,503</u>	<u>46,607</u>	<u>44,527</u>	<u>1,861</u>	<u>68,676</u>	<u>1,435,002</u>
<u>\$ 2,503</u>	<u>\$ 157,440</u>	<u>\$ 183,114</u>	<u>\$ 1,861</u>	<u>\$ 68,676</u>	<u>\$ 1,967,724</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, 2015***

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery	Park Development
<b>Revenues:</b>					
Taxes	\$ 245,673	\$ 0	\$ 0	\$ 327,564	\$ 0
Intergovernmental Revenues	579,004	46,947	75,414	0	0
Charges for Services	0	0	0	60,737	1,230
Licenses and Permits	6,527	0	0	0	0
Investment Earnings	8	8	0	213	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	5,238	0	0	1,052	0
<b>Total Revenue</b>	<b>836,450</b>	<b>46,955</b>	<b>75,414</b>	<b>389,566</b>	<b>1,230</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	0	0	334,186	0
Leisure Time Activities	0	0	0	0	0
Transportation	833,980	57,899	117,958	0	0
General Government	0	0	0	0	0
<b>Total Expenditures</b>	<b>833,980</b>	<b>57,899</b>	<b>117,958</b>	<b>334,186</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	2,470	(10,944)	(42,544)	55,380	1,230
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	8,840	0	0	0	0
Transfers In	0	0	0	0	1,230
<b>Total Other Financing Sources (Uses)</b>	<b>8,840</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,230</b>
Net Change in Fund Balances	11,310	(10,944)	(42,544)	55,380	2,460
<b>Fund Balances at Beginning of Year</b>	<b>256,569</b>	<b>95,047</b>	<b>73,376</b>	<b>162,963</b>	<b>533</b>
Increase (Decrease) in Inventory	13,282	0	0	(35)	0
<b>Fund Balances End of Year</b>	<b>\$ 281,161</b>	<b>\$ 84,103</b>	<b>\$ 30,832</b>	<b>\$ 218,308</b>	<b>\$ 2,993</b>



**CITY OF MOUNT VERNON, OHIO**

Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Court Computerization
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	105,696	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,470	460	8,055	0	15,661	672	13,919
0	0	0	0	0	0	0
<u>1,470</u>	<u>460</u>	<u>8,055</u>	<u>105,696</u>	<u>15,661</u>	<u>672</u>	<u>13,919</u>
9,804	1,857	12,004	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	93,550	0	0	0
0	0	0	0	23,680	0	31,921
<u>9,804</u>	<u>1,857</u>	<u>12,004</u>	<u>93,550</u>	<u>23,680</u>	<u>0</u>	<u>31,921</u>
(8,334)	(1,397)	(3,949)	12,146	(8,019)	672	(18,002)
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>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(8,334)	(1,397)	(3,949)	12,146	(8,019)	672	(18,002)
40,825	10,343	43,429	40,193	43,388	43,142	62,968
0	0	0	0	0	0	0
<u>\$ 32,491</u>	<u>\$ 8,946</u>	<u>\$ 39,480</u>	<u>\$ 52,339</u>	<u>\$ 35,369</u>	<u>\$ 43,814</u>	<u>\$ 44,966</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, 2015**

	Probation Services	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair
<b>Revenues:</b>					
Taxes	\$ 0	\$ 0	\$ 100,088	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	28,726	0	0	0	0
Licenses and Permits	0	0	0	0	1,175
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	(87)	57,502	0	12,436	0
All Other Revenue	1,638	0	0	0	0
<b>Total Revenue</b>	<b>30,277</b>	<b>57,502</b>	<b>100,088</b>	<b>12,436</b>	<b>1,175</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	45,097	46,435	32,029	0	0
<b>Total Expenditures</b>	<b>45,097</b>	<b>46,435</b>	<b>32,029</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	(14,820)	11,067	68,059	12,436	1,175
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(14,820)	11,067	68,059	12,436	1,175
<b>Fund Balances at Beginning of Year</b>	<b>64,912</b>	<b>116,045</b>	<b>27,522</b>	<b>105,300</b>	<b>4,330</b>
Increase (Decrease) in Inventory	0	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 50,092</b>	<b>\$ 127,112</b>	<b>\$ 95,581</b>	<b>\$ 117,736</b>	<b>\$ 5,505</b>

**CITY OF MOUNT VERNON, OHIO**

Hiawatha Water Park Scholarship	Police Pension	Fire Pension	Mausoleum	Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 150,461	\$ 150,461	\$ 0	\$ 0	\$ 974,247
0	9,076	9,076	0	0	825,213
0	0	0	960	1,050	92,703
0	0	0	0	0	7,702
0	0	0	1	7	237
0	0	0	0	0	110,088
0	0	0	0	0	7,928
<u>0</u>	<u>159,537</u>	<u>159,537</u>	<u>961</u>	<u>1,057</u>	<u>2,018,118</u>
0	319,737	583,079	0	0	926,481
0	0	0	785	0	334,971
226	0	0	0	820	1,046
0	0	0	0	0	1,103,387
0	1,500	1,500	0	0	182,162
<u>226</u>	<u>321,237</u>	<u>584,579</u>	<u>785</u>	<u>820</u>	<u>2,548,047</u>
(226)	(161,700)	(425,042)	176	237	(529,929)
0	0	0	0	0	8,840
<u>0</u>	<u>130,000</u>	<u>375,000</u>	<u>0</u>	<u>0</u>	<u>506,230</u>
<u>0</u>	<u>130,000</u>	<u>375,000</u>	<u>0</u>	<u>0</u>	<u>515,070</u>
(226)	(31,700)	(50,042)	176	237	(14,859)
2,729	78,307	94,569	1,685	68,439	1,436,614
0	0	0	0	0	13,247
<u>\$ 2,503</u>	<u>\$ 46,607</u>	<u>\$ 44,527</u>	<u>\$ 1,861</u>	<u>\$ 68,676</u>	<u>\$ 1,435,002</u>

**CITY OF MOUNT VERNON, OHIO**

---

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2015**

---

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 8,238	\$ 8,472	\$ 16,710
Receivables:			
Taxes	<u>0</u>	<u>55,500</u>	<u>55,500</u>
<b>Total Assets</b>	<u>\$ 8,238</u>	<u>\$ 63,972</u>	<u>\$ 72,210</u>
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>			
Deferred Inflows-Property Tax	<u>0</u>	<u>55,500</u>	<u>55,500</u>
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>55,500</u>	<u>55,500</u>
<b>Fund Balances:</b>			
Restricted	0	8,472	8,472
Committed	<u>8,238</u>	<u>0</u>	<u>8,238</u>
<b>Total Fund Balances</b>	<u>8,238</u>	<u>8,472</u>	<u>16,710</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 8,238</u>	<u>\$ 63,972</u>	<u>\$ 72,210</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, 2015***

---

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Project Funds
<b>Revenues:</b>			
Taxes	\$ 0	\$ 55,443	\$ 55,443
<b>Total Revenue</b>	<u>0</u>	<u>55,443</u>	<u>55,443</u>
<b>Expenditures:</b>			
Current:			
Transportation	0	971	971
<b>Total Expenditures</b>	<u>0</u>	<u>971</u>	<u>971</u>
Excess (Deficiency) of Revenues Over Expenditures	0	54,472	54,472
<b>Other Financing Sources (Uses):</b>			
Transfers Out	0	(50,329)	(50,329)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(50,329)</u>	<u>(50,329)</u>
Net Change in Fund Balances	0	4,143	4,143
<b>Fund Balances at Beginning of Year</b>	<u>8,238</u>	<u>4,329</u>	<u>12,567</u>
<b>Fund Balances End of Year</b>	<u>\$ 8,238</u>	<u>\$ 8,472</u>	<u>\$ 16,710</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, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 625,300	\$ 625,300	\$ 574,256	\$ (51,044)
Municipal Income Tax	5,764,896	5,764,896	6,623,956	859,060
Other Local Taxes	5,000	5,000	6,012	1,012
Total Tax Revenues	6,395,196	6,395,196	7,204,224	809,028
Intergovernmental Revenues:				
State Levied Shared Taxes	328,849	328,849	322,036	(6,813)
Intergovernmental Revenues	26,400	281,506	264,619	(16,887)
Total Intergovernmental Revenues	355,249	610,355	586,655	(23,700)
Charges for Services	1,382,330	1,382,330	1,411,247	28,917
Licenses and Permits	6,200	6,200	38,573	32,373
Investment Earnings	8,000	8,000	26,553	18,553
Fines and Forfeitures	525,000	525,000	584,786	59,786
All Other Revenues	109,000	109,000	149,701	40,701
Total Revenues	8,780,975	9,036,081	10,001,739	965,658
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Division:				
Personal Services	310,000	317,597	178,053	139,544
Travel and Transportation	53,080	72,820	54,534	18,286
Materials and Supplies	40,500	52,507	50,102	2,405
Contractual Services	185,000	206,250	153,095	53,155
Capital Outlay	211,000	347,272	289,897	57,375
Total Police Division	799,580	996,446	725,681	270,765
Fire and E.M.S. Division:				
Personal Services	231,200	232,435	62,301	170,134
Travel and Transportation	32,827	33,597	16,601	16,996
Materials and Supplies	91,000	100,893	90,172	10,721
Contractual Services	144,471	145,431	111,292	34,139
Capital Outlay	230,000	258,665	135,474	123,191
Total Fire and E.M.S. Division	729,498	771,021	415,840	355,181

(Continued)

