

CITY OF MOUNT VERNON
KNOX COUNTY
REGULAR AUDIT
JANUARY 1, 2017 – DECEMBER 31, 2017





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Mount Vernon, Knox County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 10, 2018

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KNOX COUNTY**

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

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

To the City Council and Management:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2018.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 27, 2018



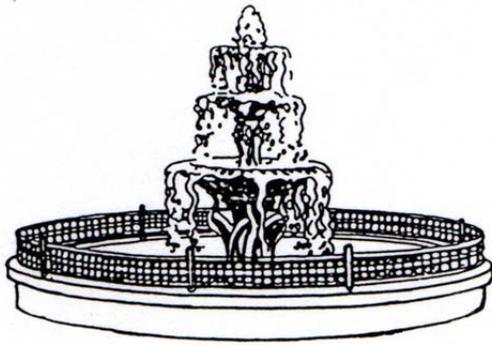
City of Mount Vernon, Ohio

Comprehensive Annual Financial Report

Year Ended December 31, 2017



Mount Vernon



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

Prepared by the Auditor's Office

Terry Scott
City Auditor



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KNOX COUNTY, OHIO

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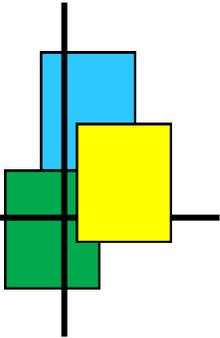


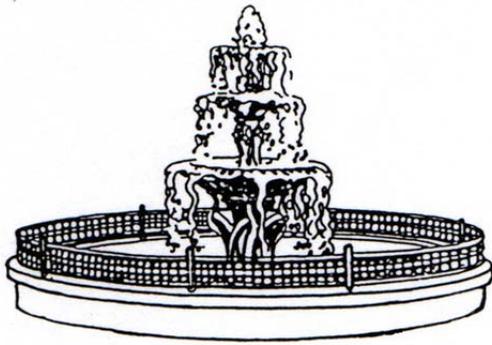
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Introductory Section







CITY OF MOUNT VERNON

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

phone (740) 393-9523

fax (740)-397-5288

June 27, 2018

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, 2017. The report has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

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

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

THE REPORTING ENTITY:

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

***Letter of Transmittal
For the Year Ended December 31, 2017***

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 2017.

Knox County General Health District as a combined agency was created in 1983 as provided in Section 3709.07 of the Ohio Revised Code. The jointly governed organization's board is composed of nine members; six members from the townships and villages, and three members from the City. The combined Knox County General Health District was organized to provide public health services as required by the Ohio Revised Code and the Ohio Administrative Code, and such other services as are duly authorized or required by regulations of the District and can be furnished within the financial resources available to the District. The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$55,000 for operations of the combined District for 2017.

Certain organizations share some degree of name similarity with the City; however, they constitute separate and distinct entities, not only from the City but also from each other. The City has no financial accountability for these entities. Due to their independent nature, none of these organizations' financial statements are included in this report. These organizations are as follows:

Mount Vernon City School District (the District) - The District encompasses the City of Mount Vernon as well as areas outside of the corporate boundaries. The members of the Board of Education of the District are elected by the voters within the District. The Board is a body politic and corporate, capable of suing, contracting, possessing, acquiring and disposing of real property. The Board controls its own operations and budget and the City has no ability to significantly influence operations and no accountability over the fiscal matters of the District. Therefore, the District's separate financial statements are excluded from the City's financial statements.

The Mount Vernon Public Library (the Library) - The Mount Vernon Public Library provides library services to the citizens of the City and surrounding communities. The Library is a separate entity from the City; it has a separately selected governing authority and a separate designation of management. In addition, the City has no ability to significantly influence operations and no financial accountability over the fiscal matters of the Library.

***Letter of Transmittal
For the Year Ended December 31, 2017***

The City of Mount Vernon:

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

The Management:

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

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2017***

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

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

Water Department - This department operates with ten full-time employees and fifteen shared full-time employees. The shared employees also work with the Wastewater Department. The Water Department is responsible for the treatment and distribution of potable water to the City's 6,575 customers and customers located in the Village of Gambier (approximately three miles east of Mount Vernon). All treatment plant employees are required to have a Class I operator's license within two years of employment.

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2017***

Economic Outlook

Economically speaking, 2017 was an exhausting but rewarding year for the City. Beginning in July, 2016, the Mayor along with the Auditor, Safety-Service Director, Finance Chairperson of City Council and the City Engineer (the team) engaged a Study Committee (the committee) comprised of twelve prominent business and professional leaders within the City to study the overall financial health of the City. The charge was to analyze the functions within City government and determine how best to increase resources to meet the demands of failing infrastructure around the city and replace equipment that had far exceeded their useful life.

From the onset, the committee convened monthly with the City's executive team to share detailed information about the financial structure of the City, the funds used to operate the different departments and capital improvements, along with the enterprise funds operations. Within a few months, the committee had read, heard and seen enough information as they directed the team to create an extensive listing with cost values of all of the improvements that were in need of replacement along with equipment items in need of replacement and building replacements.

The team was able to provide a comprehensive list of projects with over \$94 million dollars in value spanning over a ten year period. The list was organized by project, by year and estimated cost value. This provided the committee with the information and cost value of the needs of the City over a ten year period. From there, extensive discussions took place to determine how best to generate the resources needed to complete the list. Several more months went by until the committee released their decision to reach out to the voters and increase the City's income tax rate, currently at 1.5%, and was last increased in a vote taken in 1982, effective January, 1983. Thirty-four years could be considered to be like eternity as no government wants to raise the public's taxes, but the need and the pressing demand was before the committee.

In the November, 2017 election, the voters approved an increase of ½% to the City's income tax rate, dedicating all of the proceeds to fund the police and fire departments. These new resources coupled with the existing voted tax levy of 1982 (½%) would then become the sole funding of the safety forces. Currently the safety forces were partially funded by the 1982 levy plus funding from the General Fund. Since the safety forces will be removed from the General Fund beginning in 2018, the residual funds remaining in the General Fund would then become reallocated. In December, 2017, the City Council created a revised formula to allocate the unvoted 1% of City income tax effective January 1, 2018. The new formula would provide allocation of 52% to the General Fund (formally was 81%), 3% to the Street Fund, 4% to the Cemetery Fund, 19.5% to the Capital Improvement Fund (formally was 10%), and created a new fund called Roads & Bridges with 19.5% allocation.

These two capital funds will be utilized to handle the costs of equipment and building replacements, and the cost of road infrastructure (asphalt or brick) improvements, bridge upgrades or replacements and drainage improvements.

The City greatly appreciates the support of the voters in providing the additional resources for these very important infrastructure improvements, the support of the committee for their tireless time and efforts to make a recommendation and to support the ballot initiative, and to the team for all of their energy provided to design a pathway for the future needs and demands city wide.

CITY OF MOUNT VERNON, OHIO

Letter of Transmittal For the Year Ended December 31, 2017

As a part of the City's long range planning of traffic flow through the city, the intersection at West High Street (US Route 36) and Sandusky Street (State Route 13) received a total rebuild. This major intersection is now outfitted with turn lanes, extended turning radius for semi-trucks and an expression of enhanced traffic flow not only for local traffic but also for through traffic as well on these two major routes. The cost of the rebuilt intersection was \$605,387 of which Ohio Public Works Commission provided \$364,138 in a grant award. A continuation of Sandusky Street traveling south is expected to be improved over the next few years in order to reroute State Route 13 from Mulberry Street, onto Sandusky Street. These improvements will allow traffic to remain on Sandusky Street and then merge into the traffic flowing over the viaduct on the south side of the city.

Continuing with improving traffic flow, the east side of the city received an upgrade to the intersection of Coshocton Avenue (US Route 36) and Verndale Drive. This upgrade consisted of adding a westbound turning lane approaching the intersection, and realigning the existing traffic lanes to provide for two dedicated lanes heading eastbound, a single left turn lane heading westbound, a single through lane heading westbound and the new right turn lane heading westbound into the retail shopping complex. The total cost for these improvements was \$678,074 and funding was provided by the TIF District-Coshocton Road Fund.

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

The police department added an additional "officer" to their existing work force only this new officer comes with four legs and is a bit furry. The department graciously accepted a rewarding donation in the amount of \$18,000 from the *Arms of an Angle Foundation*, a local foundation established in 2009 by the family of the late Carl Culbertson who died of an accidental drug overdose. This donation was used to acquire Officer Laya, provide all the necessary training for her handler, Officer Sarah Wheeler, and any other necessary equipment and supplies to establish the first K-9 unit of the department. Other civic organization and many individuals within the community provided funding directly to the *Foundation* to help make this donation possible. As reported by Chief Roger Monroe, it didn't take Officer Laya and Officer Wheeler too long before they both were attacking the war against drugs within the community. He indicated great success had being achieved and this would continue. Mr. David Culbertson, father of the late Carl Culbertson, in his presentation speech indicated the *Foundation* was continuing to receive generous donations from the public and had hopes the department would be able to receive a second K-9 Officer in the upcoming year.

The department had several incidents within the city whereby drugs and or drug related incidents were undertaken through the year. Not only did the K-9 officer become a great asset for the department, but the detective department personnel were able to infuse extensive DNA evidence at several of these incidents that eventually lead to criminal charges, of which some cases are pending trial and others resulted in prison time being handed down by the court.

With donations from the Colonial City Moose Lodge #2555 and the Mount Vernon VFW, the department has been able to assemble an extensive bike patrol program. In 2017, the department sent six officers to the International Police Mountain Bike Association training event. This event provided for a wide variety of events whereby obstacles and hazards were set up among various stations. Officers had to maneuver through and around the presented obstacles or hazards with the end goal of apprehension of a suspect.

***Letter of Transmittal
For the Year Ended December 31, 2017***

The program also provided for training of bike maintenance that will allow officers to provide routine maintenance of the bikes and the related equipment on the bikes.

Three new cruisers were purchased during the year of which one was outfitted for the K-9 unit with specialized equipment for safety and security while in transit. An additional patrol bike was placed in service during the year, providing the department with four total bikes for patrol. The Knox County Emergency Management Agency donated thirty-eight portable radios for the department in 2017. This donation saved the department approximately \$42,560 of resources for equipment. The department has recognized all public support that has been provided and appreciates those organizations who have participated.

The fire department was the beneficiary from the Baldwin Shrine Club of Mount Vernon who purchased a child simulation manikin to help train emergency medical personnel in the treatment of childhood injuries and illnesses. Such life-like training equipment provides the department with hands-on scenarios on a wide variety of medical situations that may arise in the field on a daily basis.

With the growing drug epidemic and violence in communities of today, the department was awarded a grant from The Ariel Foundation to purchase ten ballistic armor vests. These vests will provide an extended layer of protection for the personnel who encounter such scenes whereby violent issues may arise or exist.

During 2017, the department made an assessment of its only substation and determined from an array of analysis information to close the facility. The structure was built in 1965 and was in need of significant repairs and upgrades. With the increased run volume, the department moved all the equipment apparatus and personnel to the main station. This provided them the ability to manage vehicle staffing levels more efficiently and to provide better patient care and incident safety. Because the substation was relatively close to the main station, run times, incident stabilization and patient care was not compromised in the southern run district.

The department was able to garner a Federal Emergency Management Agency (FEMA) grant to provide funding to acquire a new ladder truck in the amount of \$700,000. This new truck which is a combined pumper/ladder truck will replace the current 1991 model ladder truck. Writing the specifications and bidding took place in 2017, however due to the extended amount of lead time to build the vehicle, it is expected to be delivered in August, 2018. Due to FEMA regulations within the grant, the old truck will be scrapped as soon as the new one is delivered and ready to be placed in service.

The department was able to replace one of their Lucas CPR compression devices. This device is used to provide constant compressions while monitoring the patient to determine the progress of the patient along with evaluating the need for dispensing medications. The replacement cost of this device was \$13,654 from the department's equipment expense account.

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

***Letter of Transmittal
For the Year Ended December 31, 2017***

The City has been actively continuing its tree plantings and tree replacement program over the past several years. This ongoing project continued for 2017 merely due to the extreme generosity of the Ariel Foundation. This foundation has contributed tens of thousands of dollars into tree plantings and tree replacements over the past years and in 2017, an additional \$105,100 was provided to continue the ongoing efforts. Our tree lined streets and recreation parks all have been the beneficiary of this project and more is planned for the upcoming year as well.

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

Thanks to the foresight of City management, coupled with the cooperation of the City's department heads, the growth in the local economy resulted in a favorable impact on the City's ability to provide quality services to the public. The Engineering Department issued one hundred eighty-four building permits in 2017 and one hundred thirty-seven in 2016, an increase of forty-seven permits.

Long-term Financial Planning:

The City has been in communication with the Ohio Department of Transportation (ODOT) in regards to the Mount Vernon Avenue Bridge. This bridge was constructed in the early 1970's at which time it was owned by Knox County. Current regulations now require that all bridges located within the local municipality must be under the ownership and management of the municipality. This bridge is now scheduled to be replaced in 2019; however the estimated cost is approximately \$5.5 million. ODOT has indicated they can provide \$2.5 million towards the replacement, leaving the City with the remaining \$3 million. In order to provide the necessary funding for this bridge replacement, the City intends to issue long-term bonds for its portion of the construction costs. While funding will not be required until fourth quarter 2018, the City continues to pursue other funding sources such as grants to help offset its portion of the project costs.

Employee Relations:

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

The City continues to experience a good working relationship with these three unions for the betterment of the citizens of this community. Negotiations with the unions commenced in October and were ongoing at year-end.

***Letter of Transmittal
For the Year Ended December 31, 2017***

Unemployment Rates:

The City of Mount Vernon's economic outlook showed signs of steady improvement for 2017. Starting out the year at 5.8 percent, the unemployment rate decreased consistently over the first half of the year to 5.0 percent, and then decreased again at the end of the year finishing at 4.4 percent. Employers in the city continue to advertise and post for additional workers. The City's diverse mix of employment opportunities helps to offset such economic fluctuations.

Major Initiatives

The City's resurfacing program continued to provide maintenance to our roadways throughout the city. Approximately \$341,553 was disbursed from the City treasury for resurfacing in 2017. Seven streets in the city were slated for resurfacing. The City's crack sealing program was exercised during the year providing \$23,000 in extended life to four streets.

Various equipment purchases were made for various departments within the City. A back hoe for the Street Department and a tractor with mower for the Parks Department were a few of the equipment purchases made during the year. Roof replacements of shelter houses within Riverside and Dan Emmet parks were completed during the year.

Financial Information

Internal Control, Budgetary Control and the Accounting System:

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2017***

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

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

Other Information

Independent Audit:

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

Awards:

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mount Vernon, Ohio for its comprehensive annual financial report for the year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. The City of Mount Vernon received a Certificate of Achievement for the last twenty-six consecutive years (fiscal years ended 1991-2016). I believe this current report continues to conform to the Certificate of Achievement program requirements, and I am submitting it to GFOA.

***Letter of Transmittal
For the Year Ended December 31, 2017***

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 2017 Comprehensive Annual Financial Report and annual independent audit.

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

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

Respectfully,



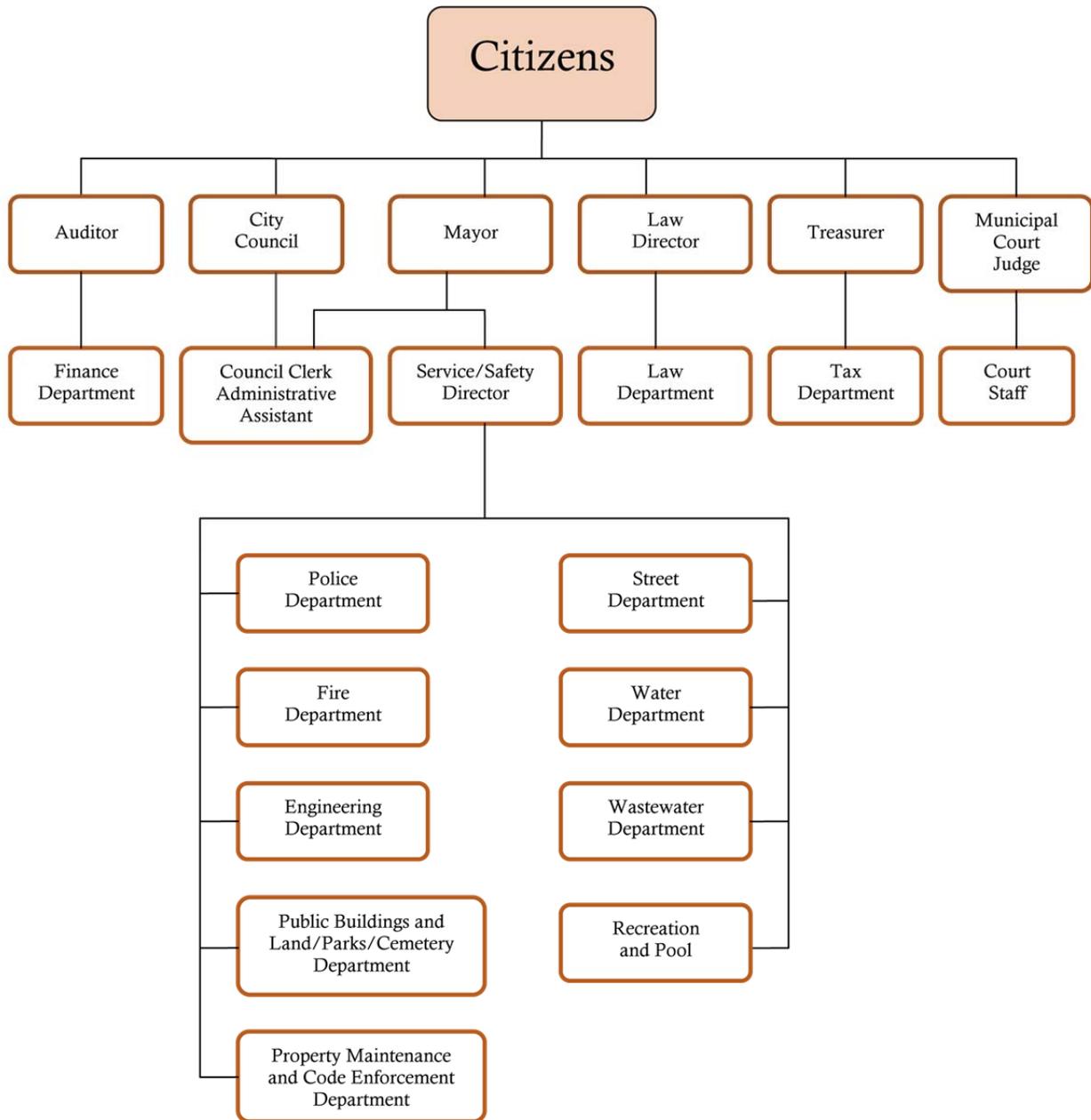
Terry Scott
City Auditor

CITY OF MOUNT VERNON, OHIO

***List of Principal Officials
For the Year Ended December 31, 2017***

<i>NAME</i>	<i>TITLE</i>	<i>YEARS OF SERVICE</i>
<u>City Council</u>		
Bruce Hawkins	President	11
Sam Barone	First Ward Member	6
John Francis	Second Ward Member	6
Nancy Vail	Third Ward Member	8
John Fair	Fourth Ward Member	18
John Booth	Member At-Large	2
Susan Kahrl	Member At-Large	6
Janis Seavolt	Member At-Large	6
<u>City Administration</u>		
Richard K. Mavis	Mayor	22
Terry Scott	Auditor	23
P. Robert Broren	Law Director	4
Anton Krutsch	Treasurer	6
Joel Daniels, II	Safety-Service Director	10
Tanya Newell	Clerk of Council	6
<u>Department Heads</u>		
Lisa Brown	Income Tax Administrator	3
Roger Monroe	Police Chief	28
Chad Christopher	Fire Chief	16
David Carpenter	Parks, Public Buildings and Land, Cemetery Superintendent	27
Thomas Hinkle	Street Superintendent	12
Mathias Orndorf	Public Utility Director	27

