



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CITY OF MOUNT VERNON  
KNOX COUNTY

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of the City of Mount Vernon, Knox County, Ohio, (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 20, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 20, 2000.

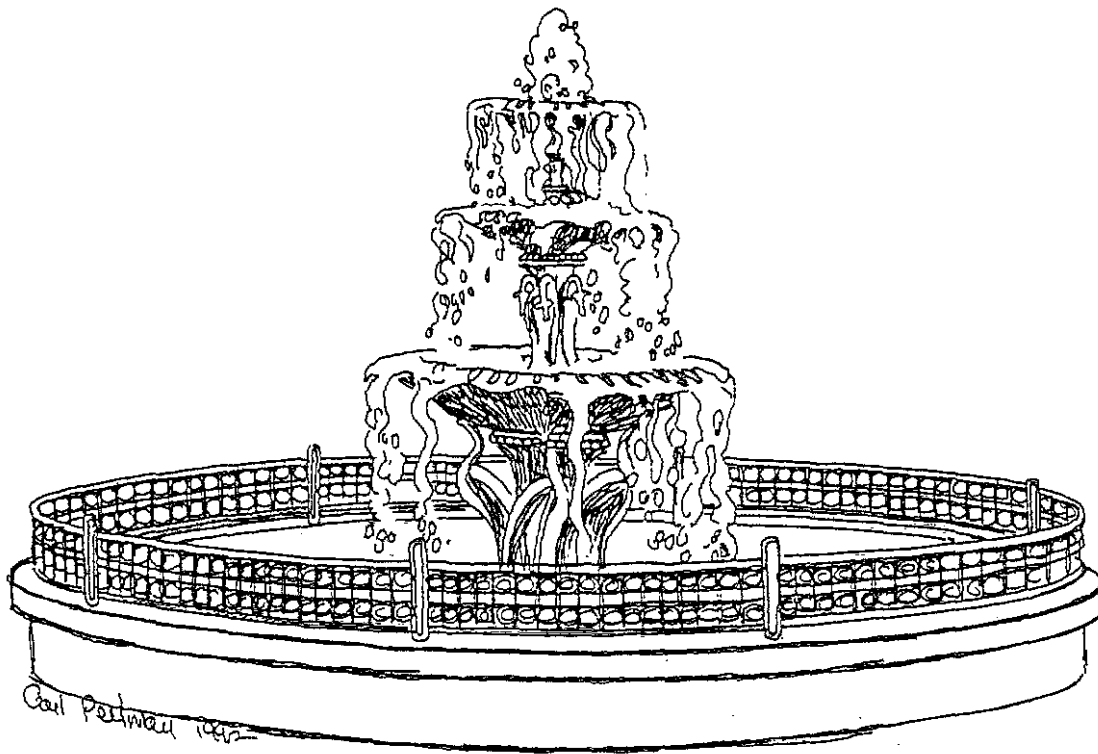
City Council  
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This report is intended for the information and use of the management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

**JIM PETRO**  
Auditor of State

June 20, 2000



**City of Mount Vernon , Ohio**  
**Comprehensive Annual Financial Report**  
**For Year Ended December 31, 1999**

***THE CITY OF MOUNT VERNON, OHIO***

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KNOX COUNTY

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 1999

Prepared by:  
Mr. Terry Scott  
City Auditor



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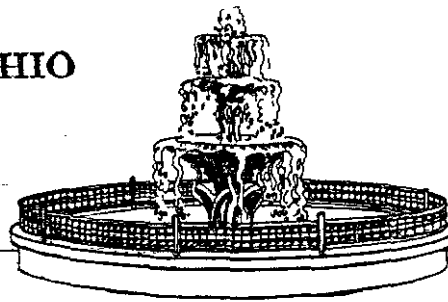
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## *INTRODUCTORY SECTION*

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# THE CITY OF MOUNT VERNON, OHIO

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



June 21, 2000

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, 1999. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## Introduction

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

### *THE REPORT:*

This Comprehensive Annual Financial Report is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. *The Introductory Section* includes the table of contents, this letter of transmittal which presents the City's organization, operational structure and accomplishments, an organizational chart, a list of principal elected officials and a list of principal administrative personnel.
2. *The Financial Section* contains the City's general purpose financial statements which include explanatory notes thereto; the combining and individual fund and account group financial statements and schedules and the Report of the Independent Auditors.
3. *The Statistical Section* presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

#### *THE REPORTING ENTITY:*

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

The Knox County Emergency Management Agency (EMA) is a jointly governed organization whose board is composed of seven members; one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to help insure the most effective use of resources during an emergency. The City did not appoint a majority of the members of the board of the EMA nor is the City accountable for any operating deficits of the EMA. Knox County is the fiscal agent for the EMA. The City appropriated \$6,000 for an operating grant to the EMA for 1999.

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.

## **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 8.7 square mile area serves a residential population of 14,504. State highways 3, 13 and 229 and U. S. Highway 36 serve as some of the City's major transportation arteries. Mount Vernon is the birthplace of Daniel Decatur Emmett, composer of the southern classic "Dixie" and Paul Lynde, a nationally known comedian.

## **The Management:**

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

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

Fire Department - The department is comprised of twenty-three firefighters, seven paramedics and one executive secretary. All Fire Department services including all basic fire protection, emergency medical and rescue services are tax supported. There is no charge levied for any of the services described above.

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

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

Recreation and Pool Departments - These departments employ part-time and seasonal employees, only. In the summertime, thirty-seven people are hired to coordinate and administer organized recreational programs in the City's two major parks and to operate the two municipal swimming pools.

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



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

Water Department - This department operates with ten full-time employees and fourteen 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 5,800 customers and customers located in the Village of Gambier (approximately three miles east of Mount Vernon). All treatment plant employees are required to have a Class I operators license within two years of employment.

Wastewater Department - This department operates with twelve full-time employees and fourteen 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. All plant employees are required to have a Class I operators license within two years of employment.

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

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

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

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

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

## The Reporting Standards:

The City's accounts are organized as funds and account groups. Each fund and account group is a separate accounting entity with its own self-balancing set of accounts; assets, liabilities and fund equity. Following are the titles of these funds and account groups with a brief description.

### Governmental Funds:

The general fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with government which are not required to be accounted for in another fund.

The special revenue funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by local legislation or state or federal statutes. During 1999, the City maintained nineteen special revenue funds.

The debt service fund is used to account for the accumulation of resources used for, and the payment of, general long-term principal, interest and related costs. During 1999, the City had one debt service fund.

The capital project fund is used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 1999, the City utilized one capital project fund.

### Proprietary funds:

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City operated two enterprise funds in 1999.

The internal service fund is used to account for the City's self-insured group health benefits program to employees and their eligible dependents. The monies paid into the Self-Insured Fund are available to pay claims and administrative costs. The City operated one internal service fund in 1999.

### Fiduciary funds:

Fiduciary funds include trust and agency funds. Trust funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The City had four expendable and one nonexpendable trust fund, and one agency fund.

General fixed assets account group:

Fixed assets of the City, other than those accounted for in the proprietary funds, are accounted for in the general fixed assets account group. General fixed assets included in this report of \$11,828,262 exclude the City's infrastructure. Infrastructure fixed assets are further explained in Note one of the general purpose financial statements.

General long-term obligations account group:

All long-term debt of the City, except that accounted for in the proprietary funds, is accounted for in this account group. These obligations include bonds payable of \$120,000, the accrued vacation and sick leave benefits due to employees in non-proprietary funds payable only upon termination of employment or subsequent thereto of \$592,778. These obligations are further explained in Notes 1, 10, and 11.

**Bases of Accounting:**

*Except for that used for budgetary purposes, the bases of accounting used by the City are in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and are consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental and expendable trust funds are accounted for using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental, expendable trust and agency funds. Revenues are recognized when they are susceptible to accrual; both measurable and available. Expenditures are recognized when that related liability is incurred except for interest on long-term debt which is recorded when due.*

The measurement focus for the City's proprietary funds and nonexpendable trust fund is on the flow of economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 1999 all accounting policies were applied consistently with those of 1998. Accounting policies are further explained in Note 1.

## Economic Outlook

During 1999 the continued growth of residential and commercial development took place within the City of Mount Vernon. As the construction of residential housing begins to recede, it is anticipated that industrial may begin to increase. The current industrial park received an expansion in 1997 and with the installation of a major wastewater line scheduled to be installed in the upcoming year, this will provide the needed utility services for growth in this area. Commercial development continues to support the community. Consideration is being given to bringing new restaurants to the city as well as the relocation of a major grocery store currently located within the city.

Annexation continues to occur on an annual basis. The city welcomes this addition as it increases tax base and generates additional revenues in several areas. With this increase, however comes the need to provide services to additional citizens and businesses. The city's labor force has remained rather constant over the past years, however, as growth in size occurs, so does the need for personnel to continue provided the services our citizens expect. City officials will begin to experience this concept, and will begin to address these potential needs in the coming year and future years beyond.

To the citizens of this community, 1999 will be known as the building and construction year. Our new and ongoing construction projects became a household name during the year. Work continued on the new water plant to the point that within a short amount of time, this "thing" appeared out of the ground nearly over night. The structure began to take on size and color throughout the year and is expected to be completed in the fall of 2000. Another major project for the City began to consume an entire city block in the southwest section of the community. The new fire station that was started in June rapidly became the eye of attention for all to see. This wonder structure has provided remarkable aesthetic looks and will provide a suitable facility in which to operate a main fire station. The project which is expected to be completed early next year will provide up to date equipment, housing needs, and a quality training facility for many years to come. This project, when complete, will have been acquired, constructed and furnished without the need to borrow funds. Full payment is anticipated to meet the financial obligations of this project which is estimated to cost \$3.3 million.

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 ninety-one building permits in 1999 and two hundred fifty-nine in 1998, a decrease of sixty-eight permits.

The City has been awarded funding of \$1.2 million dollars from the State of Ohio, Transportation Review Advisory Board and two grants of \$415,000, and \$406,000 from the Ohio Public Works Program to assist in the road improvements and drainage of Coshocton Road. The overall project cost is estimated to be \$4.7 million dollars. With this assisted funding, the City is considering starting construction in the fall of 2000. Additional funding is being offered by the State Infrastructure Bank (a division of the Ohio Economic Development) and the creation of a Tax Increment Financing (TIF) district within the affected area of the city.

During 1999, extensive construction took place for the City's new water treatment plant. The new plant rated at seven million gallons per day began construction in 1998 and has an estimated construction cost of \$14 million dollars. This overall project includes both a plant structure and a collector well capable of producing 3.5 million gallons of water per day. The issuance of \$8.3 million dollars of tax free bonds were issued in 1999 to complete the funding for this project.

The City was able to provide full funding of a new fire station to be located at the site of the existing main fire station. Bids were accepted in February and construction began in March 1999. The estimated \$2.3 million station will encompass the entire block located at South Sandusky Street, West Gambier Street, West Ohio Avenue, and South Mechanic Street. The two story structure will provide for adequate space for a training facility, adequate sleeping quarters for the employees, and adequate storage of equipment and vehicles used daily in fire and emergency rescue services. The project was nearing substantial completion by year end with final completion estimated to be early 2000.

#### **Employee Relations:**

The City of Mount Vernon completed the third year of a three year contract with the City's three unions. All union contracts were effective January 1, 1997, through December 31, 1999, with annual raises on January 1st of each year. The first, the Dan Emmett Chapter of the Ohio Civil Service Employees Association, Local 11/American Federation of State, County and Municipal Employees, AFL-CIO, which consists of fifty-six 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 twenty-six members of the fire department. The final bargaining unit is the Kokosing Chapter of the Fraternal Order of Police, Ohio Labor Council, Inc. which consists of twenty-four members of the police department. The remaining departments along with all the department heads are not represented by any union.

Negotiations were opened in late October for consideration of renewal of the three union contracts. Settlement was not reached by year end, however considerable time and energy were expended during this time period.

#### **Unemployment Rates:**

The City of Mount Vernon's economic outlook continued to be stable for 1999. In 1999, the unemployment rate held a steady margin of near five percent during the year but managed to level out with a decrease of one and one third percent (1.3%) over 1998. The 1998 unemployment rate of 5.5 percent decreased 4.2 percent in 1999. The decrease in unemployment was the result of steady growth in industry and the nation's positive economic outlook.

## Major Initiatives

### **Municipal Court:**

The Municipal Court was a recipient of a grant issued by the Ohio Supreme Court for the improvement of court security. New additions include a walk through metal detector for the courtroom entry, enclosure of public area in the probation department, and security links to the police department.

Statutory changes in the law created the need to make adjustments regarding garnishments of personal earnings and the filing of small claims. Judgment creditors are now permitted to file a *garnishment only once, instead of monthly as previously done*. The garnishments are "stacked", with payment to the first creditor paid by the employer for a specific period of time. Employers now have extensive reporting requirements. The number of small claims that may be filed annually has been modified. Previously, a plaintiff could only file twenty-four small claims cases per year. This restriction has been removed, providing the plaintiff the opportunity to file unlimited number of cases per year. However, a local court rule may limit the number of cases filed.

The Knox County Community Mediation Program continued into its fourth year. Mediation is a cost-free service to Knox County residents to assist in the resolution of disputes without going to court. In 1999, forty-seven mediations on various issues were filed. Of these, twenty-five did not go forward, due to one of the parties declining to participate. Eight "bad check" mediations were settled, two cases resulted in criminal bad check charges being filed. Of the remaining fifteen mediations, thirteen reached agreement for an 87% resolution rate.

Traffic cases filed numbered 7,015, a decrease of 434 from those filed in 1998, while criminal case filings of 1,235 increased by 61 cases from those filed in 1998. There was a slight decrease in civil case filings, 603 in 1999 compared to 635 in 1998.

### **Fire Department:**

The Fire Department accepted bids in February 1999 for the new main station and construction began in March. Construction is expected to be completed in early 2000. The City purchased various pieces of equipment for the department throughout the year. Training and certification of paramedics were two major concentrations during the year. Each paramedic is required to maintain continued education and recertification every two years. Each firefighter holds Emergency Medical Technician certification which requires recertification and continued education also.

**Police Department:**

The department continued its program of managed capital replacement with the purchase of three marked police cruisers. Total criminal, traffic and juvenile citations and charges filed by the department for 1999 equals 4,329, a decrease of 116 from 1998. Structural renovations to the police department began in June of 1999. The entire dispatch center as well as a new shift change room, and office space for the sergeant and corporals were created. Law enforcement within the City maintains a safe and secure environment for all of its citizens and visitors.

**Street Department:**

The Street Department was the recipient of continuous equipment replacement in 1999. The department received a new dump truck, a new catch basin cleaner, an asphalt hot box, and two new ground speed controlled salt spreading systems. Two traffic signal upgrades were performed during the year. Crack sealing became an important maintenance mechanism for prolong life of asphalt road. This new mechanism is expected to be expanded in the coming year. With a light snow fall during the months of winter helped to provide a strengthening financial base into the next year. Other routine projects completed by the Street Department included street sweeping, traffic line painting, traffic signals repairs, traffic sign replacement and leaf pick-up. The ongoing street resurfacing program provided for the resurfacing of a total of 18 streets in 1999.

**Cemetery Department:**

The Cemetery Department began a restoration project on the chapel located within the cemetery. This structure has been dated back to as early as 1884, and is currently being petitioned for recognition as a historical structure in Ohio. This structure will undergo extensive improvements in the coming years.

**Engineering Department:**

The Engineering Department continued to serve the needs of new construction within the City in 1999. One hundred ninety-one building permits, representing approximately twenty-eight million dollars in increased property values were issued in 1999. The Engineering department provided assistance for all new construction and upgrade projects that were conducted by the City in 1999.

### **Public Buildings and Land and Parks Department:**

The Public Buildings and Land Department and Parks Department share employees on an as needed basis. The salary of the superintendent and foreman is paid one half from each department. The Public Buildings and Land Department is responsible for a total of twelve buildings and property. The Parks Department maintains seven parks with a total acreage of 90.19 acres of land. Memorial Park received new equipment to create a "skate park" for skateboarding activities. The generous financial contribution from the Mount Vernon Community Trust made this project a real success. New restroom facilities were installed at the park, and upgrading of lights at the softball fields were installed. Riverside park received a new storage building and ball field lighting was upgraded. A new pickup truck was acquired for the department along with additional equipment. Although the winter season was upon us, the City resident's found it nearly impossible to enjoy use of the ice rink for winter recreation due to warming temperatures.

### **Water Department:**

The Water Distribution Division of the Water Department performed various maintenance activities to the lines in 1999. Ongoing construction of a new water plant continued throughout the year. Bonds were issued in 1997 to fund approximately half of the estimated cost. The remaining portion of the project was bonded in February 1999. Wellhead protection has been a major concern for the City and in the next year, a well-head protection plan will be designed to deter water contamination into our supply of raw water. Backflow prevention has been implemented to prevent contaminates through the water service connection into the public water system. High risk consumers will be the first users the City will required to comply with these new regulations. Future service connections to be required will be industrial, commercial and residential users. This will include current and new service connections.

### **Wastewater Department:**

The Wastewater Treatment Plant Division of the Wastewater Department performed routine maintenance of the facility and equipment throughout 1999. Major capital improvements are being designed for expanded growth in the City. The secondary treatment units received their first phase of upgrading during 1999. The second phase is expected to occur during the next year. A new wastewater trunk line is being designed for the expanded Industrial Park, and bidding is expected to occur in mid 2000, an equalization basin for inflow of surface water being studied and engineered for the next two years.



## Financial Information

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

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

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

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

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

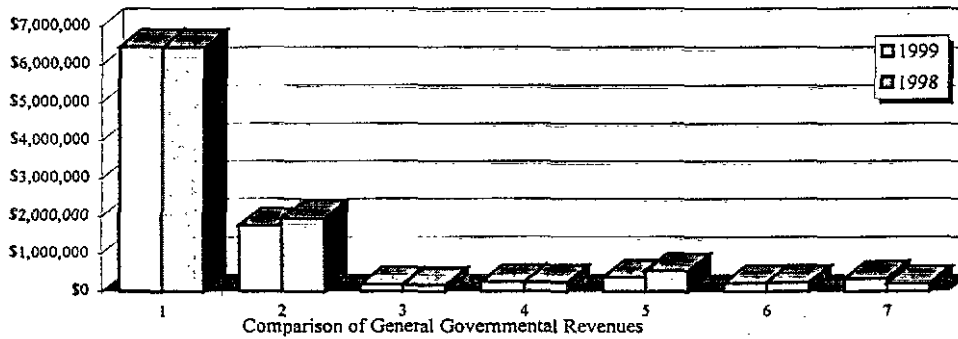
All internal control evaluations occur within this framework. It is the belief of the administration and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Mount Vernon City Council. All funds are included in the annual appropriated budget. The level of budgetary control (that is, the levels at which expenditures cannot legally exceed the appropriated amount) is at the object level within each department. Budgetary control is maintained within the personal services, operating expenses, and capital outlay categories with each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Encumbered appropriations carry forward to the following year(s) until expended or liquidated. Unencumbered amounts lapse at year end. Open encumbrances as of December 31, 1999, that have not been included as an accrued item are reported as reservations of fund balances with this report.