**CITY OF MOUNT VERNON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	25,000	24,500	15,952	8,548
Contractual Services	240,000	274,376	258,979	15,397
Public Defender:				
Contractual Services	22,000	56,000	56,000	0
Debt Services:				
Principal Retirement	11,920	11,920	11,918	2
Interest and Fiscal Charges	16,080	16,080	15,956	124
Total Miscellaneous	<u>315,000</u>	<u>382,876</u>	<u>358,805</u>	<u>24,071</u>
Total Security of Persons and Property	<u>1,844,078</u>	<u>2,150,343</u>	<u>1,500,326</u>	<u>650,017</u>
Public Health and Welfare Services:				
Police Division:				
Contractual Services	237,278	264,586	264,586	0
Total Police Division	<u>237,278</u>	<u>264,586</u>	<u>264,586</u>	<u>0</u>
Humane Officer:				
Travel and Transportation	7,900	10,684	10,684	0
Contractual Services	20,000	28,916	28,447	469
Total Humane Officer	<u>27,900</u>	<u>39,600</u>	<u>39,131</u>	<u>469</u>
Health Department:				
Contractual Services	50,000	50,000	50,000	0
Total Health Department	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Public Health and Welfare Services	<u>315,178</u>	<u>354,186</u>	<u>353,717</u>	<u>469</u>
Leisure Time Activities:				
Parks:				
Personal Services	254,500	254,967	241,170	13,797
Travel and Transportation	1,000	500	497	3
Materials and Supplies	8,300	9,276	8,080	1,196
Contractual Services	187,300	203,172	175,829	27,343
Capital Outlay	15,000	19,334	18,736	598
Total Parks	<u>466,100</u>	<u>487,249</u>	<u>444,312</u>	<u>42,937</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, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Recreation:</b>				
Personal Services	13,000	13,000	12,774	226
Materials and Supplies	5,775	5,824	4,527	1,297
Contractual Services	9,135	9,135	8,819	316
Total Recreation	<u>27,910</u>	<u>27,959</u>	<u>26,120</u>	<u>1,839</u>
<b>Pool:</b>				
Personal Services	201,800	176,825	173,203	3,622
Travel and Transportation	3,000	4,075	2,110	1,965
Materials and Supplies	95,300	87,975	81,141	6,834
Contractual Services	71,700	89,700	80,219	9,481
Capital Outlay	5,000	6,668	1,668	5,000
Total Pool	<u>376,800</u>	<u>365,243</u>	<u>338,341</u>	<u>26,902</u>
Total Leisure Time Activities	<u>870,810</u>	<u>880,451</u>	<u>808,773</u>	<u>71,678</u>
<b>Community Environment:</b>				
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:				
Materials and Supplies	22,500	22,100	21,117	983
Contractual Services	14,465	24,065	23,329	736
Total Community Environment	<u>36,965</u>	<u>46,165</u>	<u>44,446</u>	<u>1,719</u>
<b>Transportation:</b>				
Miscellaneous:				
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:				
Materials and Supplies	40,900	36,100	33,731	2,369
Contractual Services	15,000	15,000	0	15,000
Total Transportation	<u>55,900</u>	<u>51,100</u>	<u>33,731</u>	<u>17,369</u>
<b>General Government:</b>				
<b>Council:</b>				
Personal Services	67,024	67,024	67,024	0
Travel and Transportation	1,000	1,000	809	191
Materials and Supplies	1,200	1,200	650	550
Contractual Services	650	650	0	650
Total Council	<u>69,874</u>	<u>69,874</u>	<u>68,483</u>	<u>1,391</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, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Mayor:				
Personal Services	109,478	109,478	108,141	1,337
Travel and Transportation	500	500	475	25
Materials and Supplies	5,600	5,600	2,884	2,716
Contractual Services	700	700	100	600
Total Mayor	116,278	116,278	111,600	4,678
Auditor:				
Personal Services	261,180	269,180	260,262	8,918
Travel and Transportation	500	500	100	400
Materials and Supplies	56,000	64,220	47,317	16,903
Contractual Services	27,350	27,350	18,294	9,056
Total Auditor	345,030	361,250	325,973	35,277
Treasurer:				
Personal Services	8,888	8,888	8,888	0
Materials and Supplies	300	170	0	170
Total Treasurer	9,188	9,058	8,888	170
Law Director:				
Personal Services	286,897	292,877	273,462	19,415
Travel and Transportation	2,500	3,275	1,213	2,062
Materials and Supplies	17,000	29,438	24,098	5,340
Contractual Services	34,500	33,500	28,049	5,451
Capital Outlay	0	6,791	3,113	3,678
Total Law Director	340,897	365,881	329,935	35,946
Income Tax:				
Personal Services	163,376	162,376	151,802	10,574
Travel and Transportation	2,500	2,013	2,013	0
Materials and Supplies	19,200	22,792	18,196	4,596
Contractual Services	148,000	184,947	183,579	1,368
Capital Outlay	3,000	2,500	1,695	805
Total Income Tax	336,076	374,628	357,285	17,343

(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, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	611,850	621,950	600,853	21,097
Travel and Transportation	10,500	11,146	7,108	4,038
Materials and Supplies	50,900	57,025	46,937	10,088
Contractual Services	3,500	28,000	7,975	20,025
Capital Outlay	0	3,145	2,331	814
Total Municipal Court	<u>676,750</u>	<u>721,266</u>	<u>665,204</u>	<u>56,062</u>
Civil Services:				
Personal Services	9,800	9,965	9,963	2
Travel and Transportation	250	250	0	250
Materials and Supplies	10,000	14,729	8,003	6,726
Total Civil Services	<u>20,050</u>	<u>24,944</u>	<u>17,966</u>	<u>6,978</u>
Safety Service:				
Personal Services	165,100	167,610	165,191	2,419
Travel and Transportation	1,600	1,600	164	1,436
Materials and Supplies	8,000	7,895	6,225	1,670
Contractual Services	57,000	65,270	59,033	6,237
Total Safety Service	<u>231,700</u>	<u>242,375</u>	<u>230,613</u>	<u>11,762</u>
Engineering:				
Personal Services	306,925	292,515	269,835	22,680
Travel and Transportation	2,500	2,500	149	2,351
Materials and Supplies	18,100	19,014	15,324	3,690
Contractual Services	686,500	687,711	151,997	535,714
Capital Outlay	28,000	28,092	25,035	3,057
Total Engineering	<u>1,042,025</u>	<u>1,029,832</u>	<u>462,340</u>	<u>567,492</u>
Public Land and Buildings:				
Personal Services	97,700	97,750	93,189	4,561
Travel and Transportation	500	400	18	382
Materials and Supplies	16,600	19,000	17,421	1,579
Contractual Services	438,000	521,542	417,365	104,177
Total Public Land and Buildings	<u>552,800</u>	<u>638,692</u>	<u>527,993</u>	<u>110,699</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, 2015***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	36,919	31,867	5,052
Materials and Supplies	0	86,970	46,019	40,951
Total Summer Work Program	0	123,889	77,886	46,003
Miscellaneous:				
Personal Services	2,621,610	2,651,577	2,568,951	82,626
Materials and Supplies	8,500	8,500	2,165	6,335
Contractual Services	687,262	733,215	456,215	277,000
Total Miscellaneous	3,317,372	3,393,292	3,027,331	365,961
Total General Government	7,058,040	7,471,259	6,211,497	1,259,762
Total Expenditures	10,180,971	10,953,504	8,952,490	2,001,014
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,399,996)	(1,917,423)	1,049,249	2,966,672
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	33,316	33,316
Transfers Out	(1,199,759)	(1,132,659)	(987,426)	145,233
Total Other Financing Sources (Uses)	(1,199,759)	(1,132,659)	(954,110)	178,549
Net Change in Fund Balance	(2,599,755)	(3,050,082)	95,139	3,145,221
Fund Balance at Beginning of Year	2,651,087	2,651,087	2,651,087	0
Prior Year Encumbrances	450,837	450,837	450,837	0
Fund Balance at End of Year	<u>\$ 502,169</u>	<u>\$ 51,842</u>	<u>\$ 3,197,063</u>	<u>\$ 3,145,221</u>

**CITY OF MOUNT VERNON, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Fund – Municipal Income Tax ½% (Voted) Fund  
For the Year Ended December 31, 2015**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,755,590	\$ 4,101,276	\$ 4,136,377	\$ 35,101
All Other Revenues	0	0	19,553	19,553
Total Revenues	<u>3,755,590</u>	<u>4,101,276</u>	<u>4,155,930</u>	<u>54,654</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	3,925,614	4,271,300	4,113,363	157,937
Total Expenditures	<u>3,925,614</u>	<u>4,271,300</u>	<u>4,113,363</u>	<u>157,937</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(170,024)	(170,024)	42,567	212,591
Fund Balance at Beginning of Year	<u>170,024</u>	<u>170,024</u>	<u>170,024</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 212,591</u>	<u>\$ 212,591</u>

**CITY OF MOUNT VERNON, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Fund – Community Development Block Grant Fund  
For the Year Ended December 31, 2015**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,211,000	\$ 2,141,000	\$ 793,719	\$ (1,347,281)
Total Revenues	<u>1,211,000</u>	<u>2,141,000</u>	<u>793,719</u>	<u>(1,347,281)</u>
<b>Expenditures:</b>				
Community Environment:				
Contractual Services	1,215,622	2,146,292	798,843	1,347,449
Total Expenditures	<u>1,215,622</u>	<u>2,146,292</u>	<u>798,843</u>	<u>1,347,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,622)	(5,292)	(5,124)	168
Fund Balance at Beginning of Year	4,622	4,622	4,622	0
Prior Year Encumbrances	670	670	670	0
Fund Balance at End of Year	<u>\$ 670</u>	<u>\$ 0</u>	<u>\$ 168</u>	<u>\$ 168</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, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 0	\$ 2	\$ 2
All Other Revenues	0	0	4,164	4,164
Total Revenues	0	0	4,166	4,166
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	425,000	423,150	423,150	0
Interest and Fiscal Charges	192,900	218,842	218,653	189
Total Expenditures	617,900	641,992	641,803	189
Excess (Deficiency) of Revenues Over (Under) Expenditures	(617,900)	(641,992)	(637,637)	4,355
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	1,998,970	1,995,150	(3,820)
Payment to Refunded Bond Escrow Agent	0	1,969,258	1,969,258	0
Transfers In	617,900	617,900	611,744	(6,156)
Total Other Financing Sources (Uses)	617,900	647,612	637,636	(9,976)
Net Change in Fund Balance	0	5,620	(1)	(5,621)
Fund Balance at Beginning of Year	3	3	3	0
Fund Balance at End of Year	\$ 3	\$ 5,623	\$ 2	\$ (5,621)

**CITY OF MOUNT VERNON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund – Capital Improvement Fund  
For the Year Ended December 31, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 720,618	\$ 720,618	\$ 792,066	\$ 71,448
Intergovernmental Revenues	513,127	2,791,229	2,503,291	(287,938)
Investment Earnings	0	0	291	291
All Other Revenues	0	110,000	148,783	38,783
Total Revenues	1,233,745	3,621,847	3,444,431	(177,416)
<b>Expenditures:</b>				
Public Health and Welfare:				
Capital Outlay	16,600	16,600	15,858	742
Total Public Health and Welfare	16,600	16,600	15,858	742
Leisure Time Activities:				
Parks:				
Capital Outlay	115,552	92,060	92,052	8
Total Leisure Time Activities	115,552	92,060	92,052	8
Transportation:				
Street:				
Capital Outlay	2,873,382	5,234,569	4,419,087	815,482
Total Transportation	2,873,382	5,234,569	4,419,087	815,482
General Government:				
Auditor:				
Capital Outlay	7,902	7,102	3,160	3,942
Safety - Service:				
Capital Outlay	18,100	18,100	18,047	53
Public Lands and Buildings:				
Capital Outlay	94,021	145,228	144,420	808
Total General Government	120,023	170,430	165,627	4,803
Total Expenditures	3,125,557	5,513,659	4,692,624	821,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,891,812)	(1,891,812)	(1,248,193)	643,619
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	125,000	125,000
Total Other Financing Sources (Uses)	0	0	125,000	125,000
Fund Balance at Beginning of Year	1,848,706	1,848,706	1,848,706	0
Prior Year Encumbrances	43,106	43,106	43,106	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 768,619	\$ 768,619