**City Organizational Chart
For the Year Ended December 31, 2017**



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



Government Finance Officers Association

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

Presented to

**City of Mount Vernon
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

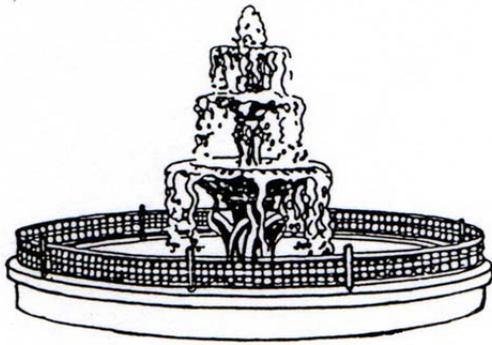
December 31, 2016

Christopher P. Morill

Executive Director/CEO

Financial Section





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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

City of Mount Vernon
Knox County
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon, Knox County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Municipal Income Tax ½% (Voted) and Community Development Block Grant Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

City of Mount Vernon
Knox County
Independent Auditor's Report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 27, 2018



The discussion and analysis of the City of Mount Vernon's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2017 are as follows:

- ❑ In total, net position increased \$542,000. Net position of governmental activities decreased \$2,311,223 which represents a 5.3% decrease from 2016. Net position of business-type activities increased \$2,853,223 from 2016.
- ❑ General revenues accounted for \$13,755,510 in revenue or 47.0% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$15,499,608, 53.0% of total revenues of \$29,255,118.
- ❑ The City had \$21,896,476 in expenses related to governmental activities; only \$5,850,645 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$13,734,608 provided for these programs.
- ❑ Among major funds, the general fund had \$10,402,045 in revenues and other financing sources and \$11,369,590 in expenditures and other financing uses. The general fund's fund balance decreased from \$3,306,062 to \$2,338,512.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplemental information*, and an optional section that presents *combining and individual statements and schedules* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

Fund Financial Statements

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

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

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2017 compared to 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2017
Current and other assets	\$13,696,712	\$14,570,951	\$6,677,003	\$3,960,839	\$20,373,715	\$18,531,790
Capital assets, Net	51,328,353	51,594,083	33,188,310	34,659,376	84,516,663	86,253,459
Total assets	65,025,065	66,165,034	39,865,313	38,620,215	104,890,378	104,785,249
Deferred outflows of resources	4,223,921	4,519,859	1,292,530	1,072,882	5,516,451	5,592,741
Long-term liabilities outstanding	7,270,330	7,830,126	13,789,338	15,860,662	21,059,668	23,690,788
Net pension liability	17,658,614	16,129,261	2,662,994	1,942,104	20,321,608	18,071,365
Other liabilities	987,471	936,218	200,265	216,632	1,187,736	1,152,850
Total liabilities	25,916,415	24,895,605	16,652,597	18,019,398	42,569,012	42,915,003
Deferred inflows of resources	2,107,566	2,253,060	15,849	37,525	2,123,415	2,290,585
Net position:						
Net investment in capital assets	45,255,324	45,177,791	19,432,673	19,396,615	64,687,997	64,574,406
Restricted	6,176,687	6,521,108	1,473,090	1,504,036	7,649,777	8,025,144
Unrestricted (Deficit)	(10,207,006)	(8,162,671)	3,583,634	735,523	(6,623,372)	(7,427,148)
Total net position	\$41,225,005	\$43,536,228	\$24,489,397	\$21,636,174	\$65,714,402	\$65,172,402

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

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

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

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

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

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

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

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

Changes in Net Position – The following table shows the changes in net position for 2017 compared to 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,934,685	\$2,493,300	\$9,648,963	\$6,715,376	\$12,583,648	\$9,208,676
Operating Grants and Contributions	1,747,093	2,763,295	0	0	1,747,093	2,763,295
Capital Grants and Contributions	1,168,867	1,281,804	0	0	1,168,867	1,281,804
Total Program Revenues	5,850,645	6,538,399	9,648,963	6,715,376	15,499,608	13,253,775
General Revenues:						
Property Taxes	2,267,797	2,262,552	0	0	2,267,797	2,262,552
Income Taxes	10,390,679	9,501,005	0	0	10,390,679	9,501,005
Other Local Taxes	131,785	121,627	0	0	131,785	121,627
Intergovernmental Revenues, Unrestricted	342,555	322,917	0	0	342,555	322,917
Investment Earnings	91,431	44,327	20,902	636	112,333	44,963
Miscellaneous	510,361	299,704	0	0	510,361	299,704
Total General Revenues	13,734,608	12,552,132	20,902	636	13,755,510	12,552,768
Total Revenues	19,585,253	19,090,531	9,669,865	6,716,012	29,255,118	25,806,543
Program Expenses						
Security of Persons and Property	8,259,679	7,735,685	0	0	8,259,679	7,735,685
Public Health and Welfare Services	760,614	783,628	0	0	760,614	783,628
Leisure Time Activities	1,362,160	1,210,663	0	0	1,362,160	1,210,663
Community Environment	355,354	1,012,146	0	0	355,354	1,012,146
Transportation	3,648,289	2,890,767	0	0	3,648,289	2,890,767
General Government	7,297,638	7,057,974	0	0	7,297,638	7,057,974
Interest and Fiscal Charges	212,742	206,340	0	0	212,742	206,340
Water	0	0	3,066,560	3,115,505	3,066,560	3,115,505
Sewer	0	0	3,750,082	3,281,725	3,750,082	3,281,725
Total Expenses	21,896,476	20,897,203	6,816,642	6,397,230	28,713,118	27,294,433
Total Change in Net Position	(2,311,223)	(1,806,672)	2,853,223	318,782	542,000	(1,487,890)
Beginning Net Position	43,536,228	45,342,900	21,636,174	21,317,392	65,172,402	66,660,292
Ending Net Position	\$41,225,005	\$43,536,228	\$24,489,397	\$21,636,174	\$65,714,402	\$65,172,402

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

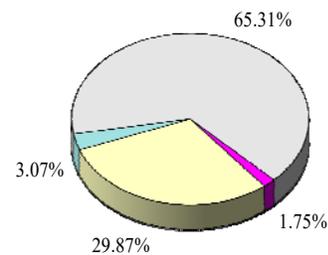
Governmental Activities

Net position of the City's governmental activities decreased by \$2,311,223 compared to 2016. The decrease in Net Position is the result of expenses exceeding revenues.

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

Income taxes and property taxes made up 53.05% and 11.58% respectively of revenues for governmental activities for the City in 2017. The City's reliance upon tax revenues is demonstrated by the following graph indicating 65.31% of total revenues from general tax revenues:

Revenue Sources	2017	Percent of Total
General Tax Revenues	\$12,790,261	65.31%
Intergovernmental Revenues, Unrestricted	342,555	1.75%
Program Revenues	5,850,645	29.87%
General Other	601,792	3.07%
Total Revenue	\$19,585,253	100.00%



Business-Type Activities

Net position of the business type activities increased by \$2,853,223. This increase is the result of the implementation of monthly billing cycles in 2017 as opposed to quarterly billing cycles in prior years.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$8,323,245, which is a decrease from last year's balance of \$8,986,955. The schedule below indicates the fund balance and the total change in fund balance by fund as of December 31, 2017 and 2016:

	Fund Balance December 31, 2017	Fund Balance December 31, 2016	Increase (Decrease)
General	\$2,338,512	\$3,306,062	(\$967,550)
Municipal Income Tax 1/2% (Voted)	501,195	404,177	97,018
Community Development Block Grant	174,868	5,270	169,598
General Bond Retirement	0	1	(1)
Capital Improvement	235,204	145,707	89,497
TIF District-Coshocton Road	3,396,607	3,465,024	(68,417)
Other Governmental	1,676,859	1,660,714	16,145
Total	\$8,323,245	\$8,986,955	(\$663,710)

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

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

	2017	2016	Increase
	Revenues	Revenues	(Decrease)
Property and Other Taxes	\$6,221,394	\$5,704,417	\$516,977
Intergovernmental Revenue	1,000,229	696,235	303,994
Charges for Services	2,029,982	1,579,414	450,568
Licenses and Permits	16,615	18,242	(1,627)
Investment Earnings	73,248	44,051	29,197
Fines and Forfeitures	628,997	640,188	(11,191)
All Other Revenue	427,480	163,504	263,976
Total	<u>\$10,397,945</u>	<u>\$8,846,051</u>	<u>\$1,551,894</u>

General Fund revenues in 2017 increased approximately 17.54% compared to revenues in 2016. The major increase is in city income tax and charges for service revenues.

	2017	2016	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$2,297,128	\$1,703,377	\$593,751
Public Health and Welfare Services	332,108	323,085	9,023
Leisure Time Activities	924,701	854,263	70,438
Community Environment	37,805	43,796	(5,991)
Transportation	34,331	39,041	(4,710)
General Government	6,661,644	6,776,681	(115,037)
Debt Service:			
Principal Retirement	12,964	12,430	534
Interest and Fiscal Charges	14,911	15,444	(533)
Total	<u>\$10,315,592</u>	<u>\$9,768,117</u>	<u>\$547,475</u>

General Fund expenditures increased by \$547,475 or 5.60% compared to the prior year primarily due to filling open positions and over-time costs during the year.

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

Municipal Income Tax ½% (Voted) Fund - The Municipal Income Tax ½% (Voted) Fund balance increased from \$404,177 to \$501,195 due to modest increase in income tax revenues.

Community Development Block Grant Fund - The Community Development Block Grant Fund balance increased from \$5,270 to \$174,868 due to the pending payments of rehabilitation improvements of the current grant program.

Capital Improvement Fund - The Capital Improvement Fund balance increased from \$145,707 to \$235,204 due to the modest increase of income tax revenues and reduction of capital improvements.

CITY OF MOUNT VERNON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

TIF District-Coshocton Road Fund - The TIF District-Coshocton Road Fund balance decreased from \$3,465,024 to \$3,396,607 due to a major improvement project that was started in the late fall.

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

During the course of 2017 the City amended its General Fund budget several times. The increase in the final budget of \$12,619,136 over the original budget of \$10,746,427 primarily was the result of a grant from Crime Victim Assistance for a Victims of Crime Advocate within the law director's department and Ohio Department of Rehabilitation and Correction Grant for a Probation Improvement and Incentive Program within the municipal court system. Actual expenditures and other financing uses were less than the final budget by \$591,996 because of conservative fiscal management practices.

For the General Fund, final budget basis revenue of \$9,843,531 increased \$1,228,722 due to the receipt of additional intergovernmental grants and other revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017 the City had \$84,516,663 net of accumulated depreciation invested in land, construction in progress, buildings, infrastructure, equipment and vehicles. Of this total, \$51,328,353 was related to governmental activities and \$33,188,310 to the business-type activities. The following table shows 2017 and 2016 balances:

	Governmental Activities		Increase (Decrease)
	2017	2016	
Land	\$13,805,283	\$13,804,083	\$1,200
Construction In Progress	569,054	538,352	30,702
Buildings	15,668,652	15,602,241	66,411
Improvements Other than Buildings	2,454,478	2,454,478	0
Infrastructure	47,990,471	46,249,984	1,740,487
Machinery and Equipment	9,525,903	9,212,851	313,052
Less: Accumulated Depreciation	(38,685,488)	(36,267,906)	(2,417,582)
Totals	<u>\$51,328,353</u>	<u>\$51,594,083</u>	<u>(\$265,730)</u>

Land increased due to the purchase of property for roadway improvements. Constructions in Progress increased due to the engineering design costs for upcoming construction projects. Improvements Other than Buildings had no change. Infrastructures increased due to two new intersections being constructed during the year and additional roads being resurfaced in 2017. Machinery and Equipment increased due to acquisition of vehicles for the police department and equipment for the parks and street departments.

CITY OF MOUNT VERNON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

	Business-Type Activities		Increase (Decrease)
	2017	2016	
Land	\$819,311	\$819,311	\$0
Construction in Progress	86,002	86,002	0
Buildings and Improvements	35,351,317	35,351,317	0
Utility Structures in Service	27,596,320	27,428,944	167,376
Machinery and Equipment	4,695,675	4,669,681	25,994
Less: Accumulated Depreciation	<u>(35,360,315)</u>	<u>(33,695,879)</u>	<u>(1,664,436)</u>
Totals	<u>\$33,188,310</u>	<u>\$34,659,376</u>	<u>(\$1,471,066)</u>

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

Debt

At December 31, 2017, the City had \$9,941,900 in general obligation bonds outstanding, \$1,620,000 due within one year. The following table summarizes the City's liabilities outstanding as of December 31, 2017 and 2016.

	2017	2016
Governmental Activities:		
General Obligation Bonds Payable	\$4,324,200	\$4,770,450
Ohio Public Works Commission Loan	226,875	254,375
Special Obligation Bonds Payable	1,260,000	1,370,000
Net Pension Liability	17,658,614	16,129,261
Police and Firemen's Pension Accrued Liability	341,082	354,046
Compensated Absences	1,118,173	1,081,255
Total Governmental Activities	<u>24,928,944</u>	<u>23,959,387</u>
Business-Type Activities:		
Mortgage Revenue Bonds Payable	950,000	1,430,000
General Obligation Bonds Payable	5,617,700	6,747,950
Special Obligation Bonds Payable	1,260,000	1,370,000
Ohio Public Works Commission Loan	116,886	126,237
Ohio Water Development Authority Loan	5,536,388	5,872,440
Net Pension Liability	2,662,994	1,942,104
Compensated Absences	308,364	314,035
Total Business-Type Activities	<u>16,452,332</u>	<u>17,802,766</u>
Totals	<u>\$41,381,276</u>	<u>\$41,762,153</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2017, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

With the closing of the former K-Mart department store, a new developer has acquired the facility and has been announced the Rural King, a farm supply store will occupy the location. Rural King has not announced when their structural improvement will be completed or their estimated opening date.

In February of 2018, Siemen's announced they would be closing their Mount Vernon location effective September 30, 2018. Employees will continue working at the Mount Vernon location through the September cut-off date; however it is expected some of the workforce will begin obtaining other employment and may not stay until the end of September. Siemen's is one of the top two employers in our community, and the impact to their closing will be a significant financial impact to the community as a whole. The legislative body began their fiscal strategy at the end of 2017, and will continue formulating the financial impact throughout the upcoming year.

REQUESTS FOR INFORMATION

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

The discussion and analysis of the City of Mount Vernon's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.



CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
December 31, 2017**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 2,117,099	\$ 1,215,478	\$ 3,332,577
Investments	5,110,648	2,289,352	7,400,000
Receivables:			
Taxes	3,741,924	0	3,741,924
Accounts	135,261	2,632,674	2,767,935
Intergovernmental	1,851,531	0	1,851,531
Inventory of Supplies	24,417	70,718	95,135
Prepaid Items	223,294	26,708	250,002
Restricted Assets:			
Cash and Cash Equivalents	475,186	0	475,186
Cash and Cash Equivalents with Fiscal Agent	17,352	442,073	459,425
Capital Assets			
Capital Assets not Being Depreciated	14,374,337	905,313	15,279,650
Capital Assets Being Depreciated	36,954,016	32,282,997	69,237,013
Total Assets	65,025,065	39,865,313	104,890,378
Deferred Outflows of Resources:			
Deferred Charge on Refunding	117,834	282,825	400,659
Pension	4,106,087	1,009,705	5,115,792
Total Deferred Outflows of Resources	4,223,921	1,292,530	5,516,451
Liabilities:			
Accounts Payable	331,700	99,367	431,067
Accrued Wages and Benefits	223,654	52,899	276,553
Contracts Payable	402,970	23,167	426,137
Retainage Payable	22,393	0	22,393
Matured Bonds & Interest Payable	0	650	650
Accrued Interest Payable	6,754	24,182	30,936
Long-term Liabilities:			
Due Within One Year	932,695	2,683,939	3,616,634
Due in More than One Year:			
Net Pension Liability	17,658,614	2,662,994	20,321,608
Other Amounts Due in More than One Year	6,337,635	11,105,399	17,443,034
Total Liabilities	25,916,415	16,652,597	42,569,012
Deferred Inflow of Resources:			
Property Taxes	2,048,500	0	2,048,500
Pension	59,066	15,849	74,915
Total Deferred Inflows of Resources	2,107,566	15,849	2,123,415

CITY OF MOUNT VERNON, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	45,255,324	19,432,673	64,687,997
Restricted For:			
Capital Projects	3,443,881	1,031,017	4,474,898
Debt Service	0	442,073	442,073
Perpetual Care, Nonexpendable	475,283	0	475,283
Security of Persons and Property	696,882	0	696,882
Leisure Time Activities	14,511	0	14,511
Community Environment	858,655	0	858,655
Transportation	594,573	0	594,573
Public Health and Welfare	92,902	0	92,902
Unrestricted (Deficit)	(10,207,006)	3,583,634	(6,623,372)
Total Net Position	\$ 41,225,005	\$ 24,489,397	\$ 65,714,402

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Activities
For the Year Ended December 31, 2017**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 8,259,679	\$ 1,732,071	\$ 0	\$ 61,340
Public Health and Welfare Services	760,614	68,440	0	0
Leisure Time Activities	1,362,160	280,239	0	0
Community Environment	355,354	13,871	0	0
Transportation	3,648,289	2,756	467,513	1,107,527
General Government	7,297,638	837,308	1,279,580	0
Interest and Fiscal Charges	212,742	0	0	0
Total Governmental Activities	21,896,476	2,934,685	1,747,093	1,168,867
Business-Type Activities:				
Water	3,066,560	5,114,590	0	0
Sewer	3,750,082	4,534,373	0	0
Total Business-Type Activities	6,816,642	9,648,963	0	0
Totals	\$ 28,713,118	\$ 12,583,648	\$ 1,747,093	\$ 1,168,867

General Revenues

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

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (6,466,268)	\$ 0	\$ (6,466,268)
(692,174)	0	(692,174)
(1,081,921)	0	(1,081,921)
(341,483)	0	(341,483)
(2,070,493)	0	(2,070,493)
(5,180,750)	0	(5,180,750)
(212,742)	0	(212,742)
<u>(16,045,831)</u>	<u>0</u>	<u>(16,045,831)</u>
0	2,048,030	2,048,030
0	784,291	784,291
<u>0</u>	<u>2,832,321</u>	<u>2,832,321</u>
<u>(16,045,831)</u>	<u>2,832,321</u>	<u>(13,213,510)</u>
677,443	0	677,443
156,590	0	156,590
145,590	0	145,590
1,288,174	0	1,288,174
10,390,679	0	10,390,679
131,785	0	131,785
342,555	0	342,555
91,431	20,902	112,333
510,361	0	510,361
<u>13,734,608</u>	<u>20,902</u>	<u>13,755,510</u>
(2,311,223)	2,853,223	542,000
<u>43,536,228</u>	<u>21,636,174</u>	<u>65,172,402</u>
<u>\$ 41,225,005</u>	<u>\$ 24,489,397</u>	<u>\$ 65,714,402</u>