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

**General Governmental Functions:**

The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital projects fund revenues for the year ended December 31, 1999 and the percentage of total revenues for 1999 and the amount of increase/(decrease) in relation to 1998's revenue:

Revenue Source	Total 1999 Revenues	Percent of Total	Total 1998 Revenues	Increase (Decrease) over 1998	Percent of Change
1 Taxes	\$6,473,941	67.45%	\$6,458,836	\$15,105	0.23%
2 Intergovernmental Revenue	1,767,470	18.41%	1,959,813	(192,343)	(9.81%)
3 Charges for Services	179,122	1.87%	166,945	12,177	7.29%
4 Licenses and Permits	249,816	2.60%	246,771	3,045	1.23%
5 Investment Earnings	373,343	3.89%	545,611	(172,268)	(31.57%)
6 Fines and Forfeitures	221,500	2.31%	234,719	(13,219)	(5.63%)
7 All Other Revenue	333,256	3.47%	202,369	130,887	64.68%
Total	\$9,598,448	100.00%	\$9,815,064	(\$216,616)	

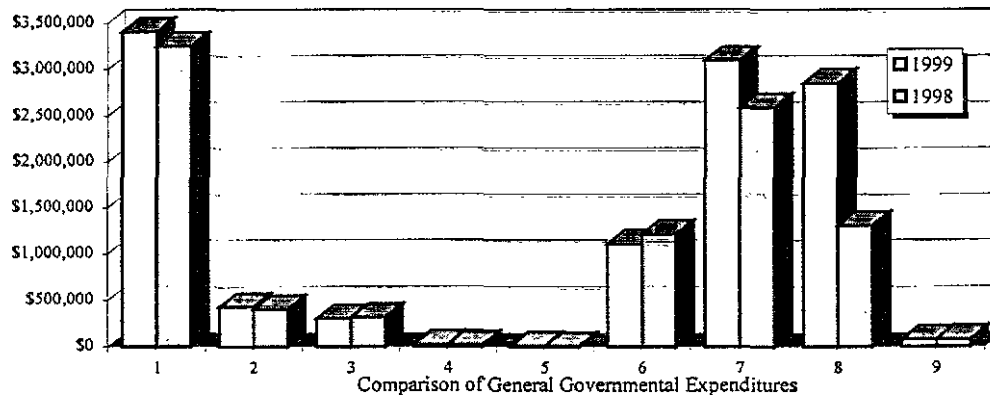


Revenue Narrative:

Taxes continue to be the primary revenue source for governmental fund types. The major source of tax revenue is the city's 1.5% municipal income tax, of which 81% of the 1% portion of the tax is credited to the General fund, as well as 100% of the .5% remaining portion of the tax. The remaining 19% of the 1% portion of the tax is credited as follows: Street Maintenance and Construction 3%, Cemetery Fund 4%, Police Pension Fund 1%, Fire Pension Fund 1%, and Capital Improvement Fund 10%. The growth in the City's income tax base and healthy economy are primary factors contributing to the overall increase. A redirection of interest earnings to the enterprise funds pursuant to the trust indentures on outstanding debt obligations has resulted in a substantial decrease over the prior year. Other revenue increased in 1999 as a result of reimbursement received from the Federal and State Emergency Management Authority for flood damages.

The following schedule presents a summary of general fund, special revenue funds, debt service fund and capital projects fund expenditures for the year ended December 31, 1999, and the percentage of total expenditures for 1999 and the amount of increase/(decrease) in relation to 1998's expenditures:

Expenditures	Total 1999 Expenditures	Percent of Total	Total 1998 Expenditures	Increase (Decrease) over 1998	Percent of Change
1 Security of Persons and Property	\$3,410,094	30.13%	\$3,253,759	\$156,335	4.80%
2 Public Health and Welfare	429,415	3.79%	404,899	24,516	6.05%
3 Leisure Time Activities	301,104	2.66%	317,751	(16,647)	(5.24%)
4 Community Environment	23,986	0.22%	22,345	1,641	7.34%
5 Basic Utility Services	11,296	0.11%	6,394	4,902	76.67%
6 Transportation	1,111,667	9.82%	1,218,004	(106,337)	(8.73%)
7 General Government	3,099,619	27.37%	2,594,812	504,807	19.45%
8 Capital Outlay	2,855,040	25.22%	1,310,528	1,544,512	117.85%
9 Debt Service	77,275	0.68%	79,625	(2,350)	(2.95%)
<b>Total</b>	<b>\$11,319,496</b>	<b>100.00%</b>	<b>\$9,208,117</b>	<b>\$2,111,379</b>	



Expenditure Narrative:

The major increase in expenditures in 1999 was for the construction of the new fire station and structural renovations to the police department. These projects contributed approximately \$1.5 million in capital outlay expenditures. Transportation costs decreased due to the elimination of bridge work reported in 1998 and not repeated in 1999. General Government costs of personal services increased by nearly \$212,000 over 1998. Related items included increased workers' compensation premiums and employee retirements. Outside engineering services increased by \$299,000 over the prior year, and flood repair project costs were paid in 1999. Cost savings in road salt and asphalt patching coupled with employee labor costs continue to decrease overall transportation expenditures.

The general fund balance at year end 1999 was \$2,689,032, which represented an increase of \$328,906 over 1998.

**Enterprise Operations:**

The City operates two enterprise funds consisting of Water and Sewer Utility.

The Water Utility includes the water treatment plant and the water distribution system. In 1999, the water treatment plant treated 979,153,000 gallons of water which was more than the 832,628,000 gallons treated in 1998. The increase of 146,525,000 is attributable to varying weather conditions between the two years.

The Wastewater Utility includes a sewerage treatment plant and a collection system. In 1999, the wastewater treatment plant treated 1,047,240,000 gallons of sewage, compared to the 1,132,671,000 gallons treated in 1998. The decrease of 85,431,000 gallons is indicative of the reduction caused by very low rain fall during the year. Infiltration and inflow problem continue to be a concern in years of high rainfall due to the age of the sanitary sewer lines.

**Fiduciary Operations:**

The Perpetual Care Fund is used for care of the Cemetery. When the City sells a grave lot, approximately 34% of the revenue from the sale goes for Perpetual Care. During 1999, the City increased the price per lot with the entire increase to be allocated to perpetual care. In 1999, the City received \$4,877 compared to \$4,974 in 1998, which is a decrease of approximately 2%.

The Bond and Inspection Fee Trust Fund is used to insure construction is completed to City code and is held until inspected by the City. In 1999, the City received \$4,500 compared to \$1,850 in 1998 and released \$1,100 in 1999 compared to \$1,050 in 1998.

The Mausoleum Trust Fund is used to care for the Mausoleum in the Cemetery. All the crypts have been sold, but the City now charges for services for the upkeep and receives income from interest. In 1999 and 1998, charges for services was zero respectfully. Interest earned was \$73 compared to \$72 in 1998.

The Insurance Trust Fund is used to insure clean up of damaged property. The insurance company is required to deposit 10% to the City as a retainer. The City received \$6,000 in both 1999 and 1998 and released \$6,000 in 1999 compared to \$12,000 in 1998.

**Debt Administration**

The debt service fund accumulates resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment long-term debt. Resources are derived from property taxes (real and personal), income taxes and operating transfers. The total bonded debt of the City as of December 31, 1999 was as follows:

Unvoted General Obligation Bonds	\$120,000
Voted General Obligation Bonds	0
General Obligation Bonds which are Self-Supporting	8,640,000

The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position. The City's debt position as of December 31, 1999 was as follows:

Overall Legal Debt Margin	\$26,407,627
Unvoted Legal Debt Margin	13,809,278
Gross General Obligation Bonded Debt Payable from Property Taxes	120,000

The statistical section of this report presents more detailed information about the debt position of the City.

**Risk Management:**

The proactive approach that the Administration employs in addressing its ongoing operations is reflected in the composition of the City's insurance protection package and its very favorable loss experience.

The City has contracted with Kahrl and Company for automotive coverage. The provision of underlying bodily injury, personal injury, property damage, and general liability coverage are provided by Kahrl and Company. Additional protection obtained through Kahrl and Company includes Emergency Medical Technician professional liability, gap police professional liability, and an overlying umbrella liability policy. Bower's Insurance Agency provides protection for honesty bonding requirements. Due to a very aggressive posture on maintaining the insurance relationship and in claims avoidance, the City has experienced a rate decrease for the seventh year in a row.

Primarily attributable to excellent employment standards and ongoing training, we have been able to maintain police professional liability coverage at a reasonable cost with a financially sound carrier, Twin City Fire Insurance Company. The reputation of our safety forces, coupled with the training provided, has been a definite plus in maintaining this difficult to place coverage. Hartford Insurance of the Midwest insures the City for firemen's errors and omissions coverage.

Deductible levels for the various policies have been selected so as not to expose the City to excessive "first dollars" loss in the case of a claim. In the property damage area, deductibles are \$250 per loss. In the professional liability areas, no deductible exceeds \$3,500. When a notice of claim does arise, in each and every instance, it is referred to the insurance company and claims monitoring is reviewed both by the administration and by the City's legal counsel to assure that the City's interests are protected.

Through a periodic review of the City's scope of activities and an evaluation of acquisitions and disposals of fixed assets, an up-to-date risk profile is made available to all of our insurance carriers.

## Cash Management

Cash temporarily idle during the year was invested in certificates of deposit, money market savings and interest bearing checking accounts. As of December 31, 1999, the City's cash resources were divided between cash and investments as follows:

<u>Cash Resources</u>	<u>Amount</u>	<u>Percentage</u>
Cash	\$2,496,899	12.23%
STAR Ohio	17,926,624	87.77%
Totals	<u>\$20,423,523</u>	<u>100.00%</u>

The City implemented an investment policy in 1997 and requires all depositories to comply with its deposit and investment ordinance and with state law governing collateralization of deposits. See Note 3 to the financial statements for additional information on deposits and investments.

## Other Information

### **Independent Audit:**

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

### **Awards:**

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mount Vernon, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 1998. 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 eight consecutive years (fiscal years ended 1991-1998). 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.

**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 1999 Comprehensive Annual Financial Report and annual independent audit.

Special appreciation is extended to Stacie Lester, Auditor-in-Charge of the City's audit by the Auditor of the State of Ohio, for her assistance and review during this project.

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

Respectfully,



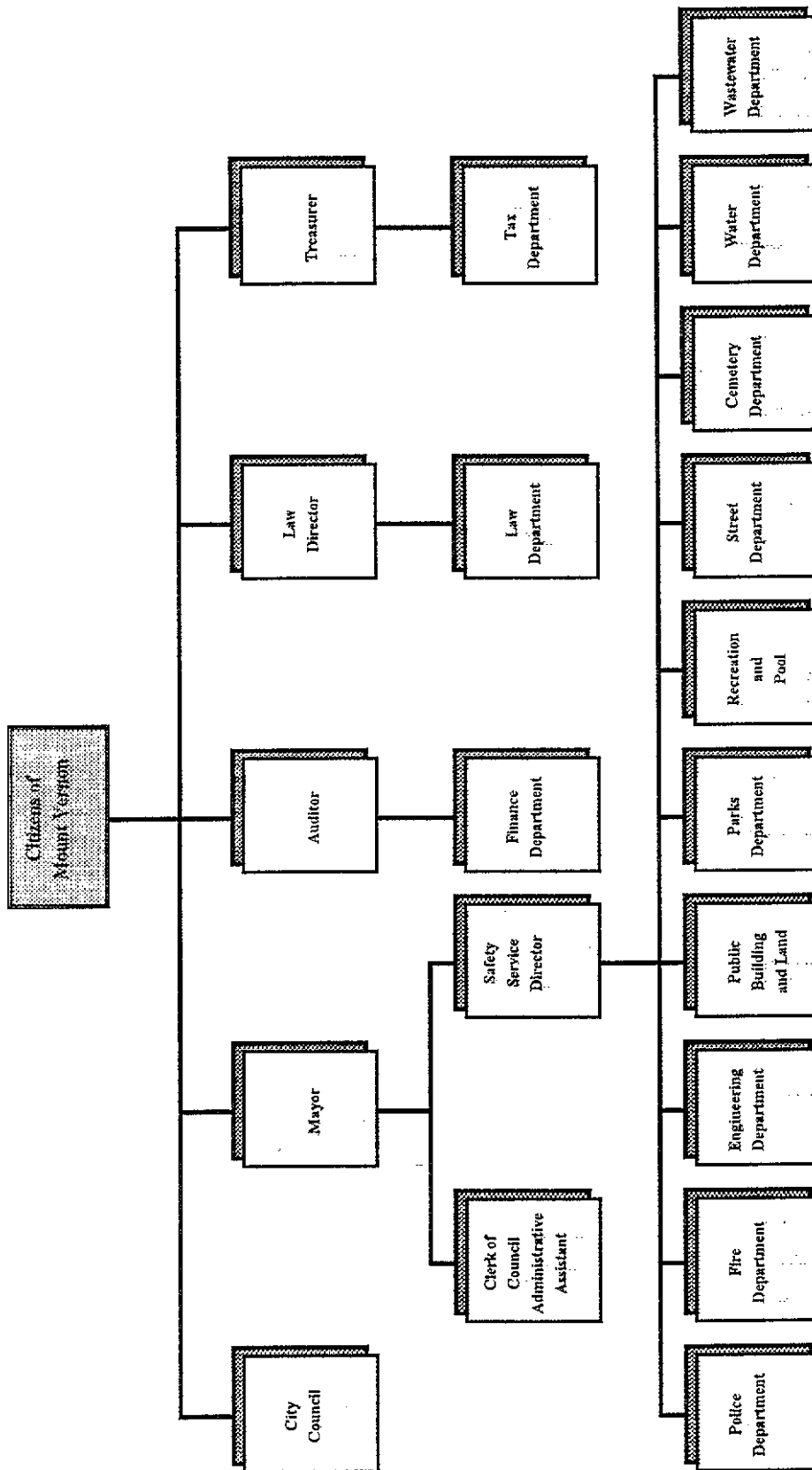
Terry Scott,  
City Auditor

**THE CITY OF MOUNT VERNON, OHIO**  
**LIST OF PRINCIPAL OFFICIALS**  
**SHOWING YEARS OF MUNICIPAL SERVICE**  
**DECEMBER 31, 1999**

<i>NAME</i>	<i>TITLE</i>	<i>YEARS OF SERVICE</i>
<i><u>City Council</u></i>		
John Booth	President	26
Paula Barone	First Ward Member	2
Charles K. Dice	Second Ward Member	1
Scott Craigo	Third Ward Member	2
Victor Wesolowski	Fourth Ward Member	2
Anna M. Kinnard	Member At-Large	6
Conard J. Conway	Member At-Large	10
D. Derk Demaree	Member At-Large	4
<i><u>City Administration</u></i>		
Richard K. Mavis	Mayor	4
Terry Scott	Auditor	5
William D. Smith	Law Director	19
Mary E. deVillers	Treasurer	9
Joel Daniels, II	Safety-Service Director	4
Janet M. Brown	Clerk of Council	7
<i><u>Department Heads</u></i>		
Bette J. Kellogg	Income Tax Administrator	25
Thomas E. Bartlett	Police Chief	36
Robert W. Beach	Fire Chief	23
James Petrak	City Engineer	1
Paul G. Oliver	Parks, Public Buildings and Land Superintendent	17
David Carpenter	Street Superintendent	8
Deborah S. Briscoe	Cemetery Foreman	19
Pam Murault	Water and Wastewater Meter and Customer Service Administrator	19
Judith Scott	Water and Wastewater Treatment and Distribution Administrator	17



The City of Mount Vernon, Ohio  
Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mount Vernon,  
Ohio

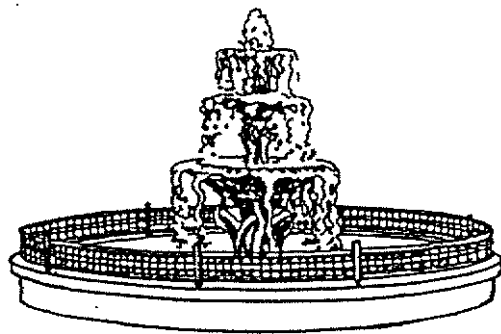
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1998

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



*Carol Brubaker*  
President

*Jeffrey L. Esser*  
Executive Director



*FINANCIAL SECTION*

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general purpose financial statements of the City of Mount Vernon, Knox County, Ohio (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Mount Vernon, Knox County, Ohio, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2000 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 grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

City Council  
City of Mount Vernon  
Knox County  
Report of Independent Accountants  
Page 2

We did not audit the data included in the statistical section of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

**JIM PETRO**  
*Auditor of State*

June 20, 2000

## *GENERAL PURPOSE FINANCIAL STATEMENTS*

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*THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 1999 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY AND NONEXPENDABLE TRUST FUNDS FOR THE YEAR THEN ENDED.*

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

	Governmental			Proprietary			Fiduciary		Account			Totals
	Fund Types			Fund Types			Fund Types		Groups			
General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	Long-Term Obligations				(Memorandum Only)
\$1,770,081	\$984,042	\$71,093	\$2,190,528	\$7,030,687	\$59,873	\$55,774	\$0	\$0	\$0	\$0	\$0	\$12,162,078
1,943,120	227,539	0	80,264	0	0	0	0	0	0	0	0	2,250,923
4,560	2,997	0	0	1,078,705	0	2,305	0	0	0	0	0	1,088,567
74	0	0	0	0	0	0	0	0	0	0	0	74
26,847	2,056	0	0	0	0	0	0	0	0	0	0	28,903
36,298	37,532	0	0	0	0	0	0	0	0	0	0	73,830
97	7,228	0	0	64,729	0	0	0	0	0	0	0	72,054
43,581	4,441	0	0	9,753	0	0	0	0	0	0	0	57,775
0	0	0	0	7,895,078	0	366,367	0	0	0	0	0	8,261,445
0	9,599	0	0	988,028	0	0	0	0	0	0	0	997,627
0	0	0	0	14,216,814	0	0	9,181,248	0	0	0	0	23,398,062
0	0	0	0	10,682,327	0	0	2,647,014	0	0	0	0	13,329,341
0	0	0	0	0	0	0	0	0	0	0	0	71,093
0	0	0	0	0	0	0	0	0	0	0	0	1,149,896
\$3,824,658	\$1,275,434	\$71,093	\$2,270,792	\$41,966,121	\$59,873	\$424,446	\$11,828,262	\$1,220,989	\$0	\$0	\$0	\$62,941,668