**CITY OF MOUNT VERNON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund – TIF District-Coshocton Road Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 1,215,000	\$ 1,215,000	\$ 1,278,656	\$ 63,656
All Other Revenues	0	0	12,299	12,299
Total Revenues	1,215,000	1,215,000	1,290,955	75,955
<b>Expenditures:</b>				
Transportation:				
Street:				
Contractual Services	375,000	375,000	367,938	7,062
Capital Outlay	2,803,550	2,803,550	59,374	2,744,176
Total Expenditures	3,178,550	3,178,550	427,312	2,751,238
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,963,550)	(1,963,550)	863,643	2,827,193
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(205,500)	(205,500)	(205,219)	281
Total Other Financing Sources (Uses)	(205,500)	(205,500)	(205,219)	281
Fund Balance at Beginning of Year	2,169,050	2,169,050	2,169,050	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 2,827,474	\$ 2,827,474



**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, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR</b>				
<b>Revenues:</b>				
Municipal Income Taxes	\$ 216,185	\$ 216,185	\$ 237,620	\$ 21,435
Intergovernmental Revenues	584,000	584,000	584,014	14
Licenses and Permits	500	500	6,527	6,027
Investment Earnings	0	0	8	8
All Other Revenues	0	0	5,985	5,985
Total Revenues	800,685	800,685	834,154	33,469
<b>Expenditures:</b>				
Transportation:				
Personal Services	751,000	757,062	722,369	34,693
Travel and Transportation	1,000	1,000	620	380
Materials and Supplies	95,200	97,575	83,993	13,582
Contractual Services	60,500	69,620	54,144	15,476
Capital Outlay	3,671	3,100	0	3,100
Total Expenditures	911,371	928,357	861,126	67,231
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,686)	(127,672)	(26,972)	100,700
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	8,840	8,840
Total Other Financing Sources (Uses)	0	0	8,840	8,840
Net Change in Fund Balance	(110,686)	(127,672)	(18,132)	109,540
Fund Balance at Beginning of Year	110,686	110,686	110,686	0
Prior Year Encumbrances	18,279	18,279	18,279	0
Fund Balance at End of Year	\$ 18,279	\$ 1,293	\$ 110,833	\$ 109,540

**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, 2015**

---

	STATE HIGHWAY IMPROVEMENT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 47,000	\$ 47,000	\$ 47,353	\$ 353
Investment Earnings	5	5	8	3
Total Revenues	<u>47,005</u>	<u>47,005</u>	<u>47,361</u>	<u>356</u>
<b>Expenditures:</b>				
Transportation:				
Capital Outlay	133,829	134,427	58,765	75,662
Total Expenditures	<u>133,829</u>	<u>134,427</u>	<u>58,765</u>	<u>75,662</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,824)	(87,422)	(11,404)	76,018
Fund Balance at Beginning of Year	86,824	86,824	86,824	0
Prior Year Encumbrances	598	598	598	0
Fund Balance at End of Year	<u>\$ 598</u>	<u>\$ 0</u>	<u>\$ 76,018</u>	<u>\$ 76,018</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, 2015***

---

PERMISSIVE AUTO LICENSE TAX				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 69,000	\$ 69,000	\$ 53,087	\$ (15,913)
Total Revenues	<u>69,000</u>	<u>69,000</u>	<u>53,087</u>	<u>(15,913)</u>
<b>Expenditures:</b>				
Transportation:				
Capital Outlay	142,376	142,376	117,958	24,418
Total Expenditures	<u>142,376</u>	<u>142,376</u>	<u>117,958</u>	<u>24,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,376)	(73,376)	(64,871)	8,505
Fund Balance at Beginning of Year	<u>73,376</u>	<u>73,376</u>	<u>73,376</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,505</u>	<u>\$ 8,505</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, 2015***

<b>CEMETERY FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Municipal Income Taxes	\$ 288,250	\$ 288,250	\$ 316,826	\$ 28,576
Charges for Services	50,000	50,000	59,853	9,853
Investment Earnings	200	200	213	13
All Other Revenues	0	0	1,110	1,110
Total Revenues	<u>338,450</u>	<u>338,450</u>	<u>378,002</u>	<u>39,552</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	319,700	314,261	287,513	26,748
Travel and Transportation	500	670	316	354
Materials and Supplies	8,850	10,333	9,117	1,216
Contractual Services	34,500	48,681	42,304	6,377
Capital Outlay	83,975	80,485	6,559	73,926
Total Expenditures	<u>447,525</u>	<u>454,430</u>	<u>345,809</u>	<u>108,621</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,075)	(115,980)	32,193	148,173
Fund Balance at Beginning of Year	109,074	109,074	109,074	0
Prior Year Encumbrances	6,906	6,906	6,906	0
Fund Balance at End of Year	<u>\$ 6,905</u>	<u>\$ 0</u>	<u>\$ 148,173</u>	<u>\$ 148,173</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, 2015***

	PARK DEVELOPMENT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 1,000	\$ 1,000	\$ 1,230	\$ 230
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,230</u>	<u>230</u>
<b>Expenditures:</b>				
Leisure Time Activities:				
Capital Outlay	2,533	2,533	0	2,533
Total Expenditures	<u>2,533</u>	<u>2,533</u>	<u>0</u>	<u>2,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,533)	(1,533)	1,230	2,763
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,000	1,000	1,230	230
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>1,230</u>	<u>230</u>
Net Change in Fund Balance	(533)	(533)	2,460	2,993
Fund Balance at Beginning of Year	533	533	533	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,993</u>	<u>\$ 2,993</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, 2015***

	PARKING			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 1,470	\$ 470
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,470</u>	<u>470</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	21,850	21,850	1,065	20,785
Materials and Supplies	800	800	0	800
Contractual Services	11,050	12,532	11,959	573
Total Expenditures	<u>33,700</u>	<u>35,182</u>	<u>13,024</u>	<u>22,158</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,700)	(34,182)	(11,554)	22,628
Fund Balance at Beginning of Year	40,471	40,471	40,471	0
Prior Year Encumbrances	1,482	1,482	1,482	0
Fund Balance at End of Year	<u>\$ 9,253</u>	<u>\$ 7,771</u>	<u>\$ 30,399</u>	<u>\$ 22,628</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, 2015***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 460	\$ 460	\$ 460	\$ 0
Total Revenues	<u>460</u>	<u>460</u>	<u>460</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	1,857	1,857	1,857	0
Total Expenditures	<u>1,857</u>	<u>1,857</u>	<u>1,857</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,397)	(1,397)	(1,397)	0
Fund Balance at Beginning of Year	<u>10,343</u>	<u>10,343</u>	<u>10,343</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,946</u>	<u>\$ 8,946</u>	<u>\$ 8,946</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, 2015***

---

<b>DRUG ENFORCEMENT TRUST</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 8,055	\$ 8,055	\$ 8,055	\$ 0
Total Revenues	<u>8,055</u>	<u>8,055</u>	<u>8,055</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	12,004	12,004	12,004	0
Total Expenditures	<u>12,004</u>	<u>12,004</u>	<u>12,004</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,949)	(3,949)	(3,949)	0
Fund Balance at Beginning of Year	<u>43,429</u>	<u>43,429</u>	<u>43,429</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 39,480</u>	<u>\$ 39,480</u>	<u>\$ 39,480</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, 2015***

---

	PERMISSIVE LICENSE REGISTRATION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 100,000	\$ 100,000	\$ 105,407	\$ 5,407
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>105,407</u>	<u>5,407</u>
<b>Expenditures:</b>				
Transportation:				
Materials and Supplies	100,230	104,820	93,839	10,981
Contractual Services	20,000	20,000	8,882	11,118
Total Expenditures	<u>120,230</u>	<u>124,820</u>	<u>102,721</u>	<u>22,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,230)	(24,820)	2,686	27,506
Fund Balance at Beginning of Year	20,230	20,230	20,230	0
Prior Year Encumbrances	4,690	4,690	4,690	0
Fund Balance at End of Year	<u>\$ 4,690</u>	<u>\$ 100</u>	<u>\$ 27,606</u>	<u>\$ 27,506</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, 2015***

---

<b>INDIGENT DRIVERS ALCOHOL TREATMENT</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 16,106	\$ (8,894)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>16,106</u>	<u>(8,894)</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	67,113	70,613	27,533	43,080
Total Expenditures	<u>67,113</u>	<u>70,613</u>	<u>27,533</u>	<u>43,080</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,113)	(45,613)	(11,427)	34,186
Fund Balance at Beginning of Year	42,113	42,113	42,113	0
Prior Year Encumbrances	3,500	3,500	3,500	0
Fund Balance at End of Year	<u>\$ 3,500</u>	<u>\$ 0</u>	<u>\$ 34,186</u>	<u>\$ 34,186</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, 2015**

---

<b>DUI - ENFORCEMENT AND EDUCATION</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,500	\$ 1,500	\$ 819	\$ (681)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>819</u>	<u>(681)</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	44,472	44,472	0	44,472
Total Expenditures	<u>44,472</u>	<u>44,472</u>	<u>0</u>	<u>44,472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,972)	(42,972)	819	43,791
Fund Balance at Beginning of Year	<u>42,972</u>	<u>42,972</u>	<u>42,972</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,791</u>	<u>\$ 43,791</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, 2015***

---

	COURT COMPUTERIZATION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 18,000	\$ 18,000	\$ 16,868	\$ (1,132)
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>16,868</u>	<u>(1,132)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	9,000	9,000	5,230	3,770
Contractual Services	64,379	67,879	27,624	40,255
Total Expenditures	<u>73,379</u>	<u>76,879</u>	<u>32,854</u>	<u>44,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,379)	(58,879)	(15,986)	42,893
Fund Balance at Beginning of Year	55,379	55,379	55,379	0
Prior Year Encumbrances	3,500	3,500	3,500	0
Fund Balance at End of Year	<u>\$ 3,500</u>	<u>\$ 0</u>	<u>\$ 42,893</u>	<u>\$ 42,893</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, 2015**

	PROBATION SERVICES			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 30,000	\$ 30,000	\$ 28,726	\$ (1,274)
All Other Revenues	0	0	1,638	1,638
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>30,364</u>	<u>364</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	42,050	48,500	42,918	5,582
Materials and Supplies	50,036	44,036	2,853	41,183
Total Expenditures	<u>92,086</u>	<u>92,536</u>	<u>45,771</u>	<u>46,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,086)	(62,536)	(15,407)	47,129
Fund Balance at Beginning of Year	62,086	62,086	62,086	0
Prior Year Encumbrances	450	450	450	0
Fund Balance at End of Year	<u>\$ 450</u>	<u>\$ 0</u>	<u>\$ 47,129</u>	<u>\$ 47,129</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, 2015**