CITY OF MOUNT VERNON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2017**

	General	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant	General Bond Retirement
Assets:				
Cash and Cash Equivalents	\$ 245,540	\$ 158,673	\$ 129,214	\$ 0
Investments	1,598,501	0	0	0
Receivables:				
Taxes	1,525,117	503,674	0	0
Accounts	117,489	15,139	0	0
Intergovernmental	153,855	0	729,441	0
Inventory of Supplies	362	0	0	0
Prepaid Items	186,524	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 3,827,388	\$ 677,486	\$ 858,655	\$ 0
Liabilities:				
Accounts Payable	\$ 173,121	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	178,367	0	0	0
Contracts Payable	61,457	0	0	0
Retainage Payable	0	0	0	0
Total Liabilities	412,945	0	0	0
Deferred Inflows of Resources:				
Property Tax	559,300	0	0	0
Unavailable Revenue	516,631	176,291	683,787	0
Total Deferred Inflows of Resources	1,075,931	176,291	683,787	0
Fund Balances:				
Nonspendable	186,886	0	0	0
Restricted	676	501,195	174,868	0
Committed	7,105	0	0	0
Assigned	1,586,448	0	0	0
Unassigned	557,397	0	0	0
Total Fund Balances	2,338,512	501,195	174,868	0
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,827,388	\$ 677,486	\$ 858,655	\$ 0

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Capital Improvement	TIF District-Coshocton Road	Other Governmental Funds	Total Governmental Funds
\$ 22,287	\$ 415,101	\$ 1,146,284	\$ 2,117,099
178,960	3,333,187	0	5,110,648
84,337	1,330,961	297,835	3,741,924
0	0	2,633	135,261
0	0	968,235	1,851,531
0	0	24,055	24,417
0	0	36,770	223,294
0	0	475,186	475,186
0	0	17,352	17,352
<u>\$ 285,584</u>	<u>\$ 5,079,249</u>	<u>\$ 2,968,350</u>	<u>\$ 13,696,712</u>
\$ 23,503	\$ 803	\$ 134,273	\$ 331,700
0	0	45,287	223,654
3,104	328,485	9,924	402,970
0	22,393	0	22,393
<u>26,607</u>	<u>351,681</u>	<u>189,484</u>	<u>980,717</u>
0	1,300,000	189,200	2,048,500
23,773	30,961	912,807	2,344,250
<u>23,773</u>	<u>1,330,961</u>	<u>1,102,007</u>	<u>4,392,750</u>
0	0	536,108	722,994
235,204	3,396,607	1,050,055	5,358,605
0	0	90,696	97,801
0	0	0	1,586,448
0	0	0	557,397
<u>235,204</u>	<u>3,396,607</u>	<u>1,676,859</u>	<u>8,323,245</u>
<u>\$ 285,584</u>	<u>\$ 5,079,249</u>	<u>\$ 2,968,350</u>	<u>\$ 13,696,712</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2017***

Total Governmental Fund Balances		\$	8,323,245
<i>Amounts reported for governmental activities in the statement of net position are different because</i>			
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.			51,328,353
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			2,344,250
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	4,106,087		
Deferred Inflows - Pension	(59,066)		
Net Pension Liability	<u>(17,658,614)</u>		(13,611,593)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds Payable	(4,324,200)		
Less: Deferred Charges on Refunding	117,834		
Special Obligation Bonds Payable	(1,260,000)		
Ohio Public Works Commission Loan Payable	(226,875)		
Police and Firemen's Pension Accrued Liability	(341,082)		
Compensated Absences Payable	(1,118,173)		
Accrued Interest Payable	<u>(6,754)</u>		<u>(7,159,250)</u>
<i>Net Position of Governmental Activities</i>		\$	<u>41,225,005</u>

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017**

	General	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant	General Bond Retirement
Revenues:				
Taxes	\$ 6,221,394	\$ 3,525,709	\$ 0	\$ 0
Intergovernmental Revenues	1,000,229	0	465,213	0
Charges for Services	2,029,982	0	0	0
Licenses and Permits	16,615	0	0	0
Investment Earnings	73,248	0	1	17,920
Fines and Forfeitures	628,997	0	0	0
All Other Revenue	427,480	15,139	21,933	0
Total Revenue	10,397,945	3,540,848	487,147	17,920
Expenditures:				
Current:				
Security of Persons and Property	2,297,128	3,443,830	0	0
Public Health and Welfare Services	332,108	0	0	0
Leisure Time Activities	924,701	0	0	0
Community Environment	37,805	0	317,549	0
Transportation	34,331	0	0	0
General Government	6,661,644	0	0	0
Debt Service:				
Principal Retirement	12,964	0	0	473,750
Interest and Fiscal Charges	14,911	0	0	173,050
Total Expenditures	10,315,592	3,443,830	317,549	646,800
Excess (Deficiency) of Revenues Over Expenditures	82,353	97,018	169,598	(628,880)
Other Financing Sources (Uses):				
Sale of Capital Assets	4,100	0	0	0
Transfers In	0	0	0	628,879
Transfers Out	(1,053,998)	0	0	0
Total Other Financing Sources (Uses)	(1,049,898)	0	0	628,879
Net Change in Fund Balances	(967,545)	97,018	169,598	(1)
Fund Balances at Beginning of Year	3,306,062	404,177	5,270	1
Decrease in Inventory	(5)	0	0	0
Fund Balances End of Year	\$ 2,338,512	\$ 501,195	\$ 174,868	\$ 0

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

Capital Improvement	TIF District- Coshocton Road	Other Governmental Funds	Total Governmental Funds
\$ 671,509	\$ 1,256,931	\$ 1,066,906	\$ 12,742,449
593,389	0	841,190	2,900,021
0	0	62,315	2,092,297
0	0	3,881	20,496
0	0	262	91,431
0	0	193,691	822,688
11,296	0	33,700	509,548
<u>1,276,194</u>	<u>1,256,931</u>	<u>2,201,945</u>	<u>19,178,930</u>
0	0	1,010,759	6,751,717
0	0	354,930	687,038
35,243	0	491	960,435
0	0	0	355,354
1,128,600	1,119,577	1,034,003	3,316,511
22,854	0	284,193	6,968,691
0	0	110,000	596,714
0	0	17,859	205,820
<u>1,186,697</u>	<u>1,119,577</u>	<u>2,812,235</u>	<u>19,842,280</u>
89,497	137,354	(610,290)	(663,350)
0	0	350	4,450
0	0	690,620	1,319,499
0	(205,771)	(59,730)	(1,319,499)
<u>0</u>	<u>(205,771)</u>	<u>631,240</u>	<u>4,450</u>
89,497	(68,417)	20,950	(658,900)
145,707	3,465,024	1,660,714	8,986,955
0	0	(4,805)	(4,810)
<u>\$ 235,204</u>	<u>\$ 3,396,607</u>	<u>\$ 1,676,859</u>	<u>\$ 8,323,245</u>

CITY OF MOUNT VERNON, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2017***

Net Change in Fund Balances - Total Governmental Funds \$ (658,900)

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

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

Capital Outlay	1,693,793	
Depreciation Expense	<u>(2,513,701)</u>	(819,908)

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

In the statement of activities, only the gain on the sale of capital assets is reported. However, in governmental funds, the proceeds from the sale increase financial resources.	(4,450)	
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Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	575,478	
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The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	<u>(16,850)</u>	554,178
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(169,172)
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		1,317,619
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(3,083,104)
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Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Bond Principal Payment	446,250	
Special Obligation Bond Principal Payment	110,000	
Ohio Public Works Commission Loan Payment	27,500	
Police Firemen's Pension Accrued Liability Principal Payment	<u>12,964</u>	596,714

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		3,790
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(36,918)	
Amortization of Deferred Charge on Refunding	(10,712)	
Change in Inventory	<u>(4,810)</u>	<u>(52,440)</u>

<i>Change in Net Position of Governmental Activities</i>		<u>\$ (2,311,223)</u>
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See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,065,166	\$ 6,065,166	\$ 6,270,193	\$ 205,027
Intergovernmental Revenue	331,413	948,308	984,334	36,026
Charges for Services	1,535,030	1,822,598	2,042,993	220,395
Licenses and Permits	9,200	9,200	16,615	7,415
Investment Earnings	40,000	40,000	73,248	33,248
Fines and Forfeitures	525,000	525,000	636,857	111,857
All Other Revenues	109,000	433,259	441,038	7,779
Total Revenues	8,614,809	9,843,531	10,465,278	621,747
Expenditures:				
Current:				
Security of Persons and Property	1,840,111	2,753,846	2,562,368	191,478
Public Health and Welfare Services	338,228	366,786	366,785	1
Leisure Time Activities	984,596	988,209	973,301	14,908
Community Environment	53,605	46,701	37,853	8,848
Transportation	39,000	39,051	38,091	960
General Government	6,421,429	7,363,135	6,994,744	368,391
Total Expenditures	9,676,969	11,557,728	10,973,142	584,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,062,160)	(1,714,197)	(507,864)	1,206,333
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	4,100	4,100
Transfers Out	(1,069,458)	(1,061,408)	(1,053,998)	7,410
Total Other Financing Sources (Uses):	(1,069,458)	(1,061,408)	(1,049,898)	11,510
Net Change in Fund Balance	(2,131,618)	(2,775,605)	(1,557,762)	1,217,843
Fund Balance at Beginning of Year	2,131,622	2,131,622	2,131,622	0
Prior Year Encumbrances	643,986	643,986	643,986	0
Fund Balance at End of Year	\$ 643,990	\$ 3	\$ 1,217,846	\$ 1,217,843

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Municipal Income Tax ½% (Voted) Fund
For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,410,686	\$ 3,410,686	\$ 3,553,590	\$ 142,904
All Other Revenues	0	0	15,769	15,769
Total Revenues	<u>3,410,686</u>	<u>3,410,686</u>	<u>3,569,359</u>	<u>158,673</u>
Expenditures:				
Current:				
Security of Persons and Property	3,443,830	3,443,830	3,443,830	0
Total Expenditures	<u>3,443,830</u>	<u>3,443,830</u>	<u>3,443,830</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,144)	(33,144)	125,529	158,673
Fund Balance at Beginning of Year	<u>33,144</u>	<u>33,144</u>	<u>33,144</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 158,673</u>	<u>\$ 158,673</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Community Development Block Grant Fund
For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,225,000	\$ 1,225,000	\$ 457,559	\$ (767,441)
Investment Earnings	0	0	1	1
All Other Revenues	0	0	21,933	21,933
Total Revenues	<u>1,225,000</u>	<u>1,225,000</u>	<u>479,493</u>	<u>(745,507)</u>
Expenditures:				
Current				
Community Environment	1,229,457	1,291,163	524,717	766,446
Total Expenditures	<u>1,229,457</u>	<u>1,291,163</u>	<u>524,717</u>	<u>766,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,457)	(66,163)	(45,224)	20,939
Fund Balance at Beginning of Year	4,457	4,457	4,457	0
Prior Year Encumbrances	61,706	61,706	61,706	0
Fund Balance at End of Year	<u>\$ 61,706</u>	<u>\$ 0</u>	<u>\$ 20,939</u>	<u>\$ 20,939</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Business-Type Activities		
	Enterprise Funds		Total
	Water	Sewer	
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 996,672	\$ 218,806	\$ 1,215,478
Investments	1,049,165	1,240,187	2,289,352
Accounts receivable (net of allowance for uncollectibles)	1,391,044	1,241,630	2,632,674
Inventory of Supplies	41,775	28,943	70,718
Prepaid Items	18,199	8,509	26,708
Total current assets	<u>3,496,855</u>	<u>2,738,075</u>	<u>6,234,930</u>
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	442,073	0	442,073
Capital assets:			
Capital Assets Not Being Depreciated	196,021	709,292	905,313
Capital Assets Being Depreciated	<u>12,745,692</u>	<u>19,537,305</u>	<u>32,282,997</u>
Total capital assets	<u>12,941,713</u>	<u>20,246,597</u>	<u>33,188,310</u>
Total noncurrent assets	<u>13,383,786</u>	<u>20,246,597</u>	<u>33,630,383</u>
Total Assets	<u>16,880,641</u>	<u>22,984,672</u>	<u>39,865,313</u>
Deferred Outflows of Resources:			
Deferred Charges on Refunding	35,446	247,379	282,825
Pension	<u>492,325</u>	<u>517,380</u>	<u>1,009,705</u>
Total Deferred Outflows of Resources	<u>527,771</u>	<u>764,759</u>	<u>1,292,530</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	46,882	52,485	99,367
Accrued Wages and Benefits	25,816	27,083	52,899
Contracts Payable	21,283	1,884	23,167
Matured Bonds and Interest Payable	650	0	650
Accrued Interest Payable	3,677	20,505	24,182
General Obligation Bonds Payable - Current	675,300	492,200	1,167,500
Revenue Bond Payable - Current	950,000	0	950,000
OWDA Loans Payable - Current	0	339,962	339,962
OPWC Loans Payable - Current	9,351	0	9,351
Compensated Absences Payable - Current	47,562	57,064	104,626
Special Obligation Bonds Payable - Current	<u>56,250</u>	<u>56,250</u>	<u>112,500</u>
Total Current Liabilities	<u>1,836,771</u>	<u>1,047,433</u>	<u>2,884,204</u>

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
Noncurrent Liabilities:			
General Obligation Bonds Payable	316,175	4,134,025	4,450,200
OWDA Loans Payable	0	5,196,426	5,196,426
OPWC Loans Payable	107,535	0	107,535
Special Obligation Bonds Payable	573,750	573,750	1,147,500
Compensated Absences Payable	86,281	117,457	203,738
Net Pension Liability	1,297,969	1,365,025	2,662,994
Total noncurrent liabilities	2,381,710	11,386,683	13,768,393
Total Liabilities	4,218,481	12,434,116	16,652,597
Deferred Inflows of Resources:			
Pension	7,725	8,124	15,849
NET POSITION:			
Net Investment in Capital Assets	9,733,304	9,699,369	19,432,673
Restricted for Capital Projects	418,295	612,722	1,031,017
Restricted for Debt Service	442,073	0	442,073
Unrestricted	2,588,534	995,100	3,583,634
Total Net Position	\$ 13,182,206	\$ 11,307,191	\$ 24,489,397

See accompanying notes to the basic financial statements



CITY OF MOUNT VERNON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017**

	Business-Type Activities		
	Enterprise Funds		Total
	Water	Sewer	
Operating Revenues:			
Charges for Services	\$ 5,068,077	\$ 4,445,757	\$ 9,513,834
Other Operating Revenues	46,513	88,616	135,129
Total Operating Revenues	5,114,590	4,534,373	9,648,963
Operating Expenses:			
Personal Services	1,448,948	1,604,871	3,053,819
Contractual Services	74,989	633,759	708,748
Materials and Supplies	301,806	194,958	496,764
Utilities	214,771	249,683	464,454
Depreciation	873,152	796,573	1,669,725
Total Operating Expenses	2,913,666	3,479,844	6,393,510
Operating Income	2,200,924	1,054,529	3,255,453
Non-Operating Revenues (Expenses):			
Interest Income	3,839	17,063	20,902
Interest and Fiscal Charges	(152,894)	(270,238)	(423,132)
Total Non-Operating Revenues (Expenses)	(149,055)	(253,175)	(402,230)
Change in Net Position	2,051,869	801,354	2,853,223
Net Position Beginning of Year	11,130,337	10,505,837	21,636,174
Net Position End of Year	\$ 13,182,206	\$ 11,307,191	\$ 24,489,397

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017**

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$4,473,957	\$3,995,418	\$8,469,375
Cash Payments for Goods and Services	(586,272)	(1,088,501)	(1,674,773)
Cash Payments to Employees	(1,249,113)	(1,360,042)	(2,609,155)
Net Cash Provided by Operating Activities	2,638,572	1,546,875	4,185,447
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(196,552)	(31,910)	(228,462)
Principal Paid on General Obligation Bonds	(649,625)	(480,625)	(1,130,250)
Principal Paid on Ohio Public Works Commission Loan	(9,351)	0	(9,351)
Principal Paid on Revenue Bonds	(480,000)	0	(480,000)
Principal Paid on Special Obligation Bonds	(55,000)	(55,000)	(110,000)
Principal Paid on OWDA Loan	0	(336,052)	(336,052)
Interest Paid on All Debt	(150,199)	(210,151)	(360,350)
Net Cash Used for Capital and Related Financing Activities	(1,540,727)	(1,113,738)	(2,654,465)
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	(155,576)	(269,267)	(424,843)
Receipt of Interest	3,839	0	3,839
Net Cash Used by Investing Activities	(151,737)	(269,267)	(421,004)
Net Increase in Cash and Cash Equivalents	946,108	163,870	1,109,978
Cash and Cash Equivalents at Beginning of Year	492,637	54,936	547,573
Cash and Cash Equivalents at End of Year	\$1,438,745	\$218,806	\$1,657,551
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$996,672	\$218,806	\$1,215,478
Restricted Cash with Fiscal Agent	442,073	0	442,073
Cash and Cash Equivalents at End of Year	\$1,438,745	\$218,806	\$1,657,551

(Continued)

CITY OF MOUNT VERNON, OHIO

	Business-Type Activities		Total
	Enterprise Funds		
	Water	Sewer	
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$2,200,924	\$1,054,529	\$3,255,453
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	873,152	796,573	1,669,725
Changes in Assets, Deferred Outflows of Resources,			
Liabilities and Deferred Inflows of Resources:			
Increase in Accounts Receivable	(640,633)	(538,955)	(1,179,588)
(Increase) Decrease in Inventory	(4,156)	1,560	(2,596)
Decrease in Prepaid Items	261	580	841
Increase Deferred Outflows-Pension	(118,795)	(135,685)	(254,480)
Increase in Accounts Payable	19,024	6,914	25,938
Increase in Accrued Wages and Benefits	637	1,045	1,682
Decrease in Contracts Payable	(8,185)	(16,886)	(25,071)
Increase (Decrease) in Compensated Absences	(10,231)	4,560	(5,671)
Increase in Net Pension Liability	337,409	383,481	720,890
Decrease in Deferred Inflows-Pension	(10,835)	(10,841)	(21,676)
Total Adjustments	<u>437,648</u>	<u>492,346</u>	<u>929,994</u>
Net Cash Provided by Operating Activities	<u>\$2,638,572</u>	<u>\$1,546,875</u>	<u>\$4,185,447</u>

See accompanying notes to the basic financial statements

CITY OF MOUNT VERNON, OHIO

***Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2017***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 154,961
Total Assets	<u>\$ 154,961</u>
Liabilities:	
Intergovernmental Payable	\$ 25,519
Due to Others	<u>129,442</u>
Total Liabilities	<u>\$ 154,961</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mount Vernon, Ohio (the "City") was incorporated on February 22, 1830 under the laws of the State of Ohio. The City operates under the general statutory form of government.

The financial statements are presented as of December 31, 2017 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

The City, in conjunction with Knox County, the six villages and the twenty-two townships within Knox County, have created the Knox County Emergency Management Agency (EMA). The EMA is a jointly governed organization whose board is composed of seven members, one county commissioner, five chief executive officers representing municipal corporations or townships and one non-elected representative. The agency was organized to coordinate all civil defense functions within the county to insure the most effective use of resources during an emergency. The City appropriated \$6,000 for operations of the EMA for 2017.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The combined Knox County General Health District Board is responsible for the fiscal operations of the District. Under a contractual arrangement, the District sets the amount the City shall contribute on an annual basis. The remaining funding necessary for the District shall be apportioned by the County Auditor on the basis of taxable valuations among each township and village. Any fees charged for services by the District shall be placed in the District Health Fund. The City appropriated \$55,000 for operations of the combined District for 2017.