**Assets and Other Debits:**

**Assets:**

- Cash and Cash Equivalents
- Receivables (net of allowance for doubtful accounts):
- Taxes
- Accounts
- Interest
- Due from Other Funds
- Intergovernmental Receivable
- Inventory of Supplies at Cost
- Prepaid Items
- Restricted Assets:
- Cash and Cash Equivalents
- Cash with Fiscal Agent
- Fixed Assets (net of accumulated depreciation)
- Construction in Progress

**Other Debits:**

- Amount Available in Debt Service Fund
- Amount to be Provided for General Long-Term Obligations
- Total Assets and Other Debits

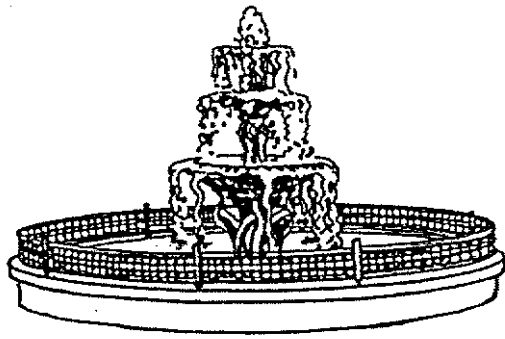
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**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

	Governmental				Proprietary				Fiduciary				Account		Totals (Memorandum Only)	
	Fund Types		Fund Types		Fund Types		Fund Types		Trust and Agency Funds		General Fixed Assets		Long-Term Obligations			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	Long-Term Obligations	Memorandum Only						
<b>Liabilities, Equity and Other Credits:</b>																
<b>Liabilities:</b>																
Accounts Payable	\$201,432	\$32,403	\$0	\$34,407	\$147,990	\$0	\$570	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$416,802	
Accrued Wages and Benefits	132,333	139,120	0	0	66,543	0	0	0	0	0	0	0	0	0	337,996	
Contracts Payable	0	0	0	149,072	1,179,123	0	0	0	0	0	0	0	0	0	1,328,195	
Due to Other Funds	0	0	0	0	0	0	28,903	0	0	0	0	0	0	0	28,903	
Intergovernmental Payables	0	0	0	0	0	0	21,197	0	0	0	0	0	0	0	21,197	
Due to Others	0	0	0	0	0	0	48,987	0	0	0	0	0	0	0	48,987	
Matured Bonds and Interest Payable	0	0	0	0	2,275	0	0	0	0	0	0	0	0	0	2,275	
Accrued Interest Payable	0	0	0	0	27,732	0	0	0	0	0	0	0	0	0	27,732	
Deferred Revenue	749,017	167,525	0	2,917	0	0	0	0	0	0	0	0	0	0	919,459	
Compensated Absences Payable	52,844	0	0	0	190,743	0	0	0	0	0	0	0	592,778	0	836,365	
Claims Payable	0	0	0	0	0	159,338	0	0	0	0	0	0	0	0	159,338	
General Obligation Bonds Payable	0	0	0	0	8,640,000	0	0	0	0	0	0	120,000	0	0	8,760,000	
Revenue Bonds Payable	0	0	0	0	10,210,000	0	0	0	0	0	0	0	0	0	10,210,000	
Police and Fire Pension Accrued Liability	0	0	0	0	0	0	0	0	0	0	0	0	508,211	0	508,211	
<b>Total Liabilities</b>	<b>1,135,626</b>	<b>339,048</b>	<b>0</b>	<b>186,396</b>	<b>20,464,406</b>	<b>159,338</b>	<b>99,657</b>	<b>0</b>	<b>1,220,989</b>	<b>0</b>	<b>1,220,989</b>	<b>0</b>	<b>23,605,480</b>	<b>0</b>	<b>23,605,480</b>	
<b>Equity and Other Credits:</b>																
Investment in General Fixed Assets	0	0	0	0	0	0	0	0	11,828,262	0	0	0	11,828,262	0	11,828,262	
Contributed Capital	0	0	0	0	4,753,810	0	0	0	0	0	0	0	4,753,810	0	4,753,810	
Retained Earnings:																
Reserved for Revenue Bond Indenture	0	0	0	0	988,028	0	0	0	0	0	0	0	988,028	0	988,028	
Unreserved	0	0	0	0	15,759,877	(99,485)	0	0	0	0	0	0	15,660,392	0	15,660,392	
<b>Total Retained Earnings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,747,905</b>	<b>(99,485)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,648,420</b>	<b>0</b>	<b>16,648,420</b>	
<b>Fund Balances:</b>																
Reserved for Encumbrances	527,616	175,966	0	580,230	0	0	5,815	0	0	0	0	0	1,289,627	0	1,289,627	
Reserved for Supplies Inventory	97	7,228	0	0	0	0	0	0	0	0	0	0	7,325	0	7,325	
Reserved for Prepaid Items	43,581	4,441	0	0	0	0	0	0	0	0	0	0	48,022	0	48,022	
Reserved for Debt Service	0	0	71,093	0	0	0	0	0	0	0	0	0	71,093	0	71,093	
Reserved for Endowments	0	0	0	0	0	0	269,585	0	0	0	0	0	269,585	0	269,585	
Unreserved:																
Undesignated	2,117,738	748,751	0	1,504,166	0	0	49,389	0	0	0	0	0	4,420,044	0	4,420,044	
<b>Total Equity and Other Credits</b>	<b>2,689,032</b>	<b>936,386</b>	<b>71,093</b>	<b>2,084,396</b>	<b>21,501,715</b>	<b>(99,485)</b>	<b>324,789</b>	<b>11,828,262</b>	<b>0</b>	<b>39,336,188</b>	<b>0</b>	<b>39,336,188</b>	<b>0</b>	<b>39,336,188</b>		
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$3,824,658</b>	<b>\$1,275,434</b>	<b>\$71,093</b>	<b>\$2,270,792</b>	<b>\$41,966,121</b>	<b>\$59,873</b>	<b>\$424,446</b>	<b>\$11,828,262</b>	<b>\$1,220,989</b>	<b>\$1,220,989</b>	<b>\$1,220,989</b>	<b>\$1,220,989</b>	<b>\$62,941,668</b>	<b>\$62,941,668</b>	<b>\$62,941,668</b>	

The notes to the general purpose financial statements are an integral part of this statement.



**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Expendable Trust Funds	
<b>Revenues:</b>						
Tax Revenues	\$5,637,207	\$456,985	\$11,371	\$368,378	\$0	\$6,473,941
Intergovernmental Revenues	944,102	773,328	0	50,040	0	1,767,470
Charges for Services	50,058	129,064	0	0	17,446	196,568
Licenses and Permits	245,069	4,747	0	0	0	249,816
Investment Earnings	351,739	13,375	5,628	2,601	73	373,416
Fines and Forfeitures	153,143	68,357	0	0	0	221,500
All Other Revenues	83,365	16,070	0	233,821	4,500	337,756
<b>Total Revenues</b>	<b>7,464,683</b>	<b>1,461,926</b>	<b>16,999</b>	<b>654,840</b>	<b>22,019</b>	<b>9,620,467</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	2,786,548	525,033	0	98,513	0	3,410,094
Public Health and Welfare Services	233,959	195,456	0	0	6,000	435,415
Leisure Time Activities	301,104	0	0	0	0	301,104
Community Environment	23,986	0	0	0	10,944	34,930
Basic Utility Services	0	0	11,296	0	0	11,296
Transportation	65,337	646,626	0	399,704	0	1,111,667
General Government	2,905,006	182,345	268	12,000	0	3,099,619
Capital Outlay	373,524	20,157	0	2,461,359	0	2,855,040
<b>Debt Service:</b>						
Principal Retirements	6,081	0	40,000	0	0	46,081
Interest and Fiscal Charges	21,794	0	9,400	0	0	31,194
<b>Total Expenditures</b>	<b>6,717,339</b>	<b>1,569,617</b>	<b>60,964</b>	<b>2,971,576</b>	<b>16,944</b>	<b>11,336,440</b>
<b>Excess (Deficiency) of</b>						
Revenues Over (Under) Expenditures	747,344	(107,691)	(43,965)	(2,316,736)	5,075	(1,715,973)
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	12,748	863	0	0	0	13,611
Operating Transfers In	49,500	238,668	0	242,660	0	530,828
Operating Transfers Out	(480,686)	(642)	0	0	0	(481,328)
<b>Total Other Financing Sources (Uses)</b>	<b>(418,438)</b>	<b>238,889</b>	<b>0</b>	<b>242,660</b>	<b>0</b>	<b>63,111</b>
<b>Excess (Deficiency) of Revenues and</b>						
<b>Other Financing Sources Over (Under)</b>						
<b>Expenditures and Other Financing Uses</b>	<b>328,906</b>	<b>131,198</b>	<b>(43,965)</b>	<b>(2,074,076)</b>	<b>5,075</b>	<b>(1,652,862)</b>
<b>Fund Balance Beginning of Year</b>	<b>2,360,126</b>	<b>805,188</b>	<b>115,058</b>	<b>4,158,472</b>	<b>50,129</b>	<b>7,488,973</b>
<b>Fund Balance End of Year</b>	<b>\$2,689,032</b>	<b>\$936,386</b>	<b>\$71,093</b>	<b>\$2,084,396</b>	<b>\$55,204</b>	<b>\$5,836,111</b>

The notes to the general purpose financial statements are an integral part of this statement.

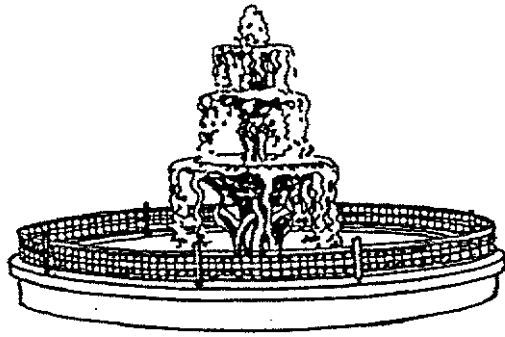
**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Fund			Special Revenue Funds		
	Revised		Variance:	Revised		Variance:
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>						
Tax Revenues	\$5,505,360	\$5,662,403	\$157,043	\$436,960	\$459,050	\$22,090
Intergovernmental Revenues	894,151	894,661	510	2,106,254	997,768	(1,108,486)
Charges for Services	46,050	49,732	3,682	124,250	130,378	6,128
Licenses and Permits	230,950	242,488	11,538	1,500	4,747	3,247
Investment Earnings	400,000	351,777	(48,223)	12,100	13,375	1,275
Fines and Forfeitures	165,000	153,348	(11,652)	65,000	68,637	3,637
All Other Revenues	75,370	82,211	6,841	0	16,070	16,070
Total Revenues	7,316,881	7,436,620	119,739	2,746,064	1,690,025	(1,056,039)
<b>Expenditures:</b>						
<i>Current:</i>						
Security of Persons and Property	3,055,863	2,899,836	156,027	886,675	633,884	252,791
Public Health and Welfare Services	286,220	277,042	9,178	255,948	207,846	48,102
Leisure Time Activities	320,603	304,373	16,230	49,274	0	49,274
Community Environment	29,940	25,604	4,336	0	0	0
Basic Utility Services	0	0	0	0	0	0
Transportation	90,800	65,369	25,431	958,526	682,487	276,039
General Government	3,586,688	3,279,628	307,060	1,666,402	424,424	1,241,978
Capital Outlay	710,140	511,464	198,676	52,176	33,254	18,922
<i>Debt Service:</i>						
Principal Retirement	6,090	6,081	9	0	0	0
Interest and Fiscal Charges	21,910	21,794	116	0	0	0
Total Expenditures	8,108,254	7,391,191	717,063	3,869,001	1,981,895	1,887,106
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	(791,373)	45,429	836,802	(1,122,937)	(291,870)	831,067
<b>Other Financing Sources (Uses):</b>						
Proceeds of Sale of Fixed Assets	0	12,748	12,748	0	863	863
Operating Transfers In	49,500	49,500	0	298,250	238,668	(59,582)
Operating Transfers Out	(675,960)	(473,186)	202,774	(6,600)	(642)	5,958
Total Other Financing Sources (Uses)	(626,460)	(410,938)	215,522	291,650	238,889	(52,761)
Excess (Deficiency) of Revenues and						
Other Financing Sources Over (Under)						
Expenditures and Other Financing Uses	(1,417,833)	(365,509)	1,052,324	(831,287)	(52,981)	778,306
Fund Balance at Beginning of Year	870,673	870,673	0	608,506	608,506	0
Prior Year Encumbrances	547,160	547,160	0	226,986	226,986	0
Fund Balance at End of Year	\$0	\$1,052,324	\$1,052,324	\$4,205	\$782,511	\$778,306

The notes to the general purpose financial statements are an integral part of this statement.

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

<i>Debt Service Fund</i>			<i>Capital Projects Fund</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$11,371	\$11,371	\$0	\$357,800	\$370,674	\$12,874	\$6,311,491	\$6,503,498	\$192,007
0	0	0	101,677	123,592	21,915	3,102,082	2,016,021	(1,086,061)
0	0	0	0	0	0	170,300	180,110	9,810
0	0	0	0	0	0	232,450	247,235	14,785
7,000	5,628	(1,372)	0	2,601	2,601	419,100	373,381	(45,719)
0	0	0	0	0	0	230,000	221,985	(8,015)
925	925	0	228,557	233,821	5,264	304,852	333,027	28,175
19,296	17,924	(1,372)	688,034	730,688	42,654	10,770,275	9,875,257	(895,018)
0	0	0	0	0	0	3,942,538	3,533,720	408,818
0	0	0	0	0	0	542,168	484,888	57,280
0	0	0	0	0	0	369,877	304,373	65,504
0	0	0	0	0	0	29,940	25,604	4,336
11,371	11,296	75	0	0	0	11,371	11,296	75
0	0	0	1,257,631	265,058	992,573	2,306,957	1,012,914	1,294,043
501	268	233	6,000	5,751	249	5,259,591	3,710,071	1,549,520
0	0	0	3,368,000	3,219,317	148,683	4,130,316	3,764,035	366,281
4,685,000	4,674,583	10,417	0	0	0	4,691,090	4,680,664	10,426
776,363	754,444	21,919	0	0	0	798,273	776,238	22,035
5,473,235	5,440,591	32,644	4,631,631	3,490,126	1,141,505	22,082,121	18,303,803	3,778,318
(5,453,939)	(5,422,667)	31,272	(3,943,597)	(2,759,438)	1,184,159	(11,311,846)	(8,428,546)	2,883,300
0	0	0	0	0	0	0	13,611	13,611
5,338,881	5,378,702	39,821	0	242,660	242,660	5,686,631	5,909,530	222,899
0	0	0	0	0	0	(682,560)	(473,828)	208,732
5,338,881	5,378,702	39,821	0	242,660	242,660	5,004,071	5,449,313	445,242
(115,058)	(43,965)	71,093	(3,943,597)	(2,516,778)	1,426,819	(6,307,775)	(2,979,233)	3,328,542
115,058	115,058	0	3,688,650	3,688,650	0	5,282,887	5,282,887	0
0	0	0	254,947	254,947	0	1,029,093	1,029,093	0
\$0	\$71,093	\$71,093	\$0	\$1,426,819	\$1,426,819	\$4,205	\$3,332,747	\$3,328,542



**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS/FUND BALANCES**  
**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<i>Proprietary</i>		<i>Fiduciary</i>	<i>Totals</i> <i>(Memorandum</i> <i>Only)</i>
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<b><u>Operating Revenues:</u></b>				
Charges for Services	\$4,543,080	\$902,749	\$4,877	\$5,450,706
Other Operating Revenues	3,956	0	0	3,956
Total Operating Revenues	4,547,036	902,749	4,877	5,454,662
<b><u>Operating Expenses:</u></b>				
Personal Services	1,471,398	0	0	1,471,398
Materials and Supplies	747,397	0	0	747,397
Contractual Services	277,682	944,058	0	1,221,740
Utilities	312,222	0	0	312,222
Depreciation	643,696	0	0	643,696
Other Operating Expenses	3,549	0	0	3,549
Total Operating Expenses	3,455,944	944,058	0	4,400,002
Operating Income (Loss)	1,091,092	(41,309)	4,877	1,054,660
<b><u>Nonoperating Revenues (Expenses):</u></b>				
Investment Earnings	941,045	1,940	0	942,985
Interest and Fiscal Charges	(818,222)	0	0	(818,222)
Gain on Disposal of Fixed Assets	2,234	0	0	2,234
Total Nonoperating Revenues (Expenses)	125,057	1,940	0	126,997
Income (Loss) Before Operating Transfers	1,216,149	(39,369)	4,877	1,181,657
<b><u>Operating Transfers:</u></b>				
Operating Transfers Out	(49,500)	0	0	(49,500)
Total Operating Transfers	(49,500)	0	0	(49,500)
Net Income (Loss)	1,166,649	(39,369)	4,877	1,132,157
Retained Earnings (Accumulated Deficit)/				
Fund Balance at Beginning of Year	15,581,256	(60,116)	264,708	15,785,848
Retained Earnings (Accumulated Deficit)/				
Fund Balance at End of Year	\$16,747,905	(\$99,485)	\$269,585	\$16,918,005

The notes to the general purpose financial statements are an integral part of this statement.