---

	<b>COURT CLERK COMPUTER</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 50,000	\$ 50,000	\$ 58,158	\$ 8,158
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>58,158</u>	<u>8,158</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	9,000	9,000	5,422	3,578
Contractual Services	145,949	152,714	51,812	100,902
Total Expenditures	<u>154,949</u>	<u>161,714</u>	<u>57,234</u>	<u>104,480</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,949)	(111,714)	924	112,638
Fund Balance at Beginning of Year	104,949	104,949	104,949	0
Prior Year Encumbrances	6,765	6,765	6,765	0
Fund Balance at End of Year	<u>\$ 6,765</u>	<u>\$ 0</u>	<u>\$ 112,638</u>	<u>\$ 112,638</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, 2015**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Other Local Taxes	\$ 95,000	\$ 95,000	\$ 100,223	\$ 5,223
Total Revenues	<u>95,000</u>	<u>95,000</u>	<u>100,223</u>	<u>5,223</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	118,792	118,792	32,072	86,720
Total Expenditures	<u>118,792</u>	<u>118,792</u>	<u>32,072</u>	<u>86,720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,792)	(23,792)	68,151	91,943
Fund Balance at Beginning of Year	<u>23,792</u>	<u>23,792</u>	<u>23,792</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 91,943</u>	<u>\$ 91,943</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, 2015***

---

	<b>DRIVERS INTERLOCK &amp; ALCOHOL MONITORING</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 18,000	\$ 18,000	\$ 12,232	\$ (5,768)
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>12,232</u>	<u>(5,768)</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	122,618	122,618	0	122,618
Total Expenditures	<u>122,618</u>	<u>122,618</u>	<u>0</u>	<u>122,618</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,618)	(104,618)	12,232	116,850
Fund Balance at Beginning of Year	<u>104,618</u>	<u>104,618</u>	<u>104,618</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 116,850</u></u>	<u><u>\$ 116,850</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, 2015***

---

<b>PUBLIC SERVICE STREET REPAIR</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Licenses and Permits	\$ 1,300	\$ 1,300	\$ 1,175	\$ (125)
Total Revenues	<u>1,300</u>	<u>1,300</u>	<u>1,175</u>	<u>(125)</u>
<b>Expenditures:</b>				
General Government:				
Capital Outlay	5,630	5,630	0	5,630
Total Expenditures	<u>5,630</u>	<u>5,630</u>	<u>0</u>	<u>5,630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,330)	(4,330)	1,175	5,505
Fund Balance at Beginning of Year	<u>4,330</u>	<u>4,330</u>	<u>4,330</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,505</u>	<u>\$ 5,505</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, 2015***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 400	\$ 400	\$ 0	\$ (400)
Total Revenues	<u>400</u>	<u>400</u>	<u>0</u>	<u>(400)</u>
<b>Expenditures:</b>				
General Government:				
Materials and Supplies	<u>3,129</u>	<u>3,129</u>	<u>226</u>	<u>2,903</u>
Total Expenditures	<u>3,129</u>	<u>3,129</u>	<u>226</u>	<u>2,903</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,729)	(2,729)	(226)	2,503
Fund Balance at Beginning of Year	<u>2,729</u>	<u>2,729</u>	<u>2,729</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,503</u>	<u>\$ 2,503</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, 2015***

	POLICE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 71,900	\$ 71,900	\$ 68,569	\$ (3,331)
Municipal Income Taxes	72,062	72,062	79,207	7,145
Intergovernmental Revenues	9,100	9,100	9,076	(24)
Total Revenues	<u>153,062</u>	<u>153,062</u>	<u>156,852</u>	<u>3,790</u>
<b>Expenditures:</b>				
Security of Persons and Property				
Personal Services	385,055	408,055	320,245	87,810
General Government:				
Contractual Services	2,500	2,500	1,500	1,000
Total Expenditures	<u>387,555</u>	<u>410,555</u>	<u>321,745</u>	<u>88,810</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(234,493)	(257,493)	(164,893)	92,600
<b>Other Financing Sources (Uses):</b>				
Transfers In	185,000	185,000	130,000	(55,000)
Total Other Financing Sources (Uses)	<u>185,000</u>	<u>185,000</u>	<u>130,000</u>	<u>(55,000)</u>
Net Change in Fund Balance	(49,493)	(72,493)	(34,893)	37,600
Fund Balance at Beginning of Year	49,493	49,493	49,493	0
Prior Year Encumbrances	23,000	23,000	23,000	0
Fund Balance at End of Year	<u>\$ 23,000</u>	<u>\$ 0</u>	<u>\$ 37,600</u>	<u>\$ 37,600</u>

**CITY OF MOUNT VERNON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	<b>FIRE PENSION</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 71,900	\$ 71,900	\$ 68,569	\$ (3,331)
Municipal Income Taxes	72,062	72,062	79,207	7,145
Intergovernmental Revenues	9,100	9,100	9,076	(24)
Total Revenues	<u>153,062</u>	<u>153,062</u>	<u>156,852</u>	<u>3,790</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	730,653	771,653	583,669	187,984
General Government:				
Contractual Services	2,500	2,500	1,500	1,000
Total Expenditures	<u>733,153</u>	<u>774,153</u>	<u>585,169</u>	<u>188,984</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(580,091)	(621,091)	(428,317)	192,774
<b>Other Financing Sources (Uses):</b>				
Transfers In	525,000	525,000	375,000	(150,000)
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>525,000</u>	<u>375,000</u>	<u>(150,000)</u>
Net Change in Fund Balance	(55,091)	(96,091)	(53,317)	42,774
Fund Balance at Beginning of Year	55,091	55,091	55,091	0
Prior Year Encumbrances	41,000	41,000	41,000	0
Fund Balance at End of Year	<u>\$ 41,000</u>	<u>\$ 0</u>	<u>\$ 42,774</u>	<u>\$ 42,774</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, 2015**

---

	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 0	\$ 0	\$ 960	\$ 960
Investment Earnings	2	2	1	(1)
Total Revenues	<u>2</u>	<u>2</u>	<u>961</u>	<u>959</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	902	1,687	785	902
Total Expenditures	<u>902</u>	<u>1,687</u>	<u>785</u>	<u>902</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(900)	(1,685)	176	1,861
Fund Balance at Beginning of Year	900	900	900	0
Prior Year Encumbrances	785	785	785	0
Fund Balance at End of Year	<u>\$ 785</u>	<u>\$ 0</u>	<u>\$ 1,861</u>	<u>\$ 1,861</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, 2015**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 1,200	\$ 1,200	\$ 1,050	\$ (150)
Investment Earnings	10	10	7	(3)
Total Revenues	<u>1,210</u>	<u>1,210</u>	<u>1,057</u>	<u>(153)</u>
<b>Expenditures:</b>				
Leisure Time Activities				
Materials and Supplies	8,000	8,000	291	7,709
Contractual Services	61,649	61,649	540	61,109
Total Expenditures	<u>69,649</u>	<u>69,649</u>	<u>831</u>	<u>68,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,439)	(68,439)	226	68,665
Fund Balance at Beginning of Year	<u>68,439</u>	<u>68,439</u>	<u>68,439</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,665</u>	<u>\$ 68,665</u>

**CITY OF MOUNT VERNON, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Fund  
For the Year Ended December 31, 2015***

---

GENERAL BOND RETIREMENT - INCOME TAX				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Municipal Income Tax	\$ 143,515	\$ 143,515	\$ 143,874	\$ 359
Total Revenues	<u>143,515</u>	<u>143,515</u>	<u>143,874</u>	<u>359</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	102,500	102,500	102,500	0
Interest and Fiscal Charges	52,611	52,611	41,015	11,596
Total Expenditures	<u>155,111</u>	<u>155,111</u>	<u>143,515</u>	<u>11,596</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,596)	(11,596)	359	11,955
Fund Balance at Beginning of Year	<u>11,596</u>	<u>11,596</u>	<u>11,596</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,955</u>	<u>\$ 11,955</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, 2015**

---

<b>B &amp; O RAILROAD DEPOT</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
General Government:				
Materials and Supplies	8,238	8,238	0	8,238
Total Expenditures	8,238	8,238	0	8,238
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,238)	(8,238)	0	8,238
Fund Balance at Beginning of Year	8,238	8,238	8,238	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 8,238	\$ 8,238



**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, 2015***

<b>TIF DISTRICT-INDUSTRIAL AREA</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 47,000	\$ 47,000	\$ 55,443	\$ 8,443
Total Revenues	<u>47,000</u>	<u>47,000</u>	<u>55,443</u>	<u>8,443</u>
<b>Expenditures:</b>				
Transportation:				
Street:				
Contractual Services	1,000	1,000	971	29
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>971</u>	<u>29</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,000	46,000	54,472	8,472
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(50,329)	(50,329)	(50,329)	0
Total Other Financing Sources (Uses)	<u>(50,329)</u>	<u>(50,329)</u>	<u>(50,329)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>4,329</u>	<u>4,329</u>	<u>4,329</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,472</u>	<u>\$ 8,472</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, 2015***

---

	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
All Other Revenues	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 20,323</u>	<u>\$ 10,323</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>20,323</u>	<u>10,323</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	10,000	20,323	10,323
Fund Balance at Beginning of Year	<u>417,168</u>	<u>417,168</u>	<u>417,168</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 427,168</u>	<u>\$ 427,168</u>	<u>\$ 437,491</u>	<u>\$ 10,323</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**

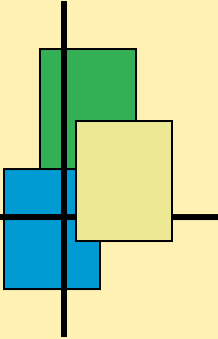
---

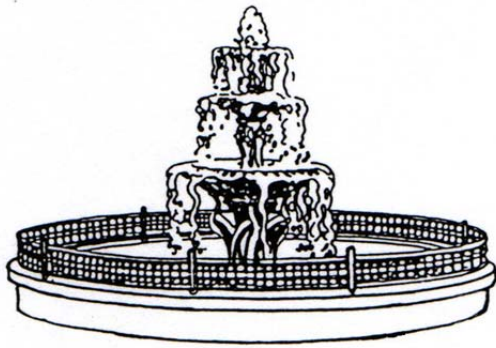
**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2015**