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

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

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

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

E. Budgetary Process

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Modified Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificates of estimated resources is amended to include any unencumbered fund balances from the preceding year, and are reported as original budget amounts on the budgetary statements. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the final budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2017.

3. Appropriations

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

	Net Change in Fund Balance		
	General Fund	Municipal Income Tax 1/2% (Voted)	Community Development Block Grant Fund
GAAP Basis (as reported)	(\$967,545)	\$97,018	\$169,598
Increase (Decrease):			
Accrued Revenues at December 31, 2017 received during 2018	(766,190)	(342,522)	(45,654)
Accrued Revenues at December 31, 2016 received during 2017	833,523	371,033	38,000
Accrued Expenditures at December 31, 2017 paid during 2018	412,945	0	0
Accrued Expenditures at December 31, 2016 paid during 2017	(490,642)	0	(98,893)
2016 Prepays for 2017	186,396	0	0
2017 Prepays for 2018	(186,524)	0	0
Outstanding Encumbrances	(579,725)	0	(108,275)
Budget Basis	<u>(\$1,557,762)</u>	<u>\$125,529</u>	<u>(\$45,224)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

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

G. Investments

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

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

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

1. Capital Assets - Governmental Activities

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

Donated capital assets are recorded at acquisition value at the date received. Capital assets include land, buildings, improvements other than building, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Capital Assets – Business Type Activities

Capital assets acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

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

L. Compensated Absences

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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

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

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

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

M. Net Position

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pensions

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

O. Interfund Transactions

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

P. Fund Balances

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balances (Continued)

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

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

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

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

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Bond Issuance Costs

Bond issuance costs are recognized in the current period.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources

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

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

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

U. Fair Market Value

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND ACCOUNTABILITY

A. Change in Accounting Principle

For 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,” Statement No. 80, “Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14,” Statement No. 81, “Irrevocable Split-Interest Agreements,” and Statement No. 82, “Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.”

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions.

GASB Statement No. 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments.

GASB Statement No. 81 addresses irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68.

These changes were incorporated in the City’s 2017 financial statements; however, there was no effect on beginning net position/fund balance.

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Community		Capital Improvement Fund	TIF District- Coshocton Road Fund	Other Governmental Funds	Total Governmental Funds
		Municipal Income Tax 1/2% (Voted)	Development Block Grant Fund				
Nonspendable:							
Prepaid Items	\$186,524	\$0	\$0	\$0	\$0	\$36,770	\$223,294
Supplies Inventory	362	0	0	0	0	24,055	24,417
Endowment	0	0	0	0	0	475,283	475,283
Total Nonspendable	186,886	0	0	0	0	536,108	722,994
Restricted:							
Transportation Projects	0	0	0	235,204	3,396,607	372,959	4,004,770
Cemetery	0	0	0	0	0	106,717	106,717
Court Projects	0	0	0	0	0	375,062	375,062
Public Safety	676	501,195	0	0	0	82,381	584,252
Community Development	0	0	174,868	0	0	71,997	246,865
Debt Retirement	0	0	0	0	0	29,866	29,866
Parks and Recreation	0	0	0	0	0	11,073	11,073
Total Restricted	676	501,195	174,868	235,204	3,396,607	1,050,055	5,358,605
Committed:							
Parks and Recreation	0	0	0	0	0	72,162	72,162
Public Safety	0	0	0	0	0	10,296	10,296
Capital Improvements	7,105	0	0	0	0	8,238	15,343
Total Committed	7,105	0	0	0	0	90,696	97,801
Assigned:							
Projected Budgetary Deficit	1,217,846	0	0	0	0	0	1,217,846
Services and Supplies	368,602	0	0	0	0	0	368,602
Total Assigned	1,586,448	0	0	0	0	0	1,586,448
Unassigned:							
	557,397	0	0	0	0	0	557,397
Total Fund Balances	\$2,338,512	\$501,195	\$174,868	\$235,204	\$3,396,607	\$1,676,859	\$8,323,245

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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

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

A. Deposits

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

At year end the carrying amount of the City's deposits was \$10,955,120 and the bank balance \$10,622,746. The Federal Deposit Insurance Corporation (FDIC) covered \$8,619,582 of the bank balance. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

Uninsured and collateralized with securities held by the Ohio Pooled Collateral System	<u>Balance</u> \$2,003,164
Total Balance	<u>\$2,003,164</u>

Investment earnings of \$72,962 earned by other funds were credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

B. Investments

The City's investments at December 31, 2017 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	<u>\$867,029</u>	AAAm ¹	<u>\$867,029</u>
Total Investments	<u><u>\$867,029</u></u>		<u><u>\$867,029</u></u>

¹ Standard & Poor's

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

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

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

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

C. Cash with Fiscal Agents

In addition to deposits and investments, the City has uninsured and uncollateralized cash in the amount of \$17,352 being held by Knox County and the City had cash with fiscal agents in the amount of \$442,073 for bond reserve accounts, of which \$250,000 was insured by the FDIC and the remaining deposits were uninsured and uncollateralized.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

D. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per GASB Statement No. 9	\$4,422,149	7,400,000
Certificates of Deposit (with maturities of more than 3 months)	7,400,000	(7,400,000)
Investments:		
STAR Ohio	<u>(867,029)</u>	<u>867,029</u>
Per GASB Statement No. 3	<u><u>\$10,955,120</u></u>	<u><u>\$867,029</u></u>

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property used in business and located in the City. Real property taxes (other than public utility) collected during 2017 were levied after October 1, 2017 on assessed values as of January 1, 2017, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years, and equalization adjustments are made in the third year following reappraisal. The last revaluation was completed in 2016. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by June 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Mount Vernon. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2017 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2017 tax receipts were based was \$254,007,140. This amount constitutes \$239,538,100 in real property assessed value and \$14,469,040 in public utility assessed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

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

B. Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of up to 1% of the tax paid to another municipality.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds, after payment of collection expenses, have been allocated by City Council as follows: 81% of the unvoted 1% portion of the income tax is credited to the General Fund, 10% to the Capital Improvement Fund, 3% to the Street Construction, Maintenance and Repair Fund, 4% to the Cemetery Fund, 1% to the Police Pension Fund and 1% to the Fire Pension Fund; 100% of the voted 0.5% portion of the income tax is credited to the Municipal Income Tax ½% Voted Fund.

C. Tax Abatement

As of December 31, 2017, the City provides tax abatements through two programs—Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 5 - TAXES (Continued)

C. Tax Abatement (Continued)

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The City has entered into agreements to abate property taxes through these programs. During 2017, the City's property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>		<u>City</u>
<u>CRA</u>	<u>Ezone</u>	<u>Taxes Abated</u>
\$ 1,195	\$ 11,569	\$ 12,764

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 6 - RECEIVABLES

Receivables at December 31, 2017 consisted of taxes, accounts, and intergovernmental receivables. All receivables are collectible in full and within one year except for allowance for doubtful accounts related to billings for governmental and proprietary funds.

A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund	
Homestead and Rollback Reimbursement	\$39,995
Local Government	87,962
School Resource Officer Grant	25,526
Lodging Tax	372
Total General Fund	<u>153,855</u>
Major Special Revenue Fund:	
CDBG Fund - CDBG Grants	729,441
Nonmajor Special Revenue Funds:	
Street Construction, Maintenance and Repair Fund	
Gasoline Tax	236,583
Motor Vehicle Tax	46,962
Total Street Construction, Maintenance and Repair Fund	<u>283,545</u>
State Highway Improvement Fund	
Gasoline Tax	17,182
Motor Vehicle Tax	3,808
Total State Highway Improvement Fund	<u>20,990</u>
Permissive License Registration Fund - Permissive Tax	17,683
FEMA	636,228
Driver's Interlock and Alcohol Monitoring - Fines and Forfeitures	539
Police Pension Fund - Homestead and Rollback Reimbursement	4,625
Fire Pension Fund - Homestead and Rollback Reimbursement	4,625
Total Nonmajor Special Revenue Funds	<u>968,235</u>
Total Governmental Fund Types	<u>\$1,851,531</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 7 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2017:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$1,053,998
General Bond Retirement Fund	628,879	0
TIF District-Coshocton Road Fund	0	205,771
Other Governmental Funds	690,620	59,730
Total Governmental Funds	<u>\$1,319,499</u>	<u>\$1,319,499</u>

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

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets as of December 31, 2017:

Historical Cost:

Class	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
<i>Capital assets not being depreciated:</i>				
Land	\$13,804,083	\$1,200	\$0	\$13,805,283
Construction in Progress	538,352	356,079	(325,377)	569,054
Subtotal	14,342,435	357,279	(325,377)	14,374,337
<i>Capital assets being depreciated:</i>				
Buildings	15,602,241	71,906	(5,495)	15,668,652
Improvements Other than Buildings	2,454,478	0	0	2,454,478
Infrastructure	46,249,984	1,779,466	(38,979)	47,990,471
Machinery and Equipment	9,212,851	385,997	(72,945)	9,525,903
Subtotal	73,519,554	2,237,369	(117,419)	75,639,504
Total Cost	\$87,861,989	\$2,594,648	(\$442,796)	\$90,013,841

Accumulated Depreciation:

Class	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
Buildings	(\$7,047,874)	(\$523,370)	\$4,164	(\$7,567,080)
Improvements	(698,592)	(79,493)	0	(778,085)
Infrastructure	(21,944,664)	(1,326,874)	24,295	(23,247,243)
Machinery and Equipment	(6,576,776)	(583,964)	67,660	(7,093,080)
Total Depreciation	(\$36,267,906)	(\$2,513,701) *	\$96,119	(\$38,685,488)
<i>Net Value:</i>	\$51,594,083			\$51,328,353

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$433,474
Leisure Time Activities	293,477
Public Health & Welfare	28,504
Transportation	1,461,885
General Government	296,361
Total Depreciation Expense	\$2,513,701

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 8 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets as of December 31, 2017:

Historical Cost:

Class	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
Capital assets not being depreciated:				
Land	\$819,311	\$0	\$0	\$819,311
Construction in Progress	86,002	0	0	86,002
Subtotal	905,313	0	0	905,313
Capital assets being depreciated:				
Buildings	35,351,317	0	0	35,351,317
Utility Structures in Service	27,428,944	167,376	0	27,596,320
Machinery and Equipment	4,669,681	31,283	(5,289)	4,695,675
Subtotal	67,449,942	198,659	(5,289)	67,643,312
Total Cost	\$68,355,255	\$198,659	(\$5,289)	\$68,548,625

Accumulated Depreciation:

Class	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
Buildings	(\$16,066,318)	(\$1,045,837)	\$0	(\$17,112,155)
Utility Structures in Service	(14,417,731)	(400,299)	0	(14,818,030)
Machinery and Equipment	(3,211,830)	(223,589)	5,289	(3,430,130)
Total Depreciation	(\$33,695,879)	(\$1,669,725)	\$5,289	(\$35,360,315)
Net Value:	\$34,659,376			\$33,188,310

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

	<u>State and Local</u>
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$560,334 for 2017. Of this amount, \$75,676 is reported as accrued wages and benefits payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$944,416 for 2017. Of this amount, \$108,002 is reported as accrued wages and benefits payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,707,651	\$12,613,957	\$20,321,608
Proportion of the Net Pension Liability-2017	0.033942%	0.199149%	
Proportion of the Net Pension Liability-2016	<u>0.033191%</u>	<u>0.191546%</u>	
Percentage Change	<u>0.0007510%</u>	<u>0.0076030%</u>	
Pension Expense	\$1,748,168	\$1,966,801	\$3,714,969

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,147,848	\$1,226,651	\$2,374,499
Changes in assumptions	1,222,527	0	1,222,527
Differences between expected and actual experience	10,447	3,569	14,016
City contributions subsequent to the measurement date	<u>560,334</u>	<u>944,416</u>	<u>1,504,750</u>
Total Deferred Outflows of Resources	<u>\$2,941,156</u>	<u>\$2,174,636</u>	<u>\$5,115,792</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$45,872</u>	<u>\$29,043</u>	<u>\$74,915</u>
Total Deferred Inflows of Resources	<u>\$45,872</u>	<u>\$29,043</u>	<u>\$74,915</u>

\$1,504,750 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2018	\$963,124	\$465,492	\$1,428,616
2019	997,437	465,492	1,462,929
2020	408,035	354,332	762,367
2021	(33,646)	(83,599)	(117,245)
2022	0	(617)	(617)
2023	<u>0</u>	<u>77</u>	<u>77</u>
Total	<u>\$2,334,950</u>	<u>\$1,201,177</u>	<u>\$3,536,127</u>

Actuarial Assumptions - OPERS

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$11,775,159	\$7,707,651	\$4,318,101

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2016 are summarized below:

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

* levered 2x

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City’s proportionate share of the net pension liability	\$16,800,217	\$12,613,957	\$9,065,935

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS may be set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2017, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2017, 2016, and 2015 were \$49,071, \$99,694 and \$92,072, respectively, which were equal to the required contributions for each year.

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

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

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

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

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at www.op-f.org.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2017, 2016, and 2015 were \$9,831, \$8,751 and \$7,635 for police and \$12,146, \$12,218 and \$11,310 for firefighters, respectively, which were equal to the required contributions for each year.

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CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

Long-term debt and other long-term obligations of the City at December 31, 2017 were as follows:

			Balance December 31, 2016	Additions	(Reductions)	Balance December 31, 2017	Amounts Due Within One Year
Business-Type Activities:							
Mortgage Revenue Bonds:							
3.00 - 3.75%	Water Refunding 1999	2009	\$1,430,000	\$0	(\$480,000)	\$950,000	\$950,000
General Obligation Bonds:							
4.00 - 5.500%	Waterworks Refunding 1997	2007	1,255,000	0	(615,000)	640,000	640,000
3.75 - 4.350%	Waterworks	2007	25,000	0	(25,000)	0	0
3.75 - 4.350%	W/W Treatment Facility	2007	140,000	0	(140,000)	0	0
1.86%	Wastewater Refunding 2003	2012	675,720	0	(108,750)	566,970	110,200
1.86%	Wastewater Refunding 2003	2012	490,780	0	(78,750)	412,030	79,800
1.86%	Water Refunding 2003	2012	35,100	0	(5,625)	29,475	5,700
1.86%	Wastewater Refunding 2003	2012	35,100	0	(5,625)	29,475	5,700
2.61%	W/W Refunding 2009B	2015	1,880,000	0	(125,000)	1,755,000	130,000
2.51%	Water Refunding 2007	2015	326,000	0	(4,000)	322,000	29,600
2.51%	W/W Refunding 2007	2015	1,885,250	0	(22,500)	1,862,750	166,500
Total General Obligation Bonds Payable			6,747,950	0	(1,130,250)	5,617,700	1,167,500
Special Obligation Bonds:							
2.60%	Water - Building Project	2012	685,000	0	(55,000)	630,000	56,250
2.60%	Wastewater -Building Project	2012	685,000	0	(55,000)	630,000	56,250
Total Special Obligation Bonds Payable			1,370,000	0	(110,000)	1,260,000	112,500
Ohio Public Works Commission Loan:							
0.000%	Water Improvements	2009	126,237	0	(9,351)	116,886	9,351
Ohio Water Development Authority							
1.160%	Wastewater Improvements	2011	5,872,440	0	(336,052)	5,536,388	339,962
Net Pension Liability:							
Ohio Public Employees Retirement System			1,942,104	720,890	0	2,662,994	0
Compensated Absences			314,035	158,434	(164,105)	308,364	104,626
Total Business-Type Activities			\$17,802,766	\$879,324	(\$2,229,758)	\$16,452,332	\$2,683,939

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

			Balance December 31, 2016	Additions	(Reductions)	Balance December 31, 2017	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bond:							
3.75 - 4.350%	Water Park Facility	2007	\$145,000	\$0	(\$145,000)	\$0	\$0
2.00- 4.250%	Highway Project	2009	1,555,000	0	(100,000)	1,455,000	100,000
1.86%	Building Refunding 2003	2012	70,200	0	(11,250)	58,950	11,400
1.86%	Highway Refunding 2003	2012	1,029,600	0	(165,000)	864,600	167,200
2.51%	Water Park Refund 2007	2015	1,970,650	0	(25,000)	1,945,650	173,900
Total General Obligation Bonds Payable			4,770,450	0	(446,250)	4,324,200	452,500
Special Obligation Bonds:							
2.60%	Building Project	2012	1,370,000	0	(110,000)	1,260,000	112,500
Total Special Obligation Bonds Payable			1,370,000	0	(110,000)	1,260,000	112,500
Ohio Public Works Commission Loans:							
0.000%	OPWC Loan Payable	2003	170,000	0	(21,250)	148,750	21,250
0.000%	OPWC Loan Payable	2009	84,375	0	(6,250)	78,125	6,250
Total OPWC Loans Payable			254,375	0	(27,500)	226,875	27,500
Net Pension Liability:							
Ohio Public Employees Retirement System			3,806,996	1,237,661	0	5,044,657	0
Ohio Police and Fire Pension Fund			12,322,265	291,692	0	12,613,957	0
Total Net Pension Liability			16,129,261	1,529,353	0	17,658,614	0
Compensated Absences			1,081,255	1,000,520	(963,602)	1,118,173	326,674
Police and Firemen's Pension Accrued Liability			354,046	0	(12,964)	341,082	13,521
Total Governmental Activities			\$23,959,387	\$2,529,873	(\$1,560,316)	\$24,928,944	\$932,695

A. Long-term Debt Purpose

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

A. Long-term Debt Purpose (Continued)

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

		Original Issue
		<u> </u>
Business-Type Activities		
Mortgage Revenue Bonds:		
Water Refunding 1999	2009	\$4,420,000
General Obligation Bonds:		
Waterworks Refunding 1997	2007	5,785,000
Waterworks	2007	520,000
Wastewater Treatment Facility	2007	2,890,000
Wastewater Improvements	2009	2,595,000
Wastewater Refunding	2012	1,020,800
Wastewater Refunding	2012	739,200
Wastewater Refunding	2012	52,800
Water Refunding	2012	52,800
Water Refunding 2007	2015	330,000
Wastewater Refunding 2007	2015	<u>2,095,000</u>
Total General Obligation Bonds		<u>16,080,600</u>
Special Obligation Bonds:		
Wastewater-Building Project	2012	887,500
Water-Building Project	2012	<u>887,500</u>
Total Special Obligation Bonds		<u>1,775,000</u>
Ohio Public Works Commission Loan:		
Wastewater Improvements	2009	125,362
Ohio Water Development Authority		
Wastewater Improvements	2011	<u>7,178,446</u>
Total Business Type Activities		<u><u>\$29,579,408</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

A. Long-term Debt Purpose (Continued)

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

		Original Issue
Governmental Activities Long-Term Debt:		
General Obligation Bonds:		
Water Park Facility	2007	\$3,035,000
Highway Project	2009	2,165,000
Building Refunding 2003	2012	105,600
Highway Refunding 2003	2012	1,548,800
Water Park Facility Refunding 2007	2015	2,007,500
Total General Obligation Bonds		<u>8,861,900</u>
Special Obligation Bonds:		
Building Project	2012	1,775,000
Total Special Obligation Bonds		<u>1,775,000</u>
Ohio Public Works Commission Loan:		
OPWC Loan Payable	2003	425,000
OPWC Loan Payable	2009	125,000
Total Ohio Public Works Commission Loan Payable		<u>550,000</u>
Total Governmental Activities		<u>\$11,186,900</u>