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary</u>		<u>Fiduciary</u>	Totals (Memorandum Only)
	<u>Fund Types</u>		<u>Fund Type</u>	
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$4,236,384	\$902,749	\$5,064	\$5,144,197
Cash Payments for Goods and Services	(1,230,612)	(854,441)	0	(2,085,053)
Cash Payments to Employees	(1,480,688)	0	0	(1,480,688)
Net Cash Provided by Operating Activities	<u>1,525,084</u>	<u>48,308</u>	<u>5,064</u>	<u>1,578,456</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers Out to Other Funds	(49,500)	0	0	(49,500)
Net Cash Used for Noncapital Financing Activities	<u>(49,500)</u>	<u>0</u>	<u>0</u>	<u>(49,500)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds from Revenue Bonds	8,370,000	0	0	8,370,000
Proceeds from Notes	4,000,000	0	0	4,000,000
Proceeds from Sale of Fixed Assets	13,720	0	0	13,720
Acquisition and Construction of Assets	(8,643,659)	0	0	(8,643,659)
Principal Paid on General Obligation Bonds	(325,000)	0	0	(325,000)
Principal Paid on Revenue Bonds	(395,000)	0	0	(395,000)
Principal Paid on Notes	(4,000,000)	0	0	(4,000,000)
Interest Paid on All Debt	(829,689)	0	0	(829,689)
Net Cash Used for Capital and Related Financing Activities	<u>(1,809,628)</u>	<u>0</u>	<u>0</u>	<u>(1,809,628)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	940,868	1,940	0	942,808
Net Cash Provided by Investing Activities	<u>940,868</u>	<u>1,940</u>	<u>0</u>	<u>942,808</u>
Net Increase in Cash and Cash Equivalents	606,824	50,248	5,064	662,136
Cash and Cash Equivalents at Beginning of Year	15,306,969	9,625	262,216	15,578,810
Cash and Cash Equivalents at End of Year	<u>\$15,913,793</u>	<u>\$59,873</u>	<u>\$267,280</u>	<u>\$16,240,946</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>				
Cash and Cash Equivalents	\$7,030,687	\$59,873	\$55,774	\$7,146,334
Restricted Cash and Cash Equivalents	7,895,078	0	366,367	8,261,445
Restricted Cash with Fiscal Agent	988,028	0	0	988,028
Less: Cash and Cash Equivalents in Expendable Trust Fund	0	0	(55,774)	(55,774)
Less: Restricted Cash in Agency Fund	0	0	(99,087)	(99,087)
Cash and Cash Equivalents at End of Year	<u>\$15,913,793</u>	<u>\$59,873</u>	<u>\$267,280</u>	<u>\$16,240,946</u>

(Continued)



THE CITY OF MOUNT VERNON, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Non- expendable Trust Fund	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>				
Operating Income (Loss)	\$1,091,092	(\$41,309)	\$4,877	\$1,054,660
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	643,696	0	0	643,696
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(310,652)	0	187	(310,465)
Decrease in Inventory	41,657	0	0	41,657
Increase in Prepaid Items	(378)	0	0	(378)
Increase in Accounts Payable	68,959	0	0	68,959
Decrease in Accrued Wages and Benefits	(8,075)	0	0	(8,075)
Decrease in Compensated Absences	(1,215)	0	0	(1,215)
Increase in Claims Payable	0	89,617	0	89,617
Total Adjustments	433,992	89,617	187	523,796
Net Cash Provided (Used) by Operating Activities	<u>\$1,525,084</u>	<u>\$48,308</u>	<u>\$5,064</u>	<u>\$1,578,456</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 1999 the Water Fund had outstanding liabilities of \$1,179,123 for the purchase of capital assets.

The notes to the general purpose financial statements are an integral part of this statement.

**THE CITY OF MOUNT VERNON, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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**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 accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types and the cash flows of the proprietary and nonexpendable trust funds. The financial statements are presented as of December 31, 1999 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (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 general purpose financial statements comply with the provisions of the GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, 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 1999.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/ expenses. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

***Governmental Funds***

The Governmental Funds are those funds through which most governmental functions are typically 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 upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's governmental fund types:

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.

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

Debt Service Fund - This fund is used for the accumulation of resources for the payment of general long-term debt principal and interest.

Capital Projects 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).

***Proprietary Funds***

The proprietary funds are accounted for on a "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) are segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund - This fund is used to account for the financing of services provided by one department to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

*Fiduciary Funds*

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains expendable trust funds, a nonexpendable trust fund and agency funds. The expendable trust funds are accounted for and reported similarly to a governmental fund. The nonexpendable trust fund is accounted for and reported similarly to proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups - To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term liabilities of the City except those accounted for in the proprietary funds.

**C. 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 and expendable trust and agency 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 for the City is 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.

Revenues considered susceptible to accrual at year end include income taxes withheld by employers, 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, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenues when received in cash because generally these revenues are not measurable until received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Property taxes measurable as of December 31, 1999 but which are not intended to finance 1999 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 4.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and non-expendable trust funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. 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 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 governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by an ordinance of the City Council.

1. Tax Budget

By July 15, the Mayor submits an annual 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

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

D. Budgetary Process (Continued)2. Estimated Resources (Continued)

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 certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. 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 budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

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 appropriation 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 "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

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

5. Lapsing of Appropriations

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

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

D. Budgetary Process (Continued)6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
GAAP Basis (as reported)	\$328,906	\$131,198	(\$43,965)	(\$2,074,076)
Increase (Decrease):				
Accrued Revenues at December 31, 1999 received during 2000	(1,261,882)	(112,198)	0	(77,347)
Accrued Revenues at December 31, 1998 received during 1999	1,233,819	340,297	0	373,852
Accrued Expenditures at December 31, 1999 paid during 2000	386,647	179,100	0	183,479
Accrued Expenditures at December 31, 1998 paid during 1999	(336,422)	(389,682)	0	(158,977)
1998 Prepays for 1999	43,951	4,276	0	0
1999 Prepays for 2000	(43,581)	(4,441)	0	0
Outstanding Encumbrances	(716,947)	(201,531)	0	(763,709)
Budget Basis	<u>(\$365,509)</u>	<u>(\$52,981)</u>	<u>(\$43,965)</u>	<u>(\$2,516,778)</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, the State Treasury Assets Reserve (STAR Ohio), 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 as if each fund maintained its own cash and investment account. See Note 3, "Cash, Cash Equivalents and Investments."

**F. 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. The City allocates interest among the various funds based upon the fund's cash balance at the date of investment. See Note 3, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 1999. 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, 1999.

**G. 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. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

**H. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by the ultimate use:

**I. Property, Plant and Equipment - General Governmental Purposes**

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.



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

**H. Fixed Assets and Depreciation (Continued)**

**1. Property, Plant and Equipment - General Governmental Purposes (Continued)**

General fixed asset values were initially determined at December 31, 1986 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 fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

**2. Property, Plant and Equipment - Proprietary Fund**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees when applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Machinery, Equipment, Furniture and Fixtures	5 - 20
Buildings	15 - 25
Improvements Other Than Buildings	25 - 65

**I. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Obligation Bond Retirement Fund
	Water Fund
	Sewer Fund
Mortgage Revenue Bond	Water Fund
	Sewer Fund
Police and Fire Pension Accrued Liability	General Fund
Compensated Absences	General Fund
	Water Fund
	Sewer Fund

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

**J. Compensated Absences**

City employees earn vacation at varying rates based upon length of service. A maximum of two 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 and 1,296 hours for 48 hour employees with ten or more years of service.

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, 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.

For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is 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 long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

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

**K. Pensions**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**L. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as Other Financing Sources and Uses in the governmental funds, as "Operating transfers-in" by the recipient fund, and "Operating transfers-out" by the disbursing fund.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers in 1999.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

**M. Reservations of Fund Balance**

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

**N. Contributed Capital**

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

**O. Total Columns on Combined Financial Statements - Overview**

Total columns on the "Combined Financial Statements-Overview" are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**P. Restricted Assets**

Certain assets are classified as restricted cash on the balance sheet because these funds are being held by a trustee as designated by a bond indenture, or in a trustee capacity for perpetual care and municipal court functions.

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

*Retained Earnings Deficit* -The retained earnings deficit at December 31, 1999 of \$99,485 in the Self Insurance (internal service fund) arose from the recognition of expenses on the accrual basis which are greater than expenses on a cash basis. The general fund provides operating transfers when cash is required, not when accruals occur.

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

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 two 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;

## NOTE 3 - 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).

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 110% 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. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

*Investments:*

- Category 1 Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**A. Deposits**

At year end the carrying amount of the City's deposits was \$2,496,899 and the bank balance \$3,440,314. The Federal Deposit Insurance Corporation (FDIC) covered \$375,848 of the bank balance. All remaining deposits were classified as Category 3.

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

**B. Investments**

The City's investments at December 31, 1999 are summarized below:

<u>Non-Categorized Investments</u>	<u>Fair Value</u>
STAR Ohio (Uncollateralized investment pool)	<u>\$17,926,624</u>

**C. Cash with Fiscal Agents**

In addition to deposits and investments, the City had cash with fiscal agents in the amount of \$997,627. Of this amount, \$988,028 represents bond reserve accounts, of which \$100,000 was insured by the FDIC and the remaining deposits were uninsured and uncollateralized. The remaining amount of \$9,599 is being held by the Knox County Engineer and is uninsured and uncollateralized. This cash is restricted in its use for various road improvement projects.

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

The classification of cash, cash equivalents and investments on the combined 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 Combined Balance Sheet	\$20,423,523	\$0
Investments:		
STAR Ohio	(17,926,624)	17,926,624
Per GASB Statement No. 3	<u>\$2,496,899</u>	<u>\$17,926,624</u>

**NOTE 4 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 1999 were levied after October 1, 1998 on assessed values as of January 1, 1998, 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 1996. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

NOTE 4 -- TAXES (Continued)

**A. Property Taxes** (Continued)

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder payable by September 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, 1999 was \$3.20 per \$1,000 of assessed value. The 1999 assessed value was \$251,999,455. This amount constitutes \$167,598,890 in real property assessed value, \$9,985,160 in public utility assessed value and \$74,415,405 in tangible personal property assessed value.

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 100% of the tax paid to another municipality to a maximum of the total amount assessed.

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.

**NOTE 5 - RECEIVABLES**

Receivables at December 31, 1999 consisted of taxes, accounts, interest, interfund and intergovernmental receivables.

**NOTE 6 - OPERATING TRANSFERS**

Following is a summary of operating transfers in and out for all funds for 1999:

Fund	Transfer In	Transfer Out
General Fund	\$49,500	\$480,686
Special Revenue Funds:		
Park Development Fund	15,526	0
Law Enforcement Trust Fund	7,500	0
COPS Fast Grant Fund	0	642
Police Pension Fund	75,642	0
Fire Pension Fund	135,000	0
SVAW Fund	5,000	0
Total Special Revenue Funds	<u>238,668</u>	<u>642</u>
Capital Projects Fund:		
Capital Improvement Fund	242,660	0
Enterprise Funds:		
Water Fund	0	24,500
Sewer Fund	0	25,000
Total Enterprise Funds	<u>0</u>	<u>49,500</u>
Totals	<u>\$530,828</u>	<u>\$530,828</u>

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at December 31, 1999 consist of the following individual fund receivables and payables:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$26,847	\$0
Special Revenue Funds:		
Indigent Drivers Alcohol Treatment Fund	332	0
DUI Enforcement and Education Fund	56	0
Court Computerization Fund	1,668	0
Total Special Revenue Funds	<u>2,056</u>	<u>0</u>
Agency Fund:		
Municipal Court Fund	0	28,903
Totals	<u>\$28,903</u>	<u>\$28,903</u>



## NOTE 8 - FIXED ASSETS

**A. General Fixed Assets**

Summary by category of changes in general fixed assets:

Category	December 31, 1998	Additions	Deletions	December 31, 1999
Land	\$1,121,795	\$960	(\$711)	\$1,122,044
Buildings and Improvements	2,845,189	11,154	0	2,856,343
Improvements Other Than Buildings	484,909	8,050	0	492,959
Machinery and Equipment	3,925,093	887,930	(103,121)	4,709,902
Construction in Progress	128,420	2,518,594	0	2,647,014
Totals	<u>\$8,505,406</u>	<u>\$3,426,688</u>	<u>(\$103,832)</u>	<u>\$11,828,262</u>

Schedule of General Fixed Assets at December 31, 1999:

General Fixed Assets		Investment in General Fixed Assets	
Land	\$1,122,044	General Fund	\$4,698,556
Buildings and Improvements	2,856,343	Special Revenue Funds	152,937
Improvements Other Than Buildings	492,959	Capital Projects Fund	6,695,142
Machinery and Equipment	4,709,902	Proprietary Funds	84,846
Construction in Progress	2,647,014	Contributions	15,058
Total	<u>\$11,828,262</u>	Federal Grants	103,827
		State Grants	77,896
		Total	<u>\$11,828,262</u>

**B. Proprietary Fixed Assets**

Summary by Category at December 31, 1999:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$894,311	\$0	\$894,311
Buildings and Improvements	4,338,869	(2,057,919)	2,280,950
Utility Structures in Services	19,141,444	(8,474,250)	10,667,194
Machinery and Equipment	2,736,243	(2,361,884)	374,359
Construction in Progress	10,682,327	0	10,682,327
Property, Plant and Equipment	<u>\$37,793,194</u>	<u>(\$12,894,053)</u>	<u>\$24,899,141</u>

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$428,200, \$395,564 and \$395,496, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$132,726.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

## NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)

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

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

**B. Ohio Police and Fire Pension Fund (the "OP&F Fund")**

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 1999, 1998 and 1997 were \$173,493, \$167,136 and \$166,136 for police and \$208,532, \$197,001 and \$190,013 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 1999 covered payroll that was used to fund postemployment health care benefits was \$62,280 representing 7.00% of covered payroll for police and \$60,822 representing 7.00% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1998, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 11,424 for police and 9,186 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1998 were \$78,596,790, which was net of member contributions of \$5,331,515.

**NOTE 10 – 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 year end are recorded in the General Long-Term Obligations Account Group. At December 31, 1999, the total accumulated unpaid sick, vacation and compensatory time recorded in the General Long-Term Obligations Account Group and governmental funds was as follows:

	Hours	Amount
Sick Leave	66,565	\$490,675
Vacation	10,080	138,894
Compensatory Time	-1,165	16,053
Total	<u>77,810</u>	<u>645,622</u>
Less: Current Portion		(52,844)
Other Long-Term Obligations		<u>\$592,778</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 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 1999 were as follows:

		Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
<b>Enterprise Funds:</b>				
Mortgage Revenue Bond:				
3.00 - 4.75% Water	1999	\$0	\$8,370,000	
			(285,000)	\$8,085,000
3.00 - 6.00% Sewer	1992	2,235,000	(110,000)	2,125,000
Total Mortgage Revenue Bond Payable		<u>2,235,000</u>	<u>7,975,000</u>	<u>10,210,000</u>
General Obligation Bonds:				
7.125% Waterworks	1986	120,000	(40,000)	80,000
6.525% Waterworks	1997	8,845,000	(285,000)	8,560,000
Total General Obligation Bonds Payable		<u>8,965,000</u>	<u>(325,000)</u>	<u>8,640,000</u>
Total Enterprise Long-Term Debt		<u>\$11,200,000</u>	<u>\$7,650,000</u>	<u>\$18,850,000</u>
<b>General Long-Term Debt:</b>				
General Obligation Bond:				
5.875% Plaza Building	1987	\$160,000	(\$40,000)	\$120,000
Total General Long-Term Debt		<u>160,000</u>	<u>(40,000)</u>	<u>120,000</u>
<b>Other Long-Term Obligations:</b>				
Compensated Absences		612,119	(19,341)	592,778
Police and Firemen's Pension Accrued Liability		514,292	(6,081)	508,211
Total Other Long-Term Obligations		<u>1,126,411</u>	<u>(25,422)</u>	<u>1,100,989</u>
Total General Long-Term Debt and Other Long-Term Obligations		<u>\$1,286,411</u>	<u>(\$65,422)</u>	<u>\$1,220,989</u>

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

**A. 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, 1999 was \$988,115 in principal and interest payments through the year 2035. Only the principal amount is included in the General Long-Term Obligations Account Group.

**B. Principal and Interest Requirements**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 1999 are as follows:

Years	General Obligation Bonds		Mortgage Revenue Bond	
	Principal	Interest	Principal	Interest
2000	\$375,000	\$414,890	\$410,000	\$464,577
2001	385,000	398,478	425,000	448,862
2002	360,000	382,095	440,000	432,132
2003	335,000	368,334	460,000	414,042
2004	345,000	354,136	480,000	394,457
2005-2009	1,990,000	1,524,546	2,750,000	1,629,865
2010-2014	2,490,000	1,016,084	2,970,000	928,292
2015-2035	2,480,000	325,437	2,275,000	273,675
Totals	\$8,760,000	\$4,784,000	\$10,210,000	\$4,985,902

Years	Police/Fire Pension Liability		Totals	
	Principal	Interest	Principal	Interest
2000	\$6,343	\$21,532	\$791,343	\$900,999
2001	6,615	21,260	816,615	868,600
2002	6,899	20,976	806,899	835,203
2003	7,195	20,680	802,195	803,056
2004	7,504	20,370	832,504	768,963
2005-2009	42,643	96,733	4,782,643	3,251,144
2010-2014	52,620	86,752	5,512,620	2,031,128
2015-2035	378,392	191,601	5,133,392	790,713
Totals	\$508,211	\$479,904	\$19,478,211	\$10,249,806

**NOTE 12 - NOTES PAYABLE**

The Ohio Revised Code provides that notes and renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than the principal maturities required if the bonds had been issued at the expiration of the initial five year period.

The City had one short-term general obligation bond anticipation note payable, in the Water Fund at December 31, 1999. The notes are secured by the full faith and credit of the City and they matured during the year year. Below is a summary of notes payable activity during 1999:

	Balance January 1, 1999	Issued (Retired)	Balance December 31, 1999
Enterprise Notes Payable:			
Water Fund:			
4.75% Waterworks Improvement	\$0	\$4,000,000 (4,000,000)	\$0
Total Notes Payable	\$0	\$0	\$0

**NOTE 13 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

Included in the services provided by the City financed primarily by user charges are water treatment and distribution and wastewater collection and treatment. The key financial information for the year ended December 31, 1999 for these enterprise activities is as follows:

	Water	Sewer	Total
Operating Revenues	\$2,233,043	\$2,313,993	\$4,547,036
Depreciation Expense	303,084	340,612	643,696
Operating Income	506,203	584,889	1,091,092
Operating Transfers Out	(24,500)	(25,000)	(49,500)
Net Income	544,310	622,339	1,166,649
Property, Plant and Equipment:			
Additions	8,944,451	355,943	9,300,394
Deletions	17,992	8,969	26,961
Total Assets	28,662,386	13,303,735	41,966,121
Net Working Capital	2,250,176	4,512,310	6,762,486
Bonds Payable	16,725,000	2,125,000	18,850,000
Total Equity	10,560,355	10,941,360	21,501,715

**NOTE 14 - CONTRIBUTED CAPITAL**

There were no changes to contributed capital in the enterprise funds during the year. Contributed capital balances as of year end were as follows:

	Water Fund	Sewer Fund	Total
Contributed Capital at December 31, 1999	\$853,938	\$3,899,872	\$4,753,810

**NOTE 15 - 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. During 1999 the City contracted with several different insurance providers for various insurance coverages as follows:

Insurance Provider	Coverage	Deductible
Scottsdale Indemnity Company	General Liability	\$0
Indiana Insurance Company	Valuable Paper, Equipment Floater, EDP, Boiler and Machinery	\$1,000
Personal Service Insurance Company	Automobile	\$250 Comprehensive, \$500-Collision
National Casualty Insurance	Law Enforcement Liability	\$2,500
National Casualty Insurance	Employee Blanket Coverage	\$5,000
National Casualty Insurance	Public Officials Liability	\$5,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

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.