---

	Balance December 31, 2014		Additions	Deductions	Balance December 31, 2015
<u>Insurance Trust Fund</u>					
Assets:					
Cash and Cash Equivalents	\$27,220	\$39,849	(\$39,849)	\$27,220	
Total Assets	<u>\$27,220</u>	<u>\$39,849</u>	<u>(\$39,849)</u>	<u>\$27,220</u>	
Liabilities:					
Due to Others	\$27,220	\$39,849	(\$39,849)	\$27,220	
Total Liabilities	<u>\$27,220</u>	<u>\$39,849</u>	<u>(\$39,849)</u>	<u>\$27,220</u>	
<u>Bonds and Inspection Fee Trust Fund</u>					
Assets:					
Cash	\$9,651	\$29,000	(\$7,000)	\$31,651	
Total Assets	<u>\$9,651</u>	<u>\$29,000</u>	<u>(\$7,000)</u>	<u>\$31,651</u>	
Liabilities:					
Due to Others	\$9,651	\$29,000	(\$7,000)	\$31,651	
Total Liabilities	<u>\$9,651</u>	<u>\$29,000</u>	<u>(\$7,000)</u>	<u>\$31,651</u>	
<u>Municipal Court Fund</u>					
Assets:					
Cash and Cash Equivalents	\$62,244	\$972,092	(\$952,318)	\$82,018	
Total Assets	<u>\$62,244</u>	<u>\$972,092</u>	<u>(\$952,318)</u>	<u>\$82,018</u>	
Liabilities:					
Intergovernmental Payable	\$28,856	\$395,158	(\$399,883)	\$24,131	
Due to Others	33,388	576,934	(552,435)	57,887	
Total Liabilities	<u>\$62,244</u>	<u>\$972,092</u>	<u>(\$952,318)</u>	<u>\$82,018</u>	
<u>Totals - All Agency Funds</u>					
Assets:					
Cash and Cash Equivalents	\$99,115	\$1,040,941	(\$999,167)	\$140,889	
Total Assets	<u>\$99,115</u>	<u>\$1,040,941</u>	<u>(\$999,167)</u>	<u>\$140,889</u>	
Liabilities:					
Intergovernmental Payables	\$28,856	\$395,158	(\$399,883)	\$24,131	
Due to Others	70,259	645,783	(599,284)	116,758	
Total Liabilities	<u>\$99,115</u>	<u>\$1,040,941</u>	<u>(\$999,167)</u>	<u>\$140,889</u>	

# Statistical Section





## ***STATISTICAL TABLES***

---

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

### ***Contents***

---

<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	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.	
<b>Debt Capacity</b>	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.	
<b>Economic and Demographic Information</b>	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.	
<b>Operating Information</b>	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.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## City of Mount Vernon, Ohio

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

	2006	2007	2008	2009
<b>Governmental Activities:</b>				(1)
Net Investment in Capital Assets	\$33,477,918	\$35,789,973	\$37,018,250	\$36,745,484
Restricted	5,717,336	4,503,529	7,235,132	5,911,959
Unrestricted	3,097,916	4,954,398	4,528,143	6,241,067
Total Governmental Activities Net Position	<u>\$42,293,170</u>	<u>\$45,247,900</u>	<u>\$48,781,525</u>	<u>\$48,898,510</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$13,580,280	\$13,897,047	\$14,278,602	\$15,255,947
Restricted	2,353,194	1,391,876	1,248,880	3,475,907
Unrestricted	4,731,739	5,345,814	4,734,074	1,297,180
Total Business-type Activities Net Postion	<u>\$20,665,213</u>	<u>\$20,634,737</u>	<u>\$20,261,556</u>	<u>\$20,029,034</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$47,058,198	\$49,687,020	\$51,296,852	\$52,001,431
Restricted	8,070,530	5,895,405	8,484,012	9,387,866
Unrestricted	7,829,655	10,300,212	9,262,217	7,538,247
Total Primary Government Net Position	<u>\$62,958,383</u>	<u>\$65,882,637</u>	<u>\$69,043,081</u>	<u>\$68,927,544</u>

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

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

Source: City Auditor's Office



*City of Mount Vernon, Ohio*

---

2010	2011	2012	2013	2014	2015
				(2)	
\$38,627,947	\$39,308,561	\$39,426,306	\$41,446,062	\$40,927,848	\$43,612,477
6,397,410	3,034,793	3,094,466	4,315,346	6,576,302	6,512,955
4,489,751	5,784,699	8,349,905	6,347,089	(3,435,859)	(4,782,532)
<u>\$49,515,108</u>	<u>\$48,128,053</u>	<u>\$50,870,677</u>	<u>\$52,108,497</u>	<u>\$44,068,291</u>	<u>\$45,342,900</u>
\$13,393,510	\$16,312,403	\$15,012,084	\$16,711,092	\$18,252,176	\$18,610,103
3,329,674	1,847,384	1,008,353	1,646,248	1,758,460	1,783,244
3,398,489	2,603,447	5,388,497	3,616,486	1,083,501	924,045
<u>\$20,121,673</u>	<u>\$20,763,234</u>	<u>\$21,408,934</u>	<u>\$21,973,826</u>	<u>\$21,094,137</u>	<u>\$21,317,392</u>
\$52,021,457	\$55,620,964	\$54,438,390	\$58,157,154	\$59,180,024	\$62,222,580
9,727,084	4,882,177	4,102,819	5,961,594	8,334,762	8,296,199
7,888,240	8,388,146	13,738,402	9,963,575	(2,352,358)	(3,858,487)
<u>\$69,636,781</u>	<u>\$68,891,287</u>	<u>\$72,279,611</u>	<u>\$74,082,323</u>	<u>\$65,162,428</u>	<u>\$66,660,292</u>

## City of Mount Vernon, Ohio

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

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$5,506,801	\$5,599,365	\$5,728,419	\$6,257,913
Public Health and Welfare Services	567,989	666,167	644,241	769,637
Leisure Time Activities	407,254	777,880	952,192	881,252
Community Environment	446,970	745,733	211,150	293,474
Transportation	1,730,910	2,097,746	2,433,003	2,898,557
General Government	3,915,618	4,627,294	4,627,134	4,685,914
Interest and Fiscal Charges	126,090	355,174	263,523	321,941
<i>Total Governmental Activities Expenses</i>	12,701,632	14,869,359	14,859,662	16,108,688
Business-type Activities:				
Water	3,135,091	3,216,980	3,379,191	3,388,734
Sewer	2,847,417	2,873,468	2,858,183	2,885,616
<i>Total Business-type Activities Expenses</i>	5,982,508	6,090,448	6,237,374	6,274,350
<i>Total Primary Government Expenses</i>	\$18,684,140	\$20,959,807	\$21,097,036	\$22,383,038
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$529,972	\$939,779	\$1,016,173	\$1,141,818
Public Health and Welfare Services	51,710	54,678	56,052	68,352
Leisure Time Activities	52,904	294,296	309,238	256,078
Community Environment	585	953	3,989	6,621
Transportation	9,712	1,400	500	3,070
General Government	845,758	897,668	863,175	819,170
Operating Grants and Contributions	898,391	871,919	1,761,824	2,336,173
Capital Grants and Contributions	884,203	1,508,148	447,392	854,233
<i>Total Governmental Activities Program Revenues</i>	3,273,235	4,568,841	4,458,343	5,485,515

*City of Mount Vernon, Ohio*

2010	2011	2012	2013	2014	2015
\$5,950,098	\$6,372,507	\$6,188,789	\$6,492,718	\$6,370,982	\$7,035,151
693,029	709,622	723,360	709,251	757,435	711,222
963,163	1,143,295	719,024	980,442	1,279,240	870,144
1,560,761	591,187	528,995	648,532	323,093	763,019
2,586,915	4,440,371	4,228,585	3,367,249	5,070,430	6,448,854
4,711,970	4,188,865	4,852,231	5,316,607	6,294,609	5,154,298
350,672	287,411	510,896	276,071	263,497	277,043
<u>16,816,608</u>	<u>17,733,258</u>	<u>17,751,880</u>	<u>17,790,870</u>	<u>20,359,286</u>	<u>21,259,731</u>
3,347,380	3,180,709	3,019,406	3,049,583	3,028,624	3,085,297
<u>3,103,781</u>	<u>3,035,080</u>	<u>3,194,971</u>	<u>3,118,011</u>	<u>3,256,742</u>	<u>3,538,970</u>
<u>6,451,161</u>	<u>6,215,789</u>	<u>6,214,377</u>	<u>6,167,594</u>	<u>6,285,366</u>	<u>6,624,267</u>
<u>\$23,267,769</u>	<u>\$23,949,047</u>	<u>\$23,966,257</u>	<u>\$23,958,464</u>	<u>\$26,644,652</u>	<u>\$27,883,998</u>
\$1,200,644	\$1,172,890	\$1,175,624	\$1,119,039	\$1,252,995	\$1,098,742
83,842	82,027	80,494	82,513	48,631	90,889
296,300	296,650	291,563	255,558	246,341	261,876
20,387	14,411	16,471	18,872	9,423	21,127
2,702	200	313	750	1,094	6,527
898,161	910,868	866,410	768,254	698,554	882,275
1,807,522	888,663	2,024,553	1,937,129	1,470,114	1,114,030
880,033	173,557	2,169,916	1,590,955	2,781,681	4,682,427
<u>5,189,591</u>	<u>3,539,266</u>	<u>6,625,344</u>	<u>5,773,070</u>	<u>6,508,833</u>	<u>8,157,893</u>

(continued)

## City of Mount Vernon, Ohio

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

	2006	2007	2008	2009
<b>Business-type Activities:</b>				
Charges for Services and Sales				
Water	2,991,511	3,197,165	3,308,139	3,287,232
Sewer	2,681,466	2,675,408	2,515,147	2,718,245
Operating Grants and Contributions	0	0	0	41,618
<i>Total Business-type Activities Program Revenues</i>	<u>5,672,977</u>	<u>5,872,573</u>	<u>5,823,286</u>	<u>6,047,095</u>
<i>Total Primary Government Program Revenues</i>	<u>8,946,212</u>	<u>10,441,414</u>	<u>10,281,629</u>	<u>11,532,610</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(9,428,397)	(10,300,518)	(10,401,319)	(10,623,173)
Business-type Activities	(309,531)	(217,875)	(414,088)	(227,255)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$9,737,928)</u>	<u>(\$10,518,393)</u>	<u>(\$10,815,407)</u>	<u>(\$10,850,428)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$590,185	\$736,982	\$632,956	\$682,820
Special Purposes	0	0	0	0
Debt Service	131,866	181,624	158,796	175,254
Capital Outlay	919,577	1,058,750	1,176,352	1,263,314
Income Taxes	9,035,177	9,260,355	10,359,164	9,383,772
Other Local Taxes	107,926	106,968	99,236	94,493
Grants and Entitlements not Restricted to Specific Programs	1,239,375	1,057,943	842,850	992,167
Investment Earnings	471,742	675,429	421,642	190,437
Miscellaneous	119,322	177,197	243,948	152,110
<i>Total Governmental Activities</i>	<u>12,615,170</u>	<u>13,255,248</u>	<u>13,934,944</u>	<u>12,934,367</u>
Business-type Activities:				
Investment Earnings	213,429	187,399	40,907	6,394
<i>Total Business-type Activities</i>	<u>213,429</u>	<u>187,399</u>	<u>40,907</u>	<u>6,394</u>
<i>Total Primary Government</i>	<u>\$12,828,599</u>	<u>\$13,442,647</u>	<u>\$13,975,851</u>	<u>\$12,940,761</u>
<b>Change in Net Position</b>				
Governmental Activities	\$3,186,773	\$2,954,730	\$3,533,625	\$2,311,194
Business-type Activities	(96,102)	(30,476)	(373,181)	(220,861)
<i>Total Primary Government Change in Net Position</i>	<u>\$3,090,671</u>	<u>\$2,924,254</u>	<u>\$3,160,444</u>	<u>\$2,090,333</u>