B. Police and Firemen's Pension Fund

The City's liability for past service costs related to the Police and Firemen's Pension Fund at December 31, 2017 was \$486,551 in principal and interest payments through the year 2035.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

C. Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017 are as follows:

Business-type Activities:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$1,167,500	\$146,225	\$950,000	\$35,625	\$9,351	\$0
2019	532,800	108,492	0	0	9,351	0
2020	553,700	96,275	0	0	9,351	0
2021	559,000	83,494	0	0	9,351	0
2022	571,950	70,630	0	0	9,351	0
2023-2027	1,915,700	191,891	0	0	46,755	0
2028-2032	317,050	12,920	0	0	23,376	0
Totals	\$5,617,700	\$709,927	\$950,000	\$35,625	\$116,886	\$0

Years	Ohio Water Development Authority Loan		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2018	\$339,962	\$63,239	\$112,500	\$32,760
2019	343,917	59,284	115,000	29,834
2020	347,918	55,283	117,500	26,918
2021	351,965	51,235	120,000	23,790
2022	356,060	47,141	125,000	20,670
2023-2027	1,843,407	172,598	670,000	53,144
2028-2032	1,953,159	62,846	0	0
Totals	\$5,536,388	\$511,626	\$1,260,000	\$187,116

CITY OF MOUNT VERNON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

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

C. Principal and Interest Requirements (Continued)

Governmental Activities:

Years	General Obligation Bonds		Police/Fire Pension Liability		Ohio Public Works Commission Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$452,500	\$125,525	\$13,521	\$14,354	\$27,500	\$0
2019	457,200	114,274	14,101	13,772	27,500	0
2020	476,300	102,699	14,707	13,167	27,500	0
2021	486,000	90,289	15,339	12,536	27,500	0
2022	498,050	77,606	15,998	11,876	27,500	0
2023-2027	1,659,150	223,301	90,905	48,466	73,750	0
2028-2032	295,000	18,913	112,180	27,193	15,625	0
2033-2035	0	0	64,331	4,105	0	0
Totals	<u>\$4,324,200</u>	<u>\$752,607</u>	<u>\$341,082</u>	<u>\$145,469</u>	<u>\$226,875</u>	<u>\$0</u>

Years	Special Obligation Bonds	
	Principal	Interest
2018	\$112,500	\$32,760
2019	115,000	29,835
2020	117,500	26,918
2021	120,000	23,790
2022	125,000	20,670
2023-2027	670,000	53,144
Totals	<u>\$1,260,000</u>	<u>\$187,117</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 12 – COMPENSATED ABSENCES

The City provides a liability for accumulated unpaid sick leave, vacation and compensatory time benefits when earned by employees. Accrued employee benefits for Governmental Funds not currently due and payable at yearend are recorded as Long-Term Obligations in the government-wide statements. At December 31, 2017, the total accumulated unpaid sick, vacation and compensatory time recorded was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	56,044	\$722,884
Vacation	13,585	325,965
Compensatory Time	<u>3,134</u>	<u>69,324</u>
Total	<u><u>72,763</u></u>	<u><u>\$1,118,173</u></u>

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

NOTE 13 - RISK MANAGEMENT

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

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

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. As a result of this risk analysis, PEP has elected to increase its retention for casualty and property claims to \$500,000 and \$250,000, respectively, effective January 1, 2018.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 13 - RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016 and 2017, the latest information available:

	2016	2017
Assets	\$ 42,182,281	\$ 44,452,326
Liabilities	13,396,700	13,004,011
Net Assets	<u>\$ 28,785,581</u>	<u>\$ 31,448,315</u>

At December 31, 2016 and 2017, respectively, the liabilities above include approximately \$11.1 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million and \$11.3 million of unpaid claims to be billed. The Pool's membership increased from 520 members in 2016 to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the City's share of these unpaid claims collectible in future years is approximately \$338,322.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

	<u>Contributions to PEP</u>
2016	\$ 169,380
2017	169,161

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2017**

NOTE 14 - SIGNIFICANT COMMITMENTS

A. Construction Commitments

As of December 31, 2017, the City had the following commitments with respect to capital projects:

<u>Contractual Commitments</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
US Route 36 & Verndale Drive Intersection Improvements	\$314,387	March 2018

B. Encumbrances

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, cash basis commitments for encumbrances in the City's funds were as follows:

Governmental Funds:	
General Fund	\$579,725
Community Development Block Grant Fund	108,275
Capital Improvement Fund	74,251
TIF District - Coshocton Road Fund	41,420
Other Governmental Funds	162,931
Total Governmental Funds	<u>966,602</u>
Enterprise Funds:	
Water Fund	180,878
Sewer Fund	106,416
Total Enterprise Funds	<u>287,294</u>
Agency Funds	66,279
Total	<u><u>\$1,320,175</u></u>

NOTE 15 - CONTINGENCIES

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

NOTE 16 - CONDUIT DEBT OBLIGATIONS

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

The City has issued Economic Development Revenue Refunding Bonds, Series 2016, in the amount of \$8,933,334 for the above described bonds, on September 1, 2016. All related provisions as described above remain in place and the City has no financial obligation for repayment of the bonds. As December 31, 2017, Economic Development Revenue Refunding Bonds outstanding for the Mount Vernon Nazarene University totaled \$8,524,731.64.



REQUIRED SUPPLEMENTAL INFORMATION

CITY OF MOUNT VERNON, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability	0.033673%	0.033673%	0.033191%	0.033942%
City's proportionate share of the net pension liability	\$3,969,608	\$4,061,340	\$5,749,100	\$7,707,651
City's covered-employee payroll	\$4,439,377	\$3,719,758	\$4,089,550	\$4,548,125
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	89.42%	109.18%	140.58%	169.47%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

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

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability	0.1944451%	0.1944451%	0.191546%	0.199149%
City's proportionate share of the net pension liability	\$9,470,086	\$10,073,067	\$12,322,265	\$12,613,957
City's covered-employee payroll	\$3,624,240	\$3,757,673	\$3,788,456	\$4,187,303
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.30%	268.07%	325.26%	301.24%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

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

CITY OF MOUNT VERNON, OHIO

***Schedule of City Contributions
Last Five Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016	2017
Contractually required contribution	\$577,119	\$446,371	\$490,746	\$545,775	\$560,334
Contributions in relation to the contractually required contribution	577,119	446,371	490,746	545,775	560,334
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
City's covered-employee payroll	\$4,439,377	\$3,719,758	\$4,089,550	\$4,548,125	\$4,310,262
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%	13.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016	2017
Contractually required contribution	\$672,896	\$814,678	\$821,716	\$905,295	\$944,416
Contributions in relation to the contractually required contribution	672,896	814,678	821,716	905,295	944,416
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
City's covered-employee payroll	\$3,624,240	\$3,757,673	\$3,788,456	\$4,187,303	\$4,394,677
Contributions as a percentage of covered-employee payroll	18.57%	21.68%	21.69%	21.62%	21.49%

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

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

***Notes to the Supplemental Required Information
For the Year Ended December 31, 2017***

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board's investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities the plan will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8.0 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Permissive Auto License Tax Fund

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

Cemetery Fund

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

Park Development Fund

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

Parking Fund

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

Law Enforcement Trust Fund

To account for the proceeds from the confiscation of contraband.

Drug Enforcement Trust Fund

To account for mandatory fines collected for drug offenses.

Permissive License Registration Fund

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

Indigent Drivers Alcohol Treatment Fund

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

DUI - Enforcement and Education Fund

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

(Continued)

Special Revenue Funds (Continued)

Court Computerization Fund

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

Probation Services Fund

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

Municipal Court Special Projects Fund

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

Federal Emergency Management Agency Fund (FEMA)

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

Court Clerk Computer Fund

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

Lodging Excise Tax Fund

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

Driver's Interlock and Alcohol Monitoring Fund

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

Public Service Street Repair Fund

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

Hiawatha Water Park Scholarship Fund

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

Available Petition Fund

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

(Continued)

Special Revenue Funds (Continued)

Police Pension Fund

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

Fire Pension Fund

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

Mausoleum Fund

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

Veterans Honor Walkway Fund

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

Debt Service Fund

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

General Bond Retirement-Income Tax Fund

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

(Continued)

Capital Projects Funds

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

Baltimore and Ohio (B&O) Railroad Depot Fund

To account for financial resources used for the acquisition and improvements of a 1907 historical railroad depot station. The improvements are being funded by public contributions and potential future historical preservation grants. The site will provide space for community activities or additional governmental operations.

TIF District-Industrial Area Fund

To account for financial resources used for the improvements within the described boundaries of the Industrial Park area. The TIF (tax increment financing) district will expire in January 2036 due to the thirty year maximum lifetime.

Permanent Fund

The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

Perpetual Care Fund

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

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 1,105,348	\$ 29,866	\$ 11,070	\$ 0	\$ 1,146,284
Receivables:					
Taxes	237,835	0	60,000	0	297,835
Accounts	2,536	0	0	97	2,633
Intergovernmental	968,235	0	0	0	968,235
Inventory of Supplies	24,055	0	0	0	24,055
Prepaid Items	36,770	0	0	0	36,770
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	475,186	475,186
Cash and Cash Equivalents with Fiscal Agent	17,352	0	0	0	17,352
Total Assets	\$ 2,392,131	\$ 29,866	\$ 71,070	\$ 475,283	\$ 2,968,350
Liabilities:					
Accounts Payable	\$ 134,273	\$ 0	\$ 0	\$ 0	\$ 134,273
Accrued Wages and Benefits Payable	45,287	0	0	0	45,287
Contracts Payable	9,924	0	0	0	9,924
Total Liabilities	189,484	0	0	0	189,484
Deferred Inflows of Resources:					
Deferred Inflow-Property Tax	129,200	0	60,000	0	189,200
Unavailable Revenue	912,807	0	0	0	912,807
Total Deferred Inflows of Resources	1,042,007	0	60,000	0	1,102,007
Fund Balances:					
Nonspendable	60,825	0	0	475,283	536,108
Restricted	1,017,357	29,866	2,832	0	1,050,055
Committed	82,458	0	8,238	0	90,696
Total Fund Balances	1,160,640	29,866	11,070	475,283	1,676,859
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,392,131	\$ 29,866	\$ 71,070	\$ 475,283	\$ 2,968,350

CITY OF MOUNT VERNON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 860,665	\$ 145,590	\$ 60,651	\$ 0	\$ 1,066,906
Intergovernmental Revenues	841,190	0	0	0	841,190
Charges for Services	62,315	0	0	0	62,315
Licenses and Permits	3,881	0	0	0	3,881
Investment Earnings	262	0	0	0	262
Fines and Forfeitures	193,691	0	0	0	193,691
All Other Revenue	24,355	0	0	9,345	33,700
Total Revenue	1,986,359	145,590	60,651	9,345	2,201,945
Expenditures:					
Current:					
Security of Persons and Property	1,010,759	0	0	0	1,010,759
Public Health and Welfare Services	354,930	0	0	0	354,930
Leisure Time Activities	491	0	0	0	491
Transportation	1,032,984	0	1,019	0	1,034,003
General Government	284,193	0	0	0	284,193
Debt Service:					
Principal Retirement	0	110,000	0	0	110,000
Interest and Fiscal Charges	0	17,859	0	0	17,859
Total Expenditures	2,683,357	127,859	1,019	0	2,812,235
Excess (Deficiency) of Revenues					
Over Expenditures	(696,998)	17,731	59,632	9,345	(610,290)
Other Financing Sources (Uses):					
Sale of Capital Assets	350	0	0	0	350
Transfers In	690,620	0	0	0	690,620
Transfers Out	0	0	(59,730)	0	(59,730)
Total Other Financing Sources (Uses)	690,970	0	(59,730)	0	631,240
Net Change in Fund Balances	(6,028)	17,731	(98)	9,345	20,950
Fund Balances at Beginning of Year	1,171,473	12,135	11,168	465,938	1,660,714
Decrease in Inventory	(4,805)	0	0	0	(4,805)
Fund Balances End of Year	\$ 1,160,640	\$ 29,866	\$ 11,070	\$ 475,283	\$ 1,676,859

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Assets:				
Cash and Cash Equivalents	\$ 102,750	\$ 80,716	\$ 5,268	\$ 95,447
Receivables:				
Taxes	25,301	0	0	33,735
Accounts	0	0	0	1
Intergovernmental	283,545	20,990	0	0
Inventory of Supplies	23,448	0	0	607
Prepaid Items	3,241	0	0	761
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	17,352	0
Total Assets	\$ 438,285	\$ 101,706	\$ 22,620	\$ 130,551
Liabilities:				
Accounts Payable	\$ 14,141	\$ 368	\$ 0	\$ 9,143
Accrued Wages and Benefits Payable	14,029	0	0	5,610
Contracts Payable	181	548	0	66
Total Liabilities	28,351	916	0	14,819
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	196,162	13,327	17,352	9,510
Total Deferred Inflows of Resources	196,162	13,327	17,352	9,510
Fund Balances:				
Nonspendable	26,689	0	0	1,368
Restricted	187,083	87,463	5,268	104,854
Committed	0	0	0	0
Total Fund Balances	213,772	87,463	5,268	106,222
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 438,285	\$ 101,706	\$ 22,620	\$ 130,551

CITY OF MOUNT VERNON, OHIO

Park Development	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment
\$ 11,073	\$ 6,575	\$ 12,301	\$ 16,859	\$ 76,871	\$ 13,287
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	17,683	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 11,073</u>	<u>\$ 6,575</u>	<u>\$ 12,301</u>	<u>\$ 16,859</u>	<u>\$ 94,554</u>	<u>\$ 13,287</u>
\$ 0	\$ 906	\$ 0	\$ 0	\$ 1,311	\$ 0
0	0	0	0	0	0
0	0	0	0	2,930	0
<u>0</u>	<u>906</u>	<u>0</u>	<u>0</u>	<u>4,241</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
11,073	0	12,301	16,859	90,313	13,287
0	5,669	0	0	0	0
<u>11,073</u>	<u>5,669</u>	<u>12,301</u>	<u>16,859</u>	<u>90,313</u>	<u>13,287</u>
<u>\$ 11,073</u>	<u>\$ 6,575</u>	<u>\$ 12,301</u>	<u>\$ 16,859</u>	<u>\$ 94,554</u>	<u>\$ 13,287</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	DUI Enforcement and Education	Court Computerization	Probation Services	Municipal Court Special Projects
Assets:				
Cash and Cash Equivalents	\$ 45,519	\$ 15,376	\$ 42,898	\$ 46,323
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	1,328	0	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 45,519	\$ 16,704	\$ 42,898	\$ 46,323
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 310	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Contracts Payable	0	0	0	0
Total Liabilities	0	0	310	0
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	1,328	0	0
Restricted	45,519	15,376	42,588	46,323
Committed	0	0	0	0
Total Fund Balances	45,519	16,704	42,588	46,323
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 45,519	\$ 16,704	\$ 42,898	\$ 46,323

CITY OF MOUNT VERNON, OHIO

FEMA	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair	Hiawatha Water Park Scholarship
\$ 0	\$ 119,413	\$ 0	\$ 137,628	\$ 4,627	\$ 3,438
0	0	6,199	0	0	0
0	0	0	0	0	0
636,228	0	0	539	0	0
0	0	0	0	0	0
0	31,440	0	0	0	0
0	0	0	0	0	0
<u>\$ 636,228</u>	<u>\$ 150,853</u>	<u>\$ 6,199</u>	<u>\$ 138,167</u>	<u>\$ 4,627</u>	<u>\$ 3,438</u>
\$ 0	\$ 92	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	6,199	0	0	0
<u>0</u>	<u>92</u>	<u>6,199</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
636,228	0	0	0	0	0
<u>636,228</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	31,440	0	0	0	0
0	119,321	0	138,167	0	0
0	0	0	0	4,627	3,438
<u>0</u>	<u>150,761</u>	<u>0</u>	<u>138,167</u>	<u>4,627</u>	<u>3,438</u>
<u>\$ 636,228</u>	<u>\$ 150,853</u>	<u>\$ 6,199</u>	<u>\$ 138,167</u>	<u>\$ 4,627</u>	<u>\$ 3,438</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Available Petition	Police Pension	Fire Pension	Mausoleum
Assets:				
Cash and Cash Equivalents	\$ 71,687	\$ 49,855	\$ 76,850	\$ 1,863
Receivables:				
Taxes	310	86,145	86,145	0
Accounts	0	2,535	0	0
Intergovernmental	0	4,625	4,625	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 71,997	\$ 143,160	\$ 167,620	\$ 1,863
Liabilities:				
Accounts Payable	\$ 0	\$ 41,121	\$ 66,881	\$ 0
Accrued Wages and Benefits Payable	0	10,033	15,615	0
Contracts Payable	0	0	0	0
Total Liabilities	0	51,154	82,496	0
Deferred Inflows of Resources:				
Deferred Inflows-Property Tax	0	64,600	64,600	0
Unavailable Revenue	0	20,114	20,114	0
Total Deferred Inflows of Resources	0	84,714	84,714	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	71,997	7,292	410	1,863
Committed	0	0	0	0
Total Fund Balances	71,997	7,292	410	1,863
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 71,997	\$ 143,160	\$ 167,620	\$ 1,863

CITY OF MOUNT VERNON, OHIO

<u>Veterans Honor Walkway</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 68,724	\$ 1,105,348
0	237,835
0	2,536
0	968,235
0	24,055
0	36,770
0	17,352
<u>\$ 68,724</u>	<u>\$ 2,392,131</u>
\$ 0	\$ 134,273
0	45,287
0	9,924
<u>0</u>	<u>189,484</u>
0	129,200
0	912,807
<u>0</u>	<u>1,042,007</u>
0	60,825
0	1,017,357
<u>68,724</u>	<u>82,458</u>
<u>68,724</u>	<u>1,160,640</u>
<u>\$ 68,724</u>	<u>\$ 2,392,131</u>

CITY OF MOUNT VERNON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	Street Construction, Maintenance & Repair	State Highway Improvement	Permissive Auto License Tax	Cemetery
Revenues:				
Taxes	\$ 201,452	\$ 0	\$ 0	\$ 268,603
Intergovernmental Revenues	600,386	48,680	60,765	0
Charges for Services	0	0	0	59,095
Licenses and Permits	2,756	0	0	0
Investment Earnings	7	7	0	231
Fines and Forfeitures	0	0	0	0
All Other Revenue	12,030	84	0	2,527
Total Revenue	<u>816,631</u>	<u>48,771</u>	<u>60,765</u>	<u>330,456</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	354,930
Leisure Time Activities	0	0	0	0
Transportation	818,192	47,064	77,986	0
General Government	0	0	0	0
Total Expenditures	<u>818,192</u>	<u>47,064</u>	<u>77,986</u>	<u>354,930</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,561)	1,707	(17,221)	(24,474)
Other Financing Sources (Uses):				
Sale of Capital Assets	350	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>350</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(1,211)	1,707	(17,221)	(24,474)
Fund Balances at Beginning of Year	219,817	85,756	22,489	130,667
Increase (Decrease) in Inventory	(4,834)	0	0	29
Fund Balances End of Year	<u>\$ 213,772</u>	<u>\$ 87,463</u>	<u>\$ 5,268</u>	<u>\$ 106,222</u>