In 1997, the City elected to provide group health benefits to employees and their eligible dependents through a self-insured program. Premiums are paid into an internal service fund by all funds having compensated employees based on the number of active participating employees. The monies paid into the Self-Insurance Fund (internal service fund) are available to pay claims and administrative costs. The plan is administered by a third party administrator. The claims liability of \$159,358 reported in the fund at December 31, 1999 is based on requirements of GASB No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim can be reasonable estimated. Changes in the fund's claims liability amount in 1999 were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
1998	\$78,033	\$681,548	\$689,840	\$69,741
1999	69,741	944,058	854,441	159,358

**NOTE 16 - CONDUIT DEBT OBLIGATIONS**

The City has issued Industrial Revenue Bonds to provided financial assistance to private sector entities for the acquisition and construction of industrial and commercial 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.

As of December 31, 1999, there was one Industrial Revenue Bond outstanding with an aggregate principal amount payable of \$3,995,000.

**NOTE 17 - CONSTRUCTION COMMITMENTS**

As of December 31, 1999, the City had the following contracts with respect to capital projects:

Capital Projects	Remaining Construction Contract	Expected Date of Completion
Water Treatment Plant	\$6,856,943	September 2000
Main Fire Station	491,179	April 2000

**NOTE 18 - 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 19 - SUBSEQUENT EVENTS**

On May 31, 2000, the City terminated its group health benefits to employees through a self-insured program. Effective June 1, 2000, health benefits to employees will be provided by a fully insured group health benefit program.

It is anticipated the City will issue bonds in the amount \$3,000,000 as early as August 1, 2000 to finance the construction of a sanitary sewer interceptor from the treatment plant to the industrial park. The project is planned to begin as early September 2000.



*COMBINING AND INDIVIDUAL  
FUND AND ACCOUNT GROUP  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS  
AND SCHEDULES INCLUDE THE GENERAL  
FUND, SPECIAL REVENUE FUNDS, DEBT  
SERVICE FUNDS, CAPITAL PROJECTS FUNDS,  
ENTERPRISE FUNDS, FIDUCIARY FUNDS AND  
THE GENERAL FIXED ASSETS ACCOUNT  
GROUP.*



GENERAL FUND

The General Fund is used to account for government resources which are not accounted for in any other 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.

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$540,500	\$543,486	\$2,986
Municipal Income Tax	4,964,800	5,118,817	154,017
Other Local Taxes	60	100	40
State Levied Shared Taxes	791,651	790,904	(747)
Intergovernmental Revenues	102,500	103,757	1,257
Charges for Services	46,050	49,732	3,682
Licenses and Permits	230,950	242,488	11,538
Investment Earnings	400,000	351,777	(48,223)
Fines and Forfeitures	165,000	153,348	(11,652)
All Other Revenues	75,370	82,211	6,841
Total Revenues	<u>7,316,881</u>	<u>7,436,620</u>	<u>119,739</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Police Division:			
Personal Services	1,030,543	958,212	72,331
Travel and Transportation	12,424	10,433	1,991
Contractual Services	2,000	1,883	117
Supplies and Materials	134,219	126,269	7,950
Capital Outlay	129,591	116,496	13,095
Total Police Division	<u>1,308,777</u>	<u>1,213,293</u>	<u>95,484</u>
Fire and E.M.S. Division:			
Personal Services	1,491,220	1,440,164	51,056
Travel and Transportation	38,034	37,577	457
Contractual Services	2,500	2,500	0
Supplies and Materials	145,847	134,881	10,966
Capital Outlay	526,756	351,498	175,258
Total Fire and E.M.S. Division	<u>2,204,357</u>	<u>1,966,620</u>	<u>237,737</u>

(Continued)

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Miscellaneous:			
Street Lighting/Radio Repair/Sirens Supplies and Materials	196,076	184,917	11,159
Public Defender			
Contract Services	3,000	3,000	0
Debt Services:			
Principal Retirement	6,090	6,081	9
Interest and Fiscal Charges	21,910	21,794	116
Total Miscellaneous	<u>227,076</u>	<u>215,792</u>	<u>11,284</u>
Total Security of Persons and Property	<u>3,740,210</u>	<u>3,395,705</u>	<u>344,505</u>
Public Health and Welfare Services:			
Police Division:			
Contractual Services	199,199	190,021	9,178
Total Police Division	<u>199,199</u>	<u>190,021</u>	<u>9,178</u>
Humane Officer:			
Contractual Services	23,457	23,457	0
Supplies and Materials	25,064	25,064	0
Total Humane Officer	<u>48,521</u>	<u>48,521</u>	<u>0</u>
Health Department:			
Contractual Services	38,500	38,500	0
Total Health Department	<u>38,500</u>	<u>38,500</u>	<u>0</u>
Total Public Health and Welfare Services	<u>286,220</u>	<u>277,042</u>	<u>9,178</u>
Leisure Time Activities:			
Parks:			
Personal Services	116,070	105,417	10,653
Travel and Transportation	749	110	639
Supplies and Materials	97,798	95,064	2,734
Capital Outlay	8,976	8,667	309
Total Parks	<u>223,593</u>	<u>209,258</u>	<u>14,335</u>

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable) (Continued)
<b>Recreation:</b>			
Personal Services	13,000	12,580	420
Contractual Services	7,000	7,000	0
Supplies and Materials	5,700	4,766	934
Total Recreation	25,700	24,346	1,354
<b>Pool:</b>			
Personal Services	39,578	39,578	0
Supplies and Materials	40,708	39,858	850
Capital Outlay	20,277	18,531	1,746
Total Pool	100,563	97,967	2,596
Total Leisure Time Activities	349,856	331,571	18,285
<b>Community Environment:</b>			
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning: Supplies and Materials	29,940	25,604	4,336
Total Community Environment	29,940	25,604	4,336
<b>Transportation:</b>			
Miscellaneous: Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail: Supplies and Materials	90,800	65,369	25,431
Total Transportation	90,800	65,369	25,431
<b>General Government:</b>			
<b>Council:</b>			
Personal Services	46,570	46,325	245
Travel and Transportation	7,715	2,727	4,988
Contractual Services	1,500	762	738
Supplies and Materials	2,634	2,606	28
Total Council	58,419	52,420	5,999

(Continued)

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Mayor:</b>			
Personal Services	68,356	65,700	2,656
Travel and Transportation	500	136	364
Supplies and Materials	11,154	7,806	3,348
Other Expenditures	200	25	175
Total Mayor	<u>80,210</u>	<u>73,667</u>	<u>6,543</u>
<b>Auditor:</b>			
Personal Services	181,581	157,593	23,988
Travel and Transportation	6,748	6,742	6
Contractual Services	7,173	7,173	0
Supplies and Materials	23,996	23,558	438
Total Auditor	<u>219,498</u>	<u>195,066</u>	<u>24,432</u>
<b>Treasurer:</b>			
Personal Services	5,821	5,821	0
Supplies and Materials	1,000	845	155
Total Treasurer	<u>6,821</u>	<u>6,666</u>	<u>155</u>
<b>Law Director:</b>			
Personal Services	118,293	118,283	10
Travel and Transportation	100	96	4
Supplies and Materials	32,845	31,022	1,823
Total Law Director	<u>151,238</u>	<u>149,401</u>	<u>1,837</u>
<b>Income Tax:</b>			
Personal Services	89,000	87,881	1,119
Travel and Transportation	3,500	1,587	1,913
Supplies and Materials	104,277	90,577	13,700
Capital Outlay	5,000	1,169	3,831
Total Income Tax	<u>201,777</u>	<u>181,214</u>	<u>20,563</u>
<b>Municipal Court:</b>			
Personal Services	327,756	310,713	17,043
Travel and Transportation	5,966	2,950	3,016
Contractual Services	2,500	2,441	59
Supplies and Materials	49,270	42,844	6,426
Total Municipal Court	<u>385,492</u>	<u>358,948</u>	<u>26,544</u>

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Civil Service:			
Personal Services	5,500	4,883	617
Travel and Transportation	100	0	100
Supplies and Materials	7,157	2,411	4,746
Total Civil Service	<u>12,757</u>	<u>7,294</u>	<u>5,463</u>
Safety Service:			
Personal Services	80,000	75,829	4,171
Travel and Transportation	875	866	9
Contractual Services	56,294	34,780	21,514
Supplies and Materials	12,603	9,279	3,324
Total Safety Service	<u>149,772</u>	<u>120,754</u>	<u>29,018</u>
Engineering:			
Personal Services	245,450	204,853	40,597
Travel and Transportation	2,620	1,166	1,454
Contractual Services	491,280	491,280	0
Supplies and Materials	18,865	15,414	3,451
Capital Outlay	19,540	15,103	4,437
Total Engineering	<u>777,755</u>	<u>727,816</u>	<u>49,939</u>
Public Land and Buildings:			
Personal Services	66,350	60,257	6,093
Travel and Transportation	750	110	640
Contractual Services	30,286	29,718	568
Supplies and Materials	211,369	208,023	3,346
Total Public Land and Buildings	<u>308,755</u>	<u>298,108</u>	<u>10,647</u>
Miscellaneous:			
Personal Services	1,030,189	928,010	102,179
Contractual Services	6,000	6,000	0
Supplies and Materials	222,545	190,536	32,009
Total Miscellaneous	<u>1,258,734</u>	<u>1,124,546</u>	<u>134,188</u>
Total General Government	<u>3,611,228</u>	<u>3,295,900</u>	<u>315,328</u>
Total Expenditures	<u>8,108,254</u>	<u>7,391,191</u>	<u>717,063</u>

(Continued)



**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over Expenditures	(791,373)	45,429	836,802
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	12,748	12,748
Operating Transfers In	49,500	49,500	0
Operating Transfers Out	(675,960)	(473,186)	202,774
Total Other Financing Sources (Uses):	(626,460)	(410,938)	215,522
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(1,417,833)	(365,509)	1,052,324
Fund Balance at Beginning of Year	870,673	870,673	0
Prior Year Encumbrances	547,160	547,160	0
Fund Balance at End of Year	\$0	\$1,052,324	\$1,052,324

## 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.

### **Cemeteries 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.

### **Community Development Block Grant Fund**

To account for state grants designated for community environmental improvements.

### **Parking Fund**

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

### **Law Enforcement Trust Fund**

To account for the proceeds from the confiscation of contraband.

### **Drug Enforcement Trust Fund**

To account for mandatory fines collected for drug offenses.

### **Permissive License Registration Fund**

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

(Continued)

**SPECIAL REVENUE FUNDS**

**Indigent Drivers Alcohol Treatment Fund**

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

**DUI - Enforcement and Education Fund**

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

**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.

**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.

**Court Computerization Fund**

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

**Community Oriented Policing Services (COPS) Fast Grant Fund**

To account for federal grant monies designated for the cost of additional police officers.

**Federal Emergency Management Agency (FEMA) Grant Fund**

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

**Stop Violence Against Women (SVAW) Grant Fund**

To account for federal grant monies designated for use in programs to stop domestic violence.

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 1999**

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemeteries
<b>Assets:</b>				
Cash and Cash Equivalents	\$184,179	\$76,651	\$63,004	\$112,822
Receivables (net of allowance for doubtful accounts):				
Taxes	24,079	0	0	32,106
Accounts	0	0	0	2,997
Due from Other Funds	0	0	0	0
Intergovernmental Receivables	28,217	2,288	0	0
Inventory of Supplies at Cost	7,158	0	0	70
Prepaid Items	3,896	0	0	545
Restricted Assets:				
Cash with Fiscal Agent	0	0	9,599	0
<b>Total Assets</b>	<b>\$247,529</b>	<b>\$78,939</b>	<b>\$72,603</b>	<b>\$148,540</b>
<b>Liabilities and Fund Equity:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$3,955	\$318	\$0	\$11,514
Accrued Wages and Benefits	18,427	0	0	7,139
Deferred Revenue	875	0	9,599	1,167
<b>Total Liabilities</b>	<b>23,257</b>	<b>318</b>	<b>9,599</b>	<b>19,820</b>
<b>Fund Equity:</b>				
Reserved for Encumbrances	16,782	619	0	22,051
Reserved for Supplies Inventory	7,158	0	0	70
Reserved for Prepaid Items	3,896	0	0	545
Unreserved	196,436	78,002	63,004	106,054
<b>Total Fund Equity</b>	<b>224,272</b>	<b>78,621</b>	<b>63,004</b>	<b>128,720</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$247,529</b>	<b>\$78,939</b>	<b>\$72,603</b>	<b>\$148,540</b>

*THE CITY OF MOUNT VERNON, OHIO  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 DECEMBER 31, 1999*

Park Development	Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration
\$64,480	\$17,299	\$17,504	\$14,583	\$6,693	\$68,006
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	7,027
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$64,480</u>	<u>\$17,299</u>	<u>\$17,504</u>	<u>\$14,583</u>	<u>\$6,693</u>	<u>\$75,033</u>
\$0	\$0	\$8,624	\$0	\$0	\$2,599
0	0	2,725	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>11,349</u>	<u>0</u>	<u>0</u>	<u>2,599</u>
0	13,391	4,627	0	0	11,101
0	0	0	0	0	0
0	0	0	0	0	0
64,480	3,908	1,528	14,583	6,693	61,333
<u>64,480</u>	<u>17,299</u>	<u>6,155</u>	<u>14,583</u>	<u>6,693</u>	<u>72,434</u>
<u>\$64,480</u>	<u>\$17,299</u>	<u>\$17,504</u>	<u>\$14,583</u>	<u>\$6,693</u>	<u>\$75,033</u>

(Continued)

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 1999**

	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Probation Services	Police Pension
<b>Assets:</b>				
Cash and Cash Equivalents	\$5,292	\$18,790	\$4,492	\$122,664
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	85,677
Accounts	0	0	0	0
Due from Other Funds	332	56	0	0
Intergovernmental Receivables	0	0	0	0
Inventory of Supplies at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Restricted Assets:				
Cash with Fiscal Agent	0	0	0	0
<b>Total Assets</b>	<b>\$5,624</b>	<b>\$18,846</b>	<b>\$4,492</b>	<b>\$208,341</b>
<b>Liabilities and Fund Equity:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$5,293	\$0	\$100	\$0
Accrued Wages and Benefits	0	0	0	50,702
Deferred Revenue	0	0	0	77,942
<b>Total Liabilities</b>	<b>5,293</b>	<b>0</b>	<b>100</b>	<b>128,644</b>
Reserved for Encumbrances	0	0	300	47,670
Reserved for Supplies Inventory	0	0	0	0
Reserved for Prepaid Items	0	0	0	0
Unreserved	331	18,846	4,092	32,027
<b>Total Fund Equity</b>	<b>331</b>	<b>18,846</b>	<b>4,392</b>	<b>79,697</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$5,624</b>	<b>\$18,846</b>	<b>\$4,492</b>	<b>\$208,341</b>

THE CITY OF MOUNT VERNON, OHIO  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 DECEMBER 31, 1999

Fire Pension	Court Computerization	COPS Fast Grant	Federal Emergency Management Agency	Stop Violence Against Women	Total
\$175,224	\$25,714	\$0	\$0	\$6,645	\$984,042
85,677	0	0	0	0	227,539
0	0	0	0	0	2,997
0	1,668	0	0	0	2,056
0	0	0	0	0	37,532
0	0	0	0	0	7,228
0	0	0	0	0	4,441
0	0	0	0	0	9,599
<u>\$260,901</u>	<u>\$27,382</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,645</u>	<u>\$1,275,434</u>
\$0	\$0	\$0	\$0	\$0	\$32,403
59,755	0	0	0	372	139,120
77,942	0	0	0	0	167,525
<u>137,697</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>372</u>	<u>339,048</u>
55,541	3,884	0	0	0	175,966
0	0	0	0	0	7,228
0	0	0	0	0	4,441
67,663	23,498	0	0	6,273	748,751
<u>123,204</u>	<u>27,382</u>	<u>0</u>	<u>0</u>	<u>6,273</u>	<u>936,386</u>
<u>\$260,901</u>	<u>\$27,382</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,645</u>	<u>\$1,275,434</u>

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto License Tax	Cemeteries
<b>Revenues:</b>				
Tax Revenues	\$110,513	\$0	\$0	\$147,352
Intergovernmental Revenues	395,434	32,062	63,004	0
Charges for Services	0	0	0	55,375
Licenses and Permits	1,827	0	0	0
Investment Earnings	728	447	0	12,071
Fines and Forfeitures	0	0	0	0
All Other Revenues	6,387	0	0	378
<b>Total Revenues</b>	<b>514,889</b>	<b>32,509</b>	<b>63,004</b>	<b>215,176</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	195,456
Transportation	481,903	41,129	41,465	0
General Government	0	0	0	0
Capital Outlay	1,367	0	0	18,790
<b>Total Expenditures</b>	<b>483,270</b>	<b>41,129</b>	<b>41,465</b>	<b>214,246</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,619	(8,620)	21,539	930
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Fixed Assets	600	0	0	263
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>263</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	32,219	(8,620)	21,539	1,193
Fund Balance at Beginning of Year	192,053	87,241	41,465	127,527
<b>Fund Balance at End of Year</b>	<b>\$224,272</b>	<b>\$78,621</b>	<b>\$63,004</b>	<b>\$128,720</b>



**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Park Development	Community Development Block Grant	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration
\$0	\$0	\$0	\$0	\$0	\$0
0	118,300	0	0	0	101,147
16,180	0	56,609	0	0	0
0	0	2,920	0	0	0
0	129	0	0	0	0
0	0	32,090	0	0	0
0	0	135	5,154	3,968	0
16,180	118,429	91,754	5,154	3,968	101,147
0	0	91,950	12,590	2,461	0
0	0	0	0	0	0
0	0	0	0	0	82,129
0	110,864	0	0	0	0
0	0	0	0	0	0
0	110,864	91,950	12,590	2,461	82,129
16,180	7,565	(196)	(7,436)	1,507	19,018
0	0	0	0	0	0
15,526	0	0	7,500	0	0
0	0	0	0	0	0
15,526	0	0	7,500	0	0
31,706	7,565	(196)	64	1,507	19,018
32,774	9,734	6,351	14,519	5,186	53,416
\$64,480	\$17,299	\$6,155	\$14,583	\$6,693	\$72,434