Source: City Auditor's Office

*City of Mount Vernon, Ohio*

2010	2011	2012	2013	2014	2015
3,392,757	3,371,924	3,559,198	3,450,880	3,684,807	3,562,765
3,105,361	3,290,355	3,257,271	3,243,715	3,197,847	3,284,201
40,709	42,936	42,069	37,266	37,591	0
<u>6,538,827</u>	<u>6,853,950</u>	<u>6,858,538</u>	<u>6,731,861</u>	<u>6,920,245</u>	<u>6,846,966</u>
<u>11,728,418</u>	<u>10,393,216</u>	<u>13,483,882</u>	<u>12,504,931</u>	<u>13,429,078</u>	<u>15,004,859</u>
(11,627,017)	(14,193,992)	(11,126,536)	(12,017,800)	(13,850,453)	(13,101,838)
87,666	638,161	644,161	564,267	634,879	222,699
<u>(\$11,539,351)</u>	<u>(\$13,555,831)</u>	<u>(\$10,482,375)</u>	<u>(\$11,453,533)</u>	<u>(\$13,215,574)</u>	<u>(\$12,879,139)</u>
\$589,285	\$556,875	\$571,710	\$552,305	\$536,836	\$434,944
0	0	134,352	130,272	131,724	105,810
167,876	152,820	32,707	143,647	143,215	143,874
1,381,766	1,521,575	1,441,186	720,963	1,249,984	1,339,046
8,688,085	9,262,187	10,566,350	10,805,563	12,503,753	11,753,826
87,796	84,821	98,030	94,973	103,876	106,100
1,087,350	963,370	725,574	451,426	890,797	164,502
60,858	21,582	37,698	29,448	11,260	27,083
180,599	243,707	261,553	327,023	902,455	301,262
<u>12,243,615</u>	<u>12,806,937</u>	<u>13,869,160</u>	<u>13,255,620</u>	<u>16,473,900</u>	<u>14,376,447</u>
4,973	3,400	1,539	625	424	556
<u>4,973</u>	<u>3,400</u>	<u>1,539</u>	<u>625</u>	<u>424</u>	<u>556</u>
<u>\$12,248,588</u>	<u>\$12,810,337</u>	<u>\$13,870,699</u>	<u>\$13,256,245</u>	<u>\$16,474,324</u>	<u>\$14,377,003</u>
\$616,598	(\$1,387,055)	\$2,742,624	\$1,237,820	\$2,623,447	\$1,274,609
92,639	641,561	645,700	564,892	635,303	223,255
<u>\$709,237</u>	<u>(\$745,494)</u>	<u>\$3,388,324</u>	<u>\$1,802,712</u>	<u>\$3,258,750</u>	<u>\$1,497,864</u>

**City of Mount Vernon, Ohio**

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

	2006	2007	2008	2009	2010
<b>General Fund</b>					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	301,509	607,319	395,128	442,209	416,367
Unreserved	3,338,049	4,212,879	4,458,073	4,216,231	4,593,098
<i>Total General Fund</i>	<u>3,639,558</u>	<u>4,820,198</u>	<u>4,853,201</u>	<u>4,658,440</u>	<u>5,009,465</u>
<b>All Other Governmental Funds</b>					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Reserved	371,377	322,041	271,232	156,330	403,850
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	900,067	1,189,268	1,479,376	1,894,352	1,182,665
Debt Service Funds	840	0	0	10,568	0
Capital Projects Funds	801,833	2,655,574	4,463,434	3,529,741	3,071,740
Permanent Fund	325,010	334,058	343,534	350,823	369,072
<i>Total All Other   Governmental Funds</i>	<u>2,399,127</u>	<u>4,500,941</u>	<u>6,557,576</u>	<u>5,941,814</u>	<u>5,027,327</u>
<i>Total Governmental Funds</i>	<u><u>\$6,038,685</u></u>	<u><u>\$9,321,139</u></u>	<u><u>\$11,410,777</u></u>	<u><u>\$10,600,254</u></u>	<u><u>\$10,036,792</u></u>

Source: City Auditor's Office

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

*City of Mount Vernon, Ohio*

---

2011	2012	2013	2014	2015
\$130,262	\$127,232	\$135,855	\$147,536	\$159,479
8,080	8,080	8,080	8,080	8,080
16,480	16,480	16,480	4,741	426
374,348	3,152,283	2,680,908	2,754,129	3,576,344
4,175,053	1,787,773	970,240	1,254,772	1,397,417
0	0	0	0	0
0	0	0	0	0
<u>4,704,223</u>	<u>5,091,848</u>	<u>3,811,563</u>	<u>4,169,258</u>	<u>5,141,746</u>
408,506	420,915	454,286	443,738	493,536
3,116,931	4,653,008	4,653,741	6,299,667	6,560,177
84,729	138,982	134,995	124,561	117,413
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>3,610,166</u>	<u>5,212,905</u>	<u>5,243,022</u>	<u>6,867,966</u>	<u>7,171,126</u>
<u>\$8,314,389</u>	<u>\$10,304,753</u>	<u>\$9,054,585</u>	<u>\$11,037,224</u>	<u>\$12,312,872</u>

## *City of Mount Vernon, Ohio*

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Taxes	\$10,980,389	\$11,440,727	\$12,456,495	\$11,494,371
Intergovernmental Revenues	2,995,086	3,138,477	1,910,413	3,395,984
Charges for Services	689,374	1,422,430	1,464,750	1,529,878
Licenses and Permits	34,776	21,786	15,661	15,471
Investment Earnings	471,742	675,429	421,642	190,437
Fines and Forfeitures	758,950	761,462	759,240	746,363
All Other Revenue	247,003	782,894	301,400	157,238
<b>Total Revenue</b>	<u>16,177,320</u>	<u>18,243,205</u>	<u>17,329,601</u>	<u>17,529,742</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	5,197,207	5,274,270	5,517,450	5,828,902
Public Health and Welfare Services	564,521	654,455	631,418	754,709
Leisure Time Activities	1,325,158	655,489	683,733	706,685
Community Environment	301,064	745,733	211,150	293,474
Transportation	2,735,444	2,393,098	4,177,685	3,940,483
General Government	5,295,380	7,721,022	5,567,468	6,369,728
Debt Service:				
Principal Retirement	217,413	217,763	325,179	2,434,814
Interest and Fiscal Charges	121,678	350,762	250,142	329,738
<b>Total Expenditures</b>	<u>15,757,865</u>	<u>18,012,592</u>	<u>17,364,225</u>	<u>20,658,533</u>
Excess (Deficiency) of Revenues Over Expenditures	419,455	230,613	(34,624)	(3,128,791)



*City of Mount Vernon, Ohio*

2010	2011	2012	2013	2014	2015
\$10,836,690	\$11,205,072	\$12,728,720	\$12,820,372	\$14,018,827	\$14,994,697
4,269,553	2,710,045	2,736,097	2,243,029	2,727,769	4,464,177
1,632,849	1,642,971	1,628,400	1,538,771	1,565,290	1,592,629
16,952	11,545	20,135	10,252	18,747	46,275
60,858	21,582	37,698	29,448	11,260	27,083
845,195	812,749	785,523	696,006	675,007	687,259
191,701	232,273	1,224,294	1,004,302	1,549,515	442,234
<u>17,853,798</u>	<u>16,636,237</u>	<u>19,160,867</u>	<u>18,342,180</u>	<u>20,566,415</u>	<u>22,254,354</u>
5,584,614	6,166,170	5,548,197	6,201,515	6,173,136	6,277,707
677,715	694,326	707,922	696,102	747,707	693,979
728,146	718,703	700,979	762,156	848,879	825,430
1,560,761	591,187	528,995	648,532	323,093	763,019
3,675,011	3,901,070	4,047,663	2,868,350	3,526,598	5,509,975
5,443,844	5,590,698	6,627,844	7,660,676	6,202,716	6,176,909
422,401	436,723	484,756	500,756	515,327	537,568
339,425	287,960	359,602	279,021	264,038	275,624
<u>18,431,917</u>	<u>18,386,837</u>	<u>19,005,958</u>	<u>19,617,108</u>	<u>18,601,494</u>	<u>21,060,211</u>
(578,119)	(1,750,600)	154,909	(1,274,928)	1,964,921	1,194,143

(Continued)

**City of Mount Vernon, Ohio**

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

	2006	2007	2008	2009
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	2,784	23,688	12,298	17,865
Ohio Public Works Commission Loan	0	0	0	125,000
General Obligation Bonds Issued	0	3,035,000	0	2,165,000
General Obligation Notes Issued	0	0	2,100,000	0
General Obligation Refunding Bonds Issued	0	0	0	0
Special Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Notes	0	0	7,245	8,232
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	1,546,311	1,712,982	2,785,286	1,286,170
Transfers Out	(1,546,311)	(1,712,982)	(2,785,286)	(1,286,170)
<b>Total Other Financing Sources (Uses)</b>	<u>2,784</u>	<u>3,058,688</u>	<u>2,119,543</u>	<u>2,316,097</u>
<b>Net Change in Fund Balance</b>	<u>\$422,239</u>	<u>\$3,289,301</u>	<u>\$2,084,919</u>	<u>(\$812,694)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	3.05%	4.29%	4.41%	16.75%

Source: City Auditor's Office

*City of Mount Vernon, Ohio*

---

2010	2011	2012	2013	2014	2015
3,259	38,177	11,342	31,689	3,148	42,156
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,654,000	0	0	1,995,150
0	0	1,775,000	0	0	0
0	0	0	0	0	0
0	0	(1,600,053)	0	0	(1,969,258)
827,126	1,028,456	1,275,651	1,656,139	1,252,978	1,242,974
(827,126)	(1,028,456)	(1,275,651)	(1,656,139)	(1,252,978)	(1,242,974)
<u>3,259</u>	<u>38,177</u>	<u>1,840,289</u>	<u>31,689</u>	<u>3,148</u>	<u>68,048</u>
<u>(\$574,860)</u>	<u>(\$1,712,423)</u>	<u>\$1,995,198</u>	<u>(\$1,243,239)</u>	<u>\$1,968,069</u>	<u>\$1,262,191</u>
5.10%	4.72%	5.51%	5.03%	4.53%	4.21%

## *City of Mount Vernon, Ohio*

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

<b>Tax year</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$416,840	\$434,109	\$451,730	\$462,638
Total Tax Collected	\$8,887,353	\$9,448,716	\$10,273,944	\$9,446,804
Income Tax Receipts				
Withholding	6,571,546	7,098,813	7,083,885	7,159,863
Percentage	73.94%	75.13%	68.95%	75.79%
Corporate	1,555,469	1,696,194	2,486,687	1,673,288
Percentage	17.50%	17.95%	24.20%	17.71%
Individuals	760,338	653,709	703,372	613,653
Percentage	8.56%	6.92%	6.85%	6.50%