CITY OF MOUNT VERNON, OHIO

Park Development	Parking	Law Enforcement Trust	Drug Enforcement Trust	Permissive License Registration	Indigent Drivers Alcohol Treatment
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	109,394	0
2,620	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	7,420	4,370	11,029	0	17,713
0	70	0	0	5,482	0
<u>2,620</u>	<u>7,490</u>	<u>4,370</u>	<u>11,029</u>	<u>114,876</u>	<u>17,713</u>
0	24,168	937	18,570	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	86,674	0
0	0	0	0	0	12,865
<u>0</u>	<u>24,168</u>	<u>937</u>	<u>18,570</u>	<u>86,674</u>	<u>12,865</u>
2,620	(16,678)	3,433	(7,541)	28,202	4,848
0	0	0	0	0	0
<u>2,620</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,620</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5,240	(11,678)	3,433	(7,541)	28,202	4,848
5,833	17,347	8,868	24,400	62,111	8,439
0	0	0	0	0	0
<u>\$ 11,073</u>	<u>\$ 5,669</u>	<u>\$ 12,301</u>	<u>\$ 16,859</u>	<u>\$ 90,313</u>	<u>\$ 13,287</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	DUI Enforcement and Education	Court Computerization	Probation Services	Municipal Court Special Projects
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	808	16,395	45,360	24,244
All Other Revenue	0	0	770	0
Total Revenue	808	16,395	46,130	24,244
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	0	23,979	34,077	0
Total Expenditures	0	23,979	34,077	0
Excess (Deficiency) of Revenues Over Expenditures	808	(7,584)	12,053	24,244
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	808	(7,584)	12,053	24,244
Fund Balances at Beginning of Year	44,711	24,288	30,535	22,079
Increase (Decrease) in Inventory	0	0	0	0
Fund Balances End of Year	\$ 45,519	\$ 16,704	\$ 42,588	\$ 46,323

CITY OF MOUNT VERNON, OHIO

FEMA	Court Clerk Computer	Lodging Excise Tax	Driver's Interlock & Alcohol Monitoring	Public Service Street Repair	Hiawatha Water Park Scholarship
\$ 0	\$ 0	\$ 118,760	\$ 0	\$ 0	\$ 0
1,500	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	1,125	0
0	0	0	0	0	0
0	55,264	0	11,088	0	0
0	0	0	0	0	725
<u>1,500</u>	<u>55,264</u>	<u>118,760</u>	<u>11,088</u>	<u>1,125</u>	<u>725</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	3,068	0
1,500	53,381	119,260	1,287	0	0
<u>1,500</u>	<u>53,381</u>	<u>119,260</u>	<u>1,287</u>	<u>3,068</u>	<u>0</u>
0	1,883	(500)	9,801	(1,943)	725
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	1,883	(500)	9,801	(1,943)	725
0	148,878	500	128,366	6,570	2,713
0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 150,761</u>	<u>\$ 0</u>	<u>\$ 138,167</u>	<u>\$ 4,627</u>	<u>\$ 3,438</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	Available Petition	Police Pension	Fire Pension	Mausoleum
Revenues:				
Taxes	\$ 5,938	\$ 131,623	\$ 134,289	\$ 0
Intergovernmental Revenues	0	11,500	8,965	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	1
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	2,667	0	0
Total Revenue	<u>5,938</u>	<u>145,790</u>	<u>143,254</u>	<u>1</u>
Expenditures:				
Current:				
Security of Persons and Property	0	383,671	583,413	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
General Government	35,000	1,422	1,422	0
Total Expenditures	<u>35,000</u>	<u>385,093</u>	<u>584,835</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(29,062)	(239,303)	(441,581)	1
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	240,000	443,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>240,000</u>	<u>443,000</u>	<u>0</u>
Net Change in Fund Balances	(29,062)	697	1,419	1
Fund Balances at Beginning of Year	101,059	6,595	(1,009)	1,862
Increase (Decrease) in Inventory	0	0	0	0
Fund Balances End of Year	<u>\$ 71,997</u>	<u>\$ 7,292</u>	<u>\$ 410</u>	<u>\$ 1,863</u>

CITY OF MOUNT VERNON, OHIO

Veterans Honor Walkway	Total Nonmajor Special Revenue Funds
\$ 0	\$ 860,665
0	841,190
600	62,315
0	3,881
16	262
0	193,691
0	24,355
616	1,986,359
0	1,010,759
0	354,930
491	491
0	1,032,984
0	284,193
491	2,683,357
125	(696,998)
0	350
0	690,620
0	690,970
125	(6,028)
68,599	1,171,473
0	(4,805)
\$ 68,724	\$ 1,160,640

CITY OF MOUNT VERNON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017**

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 8,238	\$ 2,832	\$ 11,070
Receivables:			
Taxes	0	60,000	60,000
Total Assets	<u>\$ 8,238</u>	<u>\$ 62,832</u>	<u>\$ 71,070</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Deferred Inflows-Property Tax	0	60,000	60,000
Total Deferred Inflows of Resources	<u>0</u>	<u>60,000</u>	<u>60,000</u>
Fund Balances:			
Restricted	0	2,832	2,832
Committed	8,238	0	8,238
Total Fund Balances	<u>8,238</u>	<u>2,832</u>	<u>11,070</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,238</u>	<u>\$ 62,832</u>	<u>\$ 71,070</u>

CITY OF MOUNT VERNON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017***

	B&O Railroad Depot	TIF District- Industrial Area	Total Nonmajor Capital Project Funds
Revenues:			
Taxes	\$ 0	\$ 60,651	\$ 60,651
Total Revenue	<u>0</u>	<u>60,651</u>	<u>60,651</u>
Expenditures:			
Current:			
Transportation	0	1,019	1,019
Total Expenditures	<u>0</u>	<u>1,019</u>	<u>1,019</u>
Excess (Deficiency) of Revenues Over Expenditures	0	59,632	59,632
Other Financing Sources (Uses):			
Transfers Out	0	(59,730)	(59,730)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(59,730)</u>	<u>(59,730)</u>
Net Change in Fund Balances	0	(98)	(98)
Fund Balances at Beginning of Year	<u>8,238</u>	<u>2,930</u>	<u>11,168</u>
Fund Balances End of Year	<u>\$ 8,238</u>	<u>\$ 2,832</u>	<u>\$ 11,070</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 607,900	\$ 607,900	\$ 584,262	\$ (23,638)
Municipal Income Tax	5,451,266	5,451,266	5,678,844	227,578
Other Local Taxes	6,000	6,000	7,087	1,087
Total Tax Revenues	6,065,166	6,065,166	6,270,193	205,027
Intergovernmental Revenues:				
State Levied Shared Taxes	303,613	303,613	281,783	(21,830)
Intergovernmental Revenues	27,800	644,695	702,551	57,856
Total Intergovernmental Revenues	331,413	948,308	984,334	36,026
Charges for Services	1,535,030	1,822,598	2,042,993	220,395
Licenses and Permits	9,200	9,200	16,615	7,415
Investment Earnings	40,000	40,000	73,248	33,248
Fines and Forfeitures	525,000	525,000	636,857	111,857
All Other Revenues	109,000	433,259	441,038	7,779
Total Revenues	8,614,809	9,843,531	10,465,278	621,747
Expenditures:				
Security of Persons and Property:				
Police Division:				
Personal Services	209,975	718,184	715,328	2,856
Travel and Transportation	49,460	40,170	32,991	7,179
Materials and Supplies	44,500	76,463	64,248	12,215
Contractual Services	137,500	158,436	147,354	11,082
Capital Outlay	242,757	255,066	220,990	34,076
Total Police Division	684,192	1,248,319	1,180,911	67,408
Fire and E.M.S. Division:				
Personal Services	131,500	686,593	684,600	1,993
Travel and Transportation	31,327	19,020	13,678	5,342
Materials and Supplies	93,700	98,806	92,437	6,369
Contractual Services	119,157	128,036	125,865	2,171
Capital Outlay	456,359	202,081	100,451	101,630
Total Fire and E.M.S. Division	832,043	1,134,536	1,017,031	117,505

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Street Lighting/Radio Repair/Sirens:				
Materials and Supplies	21,000	21,000	15,820	5,180
Contractual Services	230,000	232,115	230,731	1,384
Public Defender:				
Contractual Services	45,000	90,000	90,000	0
Debt Services:				
Principal Retirement	12,965	12,965	12,964	1
Interest and Fiscal Charges	14,911	14,911	14,911	0
Total Miscellaneous	<u>323,876</u>	<u>370,991</u>	<u>364,426</u>	<u>6,565</u>
Total Security of Persons and Property	<u>1,840,111</u>	<u>2,753,846</u>	<u>2,562,368</u>	<u>191,478</u>
Public Health and Welfare Services:				
Police Division:				
Contractual Services	251,728	272,095	272,094	1
Total Police Division	<u>251,728</u>	<u>272,095</u>	<u>272,094</u>	<u>1</u>
Humane Officer:				
Travel and Transportation	8,500	7,852	7,852	0
Contractual Services	23,000	31,839	31,839	0
Total Humane Officer	<u>31,500</u>	<u>39,691</u>	<u>39,691</u>	<u>0</u>
Health Department:				
Contractual Services	55,000	55,000	55,000	0
Total Health Department	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
Total Public Health and Welfare Services	<u>338,228</u>	<u>366,786</u>	<u>366,785</u>	<u>1</u>
Leisure Time Activities:				
Parks:				
Personal Services	272,300	289,309	288,758	551
Travel and Transportation	600	685	583	102
Materials and Supplies	13,200	13,364	10,889	2,475
Contractual Services	190,500	206,345	201,207	5,138
Capital Outlay	20,000	0	0	0
Total Parks	<u>496,600</u>	<u>509,703</u>	<u>501,437</u>	<u>8,266</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Recreation:				
Personal Services	12,500	12,500	12,214	286
Materials and Supplies	4,825	5,005	3,757	1,248
Contractual Services	8,971	8,971	8,818	153
Total Recreation	26,296	26,476	24,789	1,687
Pool:				
Personal Services	205,200	203,600	202,626	974
Travel and Transportation	3,000	4,102	3,782	320
Materials and Supplies	101,000	93,000	91,632	1,368
Contractual Services	112,500	124,209	121,916	2,293
Capital Outlay	40,000	27,119	27,119	0
Total Pool	461,700	452,030	447,075	4,955
Total Leisure Time Activities	984,596	988,209	973,301	14,908
Community Environment:				
Miscellaneous Area Development, Tree Care and Trimming, Planning and Zoning:				
Materials and Supplies	26,500	26,596	26,307	289
Contractual Services	27,105	20,105	11,546	8,559
Total Community Environment	53,605	46,701	37,853	8,848
Transportation:				
Miscellaneous:				
Rivers and Harbors, Airport, Yauger Road Project, and Kokosing Gap Trail:				
Materials and Supplies	34,000	34,000	33,731	269
Contractual Services	5,000	5,051	4,360	691
Total Transportation	39,000	39,051	38,091	960
General Government:				
Council:				
Personal Services	67,024	67,024	67,024	0
Travel and Transportation	1,000	0	0	0
Materials and Supplies	900	996	972	24
Total Council	68,924	68,020	67,996	24

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Mayor:				
Personal Services	112,987	112,987	112,833	154
Travel and Transportation	500	500	0	500
Materials and Supplies	2,600	3,396	2,862	534
Contractual Services	25	78	78	0
Total Mayor	<u>116,112</u>	<u>116,961</u>	<u>115,773</u>	<u>1,188</u>
Auditor:				
Personal Services	261,090	270,268	267,016	3,252
Travel and Transportation	100	117	117	0
Materials and Supplies	133,778	139,174	90,726	48,448
Contractual Services	21,100	19,662	17,920	1,742
Total Auditor	<u>416,068</u>	<u>429,221</u>	<u>375,779</u>	<u>53,442</u>
Treasurer:				
Personal Services	8,888	8,888	8,888	0
Materials and Supplies	0	50	50	0
Total Treasurer	<u>8,888</u>	<u>8,938</u>	<u>8,938</u>	<u>0</u>
Law Director:				
Personal Services	271,822	335,331	333,449	1,882
Travel and Transportation	4,000	552	185	367
Materials and Supplies	13,900	9,624	8,552	1,072
Contractual Services	14,500	6,835	6,026	809
Capital Outlay	0	1,000	0	1,000
Total Law Director	<u>304,222</u>	<u>353,342</u>	<u>348,212</u>	<u>5,130</u>
Income Tax:				
Personal Services	142,000	142,670	142,616	54
Travel and Transportation	2,500	3,000	2,717	283
Materials and Supplies	17,500	21,515	19,820	1,695
Contractual Services	145,000	190,172	189,675	497
Capital Outlay	1,700	3,093	2,716	377
Total Income Tax	<u>308,700</u>	<u>360,450</u>	<u>357,544</u>	<u>2,906</u>

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	650,872	737,258	693,355	43,903
Travel and Transportation	10,600	13,551	11,466	2,085
Materials and Supplies	44,618	56,954	48,225	8,729
Contractual Services	7,973	101,063	74,017	27,046
Capital Outlay	174	0	0	0
Total Municipal Court	714,237	908,826	827,063	81,763
Civil Services:				
Personal Services	10,455	10,455	10,417	38
Travel and Transportation	2,000	0	0	0
Materials and Supplies	3,500	3,596	2,916	680
Total Civil Services	15,955	14,051	13,333	718
Safety Service:				
Personal Services	168,300	170,186	169,641	545
Travel and Transportation	575	520	92	428
Materials and Supplies	6,700	6,777	5,780	997
Contractual Services	45,100	71,249	69,734	1,515
Total Safety Service	220,675	248,732	245,247	3,485
Engineering:				
Personal Services	332,860	301,875	299,734	2,141
Travel and Transportation	1,200	3,435	3,200	235
Materials and Supplies	16,200	16,110	15,665	445
Contractual Services	497,085	587,898	473,865	114,033
Capital Outlay	13,000	9,432	2,439	6,993
Total Engineering	860,345	918,750	794,903	123,847
Public Land and Buildings:				
Personal Services	80,250	76,113	75,934	179
Travel and Transportation	250	550	305	245
Materials and Supplies	18,250	27,177	21,388	5,789
Contractual Services	381,500	463,226	437,023	26,203
Total Public Land and Buildings	480,250	567,066	534,650	32,416

(Continued)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Summer Work Program:				
Personal Services	0	34,972	26,296	8,676
Materials and Supplies	0	246,380	223,031	23,349
Total Summer Work Program	0	281,352	249,327	32,025
Miscellaneous:				
Personal Services	2,456,753	2,710,735	2,696,416	14,319
Materials and Supplies	6,500	6,949	6,010	939
Contractual Services	443,800	369,742	353,553	16,189
Total Miscellaneous	2,907,053	3,087,426	3,055,979	31,447
Total General Government	6,421,429	7,363,135	6,994,744	368,391
Total Expenditures	9,676,969	11,557,728	10,973,142	584,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,062,160)	(1,714,197)	(507,864)	1,206,333
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	4,100	4,100
Transfers Out	(1,069,458)	(1,061,408)	(1,053,998)	7,410
Total Other Financing Sources (Uses)	(1,069,458)	(1,061,408)	(1,049,898)	11,510
Net Change in Fund Balance	(2,131,618)	(2,775,605)	(1,557,762)	1,217,843
Fund Balance at Beginning of Year	2,131,622	2,131,622	2,131,622	0
Prior Year Encumbrances	643,986	643,986	643,986	0
Fund Balance at End of Year	\$ 643,990	\$ 3	\$ 1,217,846	\$ 1,217,843

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Municipal Income Tax ½% (Voted) Fund
For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,410,686	\$ 3,410,686	\$ 3,553,590	\$ 142,904
All Other Revenues	0	0	15,769	15,769
Total Revenues	<u>3,410,686</u>	<u>3,410,686</u>	<u>3,569,359</u>	<u>158,673</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	3,443,830	3,443,830	3,443,830	0
Total Expenditures	<u>3,443,830</u>	<u>3,443,830</u>	<u>3,443,830</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,144)	(33,144)	125,529	158,673
Fund Balance at Beginning of Year	<u>33,144</u>	<u>33,144</u>	<u>33,144</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 158,673</u>	<u>\$ 158,673</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Community Development Block Grant Fund
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,225,000	\$ 1,225,000	\$ 457,559	\$ (767,441)
Investment Earnings	0	0	1	1
All Other Revenues	0	0	21,933	21,933
Total Revenues	<u>1,225,000</u>	<u>1,225,000</u>	<u>479,493</u>	<u>(745,507)</u>
Expenditures:				
Community Environment:				
Contractual Services	1,229,457	1,291,163	524,717	766,446
Total Expenditures	<u>1,229,457</u>	<u>1,291,163</u>	<u>524,717</u>	<u>766,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,457)	(66,163)	(45,224)	20,939
Fund Balance at Beginning of Year	4,457	4,457	4,457	0
Prior Year Encumbrances	61,706	61,706	61,706	0
Fund Balance at End of Year	<u>\$ 61,706</u>	<u>\$ 0</u>	<u>\$ 20,939</u>	<u>\$ 20,939</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – General Bond Retirement Fund
For the Year Ended December 31, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	473,750	473,750	473,750	0
Interest and Fiscal Charges	213,436	216,436	155,130	61,306
Total Expenditures	687,186	690,186	628,880	61,306
Excess (Deficiency) of Revenues Over (Under) Expenditures	(687,186)	(690,186)	(628,880)	61,306
Other Financing Sources (Uses):				
Transfers In	690,186	690,186	628,879	(61,307)
Total Other Financing Sources (Uses)	690,186	690,186	628,879	(61,307)
Net Change in Fund Balance	3,000	0	(1)	(1)
Fund Balance at Beginning of Year	1	1	1	0
Fund Balance at End of Year	\$ 3,001	\$ 1	\$ 0	\$ (1)

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Capital Improvement Fund
For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 644,465	\$ 644,465	\$ 675,173	\$ 30,708
Intergovernmental Revenues	674,855	678,555	593,553	(85,002)
All Other Revenues	0	11,296	11,296	0
Total Revenues	1,319,320	1,334,316	1,280,022	(54,294)
Expenditures:				
Public Health and Welfare:				
Capital Outlay	4,000	0	0	0
Total Public Health and Welfare	4,000	0	0	0
Leisure Time Activities:				
Parks:				
Capital Outlay	40,100	35,243	35,243	0
Total Leisure Time Activities	40,100	35,243	35,243	0
Transportation:				
Street:				
Capital Outlay	1,056,181	1,304,953	1,292,911	12,042
Total Transportation	1,056,181	1,304,953	1,292,911	12,042
General Government:				
Auditor:				
Capital Outlay	2,000	0	0	0
Income Tax:				
Capital Outlay	33,414	33,414	33,414	0
Public Lands and Buildings:				
Capital Outlay	104,000	22,854	22,854	0
Total General Government	139,414	56,268	56,268	0
Total Expenditures	1,239,695	1,396,464	1,384,422	12,042
Excess (Deficiency) of Revenues Over (Under) Expenditures	79,625	(62,148)	(104,400)	(42,252)
Fund Balance at Beginning of Year	89,623	89,623	89,623	0
Prior Year Encumbrances	141,773	141,773	141,773	0
Fund Balance at End of Year	\$ 311,021	\$ 169,248	\$ 126,996	\$ (42,252)