(Continued)

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Indigent Drivers Alcohol Treatment	DUI Enforcement and Education	Probation Services	Police Pension
<b>Revenues:</b>				
Tax Revenues	\$0	\$0	\$0	\$99,560
Intergovernmental Revenues	0	0	0	5,320
Charges for Services	0	0	900	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	12,112	1,784	0	0
All Other Revenues	0	0	0	48
Total Revenues	12,112	1,784	900	104,928
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	174,137
Public Health and Welfare Services	0	0	0	0
Transportation	0	0	0	0
General Government	13,803	0	5,993	1,456
Capital Outlay	0	0	0	0
Total Expenditures	13,803	0	5,993	175,593
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,691)	1,784	(5,093)	(70,665)
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Fixed Assets	0	0	0	0
Operating Transfers In	0	0	0	75,642
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	75,642
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,691)	1,784	(5,093)	4,977
Fund Balance at Beginning of Year	2,022	17,062	9,485	74,720
Fund Balance at End of Year	\$331	\$18,846	\$4,392	\$79,697

*THE CITY OF MOUNT VERNON, OHIO*  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Fire Pension	Court Computerization	COPS Fast Grant	Federal Emergency Management Agency	Stop Violence Against Women	Totals
\$99,560	\$0	\$0	\$0	\$0	\$456,985
5,320	0	26,025	7,966	18,750	773,328
0	0	0	0	0	129,064
0	0	0	0	0	4,747
0	0	0	0	0	13,375
0	22,371	0	0	0	68,357
0	0	0	0	0	16,070
104,880	22,371	26,025	7,966	18,750	1,461,926
209,001	0	34,894	0	0	525,033
0	0	0	0	0	195,456
0	0	0	0	0	646,626
1,455	15,072	0	11,822	21,880	182,345
0	0	0	0	0	20,157
210,456	15,072	34,894	11,822	21,880	1,569,617
(105,576)	7,299	(8,869)	(3,856)	(3,130)	(107,691)
0	0	0	0	0	863
135,000	0	0	0	5,000	238,668
0	0	(642)	0	0	(642)
135,000	0	(642)	0	5,000	238,889
29,424	7,299	(9,511)	(3,856)	1,870	131,198
93,780	20,083	9,511	3,856	4,403	805,188
\$123,204	\$27,382	\$0	\$0	\$6,273	\$936,386

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Municipal Income Taxes	\$107,300	\$111,202	\$3,902
Intergovernmental Revenues	354,000	395,362	41,362
License and Permits	0	1,827	1,827
Investment Earnings	1,000	728	(272)
All Other Revenues	0	6,387	6,387
Total Revenues	462,300	515,506	53,206
<b>Expenditures:</b>			
<b>Transportation:</b>			
Personal Services	495,682	441,688	53,994
Travel and Transportation	2,000	576	1,424
Supplies and Materials	112,488	58,403	54,085
Capital Outlay	1,550	1,417	133
Total Expenditures	611,720	502,084	109,636
Excess (Deficiency) of Revenues Over Expenditures	(149,420)	13,422	162,842
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Fixed Assets	0	600	600
Total Other Financing Sources (Uses):	0	600	600
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(149,420)	14,022	163,442
Fund Balance at Beginning of Year	126,740	126,740	0
Prior Year Encumbrances	22,680	22,680	0
Fund Balance at End of Year	\$0	\$163,442	\$163,442

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**STATE HIGHWAY IMPROVEMENT**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental Revenues	\$29,000	\$32,056	\$3,056
Investment Earnings	1,000	447	(553)
Total Revenues	30,000	32,503	2,503
<b>Expenditures:</b>			
<b>Transportation:</b>			
Supplies and Materials	115,364	41,981	73,383
Total Expenditures	115,364	41,981	73,383
Excess (Deficiency) of Revenues Over Expenditures	(85,364)	(9,478)	75,886
Fund Balance at Beginning of Year	55,783	55,783	0
Prior Year Encumbrances	29,581	29,581	0
Fund Balance at End of Year	\$0	\$75,886	\$75,886

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**PERMISSIVE AUTO LICENSE TAX**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental Revenues	\$50,000	\$63,004	\$13,004
Total Revenues	50,000	63,004	13,004
<b>Expenditures:</b>			
Transportation:			
Supplies and Materials	91,465	41,465	50,000
Total Expenditures	91,465	41,465	50,000
Excess (Deficiency) of Revenues Over Expenditures	(41,465)	21,539	63,004
Fund Balance at Beginning of Year	41,465	41,465	0
Fund Balance at End of Year	\$0	\$63,004	\$63,004

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**CEMETERIES**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Municipal Income Taxes	\$143,100	\$148,270	\$5,170
Charges for Services	52,000	56,689	4,689
Investment Earnings	10,000	12,071	2,071
All Other Revenues	0	378	378
Total Revenues	205,100	217,408	12,308
<b>Expenditures:</b>			
Public Health and Welfare Services:			
Personal Services	199,532	167,338	32,194
Travel and Transportation	590	298	292
Contractual Services	30,050	19,180	10,870
Supplies and Materials	24,776	20,630	4,146
Other Expenses	1,000	400	600
Capital Outlay	50,626	31,837	18,789
Total Expenditures	306,574	239,683	66,891
Excess (Deficiency) of Revenues Over Expenditures	(101,474)	(22,275)	79,199
<b>Other Financing Sources (Uses):</b>			
Proceeds of Sales of Fixed Assets	0	263	263
Total Other Financing Sources (Uses):	0	263	263
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(101,474)	(22,012)	79,462
Fund Balance at Beginning of Year	67,695	67,695	0
Prior Year Encumbrances	33,779	33,779	0
Fund Balance at End of Year	\$0	\$79,462	\$79,462

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**PARK DEVELOPMENT**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$8,250	\$16,180	\$7,930
Total Revenues	8,250	16,180	7,930
<b>Expenditures:</b>			
<b>Leisure Time Activities:</b>			
Supplies and Material	49,274	0	49,274
Total Expenditures	49,274	0	49,274
Excess (Deficiency) of Revenues Over Expenditures	(41,024)	16,180	57,204
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	8,250	15,526	7,276
Total Other Financing Sources (Uses):	8,250	15,526	7,276
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(32,774)	31,706	64,480
Fund Balance at Beginning of Year	32,774	32,774	0
Fund Balance at End of Year	\$0	\$64,480	\$64,480



**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**COMMUNITY DEVELOPMENT BLOCK GRANT**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental Revenues	\$1,283,150	\$118,300	(\$1,164,850)
Investment Earnings	100	129	29
Total Revenues	<u>1,283,250</u>	<u>118,429</u>	<u>(1,164,821)</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	1,292,984	124,255	1,168,729
Total Expenditures	<u>1,292,984</u>	<u>124,255</u>	<u>1,168,729</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,734)	(5,826)	3,908
Fund Balance at Beginning of Year	6,934	6,934	0
Prior Year Encumbrances	2,800	2,800	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$3,908</u>	<u>\$3,908</u>

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**PARKING**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$54,000	\$56,609	\$2,609
License and Permits	1,500	2,920	1,420
Fines and Forfeitures	28,000	32,090	4,090
All Other Revenues	0	135	135
Total Revenues	83,500	91,754	8,254
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	66,905	66,102	803
Supplies and Materials	33,698	32,041	1,657
Total Expenditures	100,603	98,143	2,460
Excess (Deficiency) of Revenues Over Expenditures	(17,103)	(6,389)	10,714
Fund Balance at Beginning of Year	13,524	13,524	0
Prior Year Encumbrances	3,579	3,579	0
Fund Balance at End of Year	\$0	\$10,714	\$10,714

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**LAW ENFORCEMENT TRUST**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
All Other Revenues	\$0	\$5,154	\$5,154
Total Revenues	0	5,154	5,154
<b>Expenditures:</b>			
<b>Security of Persons and Property:</b>			
Contractual Services	13,000	12,590	410
Total Expenditures	13,000	12,590	410
Excess (Deficiency) of Revenues Over Expenditures	(13,000)	(7,436)	5,564
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	0	7,500	7,500
Total Other Financing Sources (Uses):	0	7,500	7,500
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(13,000)	64	13,064
Fund Balance at Beginning of Year	14,519	14,519	0
Fund Balance at End of Year	\$1,519	\$14,583	\$13,064

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**DRUG ENFORCEMENT TRUST**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
All Other Revenues	\$0	\$3,968	\$3,968
Total Revenues	0	3,968	3,968
<b>Expenditures:</b>			
Security of Persons and Property:			
Contractual Services	2,500	2,461	39
Total Expenditures	2,500	2,461	39
Excess (Deficiency) of Revenues Over Expenditures	(2,500)	1,507	4,007
Fund Balance at Beginning of Year	5,186	5,186	0
Fund Balance at End of Year	\$2,686	\$6,693	\$4,007

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**PERMISSIVE LICENSE REGISTRATION**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental Revenues	\$90,000	\$101,152	\$11,152
Total Revenues	90,000	101,152	11,152
<b>Expenditures:</b>			
Transportation:			
Supplies and Materials	141,527	98,374	43,153
Total Expenditures	141,527	98,374	43,153
Excess (Deficiency) of Revenues Over Expenditures	(51,527)	2,778	54,305
Fund Balance at Beginning of Year	33,529	33,529	0
Prior Year Encumbrances	17,998	17,998	0
Fund Balance at End of Year	\$0	\$54,305	\$54,305

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**INDIGENT DRIVERS ALCOHOL TREATMENT**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Fines and Forfeitures	\$15,000	\$12,126	(\$2,874)
Total Revenues	15,000	12,126	(2,874)
<b>Expenditures:</b>			
<b>General Government:</b>			
Supplies and Materials	16,676	13,802	2,874
Total Expenditures	16,676	13,802	2,874
Excess (Deficiency) of Revenues Over Expenditures	(1,676)	(1,676)	0
Fund Balance at Beginning of Year	1,676	1,676	0
Fund Balance at End of Year	\$0	\$0	\$0

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**DUI - ENFORCEMENT AND EDUCATION**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Fines and Forfeitures	\$2,000	\$1,804	(\$196)
Total Revenues	2,000	1,804	(196)
<b>Expenditures:</b>			
<b>General Government:</b>			
Supplies and Materials	18,986	0	18,986
Total Expenditures	18,986	0	18,986
Excess (Deficiency) of Revenues Over Expenditures	(16,986)	1,804	18,790
Fund Balance at Beginning of Year	16,986	16,986	0
Fund Balance at End of Year	\$0	\$18,790	\$18,790

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**PROBATION SERVICES**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$10,000	\$900	(\$9,100)
Total Revenues	10,000	900	(9,100)
<b>Expenditures:</b>			
General Government:			
Supplies and Materials	19,879	6,687	13,192
Total Expenditures	19,879	6,687	13,192
Excess (Deficiency) of Revenues Over Expenditures	(9,879)	(5,787)	4,092
Fund Balance at Beginning of Year	5,292	5,292	0
Prior Year Encumbrances	4,587	4,587	0
Fund Balance at End of Year	\$0	\$4,092	\$4,092



**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**POLICE PENSION**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$57,500	\$62,722	\$5,222
Municipal Income Taxes	35,780	37,067	1,287
Intergovernmental Revenues	5,800	5,320	(480)
All Other Revenues	0	48	48
Total Revenues	99,080	105,157	6,077
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	338,276	220,545	117,731
General government:			
Supplies and Materials	2,000	1,456	544
Total Expenditures	340,276	222,001	118,275
Excess (Deficiency) of Revenues Over Expenditures	(241,196)	(116,844)	124,352
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	125,000	75,642	(49,358)
Total Other Financing Sources (Uses):	125,000	75,642	(49,358)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(116,196)	(41,202)	74,994
Fund Balance at Beginning of Year	68,820	68,820	0
Prior Year Encumbrances	47,376	47,376	0
Fund Balance at End of Year	\$0	\$74,994	\$74,994

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**FIRE PENSION**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$57,500	\$62,722	\$5,222
Municipal Income Taxes	35,780	37,067	1,287
Intergovernmental Revenues	5,800	5,320	(480)
Total Revenues	99,080	105,109	6,029
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	387,111	264,002	123,109
General Government:			
Supplies and Materials	2,000	1,455	545
Total Expenditures	389,111	265,457	123,654
Excess (Deficiency) of Revenues Over Expenditures	(290,031)	(160,348)	129,683
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	145,000	135,000	(10,000)
Total Other Financing Sources (Uses):	145,000	135,000	(10,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(145,031)	(25,348)	119,683
Fund Balance at Beginning of Year	88,027	88,027	0
Prior Year Encumbrances	57,004	57,004	0
Fund Balance at End of Year	\$0	\$119,683	\$119,683

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**COURT COMPUTERIZATION**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Fines and Forfeitures	\$20,000	\$22,617	\$2,617
Total Revenues	20,000	22,617	2,617
<b>Expenditures:</b>			
<b>General Government:</b>			
Supplies and Materials	41,644	22,431	19,213
Total Expenditures	41,644	22,431	19,213
Excess (Deficiency) of Revenues Over Expenditures	(21,644)	186	21,830
Fund Balance at Beginning of Year	14,123	14,123	0
Prior Year Encumbrances	7,521	7,521	0
Fund Balance at End of Year	\$0	\$21,830	\$21,830

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**COPS FAST GRANT**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental Revenues	\$26,025	\$26,025	\$0
Total Revenues	26,025	26,025	0
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	45,185	36,143	9,042
Total Expenditures	45,185	36,143	9,042
Excess (Deficiency) of Revenues Over Expenditures	(19,160)	(10,118)	9,042
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	15,000	0	(15,000)
Operating Transfers Out	(6,600)	(642)	5,958
Total Other Financing Sources (Uses):	8,400	(642)	(9,042)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(10,760)	(10,760)	0
Fund Balance at Beginning of Year	10,679	10,679	0
Prior Year Encumbrances	81	81	0
Fund Balance at End of Year	\$0	\$0	\$0

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**F.E.M.A GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental Revenues	\$232,479	\$232,479	\$0
Total Revenues	232,479	232,479	0
<b>Expenditures:</b>			
<b>General Government:</b>			
Personal Services	6,644	6,644	0
Supplies and Materials	224,365	224,365	0
Contractual Services	1,470	1,470	0
Total Expenditures	232,479	232,479	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**STOP VIOLENCE AGAINST WOMEN**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental Revenues	\$30,000	\$18,750	(\$11,250)
Total Revenues	30,000	18,750	(11,250)
<b>Expenditures:</b>			
General Government:			
Personal Services	39,754	21,859	17,895
Total Expenditures	39,754	21,859	17,895
Excess (Deficiency) of Revenues Over Expenditures	(9,754)	(3,109)	6,645
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	5,000	5,000	0
Total Other Financing Sources (Uses):	5,000	5,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(4,754)	1,891	6,645
Fund Balance at Beginning of Year	4,754	4,754	0
Fund Balance at End of Year	\$0	\$6,645	\$6,645

**DEBT SERVICE FUND**

The Debt Service Fund is used to account for retirement of the City's general obligation and special assessment bonds.

**General Bond Retirement Fund**

To account for payment of principal and interest on the City's general obligation bonds which are recorded in the general long-term debt group of accounts. Revenues for this purpose include ad valorem property taxes and investment income.

*THE CITY OF MOUNT VERNON, OHIO*  
*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE*  
*BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)*  
*DEBT SERVICE FUND*  
*FOR THE YEAR ENDED DECEMBER 31, 1999*

GENERAL BOND RETIREMENT

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$11,371	\$11,371	\$0
Investment Earnings	7,000	5,628	(1,372)
All Other Revenues	925	925	0
Total Revenues	19,296	17,924	(1,372)
<u>Expenditures:</u>			
Basic Utility Service:			
Supplies and Materials	11,371	11,296	75
General Government:			
Supplies and Materials	501	268	233
Debt Service:			
Principal Retirement	4,685,000	4,674,583	10,417
Interest and Fiscal Charges	776,363	754,444	21,919
Total Expenditures	5,473,235	5,440,591	32,644
Excess (Deficiency) of Revenues over Expenditures	(5,453,939)	(5,422,667)	31,272
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	5,338,881	5,378,702	39,821
Total Other Financing Sources (Uses):	5,338,881	5,378,702	39,821
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(115,058)	(43,965)	71,093
Fund Balance at Beginning of Year	115,058	115,058	0
Fund Balance at End of Year	\$0	\$71,093	\$71,093



**CAPITAL PROJECTS FUND**

The Capital Projects Fund is 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.

**Capital Improvement Fund**

To account for financial resources used for the improvement of City property.

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**CAPITAL IMPROVEMENT**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Municipal Income Taxes	\$357,800	\$370,674	\$12,874
Intergovernmental Revenues	101,677	123,592	21,915
Investment Earnings	0	2,601	2,601
All Other Revenues	228,557	233,821	5,264
Total Revenues	688,034	730,688	42,654
<b>Expenditures:</b>			
<b>Security of Persons and Property:</b>			
<b>Police:</b>			
Capital Outlay	450,000	436,278	13,722
<b>Fire:</b>			
Capital Outlay	2,600,000	2,547,517	52,483
Total Security of Persons and Property	3,050,000	2,983,795	66,205
<b>Public Health and Welfare Services</b>			
<b>Cemetery:</b>			
Capital Outlay	11,000	11,000	0
Total Public Health and Welfare Services	11,000	11,000	0
<b>Leisure Time Activities:</b>			
<b>Parks:</b>			
Capital Outlay	40,000	39,144	856
<b>Pool:</b>			
Capital Outlay	50,000	0	50,000
Total Leisure Time Activities	90,000	39,144	50,856
<b>Transportation:</b>			
<b>Street:</b>			
Contractual Services	1,257,631	265,058	992,573
Capital Outlay	100,000	99,590	410
Total Transportation	1,357,631	364,648	992,983

(Continued)

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**CAPITAL IMPROVEMENT**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>General Government:</b>			
Auditor:			
Capital Outlay	15,000	12,863	2,137
Law Director			
Capital Outlay	6,000	5,985	15
Municipal Court:			
Capital Outlay	35,000	33,185	1,815
Safety - Service:			
Capital Outlay	18,000	16,077	1,923
Engineering:			
Capital Outlay	25,000	750	24,250
Public Buildings and Land:			
Contractual Services	6,000	5,751	249
Capital Outlay	18,000	16,928	1,072
<b>Total General Government</b>	<b>123,000</b>	<b>91,539</b>	<b>31,461</b>
<b>Total Expenditures</b>	<b>4,631,631</b>	<b>3,490,126</b>	<b>1,141,505</b>
Excess (Deficiency) of Revenues over Expenditures	(3,943,597)	(2,759,438)	1,184,159
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	0	242,660	242,660
<b>Total Other Financing Sources (Uses):</b>	<b>0</b>	<b>242,660</b>	<b>242,660</b>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(3,943,597)	(2,516,778)	1,426,819
Fund Balance at Beginning of Year	3,688,650	3,688,650	0
Prior Year Encumbrances	254,947	254,947	0
Fund Balance at End of Year	<b>\$0</b>	<b>\$1,426,819</b>	<b>\$1,426,819</b>

## ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or when the City has decided that periodic determination of net income is appropriate for accountability purposes.