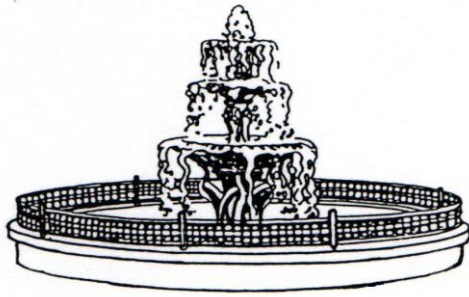
Source: City Income Tax Department

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

*City of Mount Vernon, Ohio*

---

2010	2011	2012	2013	2014	2015
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$513,183	\$542,270	\$580,616	\$606,203	\$641,916	\$641,916
\$8,556,302	\$9,017,691	\$10,128,973	\$11,210,717	\$11,725,532	\$12,409,133
6,967,691	7,408,369	7,854,868	8,088,514	8,450,570	8,673,622
81.43%	82.15%	77.55%	72.15%	72.07%	69.90%
926,225	961,045	1,578,706	2,396,265	2,522,261	2,889,193
10.83%	10.66%	15.59%	21.37%	21.51%	23.28%
662,386	648,277	695,399	725,938	752,701	846,318
7.74%	7.19%	6.86%	6.48%	6.42%	6.82%



**City of Mount Vernon, Ohio**

*Income Tax Collections  
Current Year and Nine Years Ago*

Calendar Year 2015				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$439,131,000	53.08%	\$6,586,965	53.08%
All Others	388,144,600	46.92%	5,822,168	46.92%
Total	<u>\$827,275,600</u>	<u>100.00%</u>	<u>\$12,409,133</u>	<u>100.00%</u>

Calendar Year 2006				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$235,691,667	39.78%	\$3,535,375	39.78%
All Others	356,798,533	60.22%	5,351,978	60.22%
Total	<u>\$592,490,200</u>	<u>100.00%</u>	<u>\$8,887,353</u>	<u>100.00%</u>

Source: City Income Tax Department

## *City of Mount Vernon, Ohio*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b> <sup>(1)</sup>				
Long-Term Notes Payable	\$0	\$0	\$2,100,000	\$0
General Obligation Bonds Payable	2,868,065	5,715,065	5,420,015	7,280,711
Special Obligation Bonds Payable	0	0	0	0
Ohio Public Works Commission Loan Payable	371,875	350,625	329,375	433,125
<b>Business-type Activities</b> <sup>(1)</sup>				
Ohio Public Works Commission Loan Payable	\$0	\$0	\$0	\$125,362
Ohio Water Development Authority	0	0	0	0
General Obligation Bonds Payable	9,461,935	12,229,935	11,469,985	13,274,289
Special Obligation Bonds Payable	0	0	0	0
Mortgage Revenue Bonds Payable	5,790,000	5,410,000	5,015,000	4,420,000
Total Primary Government	<u>\$18,491,875</u>	<u>\$23,705,625</u>	<u>\$24,334,375</u>	<u>\$25,533,487</u>
<b>Population</b> <sup>(2)</sup>				
City of Mount Vernon	15,256	15,256	15,256	15,256
Outstanding Debt Per Capita	\$1,212	\$1,554	\$1,595	\$1,674
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	416,840	434,109	451,730	462,638
Percentage of Personal Income	4.44%	5.46%	5.39%	5.52%

**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*

2010	2011	2012	2013	2014	2015
\$0	\$0	\$0	\$0	\$0	\$0
6,881,718	6,482,568	6,177,200	5,812,400	5,436,000	5,205,500
0	0	1,775,000	1,677,500	1,577,500	1,475,000
419,375	391,875	364,375	336,875	309,375	281,875
\$122,228	\$115,960	\$109,692	\$103,424	\$97,156	\$90,888
0	2,303,347	6,289,243	6,476,726	6,500,028	6,154,888
12,348,282	11,392,432	10,522,800	9,582,600	8,604,000	7,828,650
0	0	1,775,000	1,677,500	1,577,500	1,475,000
4,020,000	3,620,000	3,205,000	2,780,000	2,345,000	1,895,000
<u>\$23,791,603</u>	<u>\$24,306,182</u>	<u>\$30,218,310</u>	<u>\$28,447,025</u>	<u>\$26,446,559</u>	<u>\$24,406,801</u>
16,990	16,990	16,990	16,990	16,990	16,990
\$1,400.33	\$1,430.62	\$1,778.59	\$1,674.34	\$1,556.60	\$1,436.54
513,183	542,270	580,616	606,203	641,916	641,916
4.64%	4.48%	5.20%	4.69%	4.12%	3.80%

## *City of Mount Vernon, Ohio*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2006	2007	2008	2009
<b>Population</b> <sup>(1)</sup>	15,256	15,256	15,256	15,256
<b>Assessed Value</b> <sup>(2)</sup>	\$282,994,466	\$285,828,244	\$258,440,860	\$261,803,090
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$12,330,000	\$17,945,000	\$16,890,000	\$20,555,000
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$840	\$0	\$0	\$10,568
<b>Net General Bonded Debt</b>	\$12,329,160	\$17,945,000	\$16,890,000	\$20,544,432
<b>Ratio of Net Bonded Debt to Assessed Value</b>	4.36%	6.28%	6.54%	7.85%
<b>Net Bonded Debt per Capita</b>	\$808.15	\$1,176.26	\$1,107.11	\$1,346.65

**Source:**

(1) U.S. Bureau of Census of Population

(2) Knox County Auditor

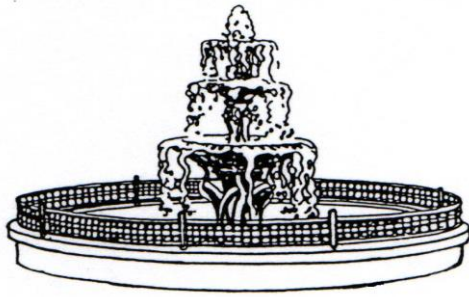
(3) Includes all general obligation bonded debt.

(4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*City of Mount Vernon, Ohio*

---

2010	2011	2012	2013	2014	2015
16,990	16,990	16,990	16,990	16,990	16,990
\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720
\$19,230,000	\$17,875,000	\$16,700,000	\$15,395,000	\$14,040,000	\$13,034,150
\$0	\$0	\$966	\$0	\$0	\$0
\$19,230,000	\$17,875,000	\$16,699,034	\$15,395,000	\$14,040,000	\$13,034,150
7.42%	7.23%	6.74%	6.18%	5.64%	5.17%
\$1,131.84	\$1,052.09	\$982.87	\$906.12	\$826.37	\$767.17



**City of Mount Vernon, Ohio**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2015*

<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>
<b>Direct:</b>			
City of Mount Vernon	\$6,962,375	100.00%	\$6,962,375
<b>Overlapping:</b>			
Knox County	11,646,482	21.07%	2,453,914
Mount Vernon School District	5,042,850	46.36%	2,337,865
Knox County Career Center	6,569,000	23.41%	1,537,803
		Subtotal	6,329,582
		Total	<u>\$13,291,957</u>

**Source:** Knox County Auditor and Fiscal Officers of Subdivision

(1) Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

**City of Mount Vernon, Ohio**

*Debt Limitations  
Last Ten Years*

<b>Collection Year</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Total Debt</b>				
Net Assessed Valuation	\$282,994,466	\$285,828,244	\$258,440,860	\$261,803,090
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	29,714,419	30,011,966	27,136,290	27,489,324
City Debt Outstanding (2)	4,206,395	3,229,395	3,116,945	2,999,195
Less: Applicable Debt Service Fund Amounts	<u>(840)</u>	<u>0</u>	<u>0</u>	<u>(10,568)</u>
Net Indebtedness Subject to Limitation	<u>4,205,555</u>	<u>3,229,395</u>	<u>3,116,945</u>	<u>2,988,627</u>
Overall Legal Debt Margin	<u><u>\$25,508,864</u></u>	<u><u>\$26,782,571</u></u>	<u><u>\$24,019,345</u></u>	<u><u>\$24,500,697</u></u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$282,994,466	\$285,828,244	\$258,440,860	\$261,803,090
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	15,564,696	15,720,553	14,214,247	14,399,170
City Debt Outstanding (2)	4,206,395	3,229,395	3,116,945	2,999,195
Less: Applicable Debt Service Fund Amounts	<u>(840)</u>	<u>0</u>	<u>0</u>	<u>(10,568)</u>
Net Indebtedness Subject to Limitation	<u>4,205,555</u>	<u>3,229,395</u>	<u>3,116,945</u>	<u>2,988,627</u>
Overall Legal Debt Margin	<u><u>\$11,359,141</u></u>	<u><u>\$12,491,158</u></u>	<u><u>\$11,097,302</u></u>	<u><u>\$11,410,543</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*

2010	2011	2012	2013	2014	2015
\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
27,213,898	25,944,529	26,014,202	26,150,657	26,158,213	26,476,456
2,876,145	2,752,795	2,607,800	2,477,600	2,342,400	2,360,300
0	0	(966)	0	0	0
2,876,145	2,752,795	2,606,834	2,477,600	2,342,400	2,360,300
\$24,337,753	\$23,191,734	\$23,407,368	\$23,673,057	\$23,815,813	\$24,116,156
\$259,179,980	\$247,090,750	\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
14,254,899	13,589,991	13,626,487	13,697,963	13,701,921	13,868,620
2,876,145	2,752,795	2,607,800	2,477,600	2,342,400	2,360,300
0	0	(966)	0	0	0
2,876,145	2,752,795	2,606,834	2,477,600	2,342,400	2,360,300
\$11,378,754	\$10,837,196	\$11,019,653	\$11,220,363	\$11,359,521	\$11,508,320

## *City of Mount Vernon, Ohio*

### *Pledged Revenue Coverage Last Ten Years*

	2006	2007	2008	2009
<b>Water System Bonds 1999 Series (1)</b>				
Gross Revenues (2)	\$3,091,208	\$3,348,689	\$3,344,136	\$3,292,955
Direct Operating Expenses (3)	(1,648,878)	(1,784,855)	(1,956,474)	(1,991,293)
Net Revenue Available for Debt Service	1,442,330	1,563,834	1,387,662	1,301,662
Annual Debt Service Requirement	635,858	636,623	636,612	638,600
Coverage	2.27	2.46	2.18	2.04
<b>Tax Increment Financing (TIF) Bonds (4)</b>				
Payment In Lieu of Taxes (PILOT) Collections	\$917,141	\$1,060,626	\$1,155,370	\$1,232,200
Debt Service				
Principal	176,000	176,000	182,600	186,554
Interest	95,397	91,905	88,297	84,361
Coverage	3.38	3.96	4.26	4.55