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – TIF District-Coshocton Road Fund
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,256,931	\$ (43,069)
Total Revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,256,931</u>	<u>(43,069)</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	408,000	412,515	210,505	202,010
Capital Outlay	4,143,675	4,154,670	606,744	3,547,926
Total Expenditures	<u>4,551,675</u>	<u>4,567,185</u>	<u>817,249</u>	<u>3,749,936</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,251,675)	(3,267,185)	439,682	3,706,867
Other Financing Sources (Uses):				
Transfers Out	(205,771)	(205,771)	(205,771)	0
Total Other Financing Sources (Uses)	<u>(205,771)</u>	<u>(205,771)</u>	<u>(205,771)</u>	<u>0</u>
Net Change in Fund Balance	(3,457,446)	(3,472,956)	233,911	3,706,867
Fund Balance at Beginning of Year	3,457,446	3,457,446	3,457,446	0
Prior Year Encumbrances	15,510	15,510	15,510	0
Fund Balance at End of Year	<u>\$ 15,510</u>	<u>\$ 0</u>	<u>\$ 3,706,867</u>	<u>\$ 3,706,867</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 193,339	\$ 193,339	\$ 202,552	\$ 9,213
Intergovernmental Revenues	589,000	589,000	599,290	10,290
Licenses and Permits	500	500	2,756	2,256
Investment Earnings	0	0	7	7
All Other Revenues	0	0	12,030	12,030
Total Revenues	<u>782,839</u>	<u>782,839</u>	<u>816,635</u>	<u>33,796</u>
Expenditures:				
Transportation:				
Personal Services	783,600	798,221	764,253	33,968
Travel and Transportation	1,000	1,180	275	905
Materials and Supplies	25,540	29,429	28,846	583
Contractual Services	47,900	56,765	44,583	12,182
Capital Outlay	1,000	1,000	406	594
Total Expenditures	<u>859,040</u>	<u>886,595</u>	<u>838,363</u>	<u>48,232</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,201)	(103,756)	(21,728)	82,028
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	350	350
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>350</u>	<u>350</u>
Net Change in Fund Balance	(76,201)	(103,756)	(21,378)	82,378
Fund Balance at Beginning of Year	76,200	76,200	76,200	0
Prior Year Encumbrances	27,556	27,556	27,556	0
Fund Balance at End of Year	<u>\$ 27,555</u>	<u>\$ 0</u>	<u>\$ 82,378</u>	<u>\$ 82,378</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

STATE HIGHWAY IMPROVEMENT				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 47,505	\$ 47,505	\$ 48,591	\$ 1,086
Investment Earnings	0	0	7	7
All Other Revenues	0	0	84	84
Total Revenues	<u>47,505</u>	<u>47,505</u>	<u>48,682</u>	<u>1,177</u>
Expenditures:				
Transportation:				
Capital Outlay	122,904	127,367	49,168	78,199
Total Expenditures	<u>122,904</u>	<u>127,367</u>	<u>49,168</u>	<u>78,199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,399)	(79,862)	(486)	79,376
Fund Balance at Beginning of Year	75,398	75,398	75,398	0
Prior Year Encumbrances	4,464	4,464	4,464	0
Fund Balance at End of Year	<u>\$ 4,463</u>	<u>\$ 0</u>	<u>\$ 79,376</u>	<u>\$ 79,376</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

PERMISSIVE AUTO LICENSE TAX				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Intergovernmental Revenues	\$ 85,000	\$ 85,000	\$ 60,765	\$ (24,235)
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>60,765</u>	<u>(24,235)</u>
Expenditures:				
Transportation:				
Capital Outlay	107,489	107,489	79,126	28,363
Total Expenditures	<u>107,489</u>	<u>107,489</u>	<u>79,126</u>	<u>28,363</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,489)	(22,489)	(18,361)	4,128
Fund Balance at Beginning of Year	<u>22,489</u>	<u>22,489</u>	<u>22,489</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,128</u>	<u>\$ 4,128</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

CEMETERY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 257,786	\$ 257,786	\$ 270,069	\$ 12,283
Charges for Services	55,000	55,000	60,356	5,356
Investment Earnings	200	200	231	31
All Other Revenues	0	0	5,152	5,152
Total Revenues	<u>312,986</u>	<u>312,986</u>	<u>335,808</u>	<u>22,822</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	342,000	343,946	306,301	37,645
Travel and Transportation	600	600	196	404
Materials and Supplies	12,900	17,622	13,994	3,628
Contractual Services	52,150	54,028	37,532	16,496
Capital Outlay	4,285	5,785	4,971	814
Total Expenditures	<u>411,935</u>	<u>421,981</u>	<u>362,994</u>	<u>58,987</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,949)	(108,995)	(27,186)	81,809
Fund Balance at Beginning of Year	98,949	98,949	98,949	0
Prior Year Encumbrances	10,046	10,046	10,046	0
Fund Balance at End of Year	<u>\$ 10,046</u>	<u>\$ 0</u>	<u>\$ 81,809</u>	<u>\$ 81,809</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

PARK DEVELOPMENT				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 1,000	\$ 1,000	\$ 2,620	\$ 1,620
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>2,620</u>	<u>1,620</u>
Expenditures:				
Leisure Time Activities:				
Capital Outlay	7,833	7,833	0	7,833
Total Expenditures	<u>7,833</u>	<u>7,833</u>	<u>0</u>	<u>7,833</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,833)	(6,833)	2,620	9,453
Other Financing Sources (Uses):				
Transfers In	1,000	1,000	2,620	1,620
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>2,620</u>	<u>1,620</u>
Net Change in Fund Balance	(5,833)	(5,833)	5,240	11,073
Fund Balance at Beginning of Year	5,833	5,833	5,833	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,073</u>	<u>\$ 11,073</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	PARKING			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 5,000	\$ 5,000	\$ 7,420	\$ 2,420
All Other Revenues	0	0	70	70
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>7,490</u>	<u>2,490</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	16,620	16,336	14,783	1,553
Materials and Supplies	800	1,800	1,800	0
Contractual Services	4,971	10,971	9,849	1,122
Total Expenditures	<u>22,391</u>	<u>29,107</u>	<u>26,432</u>	<u>2,675</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(17,391)	(24,107)	(18,942)	5,165
Other Financing Sources (Uses):				
Transfers In	0	5,000	5,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Change in Fund Balance	(17,391)	(19,107)	(13,942)	5,165
Fund Balance at Beginning of Year	17,391	17,391	17,391	0
Prior Year Encumbrances	1,716	1,716	1,716	0
Fund Balance at End of Year	<u>\$ 1,716</u>	<u>\$ 0</u>	<u>\$ 5,165</u>	<u>\$ 5,165</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

LAW ENFORCEMENT TRUST				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Fines and Forfeitures	\$ 0	\$ 4,370	\$ 4,370	\$ 0
Total Revenues	<u>0</u>	<u>4,370</u>	<u>4,370</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	937	937	937	0
Total Expenditures	<u>937</u>	<u>937</u>	<u>937</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(937)	3,433	3,433	0
Fund Balance at Beginning of Year	<u>8,868</u>	<u>8,868</u>	<u>8,868</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,931</u>	<u>\$ 12,301</u>	<u>\$ 12,301</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017**

DRUG ENFORCEMENT TRUST				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Fines and Forfeitures	\$ 0	\$ 11,029	\$ 11,029	\$ 0
Total Revenues	<u>0</u>	<u>11,029</u>	<u>11,029</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	18,570	18,570	18,570	0
Total Expenditures	<u>18,570</u>	<u>18,570</u>	<u>18,570</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,570)	(7,541)	(7,541)	0
Fund Balance at Beginning of Year	<u>24,400</u>	<u>24,400</u>	<u>24,400</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,830</u>	<u>\$ 16,859</u>	<u>\$ 16,859</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

PERMISSIVE LICENSE REGISTRATION				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 107,000	\$ 107,000	\$ 108,936	\$ 1,936
All Other Revenues	0	0	5,482	5,482
Total Revenues	<u>107,000</u>	<u>107,000</u>	<u>114,418</u>	<u>7,418</u>
Expenditures:				
Transportation:				
Materials and Supplies	116,368	126,028	81,220	44,808
Contractual Services	28,000	28,561	13,119	15,442
Total Expenditures	<u>144,368</u>	<u>154,589</u>	<u>94,339</u>	<u>60,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,368)	(47,589)	20,079	67,668
Fund Balance at Beginning of Year	37,369	37,369	37,369	0
Prior Year Encumbrances	10,221	10,221	10,221	0
Fund Balance at End of Year	<u>\$ 10,222</u>	<u>\$ 1</u>	<u>\$ 67,669</u>	<u>\$ 67,668</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 8,500	\$ 8,500	\$ 17,806	\$ 9,306
Total Revenues	<u>8,500</u>	<u>8,500</u>	<u>17,806</u>	<u>9,306</u>
Expenditures:				
General Government:				
Contractual Services	16,379	16,379	13,551	2,828
Total Expenditures	<u>16,379</u>	<u>16,379</u>	<u>13,551</u>	<u>2,828</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,879)	(7,879)	4,255	12,134
Fund Balance at Beginning of Year	<u>7,879</u>	<u>7,879</u>	<u>7,879</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,134</u>	<u>\$ 12,134</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

DUI - ENFORCEMENT AND EDUCATION				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Fines and Forfeitures	\$ 750	\$ 750	\$ 869	\$ 119
Total Revenues	<u>750</u>	<u>750</u>	<u>869</u>	<u>119</u>
Expenditures:				
General Government:				
Contractual Services	45,326	45,326	0	45,326
Total Expenditures	<u>45,326</u>	<u>45,326</u>	<u>0</u>	<u>45,326</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,576)	(44,576)	869	45,445
Fund Balance at Beginning of Year	<u>44,576</u>	<u>44,576</u>	<u>44,576</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 45,445</u></u>	<u><u>\$ 45,445</u></u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

COURT COMPUTERIZATION				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 16,587	\$ 1,587
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>16,587</u>	<u>1,587</u>
Expenditures:				
General Government:				
Contractual Services	35,197	35,247	22,619	12,628
Total Expenditures	<u>35,197</u>	<u>35,247</u>	<u>22,619</u>	<u>12,628</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,197)	(20,247)	(6,032)	14,215
Fund Balance at Beginning of Year	20,197	20,197	20,197	0
Prior Year Encumbrances	50	50	50	0
Fund Balance at End of Year	<u>\$ 50</u>	<u>\$ 0</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

PROBATION SERVICES				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 40,000	\$ 40,000	\$ 44,736	\$ 4,736
All Other Revenues	0	0	770	770
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>45,506</u>	<u>5,506</u>
Expenditures:				
General Government:				
Personal Services	56,675	57,705	34,649	23,056
Materials and Supplies	9,969	9,969	0	9,969
Total Expenditures	<u>66,644</u>	<u>67,674</u>	<u>34,649</u>	<u>33,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,644)	(27,674)	10,857	38,531
Fund Balance at Beginning of Year	26,644	26,644	26,644	0
Prior Year Encumbrances	1,030	1,030	1,030	0
Fund Balance at End of Year	<u>\$ 1,030</u>	<u>\$ 0</u>	<u>\$ 38,531</u>	<u>\$ 38,531</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

MUNICIPAL COURT SPECIAL PROJECTS				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Fines and Forfeitures	\$ 24,000	\$ 24,000	\$ 24,682	\$ 682
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>24,682</u>	<u>682</u>
Expenditures:				
General Government:				
Materials and Supplies	43,940	43,940	0	43,940
Total Expenditures	<u>43,940</u>	<u>43,940</u>	<u>0</u>	<u>43,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,940)	(19,940)	24,682	44,622
Fund Balance at Beginning of Year	<u>19,940</u>	<u>19,940</u>	<u>19,940</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,622</u>	<u>\$ 44,622</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

FEDERAL EMERGENCY MANAGEMENT AGENCY

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 637,728	\$ 1,500	\$ (636,228)
Total Revenues	<u>0</u>	<u>637,728</u>	<u>1,500</u>	<u>(636,228)</u>
Expenditures:				
General Government:				
Materials and Supplies	0	637,728	1,500	636,228
Total Expenditures	<u>0</u>	<u>637,728</u>	<u>1,500</u>	<u>636,228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017**

	COURT CLERK COMPUTER			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 55,000	\$ 55,000	\$ 55,958	\$ 958
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>55,958</u>	<u>958</u>
Expenditures:				
General Government:				
Personal Services	2,500	3,600	3,600	0
Contractual Services	167,517	166,417	54,911	111,506
Total Expenditures	<u>170,017</u>	<u>170,017</u>	<u>58,511</u>	<u>111,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,017)	(115,017)	(2,553)	112,464
Fund Balance at Beginning of Year	<u>115,017</u>	<u>115,017</u>	<u>115,017</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 112,464</u>	<u>\$ 112,464</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$ 120,000	\$ 120,000	\$ 118,443	\$ (1,557)
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>118,443</u>	<u>(1,557)</u>
Expenditures:				
General Government:				
Contractual Services	120,000	120,000	118,443	1,557
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>118,443</u>	<u>1,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

DRIVERS INTERLOCK & ALCOHOL MONITORING				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 12,000	\$ 12,000	\$ 10,815	\$ (1,185)
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>10,815</u>	<u>(1,185)</u>
Expenditures:				
General Government:				
Contractual Services	139,769	139,769	2,287	137,482
Total Expenditures	<u>139,769</u>	<u>139,769</u>	<u>2,287</u>	<u>137,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,769)	(127,769)	8,528	136,297
Fund Balance at Beginning of Year	<u>127,769</u>	<u>127,769</u>	<u>127,769</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 136,297</u>	<u>\$ 136,297</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 1,050	\$ 1,050	\$ 1,125	\$ 75
Total Revenues	<u>1,050</u>	<u>1,050</u>	<u>1,125</u>	<u>75</u>
Expenditures:				
General Government:				
Capital Outlay	<u>7,620</u>	<u>7,620</u>	<u>3,865</u>	<u>3,755</u>
Total Expenditures	<u>7,620</u>	<u>7,620</u>	<u>3,865</u>	<u>3,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,570)	(6,570)	(2,740)	3,830
Fund Balance at Beginning of Year	<u>6,570</u>	<u>6,570</u>	<u>6,570</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,830</u>	<u>\$ 3,830</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 725	\$ 725
Total Revenues	<u>0</u>	<u>0</u>	<u>725</u>	<u>725</u>
Expenditures:				
General Government:				
Materials and Supplies	2,713	2,713	0	2,713
Total Expenditures	<u>2,713</u>	<u>2,713</u>	<u>0</u>	<u>2,713</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,713)	(2,713)	725	3,438
Fund Balance at Beginning of Year	<u>2,713</u>	<u>2,713</u>	<u>2,713</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,438</u>	<u>\$ 3,438</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	AVAILABLE PETITION			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Other Local Taxes	\$ 5,000	\$ 5,000	\$ 5,922	\$ 922
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,922</u>	<u>922</u>
Expenditures:				
General Government:				
Contractual Services	105,765	105,765	35,000	70,765
Total Expenditures	<u>105,765</u>	<u>105,765</u>	<u>35,000</u>	<u>70,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,765)	(100,765)	(29,078)	71,687
Fund Balance at Beginning of Year	<u>100,765</u>	<u>100,765</u>	<u>100,765</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 71,687</u>	<u>\$ 71,687</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	POLICE PENSION			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 69,954	\$ 69,954	\$ 67,139	\$ (2,815)
Municipal Income Taxes	72,324	72,324	67,517	(4,807)
Intergovernmental Revenues	9,000	9,000	8,965	(35)
All Other Revenues	0	0	2,667	2,667
Total Revenues	<u>151,278</u>	<u>151,278</u>	<u>146,288</u>	<u>(4,990)</u>
Expenditures:				
Security of Persons and Property				
Personal Services	344,268	422,535	422,535	0
General Government:				
Contractual Services	2,000	2,000	1,422	578
Total Expenditures	<u>346,268</u>	<u>424,535</u>	<u>423,957</u>	<u>578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(194,990)	(273,257)	(277,669)	(4,412)
Other Financing Sources (Uses):				
Transfers In	190,000	232,421	240,000	7,579
Total Other Financing Sources (Uses)	<u>190,000</u>	<u>232,421</u>	<u>240,000</u>	<u>7,579</u>
Net Change in Fund Balance	(4,990)	(40,836)	(37,669)	3,167
Fund Balance at Beginning of Year	4,990	4,990	4,990	0
Prior Year Encumbrances	41,000	41,000	41,000	0
Fund Balance at End of Year	<u>\$ 41,000</u>	<u>\$ 5,154</u>	<u>\$ 8,321</u>	<u>\$ 3,167</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	FIRE PENSION			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Property Taxes	\$ 69,954	\$ 69,954	\$ 67,139	\$ (2,815)
Municipal Income Taxes	72,324	72,324	67,517	(4,807)
Intergovernmental Revenues	9,000	9,000	8,965	(35)
Total Revenues	<u>151,278</u>	<u>151,278</u>	<u>143,621</u>	<u>(7,657)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	694,671	756,517	649,382	107,135
General Government:				
Contractual Services	2,000	2,000	1,422	578
Total Expenditures	<u>696,671</u>	<u>758,517</u>	<u>650,804</u>	<u>107,713</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(545,393)	(607,239)	(507,183)	100,056
Other Financing Sources (Uses):				
Transfers In	540,000	540,000	443,000	(97,000)
Total Other Financing Sources (Uses)	<u>540,000</u>	<u>540,000</u>	<u>443,000</u>	<u>(97,000)</u>
Net Change in Fund Balance	(5,393)	(67,239)	(64,183)	3,056
Fund Balance at Beginning of Year	5,393	5,393	5,393	0
Prior Year Encumbrances	67,000	67,000	67,000	0
Fund Balance at End of Year	<u>\$ 67,000</u>	<u>\$ 5,154</u>	<u>\$ 8,210</u>	<u>\$ 3,056</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017***

	MAUSOLEUM			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 1	\$ 1
Total Revenues	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	1,862	1,862	0	1,862
Total Expenditures	<u>1,862</u>	<u>1,862</u>	<u>0</u>	<u>1,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,862)	(1,862)	1	1,863
Fund Balance at Beginning of Year	<u>1,862</u>	<u>1,862</u>	<u>1,862</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,863</u>	<u>\$ 1,863</u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017**

VETERANS HONOR WALKWAY				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Charges for Services	\$ 1,000	\$ 1,000	\$ 600	\$ (400)
Investment Earnings	5	5	16	11
Total Revenues	<u>1,005</u>	<u>1,005</u>	<u>616</u>	<u>(389)</u>
Expenditures:				
Leisure Time Activities				
Materials and Supplies	8,000	8,097	290	7,807
Contractual Services	61,518	61,518	260	61,258
Total Expenditures	<u>69,518</u>	<u>69,615</u>	<u>550</u>	<u>69,065</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,513)	(68,610)	66	68,676
Fund Balance at Beginning of Year	68,514	68,514	68,514	0
Prior Year Encumbrances	96	96	96	0
Fund Balance at End of Year	<u>\$ 97</u>	<u>\$ 0</u>	<u>\$ 68,676</u>	<u>\$ 68,676</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2017***

	GENERAL BOND RETIREMENT - INCOME TAX			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Municipal Income Tax	\$ 145,620	\$ 145,620	\$ 145,590	\$ (30)
Total Revenues	<u>145,620</u>	<u>145,620</u>	<u>145,590</u>	<u>(30)</u>
Expenditures:				
Debt Service:				
Principal Retirement	110,000	110,000	110,000	0
Interest and Fiscal Charges	47,755	47,755	17,859	29,896
Total Expenditures	<u>157,755</u>	<u>157,755</u>	<u>127,859</u>	<u>29,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,135)	(12,135)	17,731	29,866
Fund Balance at Beginning of Year	<u>12,135</u>	<u>12,135</u>	<u>12,135</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29,866</u>	<u>\$ 29,866</u>