### **Water Fund**

To account for the operation of the City's water service.

### **Sewer Fund**

To account for the operation of the City's sanitary sewer service.

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING BALANCE SHEET**  
**ENTERPRISE FUNDS**  
**DECEMBER 31, 1999**

	Water Fund	Sewer Fund	Totals
<b><u>Assets:</u></b>			
Cash and Cash Equivalents	\$2,984,067	\$4,046,620	\$7,030,687
Receivables (net of allowances for doubtful accounts):			
Accounts	516,753	561,952	1,078,705
Inventory of Supplies at Cost	33,087	31,642	64,729
Prepaid Items	4,088	5,665	9,753
<b>Restricted Assets:</b>			
Cash and Cash Equivalents	7,895,078	0	7,895,078
Cash with Fiscal Agent	714,169	273,859	988,028
Property Plant and Equipment	10,808,676	16,302,191	27,110,867
Less Accumulated Depreciation	(4,723,706)	(8,170,347)	(12,894,053)
Net Fixed Assets	6,084,970	8,131,844	14,216,814
Construction in Progress	10,430,174	252,153	10,682,327
Total Assets	<u>\$28,662,386</u>	<u>\$13,303,735</u>	<u>\$41,966,121</u>
<b><u>Liabilities and Fund Equity:</u></b>			
<b>Liabilities:</b>			
Accounts Payable	\$58,413	\$89,577	\$147,990
Accrued Wages and Benefits	32,887	33,656	66,543
Contracts Payable	1,179,123	0	1,179,123
Matured Bonds and Interest Payable	2,275	0	2,275
Accrued Interest Payable	17,396	10,336	27,732
Compensated Absences Payable	86,937	103,806	190,743
General Obligation Bonds Payable	8,640,000	0	8,640,000
Revenue Bonds Payable	8,085,000	2,125,000	10,210,000
Total Liabilities	<u>18,102,031</u>	<u>2,362,375</u>	<u>20,464,406</u>
<b>Fund Equity:</b>			
Contributed Capital	853,938	3,899,872	4,753,810
<b>Retained Earnings:</b>			
Reserved for Revenue Bond Indenture	714,169	273,859	988,028
Unreserved	8,992,248	6,767,629	15,759,877
Total Retained Earnings	<u>9,706,417</u>	<u>7,041,488</u>	<u>16,747,905</u>
Total Fund Equity	<u>10,560,355</u>	<u>10,941,360</u>	<u>21,501,715</u>
Total Liabilities and Fund Equity	<u>\$28,662,386</u>	<u>\$13,303,735</u>	<u>\$41,966,121</u>

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Water Fund	Sewer Fund	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$2,231,133	\$2,311,947	\$4,543,080
Other Operating Revenues	1,910	2,046	3,956
Total Operating Revenues	<u>2,233,043</u>	<u>2,313,993</u>	<u>4,547,036</u>
<u>Operating Expenses:</u>			
Personal Services	689,357	782,041	1,471,398
Materials and Supplies	559,454	187,943	747,397
Contractual Services	58,397	219,285	277,682
Utilities	115,503	196,719	312,222
Depreciation	303,084	340,612	643,696
Other Operating Expenses	1,045	2,504	3,549
Total Operating Expenses	<u>1,726,840</u>	<u>1,729,104</u>	<u>3,455,944</u>
Operating Income	506,203	584,889	1,091,092
<u>Nonoperating Revenues (Expenses):</u>			
Investment Earnings	756,333	184,712	941,045
Interest and Fiscal Charges	(689,100)	(129,122)	(818,222)
Gain on Disposal of Fixed Assets	(4,626)	6,860	2,234
Total Nonoperating Revenues (Expenses)	<u>62,607</u>	<u>62,450</u>	<u>125,057</u>
Income Before Operating Transfers	568,810	647,339	1,216,149
<u>Operating Transfers:</u>			
Operating Transfers Out	(24,500)	(25,000)	(49,500)
Total Operating Transfers	<u>(24,500)</u>	<u>(25,000)</u>	<u>(49,500)</u>
Net Income	544,310	622,339	1,166,649
Retained Earnings at Beginning of Year	9,162,107	6,419,149	15,581,256
Retained Earnings at End of Year	<u>\$9,706,417</u>	<u>\$7,041,488</u>	<u>\$16,747,905</u>

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Water	Sewer	Total
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$2,044,798	\$2,191,586	\$4,236,384
Cash Payments for Goods and Services	(683,367)	(547,245)	(1,230,612)
Cash Payments to Employees	(706,307)	(774,381)	(1,480,688)
Net Cash Provided by Operating Activities	<u>655,124</u>	<u>869,960</u>	<u>1,525,084</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Transfers Out to Other Funds	(24,500)	(25,000)	(49,500)
Net Cash Used by Noncapital Financing Activities	<u>(24,500)</u>	<u>(25,000)</u>	<u>(49,500)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Proceeds from Revenue Bonds	8,370,000	0	8,370,000
Proceeds from Notes	4,000,000	0	4,000,000
Proceeds from Sale of Fixed Assets	6,860	6,860	13,720
Acquisition and Construction of Assets	(8,287,716)	(355,943)	(8,643,659)
Principal Paid on General Obligation Bonds	(325,000)	0	(325,000)
Principal Paid on Revenue Bonds	(285,000)	(110,000)	(395,000)
Principal Paid on Notes	(4,000,000)	0	(4,000,000)
Interest Paid on All Debt	(700,104)	(129,585)	(829,689)
Net Cash Used by Capital and Related Financing Activities	<u>(1,220,960)</u>	<u>(588,668)</u>	<u>(1,809,628)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Receipt of Interest	756,156	184,712	940,868
Net Cash Provided by Investing Activities	<u>756,156</u>	<u>184,712</u>	<u>940,868</u>
Net Increase in Cash and Cash Equivalents	165,820	441,004	606,824
Cash and Cash Equivalents at Beginning of Year	11,427,494	3,879,475	15,306,969
Cash and Cash Equivalents at End of Year	<u>\$11,593,314</u>	<u>\$4,320,479</u>	<u>\$15,913,793</u>
<b><u>Reconciliation of Operating Income to Net Cash</u></b>			
<b><u>Provided by Operating Activities:</u></b>			
Operating Income	\$506,203	\$584,889	\$1,091,092
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	303,084	340,612	643,696
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(188,245)	(122,407)	(310,652)
Decrease in Inventory	22,219	19,438	41,657
Increase in Prepaid Items	(165)	(213)	(378)
Increase in Accounts Payable	28,978	39,981	68,959
Decrease in Accrued Wages and Benefits	(3,635)	(4,440)	(8,075)
Increase (Decrease) in Compensated Absences	(13,315)	12,100	(1,215)
Total Adjustments	<u>148,921</u>	<u>285,071</u>	<u>433,992</u>
Net Cash Provided by Operating Activities	<u>\$655,124</u>	<u>\$869,960</u>	<u>\$1,525,084</u>

**Schedule of Noncash Investing, Capital and Financing Activities:**

At December 31, 1999 the Water Fund had outstanding liabilities of \$1,179,123 for the purchase of capital assets.

## **FIDUCIARY FUND TYPES**

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.

### **EXPENDABLE TRUST FUNDS**

#### **Mausoleum Trust Fund**

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

#### **Insurance Trust Fund**

To account for insurance funds on deposit to insure the clean up of damaged property. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

#### **Bonds and Inspection Fee Trust Fund**

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

#### **Veterans Honor Walk Trust 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.

### **NONEXPENDABLE TRUST FUND**

#### **Perpetual Care Trust Fund**

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

### **AGENCY FUND**

#### **Municipal Court Fund**

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



THE CITY OF MOUNT VERNON, OHIO  
 COMBINING BALANCE SHEET  
 FIDUCIARY FUNDS  
 DECEMBER 31, 1999

	<i>Expendable Trust Funds</i>			<i>Nonexpendable Trust Fund</i>	<i>Agency Fund</i>	Totals
	Mausoleum Trust	Bonds and Inspection Fee Trust	Veterans Honor Walk Trust	Perpetual Care Trust	Municipal Court	
<u>Assets:</u>						
Cash and Cash Equivalents	\$1,641	\$5,151	\$48,982	\$0	\$0	\$55,774
Receivables (net of allowance for doubtful accounts):						
Accounts	0	0	0	2,305	0	2,305
Restricted Assets:						
Cash and Cash Equivalents	0	0	0	267,280	99,087	366,367
<b>Total Assets</b>	<b>\$1,641</b>	<b>\$5,151</b>	<b>\$48,982</b>	<b>\$269,585</b>	<b>\$99,087</b>	<b>\$424,446</b>
<u>Liabilities and Fund Equity:</u>						
<u>Liabilities:</u>						
Accounts Payable	\$0	\$0	\$570	\$0	\$0	\$570
Due to Other Funds	0	0	0	0	28,903	28,903
Intergovernmental Payables	0	0	0	0	21,197	21,197
Due to Others	0	0	0	0	48,987	48,987
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>570</b>	<b>0</b>	<b>99,087</b>	<b>99,657</b>
<u>Fund Equity:</u>						
Reserved for Encumbrances	0	4,900	915	0	0	5,815
Reserved for Endowments	0	0	0	269,585	0	269,585
Unreserved	1,641	251	47,497	0	0	49,389
<b>Total Fund Equity</b>	<b>1,641</b>	<b>5,151</b>	<b>48,412</b>	<b>269,585</b>	<b>0</b>	<b>324,789</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$1,641</b>	<b>\$5,151</b>	<b>\$48,982</b>	<b>\$269,585</b>	<b>\$99,087</b>	<b>\$424,446</b>

**THE CITY OF MOUNT VERNON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Mausoleum Trust	Insurance Trust	Bonds and Inspection Fee Trust	Veterans Honor Walk Trust	Totals
<u>Revenues:</u>					
Charges for Services	\$0	\$6,000	\$0	\$11,446	\$17,446
Investment Earnings	73	0	0	0	73
All Other Revenues	0	0	4,500	0	4,500
Total Revenues	73	6,000	4,500	11,446	22,019
<u>Expenditures:</u>					
Public Health and Welfare Services	0	6,000	0	0	6,000
Community Environment	0	0	1,100	9,844	10,944
Total Expenditures	0	6,000	1,100	9,844	16,944
Excess (Deficiency) of					
Revenues Over Expenditures	73	0	3,400	1,602	5,075
Fund Balance at Beginning of Year	1,568	0	1,751	46,810	50,129
Fund Balance at End of Year	<u>\$1,641</u>	<u>\$0</u>	<u>\$5,151</u>	<u>\$48,412</u>	<u>\$55,204</u>

**THE CITY OF MOUNT VERNON, OHIO**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Balance December 31, 1998	Additions	Deductions	Balance December 31, 1999
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents	\$112,608	\$1,022,173	(\$1,035,694)	\$99,087
Total Assets	<u>\$112,608</u>	<u>\$1,022,173</u>	<u>(\$1,035,694)</u>	<u>\$99,087</u>
Liabilities:				
Due to Other Funds	\$30,035	\$387,880	(\$389,012)	\$28,903
Intergovernmental Payable	26,197	338,702	(343,702)	21,197
Due to Others	56,376	295,591	(302,980)	48,987
Total Liabilities	<u>\$112,608</u>	<u>\$1,022,173</u>	<u>(\$1,035,694)</u>	<u>\$99,087</u>

**GENERAL FIXED ASSETS ACCOUNT GROUP**

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY SOURCE**  
**DECEMBER 31, 1999**

General Fixed Assets

Land	\$1,122,044
Buildings and Improvements	2,856,343
Improvements Other Than Buildings	492,959
Machinery and Equipment	4,709,902
Construction In Progress	2,647,014
Total General Fixed Assets	\$11,828,262

Investment in General Fixed Assets

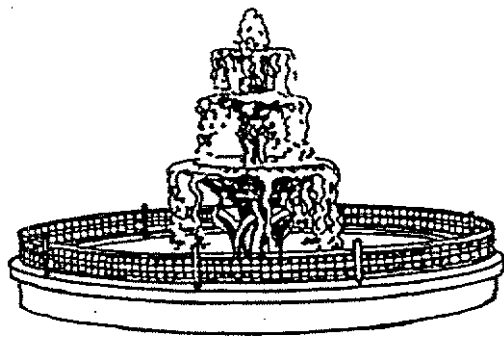
General Fund	\$4,698,556
Special Revenue Funds	152,937
Capital Projects Fund	6,695,142
Proprietary Funds	84,846
Contributions	15,058
Federal Grants	103,827
State Grants	77,896
Total Investment in General Fixed Assets	\$11,828,262

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY CATEGORY**  
**DECEMBER 31, 1999**

Function and Activity	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Construction In Progress	Total
<b><u>General Government:</u></b>						
Administration	\$109,975	\$1,158,167	\$7,752	\$0	\$0	\$1,275,894
City Council	0	3,990	0	18,310	0	22,300
Mayor	0	0	0	23,353	0	23,353
City Auditor	0	0	0	87,709	0	87,709
Law Director	0	0	0	33,043	0	33,043
Income Tax	0	0	0	31,189	0	31,189
Municipal Court	0	0	0	162,319	0	162,319
Civil Service	0	0	0	692	0	692
Safety and Service	0	0	0	67,628	0	67,628
Engineer	0	0	0	162,472	0	162,472
Public Lands and Buildings	2,382	158,127	3,143	136,185	0	299,837
Total	<u>112,357</u>	<u>1,320,284</u>	<u>10,895</u>	<u>722,900</u>	<u>0</u>	<u>2,166,436</u>
<b><u>Security of Persons and Property:</u></b>						
Police	0	9,988	0	861,440	214,966	1,086,394
Fire	809,550	166,991	6,490	1,738,101	2,431,048	5,152,180
Total	<u>809,550</u>	<u>176,979</u>	<u>6,490</u>	<u>2,599,541</u>	<u>2,646,014</u>	<u>6,238,574</u>
<b><u>Transportation:</u></b>						
Street	0	90,061	20,437	952,810	0	1,063,308
<b><u>Leisure Time Activities:</u></b>						
Parks and Recreation	152,102	1,230,017	365,878	303,172	0	2,051,169
<b><u>Public Health and Welfare:</u></b>						
Cemetery	48,035	39,002	89,259	131,479	1,000	308,775
Total General Fixed Assets	<u>\$1,122,044</u>	<u>\$2,856,343</u>	<u>\$492,959</u>	<u>\$4,709,902</u>	<u>\$2,647,014</u>	<u>\$11,828,262</u>

**THE CITY OF MOUNT VERNON, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Function and Activity	December 31, 1998	Additions	Deletions	December 31, 1999
<b><u>General Government:</u></b>				
Administration	\$1,275,894	\$0	\$0	\$1,275,894
City Council	21,319	981	0	22,300
Mayor	22,993	360	0	23,353
City Auditor	74,996	12,713	0	87,709
Law Director	24,525	8,518	0	33,043
Income Tax	17,693	13,496	0	31,189
Municipal Court	140,788	21,531	0	162,319
Civil Service	692	0	0	692
Safety and Service	61,250	15,878	(9,500)	67,628
Engineer	160,830	1,642	0	162,472
Public Lands and Buildings	266,920	33,973	(1,056)	299,837
Total	2,067,900	109,092	(10,556)	2,166,436
<b><u>Security of Persons and Property:</u></b>				
Police	647,283	487,081	(47,970)	1,086,394
Fire	2,533,290	2,633,483	(14,593)	5,152,180
Total	3,180,573	3,120,564	(62,563)	6,238,574
<b><u>Transportation:</u></b>				
Street	1,031,160	58,352	(26,204)	1,063,308
<b><u>Leisure Time Activities:</u></b>				
Parks and Recreation	1,914,439	137,380	(650)	2,051,169
<b><u>Public Health and Welfare:</u></b>				
Cemetery	311,334	1,300	(3,859)	308,775
Total General Fixed Assets	\$8,505,406	\$3,426,688	(\$103,832)	\$11,828,262





*STATISTICAL SECTION*

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## *STATISTICAL TABLES*

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*THE FOLLOWING UNAUDITED STATISTICAL TABLES  
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL  
TRENDS AND FISCAL CAPACITY OF THE CITY.*

**THE CITY OF MOUNT VERNON, OHIO**  
**GENERAL FUND EXPENDITURES BY FUNCTION**  
**LAST TEN YEARS**

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Trans- portation	General Government	Capital Outlay	Debt Service	Total
1990	\$1,865,506	\$270,648	\$133,688	\$18,121	\$7,449	\$1,591,632	\$19,468	\$27,875	\$3,934,387
1991	1,911,946	242,812	157,905	8,651	6,646	1,694,665	78,598	27,875	4,129,098
1992	2,058,837	213,548	158,944	11,648	4,312	1,678,636	172,758	35,467	4,334,150
1993	2,093,070	186,384	169,492	12,469	5,604	1,883,429	60,088	27,875	4,438,411
1994	2,009,070	199,127	182,262	17,809	16,228	1,990,182	66,472	27,875	4,509,025
1995	2,120,562	182,406	216,522	23,111	35,595	2,054,523	352,973	27,875	5,013,567
1996	2,427,691	192,696	258,487	24,590	122,725	1,994,580	169,034	27,875	5,217,678
1997	2,572,669	188,363	283,896	23,614	76,254	2,198,836 *	124,809	27,875	5,496,316
1998	2,686,857	230,957	304,307	22,345	56,043	2,411,408	177,728	27,875	5,917,520
1999	2,786,548	233,959	301,104	23,986	65,337	2,905,006	373,524	27,875	6,717,339