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

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

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

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

Source: City Auditor's Office



*City of Mount Vernon, Ohio*

---

2010	2011	2012	2013	2014	2015
\$3,394,458	\$3,373,589	\$3,560,407	\$3,451,448	\$3,685,199	\$3,563,294
(2,026,472)	(1,933,228)	(1,805,985)	(1,853,530)	(1,874,612)	(1,982,573)
1,367,986	1,440,361	1,754,422	1,597,918	1,810,587	1,580,721
542,383	539,650	542,650	540,200	537,450	539,400
2.52	2.67	3.23	2.96	3.37	2.93
\$1,320,086	\$1,262,210	\$1,572,036	\$748,799	\$1,214,761	\$1,278,656
190,943	195,800	231,000	149,600	156,200	158,400
79,136	72,745	87,076	74,120	28,627	25,569
4.89	4.70	4.94	3.35	6.57	6.95

# City of Mount Vernon, Ohio

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2006	2007	2008	2009
<b>Population</b> (1)				
City of Mount Vernon	15,256	15,256	15,256	15,256
Knox County	54,500	54,500	54,500	54,500
<b>Income</b> (2) (a)				
Total Personal (in thousands)	416,840	434,109	451,730	462,638
Per Capita	27,323	28,455	29,610	30,325
<b>Unemployment Rate</b> (3)				
Federal	5.0%	4.6%	5.8%	5.8%
State	5.9%	5.6%	6.6%	6.6%
Knox County	5.1%	5.4%	6.3%	6.3%
<b>Civilian Work Force Estimates</b> (3)				
State	5,934,000	5,976,500	5,986,400	5,986,400
Knox County	30,500	31,000	30,800	30,800

### Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2014 for the presentation of 2015 statistics, the City is using the latest information available.

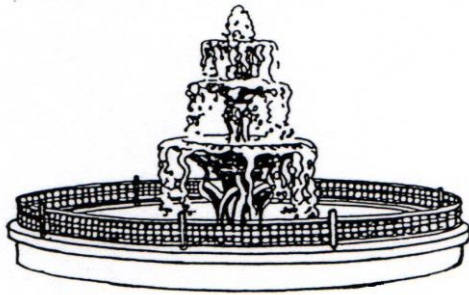
(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics. Information is not available at the City level.

*City of Mount Vernon, Ohio*

---

2010	2011	2012	2013	2014	2015
16,990	16,990	16,990	16,990	16,990	16,990
60,921	60,921	60,921	60,705	61,167	61,167
513,183	542,270	580,616	606,203	641,916	641,916
30,205	31,917	34,174	35,680	37,782	37,782
9.1%	8.3%	7.6%	7.4%	6.2%	5.3%
9.3%	7.6%	6.6%	7.4%	5.7%	4.9%
9.1%	7.6%	6.2%	6.7%	5.2%	4.7%
5,986,400	5,806,000	5,701,000	5,726,000	5,719,000	5,700,300
30,800	29,600	29,400	30,500	31,100	31,000



## City of Mount Vernon, Ohio

### Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2015	
		Number of Employees	Rank
Ariel Corporation	Manufacturing	1,200	1
Knox Community Hospital	Medical Care	900	2
Siemens	Manufacturing	750	3
Jeld-Wen Windows & Doors	Manufacturing	500	4
Knox County	Government	425	5
Mount Vernon City Schools	Education	400	6
Mount Vernon Nazarene University	Education	370	7
Wal-Mart	Retail	325	8
Sanoh America, Inc.	Manufacturing	300	9
First Knox National Bank	Financial	200	10
Total		5,370	

Employer	Nature of Business	2006	
		Number of Employees	Rank
Rolls-Royce	Manufacturing	855	1
Ariel Corporation	Manufacturing	835	2
Knox Community Hospital	Medical Care	573	3
Knox County	Government	545	4
Board of Education (City)	Education	478	5
TRW	Manufacturing	400	6
Mount Vernon Nazarene University	Education	399	7
Wal-Mart	Retail	327	8
United Precast, Inc.	Manufacturing	300	9
Jeld-Wen Windows & Doors	Manufacturing	284	10
Total		4,996	

**Source:**

City Auditor's Office

Total Employment within the City is not available

## City of Mount Vernon, Ohio

### Full Time Equivalent Employees by Function Last Ten Years

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Administration	1.00	1.00	1.00	1.00	1.00
Finance	2.00	2.00	2.00	2.00	2.00
Law Director	4.00	4.00	4.00	4.00	4.00
Income Tax	3.00	3.00	3.00	3.00	3.00
Legal/Court	10.50	10.50	11.00	11.00	11.00
Safety-Service	2.00	2.00	2.00	2.00	2.00
Civil Service	0.50	0.50	0.50	0.50	0.50
Engineering	5.50	6.00	6.50	6.50	6.50
Public Buildings/Lands	1.75	1.75	1.75	1.75	1.75
Security of Persons and Property					
Police	28.50	32.00	31.00	32.00	32.00
Fire	33.00	40.00	40.00	40.00	40.00
Transportation					
Street	13.00	12.50	12.50	12.50	12.50
Leisure Time Activities					
Parks/Recreation	16.75	58.25	53.75	53.75	53.75
Public Health and Welfare					
Cemetery	5.00	6.00	6.00	6.00	5.25
<b>Business-Type Activities</b>					
Utilities					
Water	17.50	17.50	17.50	17.50	17.50
Sewer	19.00	19.50	19.50	19.50	19.50
<i>Total Employees</i>	<u>163.00</u>	<u>216.50</u>	<u>212.00</u>	<u>213.00</u>	<u>212.25</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
11.00	11.00	11.00	11.00	11.00
2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
6.50	6.50	6.50	6.00	6.00
1.75	1.75	1.75	1.75	1.75
32.00	32.00	32.00	32.00	32.00
40.00	40.00	40.00	40.00	40.00
12.50	12.50	12.50	12.50	12.50
55.25	56.50	56.50	56.50	56.50
5.25	5.25	5.25	5.25	5.25
17.50	17.50	17.50	17.50	17.50
19.50	19.50	19.50	19.50	19.50
<u>213.75</u>	<u>215.00</u>	<u>215.00</u>	<u>214.50</u>	<u>214.50</u>

**City of Mount Vernon, Ohio**

*Operating Indicators by Function  
Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b>				
General Government				
Court				
Number of Civil Cases	1,078	1,252	1,484	1,425
Number of Criminal Cases	1,170	1,088	1,335	1,246
Number of Traffic Cases	6,571	5,491	5,811	5,867
Number of Open Cases	928	1,020	1,003	1,038
Licenses and Permits				
Number of Building Permits	211	119	160	162
Security of Persons and Property				
Police				
Number of Citations Issued	3,322	3,081	3,857	3,295
Fire				
Number of Fire Calls	868	752	871	1,032
Number of EMS Runs	2,814	2,911	3,259	3,282
Number of Inspections	125	375	1,250	1,009
<b>Business-Type Activities</b>				
Water				
Number of Service Connections	6,369	6,421	6,449	6,469
Daily Average Consumption (thousands of gallons)	2,465,836	2,508,356	2,704,110	3,026,000
Sewer				
Number of Service Connections	6,590	6,637	6,655	6,682
Daily Average Sewage Treatment (thousands of gallons)	3,122,181	3,145,699	3,282,192	2,979,515

Source: City Auditor's Office



*City of Mount Vernon, Ohio*

---

---

2010	2011	2012	2013	2014	2015
1,259	1,394	1,258	780	823	932
1,378	1,551	1,365	1,280	1,272	1,163
6,234	5,825	5,500	4,978	4,573	4,664
884	514	547	440	322	678
159	157	150	122	140	132
3,640	3,117	2,557	3,117	1,971	1,832
1,067	1,032	1,185	918	1,049	1,108
3,386	3,649	3,817	3,583	3,581	3,850
685	820	750	740	580	420
6,484	6,495	6,507	6,514	6,527	6,540
2,565,381	2,409,501	2,530,735	2,748,137	2,542,049	2,728,019
6,704	6,717	6,726	6,734	6,745	6,764
2,881,773	3,524,871	2,676,145	2,779,449	2,794,266	2,783,184

## City of Mount Vernon, Ohio

### Capital Asset Statistics by Function Last Ten Years

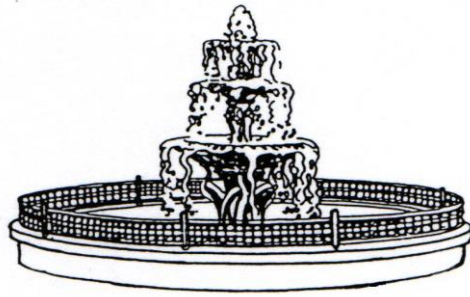
	2006	2007	2008	2009
<b>Governmental Activities</b>				
General Government				
Public Land and Buildings				
Land (acres)	9.2	9.2	9.8	9.8
Buildings	9	9	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	13	13	13	13
Fire				
Stations	2	2	2	2
Vehicles	11	11	11	11
Transportation				
Street				
Streets (center line miles)	82	82	82	82
Street Lights	1,470	1,470	1,470	1,470
Traffic Signals	50	51	52	53
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	210.32	241.86	241.86	241.86
Buildings	14	14	14	14
Parks	8	8	8	8
Playgrounds	4	4	4	4
Swimming Pools	2	4	4	4
Tennis Courts	10	10	10	10
Baseball/Softball Diamonds	11	11	11	11
Soccer Fields	2	2	2	2
<b>Business-Type Activities</b>				
Utilities				
Water				
Waterlines (Miles)	63	63	63	63
Number of Hydrants	484	484	484	484
Average Daily Consumption	2,465,836	2,508,356	2,704,110	3,026,000
Storage Capacity (thousands of gallons)	7,000	7,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	3,122,181	3,145,699	3,282,192	2,979,515
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

*City of Mount Vernon, Ohio*

---

2010	2011	2012	2013	2014	2015
12.4 9	12.4 9	12.4 9	12.7 9	12.7 9	12.7 9
1 13	1 13	1 13	1 13	1 13	1 13
2 11	2 11	2 11	2 11	2 11	2 11
82 1,470 53 13	82 1,470 53 13	82 1,470 54 13	82 1,470 54 13	92 1,470 54 13	92 1,470 54 13
244.98 14 8 4 4 10 11 2	244.98 14 8 4 4 10 11 2	244.98 14 8 4 4 10 11 2	244.98 14 8 4 4 10 11 2	269.98 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2
63 484 2,565,381 7,000	63 484 2,409,501 7,000	63 484 2,530,735 7,000	63 484 2,748,137 7,000	63 484 2,542,049 7,000	63 484 2,728,019 7,000
62 2,881,773 5,000	62 3,524,871 5,000	62 2,676,145 5,000	62 2,779,449 5,000	62 2,794,266 5,000	62 2,783,184 5,000





# Dave Yost • 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  
SEPTEMBER 22, 2016**