\* 1997 Includes Other Expenditures

Source: Mount Vernon City Auditor

**THE CITY OF MOUNT VERNON, OHIO**  
**GENERAL FUND REVENUES BY SOURCE**  
**LAST TEN YEARS**

Year	Taxes	Inter-Governmental Revenue	Charges for Service	Licenses and Permits	Investment Earnings	Fines and Forfeitures	All Other	Total
1990	\$3,483,255	\$60,994	\$34,685	\$90,732	\$182,286	\$189,546	\$6,887	\$4,048,385
1991	3,922,408	68,656	43,995	159,548	150,068	130,380	894	4,475,949
1992	4,310,749	64,450	37,135	162,366	118,995	116,848	72,865	4,883,408
1993	4,561,600	69,674	44,740	201,332	112,538	125,345	69,438	5,184,667
1994	4,326,449	677,803	53,006	230,432	184,643	143,736	36,072	5,652,141
1995	4,583,336	750,867	54,368	228,939	329,796	156,429	61,685	6,165,420
1996	4,842,514	855,294	49,522	252,530	444,799	162,971	128,751	6,736,381
1997	5,423,778	818,170	43,618	247,298	541,575	172,019	73,181	7,319,639
1998	5,708,650	916,301	49,376	244,308	522,895	170,003	149,156	7,760,689
1999	5,637,207	944,102	50,058	245,069	351,739	153,143	83,365	7,464,683

Source: Mount Vernon City Auditor

**THE CITY OF MOUNT VERNON, OHIO**  
**PROPERTY TAX LEVIES AND COLLECTIONS (1)**  
**LAST TEN YEARS**

Collection Year	Total Tax Levy (1)	Current Tax Collections (1)	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy
1990	\$5,544,424	\$3,938,827	\$212,980	\$4,151,807	74.88%
1991	5,419,924	4,594,476	221,253	4,815,729	88.85%
1992	5,514,371	5,040,109	276,575	5,316,684	96.42%
1993	5,479,892	5,273,904	168,034	5,441,938	99.31%
1994	6,830,781	5,029,614	181,241	5,210,855	76.28%
1995	7,043,288	5,284,801	167,927	5,452,728	77.42%
1996	7,238,700	5,475,218	216,883	5,692,101	78.63%
1997	9,150,925	6,585,125	176,187	6,761,312	73.89%
1998	9,039,881	6,544,003	234,581	6,778,584	74.99%
1999	9,163,744	6,746,147	267,693	7,013,840	76.54%

(1) Neither net tax levy nor collections include state reimbursements for property tax reductions of Rollback, 2.5% reduction or Homestead exemption

Source: Knox County Auditor

**THE CITY OF MOUNT VERNON, OHIO**  
**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES**  
**OF TAXABLE PROPERTY**  
**LAST TEN YEARS**

Tax Year	Real Property (1)		Tangible Personal Property (2)		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1990	\$101,265,260	\$289,329,314	\$60,135,744	\$129,870,941	\$161,401,004	\$419,200,255	38.50%
1991	104,234,650	297,813,286	62,800,615	135,833,200	167,035,265	433,646,486	38.52%
1992	105,214,300	300,612,286	75,803,045	165,847,430	181,017,345	466,459,716	38.81%
1993	117,080,400	334,436,816	65,153,304	141,007,600	182,233,704	475,444,416	38.33%
1994	115,694,040	330,499,162	65,868,360	232,096,748	181,562,400	562,595,910	32.27%
1995	121,223,370	346,294,787	68,378,788	243,355,677	189,602,158	589,650,464	32.16%
1996	139,825,320	399,500,914	65,661,320	231,981,147	205,486,640	631,482,061	32.54%
1997	140,425,920	401,216,914	73,889,229	266,431,730	214,315,149	667,648,644	32.10%
1998	144,456,903	412,734,009	82,024,998	297,688,660	226,481,901	710,422,669	31.88%
1999	167,620,327	478,915,221	84,346,665	308,947,142	251,966,992	787,862,363	31.98%

The current assessed valuation is computed at approximately the following percentages of estimated true value:

Real Property-35%, Public Utility Personal Property-88%, and Tangible Personal Property-25%

(1) Includes Public Utility Real Property

(2) Includes Public Utility Personal Property and Tangibles

Source: Knox County Auditor

**THE CITY OF MOUNT VERNON, OHIO**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$1,000 OF ASSESSED VALUATIONS)**  
**LAST TEN YEARS**

Collection Year	City of Mount Vernon			Total City	Mount Vernon*		Knox County	Special Taxing Districts	Total
	General Fund	Police Pension	Fire Pension		Knox County Career Center**	School District			
1990	2.60	0.30	0.30	3.20	33.80	*	8.70	0.90	46.60 *
1991	2.60	0.30	0.30	3.20	4.70	**	8.70	0.80	4.70 **
1992	2.60	0.30	0.30	3.20	33.70	*	8.70	0.80	46.40 *
1993	2.60	0.30	0.30	3.20	4.70	**	8.70	0.90	4.70 **
1994	2.60	0.30	0.30	3.20	33.60	*	8.70	0.80	46.40 *
1995	2.60	0.30	0.30	3.20	4.70	**	8.70	0.80	4.70 **
1996	2.60	0.30	0.30	3.20	36.20	*	8.70	0.80	48.90 *
1997	2.60	0.30	0.30	3.20	4.70	**	8.70	0.80	4.70 **
1998	2.60	0.30	0.30	3.20	36.20	*	8.70	0.80	48.90 *
1999	2.60	0.30	0.30	3.20	6.40	**	8.70	0.80	6.40 **
					35.60	*	8.70	0.80	48.30 *
					6.40	**	8.70	0.80	6.40 **
					40.59	*	8.70	0.80	53.29 *
					6.40	**	8.70	0.80	6.40 **
					39.87	*	8.70	0.80	52.57 *
					6.40	**	8.70	0.80	6.40 **
					39.87	*	8.70	0.80	52.57 *
					6.40	**	8.70	0.80	6.40 **
					37.54	*	8.70	0.80	50.24 *
					6.40	**	8.70	0.80	6.40 **

Source: Knox County Auditor  
Knox County Treasurer

**THE CITY OF MOUNT VERNON, OHIO**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**LAST TEN YEARS**

Collection Year	Amount Billed	Amount Collected	Percent Collected
1990	\$39,203	\$21,616	55.14%
1991	58,984	53,984	91.52%
1992	17,246	8,802	51.04%
1993	0 (1)	0	0.00%
1994	0 (1)	0	0.00%
1995	0 (1)	0	0.00%
1996	0 (1)	0	0.00%
1997	0 (1)	0	0.00%
1998	0 (1)	0	0.00%
1999	0 (1)	0	0.00%

(1) There were no Special Assessments during the years 1993 through 1999.

Source: Knox County Auditor



**THE CITY OF MOUNT VERNON, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**DECEMBER 31, 1999**

	<b>Total Debt</b>	<b>Unvoted Debt</b>
Net Assessed Valuation	\$251,966,992	\$251,966,992
Legal Debt Limitation (%) (1)	<u>10.50%</u>	<u>5.50%</u>
Legal Debt Limitation (\$) (1)	26,456,534	13,858,185
Applicable City Debt Outstanding (2)	120,000	120,000
Less: Applicable Debt Service Fund Amounts	<u>(71,093)</u>	<u>(71,093)</u>
Net Indebtedness Subject to Limitation	48,907	48,907
	<u>\$26,407,627</u>	<u>\$13,809,278</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 Only  
 Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin

**THE CITY OF MOUNT VERNON, OHIO**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED**  
**VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN YEARS**

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of	
						Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	14,504	\$161,401,004	\$520,000	\$280,199	\$239,801	0.15%	\$16.53
1991	14,504	167,035,265	440,000	292,541	147,459	0.09%	10.17
1992	14,504	181,017,345	400,000	296,953	103,047	0.06%	7.10
1993	14,504	182,233,704	360,000	305,502	54,498	0.03%	3.76
1994	14,504	181,562,400	320,000	316,902	3,098	0.00%	0.21
1995	14,504	189,602,158	280,000	330,920	0	0.00%	0.00
1996	14,504	205,486,640	240,000	203,592	36,408	0.02%	2.51
1997	14,504	214,315,149	200,000	159,245	40,755	0.02%	2.81
1998	14,504	226,481,901	160,000	115,058	44,942	0.02%	3.10
1999	14,504	251,966,992	120,000	71,093	48,907	0.02%	3.37

(1) Source: U.S. Bureau of Census, Federal 1990 Census

(2) Source: Knox County Auditor

(3) Includes all general obligation bonded debt supported by property taxes

**THE CITY OF MOUNT VERNON, OHIO**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES**  
**LAST TEN YEARS**

Year	Debt Service on		Total Bonded Debt Service	General Fund Expenditures (2)	Ratio of Tax Supported Debt Service to General Fund Expenditures
	General Tax Supported Debt (1)	Debt Service on Self Supporting Debt			
1990	\$70,548	\$151,844	\$222,392	\$3,934,387	1.79%
1991	68,198	151,075	219,273	4,129,098	1.65%
1992	65,849	145,025	210,874	4,334,150	1.52%
1993	63,499	138,975	202,474	4,438,411	1.43%
1994	61,420	117,925	179,345	4,509,025	1.36%
1995	58,836	112,544	171,380	5,013,567	1.17%
1996	56,449	111,156	167,605	5,217,678	1.08%
1997	54,100	110,298	164,398	5,496,316	0.98%
1998	51,750	468,763	520,513	5,917,520	0.87%
1999	49,400	750,914	800,314	6,717,339	0.74%

(1) Does not include special assessment debt

(2) Excludes operating transfers-out

**THE CITY OF MOUNT VERNON, OHIO**  
**COMPUTATION OF ALL DIRECT AND OVERLAPPING**  
**GOVERNMENTAL DEBT**  
**DECEMBER 31, 1999**

Jurisdiction (1)	Net Debt Outstanding	Percentage Applicable to City of Mount Vernon	Amount Applicable to City of Mount Vernon
Direct			
City of Mount Vernon	\$48,907	100.00%	\$48,907
Overlapping Subdivisions			
Mount Vernon School District	9,859,090	56.33%	5,553,625
Knox County	3,830,000	31.73%	1,215,259
		Subtotal	6,768,884
		Total	\$6,817,791

(1) Knox County Career Center Vocational School District have no outstanding debt supported by a tax levy.

Source: Knox County Auditor and Fiscal Officers of Subdivision

**THE CITY OF MOUNT VERNON, OHIO**  
**REVENUE BOND COVERAGE - WATER AND SEWER MORTGAGE BONDS (1)**  
**LAST TEN YEARS**

Year	Gross Revenues (2)	Direct Operating Expenses (3)	Net Revenue		Debt Service Requirement (4)	Coverage
			Available For Debt Service	For Debt Service		
1990	\$1,163,951	\$757,995	\$405,956	\$77,950	\$77,950	5.21
1991	1,548,720	764,743	783,977	79,700	79,700	9.84
1992	3,370,305	2,445,748	924,557	132,200	132,200	6.99
1993	3,710,506	1,953,376	1,757,130	315,450	315,450	5.57
1994	4,131,732	2,095,788	2,035,944	324,000	324,000	6.28
1995	3,953,568	2,404,455	1,549,113	311,120	311,120	4.98
1996	3,852,079	2,679,096	1,172,983	313,205	313,205	3.75
1997	3,917,152	2,465,050	1,452,102	239,380	239,380	6.07
1998	4,142,566	2,316,424	1,826,142	239,730	239,730	7.62
1999	4,547,036	2,812,248	1,734,788	801,924	801,924	2.16

(1) The Sewer Mortgage Revenue Bonds were issued in 1992, in the amount of \$2,800,000  
The Water Mortgage Revenue Bonds were issued in 1999, in the amount of \$8,370,000

(2) Gross revenues include operating revenues less proceeds from notes

(3) Direct operating expenses include operating expenses less depreciation

(4) Annual debt service requirements include principal and interest on revenue bonds only  
It does not include the general obligation bonds reported in the Water and Sewer Funds

**THE CITY OF MOUNT VERNON, OHIO**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN YEARS**

Year	City of Mount Vernon Population	Knox County Population	Unemployment Rate Knox County Area	Per Capita Income Knox County Area	School Enrollment Mount Vernon Area Only
1990	14,504	47,473	5.90%	\$10,688	3,669
1991	14,504	47,473	9.00%	14,985	4,122
1992	14,504	47,473	6.90%	N/A	3,901
1993	14,504	47,473	6.20%	N/A	3,997
1994	14,504	47,473	5.20%	N/A	4,026
1995	14,504	47,473	5.70%	N/A	4,112
1996	14,504	47,473	5.10%	10,688	4,127
1997	14,504	47,473	4.50%	10,688	4,021
1998	14,504	47,473	5.50%	10,688	4,126
1999	14,504	47,473	4.20%	10,688	4,169

Sources: U.S. Bureau of Census of Population - Federal 1990 Census,  
 Federal 1990 Census and Ohio Bureau of Employment Services,  
 Ohio Data Users Center, and Mount Vernon School District, Board of Education

**THE CITY OF MOUNT VERNON, OHIO**  
**PROPERTY VALUE AND CONSTRUCTION PERMITS**  
**LAST TEN YEARS**

Year	Residential (1)		Commercial (1)	
	Number of Permits	Property Value	Number of Permits	Property Value
1990	17	\$1,428,000	293	\$8,280,786
1991	183	1,320,175	115	7,107,099
1992	145	894,857	124	9,968,720
1993	119	2,192,066	131	6,149,843
1994	114	1,381,707	122	6,343,790
1995	104	3,076,241	119	11,551,810
1996	116	5,468,084	132	8,487,434
1997	131	6,594,204	126	2,710,931
1998	129	6,031,144	130	3,961,681
1999	122	7,909,815	69	20,734,949

(1) Source: City of Mount Vernon Engineering Department

**THE CITY OF MOUNT VERNON, OHIO**  
**PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)**  
**DECEMBER 31, 1999**

	1999		
Taxpayer	Assessed Valuation (Tax Duplicate)	Type of Business	Percentage of Total Assessed Valuation
1 American Electric Power	\$4,431,380	Utility	2.64%
2 Glimcher Holdings, L/P	2,887,230	Real Estate	1.72%
3 Sprint	2,582,080	Utility	1.54%
4 Cooper Cameron Corporation	2,571,000	Manufacturing	1.53%
5 Columbia Gas of Ohio, Inc.	1,985,880	Utility	1.18%
6 Ariel Corporation	1,573,290	Manufacturing	0.94%
7 Weyerhaeuser Company	1,415,590	Manufacturing	0.84%
8 Wal-Mart Stores Inc.	1,200,390	Retail	0.72%
9 Jeld-Wen, Inc.	1,125,780	Manufacturing	0.67%
10 Kelsey Hayes	1,116,750	Manufacturing	0.67%
Sub-Total	20,889,370		12.45%
All Others	146,730,957		87.55%
Total	<u>\$167,620,327</u>		<u>100.00%</u>

Based on valuation of property taxes levied in 1999

Source: Knox County, Ohio: County Auditor - Land and Buildings



THE CITY OF MOUNT VERNON, OHIO  
 PRINCIPAL EMPLOYERS  
 DECEMBER 31, 1999

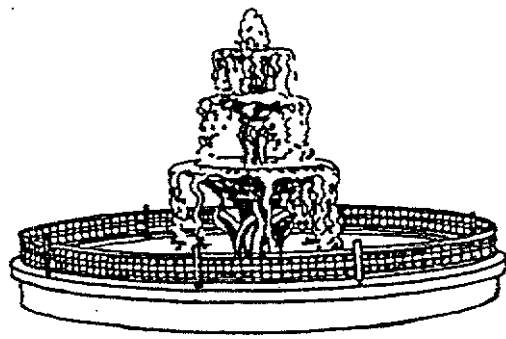
	Employer	Type of Business	Number of Employees		
			Full-Time	Part-Time	Total
1	Rolls Royce	Manufacturing	779	0	779
2	Mount Vernon Nazarene College	Education	342	321	663
3	Knox Community Hospital	Medical Care	N/A	N/A	560
4	Board of Education (City)	Education	388	140	528
5	Ariel Corporation	Manufacturing	433	10	443
6	Knox County	Government	366	72	438
7	Jeld-Wen, Inc.	Manufacturing	270	150	420
8	Kelsey-Hayes	Manufacturing	357	0	357
9	Breon, Inc.	Restaurant	74	222	296
10	Wal-Mart	Retail	77	116	193

Source: Mount Vernon City Income Tax and Each Employer's Personnel Department

**THE CITY OF MOUNT VERNON, OHIO**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 1999**

Date of Incorporation	1830	Water System:	
Form of Government	Mayor/Council	Number of Purification Plants	1
Area (square miles)	8.7	Miles of Water Mains	63
<b>Facilities and Services:</b>		Number of Fire Hydrants	484
Miles of Streets	76	Number of Service Connections	5,892
Number of Street Lights	1,470	Average Daily Consumption (gallons)	2,682,611
(per Ohio Power Company)		Maximum Daily Capacity of Plant (gallons)	5,000,000
<b>Police Services:</b>		<b>Sewerage System:</b>	
Number of Stations	1	Number of Treatment Plants	1
Number of Police Personnel and Officers	31	Miles of Sanitary Sewers	62
Number of Patrol Units	5	Miles of Storm Sewers	14
Number of Law Violations:		Number of Service Connections	5,939
Criminal /Juvenile Citations and Charges	1,584	Average Daily Treatment (gallons)	2,869,151
Traffic Citations Issued	2,745	Maximum Daily Capacity of Treatment (gallons)	5,000,000
Parking Tickets Written	25,181	<b>Parking Facilities:</b>	
<b>Fire/Emergency Medical Services:</b>		Off-Street Parking Garages	1
Number of Stations	2	Parking Levels	3
Number of Officers and Fire Personnel	31	Parking Spaces	124
Number of Calls Answered	3,439	Average Daily Cars Parked	111
Number of Inspections	250	Parking Spaces	47
		On-Street Parking Meters	542
		Off-Street Surface Parking Lot	2
		*	
<b>Recreation and Culture:</b>		<b>Education:</b>	
Number of Parks	6	Elementary Schools	7
Park Area (acres)	90.19	Elementary School Students	2,835
Number of Ball Fields:		Elementary School Instructors	174
Lighted	6	Secondary Schools	2
Unlighted	5	Secondary School Students	1,334
Number of Tennis Courts:		Secondary School Instructors	62
Lighted	8	Colleges	1
Unlighted	2	College Students	1,876
<b>Building Permits Issued in 1999:</b>	191	Number of Libraries	1
Number of Cemeteries	1	(Operated by Knox County)	
Cemetery Area (acres)	49.5	Number of Hospitals	1
		Number of Patient Beds	115
		Number of Bassinets	10

\* Total School District data provided by the Mount Vernon School District





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CITY OF MOUNT VERNON**

**KNOX COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 18, 2000**