CITY OF MOUNT VERNON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017**

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

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017***

TIF DISTRICT-INDUSTRIAL AREA				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property Taxes	\$ 58,000	\$ 58,000	\$ 60,651	\$ 2,651
Total Revenues	<u>58,000</u>	<u>58,000</u>	<u>60,651</u>	<u>2,651</u>
Expenditures:				
Transportation:				
Street:				
Contractual Services	1,200	1,200	1,019	181
Capital Outlay	19,730	0	0	0
Total Expenditures	<u>20,930</u>	<u>1,200</u>	<u>1,019</u>	<u>181</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,070	56,800	59,632	2,832
Other Financing Sources (Uses):				
Transfers Out	(40,000)	(59,730)	(59,730)	0
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(59,730)</u>	<u>(59,730)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>2,930</u>	<u>2,930</u>	<u>2,930</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,832</u>	<u>\$ 2,832</u>

CITY OF MOUNT VERNON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2017***

	PERPETUAL CARE			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
All Other Revenues	\$ 20,000	\$ 20,000	\$ 12,913	\$ (7,087)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>12,913</u>	<u>(7,087)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,000	20,000	12,913	(7,087)
Fund Balance at Beginning of Year	<u>462,273</u>	<u>462,273</u>	<u>462,273</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 482,273</u>	<u>\$ 482,273</u>	<u>\$ 475,186</u>	<u>\$ (7,087)</u>

Fiduciary Funds

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

Agency Funds

Insurance Trust Fund

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

Bonds and Inspection Fee Trust Fund

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

Municipal Court Fund

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

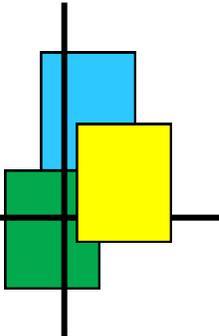
CITY OF MOUNT VERNON, OHIO

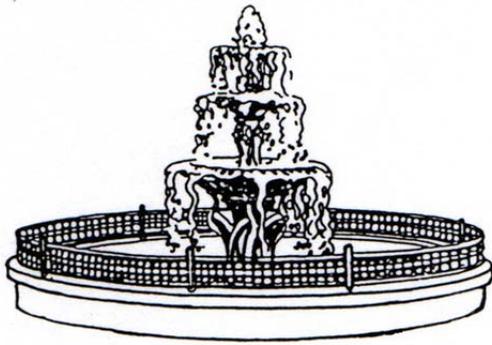
**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017**

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
<u>Insurance Trust Fund</u>				
Assets:				
Cash and Cash Equivalents	\$61,877	\$36,613	(\$48,211)	\$50,279
Total Assets	<u>\$61,877</u>	<u>\$36,613</u>	<u>(\$48,211)</u>	<u>\$50,279</u>
Liabilities:				
Due to Others	\$61,877	\$36,613	(\$48,211)	\$50,279
Total Liabilities	<u>\$61,877</u>	<u>\$36,613</u>	<u>(\$48,211)</u>	<u>\$50,279</u>
<u>Bonds and Inspection Fee Trust Fund</u>				
Assets:				
Cash	\$18,651	\$28,000	(\$27,000)	\$19,651
Total Assets	<u>\$18,651</u>	<u>\$28,000</u>	<u>(\$27,000)</u>	<u>\$19,651</u>
Liabilities:				
Due to Others	\$18,651	\$28,000	(\$27,000)	\$19,651
Total Liabilities	<u>\$18,651</u>	<u>\$28,000</u>	<u>(\$27,000)</u>	<u>\$19,651</u>
<u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$106,506	\$892,655	(\$914,130)	\$85,031
Total Assets	<u>\$106,506</u>	<u>\$892,655</u>	<u>(\$914,130)</u>	<u>\$85,031</u>
Liabilities:				
Intergovernmental Payable	\$31,610	\$373,783	(\$379,874)	\$25,519
Due to Others	74,896	518,872	(534,256)	59,512
Total Liabilities	<u>\$106,506</u>	<u>\$892,655</u>	<u>(\$914,130)</u>	<u>\$85,031</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$187,034	\$957,268	(\$989,341)	\$154,961
Total Assets	<u>\$187,034</u>	<u>\$957,268</u>	<u>(\$989,341)</u>	<u>\$154,961</u>
Liabilities:				
Intergovernmental Payables	\$31,610	\$373,783	(\$379,874)	\$25,519
Due to Others	155,424	583,485	(609,467)	129,442
Total Liabilities	<u>\$187,034</u>	<u>\$957,268</u>	<u>(\$989,341)</u>	<u>\$154,961</u>



Statistical Section





STATISTICAL TABLES

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

Contents

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

City of Mount Vernon, Ohio

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

	2008	2009	2010	2011
Governmental Activities:		(1)		
Net Investment in Capital Assets	\$37,018,250	\$36,745,484	\$38,627,947	\$39,308,561
Restricted	7,235,132	5,911,959	6,397,410	3,034,793
Unrestricted	4,528,143	6,241,067	4,489,751	5,784,699
Total Governmental Activities Net Position	<u>\$48,781,525</u>	<u>\$48,898,510</u>	<u>\$49,515,108</u>	<u>\$48,128,053</u>
Business-type Activities:				
Net Investment in Capital Assets	\$14,278,602	\$15,255,947	\$13,393,510	\$16,312,403
Restricted	1,248,880	3,475,907	3,329,674	1,847,384
Unrestricted	4,734,074	1,297,180	3,398,489	2,603,447
Total Business-type Activities Net Postion	<u>\$20,261,556</u>	<u>\$20,029,034</u>	<u>\$20,121,673</u>	<u>\$20,763,234</u>
Primary Government:				
Net Investment in Capital Assets	\$51,296,852	\$52,001,431	\$52,021,457	\$55,620,964
Restricted	8,484,012	9,387,866	9,727,084	4,882,177
Unrestricted	9,262,217	7,538,247	7,888,240	8,388,146
Total Primary Government Net Position	<u>\$69,043,081</u>	<u>\$68,927,544</u>	<u>\$69,636,781</u>	<u>\$68,891,287</u>

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

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

Source: City Auditor's Office

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
		(2)			
\$39,426,306	\$41,446,062	\$40,927,848	\$43,612,477	\$45,177,791	\$45,255,324
3,094,466	4,315,346	6,576,302	6,512,955	6,521,108	6,176,687
8,349,905	6,347,089	(3,435,859)	(4,782,532)	(8,162,671)	(10,207,006)
<u>\$50,870,677</u>	<u>\$52,108,497</u>	<u>\$44,068,291</u>	<u>\$45,342,900</u>	<u>\$43,536,228</u>	<u>\$41,225,005</u>
\$15,012,084	\$16,711,092	\$18,252,176	\$18,610,103	\$19,396,615	\$19,432,673
1,008,353	1,646,248	1,758,460	1,783,244	1,504,036	1,473,090
5,388,497	3,616,486	1,083,501	924,045	735,523	3,583,634
<u>\$21,408,934</u>	<u>\$21,973,826</u>	<u>\$21,094,137</u>	<u>\$21,317,392</u>	<u>\$21,636,174</u>	<u>\$24,489,397</u>
\$54,438,390	\$58,157,154	\$59,180,024	\$62,222,580	\$64,574,406	\$64,687,997
4,102,819	5,961,594	8,334,762	8,296,199	8,025,144	7,649,777
13,738,402	9,963,575	(2,352,358)	(3,858,487)	(7,427,148)	(6,623,372)
<u>\$72,279,611</u>	<u>\$74,082,323</u>	<u>\$65,162,428</u>	<u>\$66,660,292</u>	<u>\$65,172,402</u>	<u>\$65,714,402</u>

City of Mount Vernon, Ohio

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

	2008	2009	2010	2011
Expenses				
Governmental Activities:				
Security of Persons and Property	\$5,728,419	\$6,257,913	\$5,950,098	\$6,372,507
Public Health and Welfare Services	644,241	769,637	693,029	709,622
Leisure Time Activities	952,192	881,252	963,163	1,143,295
Community Environment	211,150	293,474	1,560,761	591,187
Transportation	2,433,003	2,898,557	2,586,915	4,440,371
General Government	4,627,134	4,685,914	4,711,970	4,188,865
Interest and Fiscal Charges	263,523	321,941	350,672	287,411
<i>Total Governmental Activities Expenses</i>	14,859,662	16,108,688	16,816,608	17,733,258
Business-type Activities:				
Water	3,379,191	3,388,734	3,347,380	3,180,709
Sewer	2,858,183	2,885,616	3,103,781	3,035,080
<i>Total Business-type Activities Expenses</i>	6,237,374	6,274,350	6,451,161	6,215,789
<i>Total Primary Government Expenses</i>	\$21,097,036	\$22,383,038	\$23,267,769	\$23,949,047
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$1,016,173	\$1,141,818	\$1,200,644	\$1,172,890
Public Health and Welfare Services	56,052	68,352	83,842	82,027
Leisure Time Activities	309,238	256,078	296,300	296,650
Community Environment	3,989	6,621	20,387	14,411
Transportation	500	3,070	2,702	200
General Government	863,175	819,170	898,161	910,868
Operating Grants and Contributions	1,761,824	2,336,173	1,807,522	888,663
Capital Grants and Contributions	447,392	854,233	880,033	173,557
<i>Total Governmental Activities Program Revenues</i>	4,458,343	5,485,515	5,189,591	3,539,266

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
\$6,188,789	\$6,492,718	\$6,370,982	\$7,035,151	\$7,735,685	\$8,259,679
723,360	709,251	757,435	711,222	783,628	760,614
719,024	980,442	1,279,240	870,144	1,210,663	1,362,160
528,995	648,532	323,093	763,019	1,012,146	355,354
4,228,585	3,367,249	5,070,430	6,448,854	2,890,767	3,648,289
4,852,231	5,316,607	6,294,609	5,154,298	7,057,974	7,297,638
510,896	276,071	263,497	277,043	206,340	212,742
<u>17,751,880</u>	<u>17,790,870</u>	<u>20,359,286</u>	<u>21,259,731</u>	<u>20,897,203</u>	<u>21,896,476</u>
3,019,406	3,049,583	3,028,624	3,085,297	3,115,505	3,066,560
3,194,971	3,118,011	3,256,742	3,538,970	3,281,725	3,750,082
<u>6,214,377</u>	<u>6,167,594</u>	<u>6,285,366</u>	<u>6,624,267</u>	<u>6,397,230</u>	<u>6,816,642</u>
<u>\$23,966,257</u>	<u>\$23,958,464</u>	<u>\$26,644,652</u>	<u>\$27,883,998</u>	<u>\$27,294,433</u>	<u>\$28,713,118</u>
\$1,175,624	\$1,119,039	\$1,252,995	\$1,098,742	\$1,333,712	\$1,732,071
80,494	82,513	48,631	90,889	83,441	68,440
291,563	255,558	246,341	261,876	307,643	280,239
16,471	18,872	9,423	21,127	2,016	13,871
313	750	1,094	6,527	825	2,756
866,410	768,254	698,554	882,275	765,663	837,308
2,024,553	1,937,129	1,470,114	1,114,030	2,763,295	1,747,093
2,169,916	1,590,955	2,781,681	4,682,427	1,281,804	1,168,867
<u>6,625,344</u>	<u>5,773,070</u>	<u>6,508,833</u>	<u>8,157,893</u>	<u>6,538,399</u>	<u>5,850,645</u>

(continued)

City of Mount Vernon, Ohio

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

	2008	2009	2010	2011
Business-type Activities:				
Charges for Services and Sales				
Water	3,308,139	3,287,232	3,392,757	3,371,924
Sewer	2,515,147	2,718,245	3,105,361	3,290,355
Operating Grants and Contributions	0	41,618	40,709	42,936
<i>Total Business-type Activities Program Revenues</i>	<u>5,823,286</u>	<u>6,047,095</u>	<u>6,538,827</u>	<u>6,853,950</u>
<i>Total Primary Government Program Revenues</i>	<u>10,281,629</u>	<u>11,532,610</u>	<u>11,728,418</u>	<u>10,393,216</u>
Net (Expense)/Revenue				
Governmental Activities	(10,401,319)	(10,623,173)	(11,627,017)	(14,193,992)
Business-type Activities	(414,088)	(227,255)	87,666	638,161
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$10,815,407)</u>	<u>(\$10,850,428)</u>	<u>(\$11,539,351)</u>	<u>(\$13,555,831)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$632,956	\$682,820	\$589,285	\$556,875
Special Purposes	0	0	0	0
Debt Service	158,796	175,254	167,876	152,820
Capital Outlay	1,176,352	1,263,314	1,381,766	1,521,575
Income Taxes	10,359,164	9,383,772	8,688,085	9,262,187
Other Local Taxes	99,236	94,493	87,796	84,821
Grants and Entitlements not Restricted to Specific Programs	842,850	992,167	1,087,350	963,370
Investment Earnings	421,642	190,437	60,858	21,582
Miscellaneous	243,948	152,110	180,599	243,707
<i>Total Governmental Activities</i>	<u>13,934,944</u>	<u>12,934,367</u>	<u>12,243,615</u>	<u>12,806,937</u>
Business-type Activities:				
Investment Earnings	40,907	6,394	4,973	3,400
<i>Total Business-type Activities</i>	<u>40,907</u>	<u>6,394</u>	<u>4,973</u>	<u>3,400</u>
<i>Total Primary Government</i>	<u>\$13,975,851</u>	<u>\$12,940,761</u>	<u>\$12,248,588</u>	<u>\$12,810,337</u>
Change in Net Position				
Governmental Activities	\$3,533,625	\$2,311,194	\$616,598	(\$1,387,055)
Business-type Activities	(373,181)	(220,861)	92,639	641,561
<i>Total Primary Government Change in Net Position</i>	<u>\$3,160,444</u>	<u>\$2,090,333</u>	<u>\$709,237</u>	<u>(\$745,494)</u>

Source: City Auditor's Office

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
3,559,198	3,450,880	3,684,807	3,562,765	3,537,845	5,114,590
3,257,271	3,243,715	3,197,847	3,284,201	3,177,531	4,534,373
42,069	37,266	37,591	0	0	0
<u>6,858,538</u>	<u>6,731,861</u>	<u>6,920,245</u>	<u>6,846,966</u>	<u>6,715,376</u>	<u>9,648,963</u>
<u>13,483,882</u>	<u>12,504,931</u>	<u>13,429,078</u>	<u>15,004,859</u>	<u>13,253,775</u>	<u>15,499,608</u>
(11,126,536)	(12,017,800)	(13,850,453)	(13,101,838)	(14,358,804)	(16,045,831)
644,161	564,267	634,879	222,699	318,146	2,832,321
<u>(\$10,482,375)</u>	<u>(\$11,453,533)</u>	<u>(\$13,215,574)</u>	<u>(\$12,879,139)</u>	<u>(\$14,040,658)</u>	<u>(\$13,213,510)</u>
\$571,710	\$552,305	\$536,836	\$434,944	\$582,788	\$677,443
134,352	130,272	131,724	105,810	132,590	156,590
32,707	143,647	143,215	143,874	143,606	145,590
1,441,186	720,963	1,249,984	1,339,046	1,403,568	1,288,174
10,566,350	10,805,563	12,503,753	11,753,826	9,501,005	10,390,679
98,030	94,973	103,876	106,100	121,627	131,785
725,574	451,426	890,797	164,502	322,917	342,555
37,698	29,448	11,260	27,083	44,327	91,431
261,553	327,023	902,455	301,262	299,704	510,361
<u>13,869,160</u>	<u>13,255,620</u>	<u>16,473,900</u>	<u>14,376,447</u>	<u>12,552,132</u>	<u>13,734,608</u>
1,539	625	424	556	636	20,902
<u>1,539</u>	<u>625</u>	<u>424</u>	<u>556</u>	<u>636</u>	<u>20,902</u>
<u>\$13,870,699</u>	<u>\$13,256,245</u>	<u>\$16,474,324</u>	<u>\$14,377,003</u>	<u>\$12,552,768</u>	<u>\$13,755,510</u>
\$2,742,624	\$1,237,820	\$2,623,447	\$1,274,609	(\$1,806,672)	(\$2,311,223)
645,700	564,892	635,303	223,255	318,782	2,853,223
<u>\$3,388,324</u>	<u>\$1,802,712</u>	<u>\$3,258,750</u>	<u>\$1,497,864</u>	<u>(\$1,487,890)</u>	<u>\$542,000</u>

City of Mount Vernon, Ohio

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

	2008	2009	2010	2011
General Fund				
Nonspendable	\$0	\$0	\$0	\$130,262
Restricted	0	0	0	8,080
Committed	0	0	0	16,480
Assigned	0	0	0	374,348
Unassigned	0	0	0	4,175,053
Reserved	395,128	442,209	416,367	0
Unreserved	4,458,073	4,216,231	4,593,098	0
Total General Fund	4,853,201	4,658,440	5,009,465	4,704,223
All Other Governmental Funds				
Nonspendable	0	0	0	408,506
Restricted	0	0	0	3,116,931
Committed	0	0	0	84,729
Unassigned	0	0	0	0
Reserved	271,232	156,330	403,850	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,479,376	1,894,352	1,182,665	0
Debt Service Funds	0	10,568	0	0
Capital Projects Funds	4,463,434	3,529,741	3,071,740	0
Permanent Fund	343,534	350,823	369,072	0
Total All Other Governmental Funds	6,557,576	5,941,814	5,027,327	3,610,166
Total Governmental Funds	\$11,410,777	\$10,600,254	\$10,036,792	\$8,314,389

Source: City Auditor's Office

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

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
\$127,232	\$135,855	\$147,536	\$159,479	\$186,763	\$186,886
8,080	8,080	8,080	8,080	8,080	676
16,480	16,480	4,741	426	2,405	7,105
3,152,283	2,680,908	2,754,129	3,576,344	2,459,740	1,586,448
1,787,773	970,240	1,254,772	1,397,417	649,074	557,397
0	0	0	0	0	0
0	0	0	0	0	0
5,091,848	3,811,563	4,169,258	5,141,746	3,306,062	2,338,512
420,915	454,286	443,738	493,536	530,833	536,108
4,653,008	4,653,741	6,299,667	6,560,177	5,047,602	5,357,929
138,982	134,995	124,561	117,413	103,467	90,696
0	0	0	0	(1,009)	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
5,212,905	5,243,022	6,867,966	7,171,126	5,680,893	5,984,733
\$10,304,753	\$9,054,585	\$11,037,224	\$12,312,872	\$8,986,955	\$8,323,245

City of Mount Vernon, Ohio

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

	2008	2009	2010	2011
Revenues:				
Taxes	\$12,456,495	\$11,494,371	\$10,836,690	\$11,205,072
Intergovernmental Revenues	1,910,413	3,395,984	4,269,553	2,710,045
Charges for Services	1,464,750	1,529,878	1,632,849	1,642,971
Licenses and Permits	15,661	15,471	16,952	11,545
Investment Earnings	421,642	190,437	60,858	21,582
Fines and Forfeitures	759,240	746,363	845,195	812,749
All Other Revenue	301,400	157,238	191,701	232,273
Total Revenue	<u>17,329,601</u>	<u>17,529,742</u>	<u>17,853,798</u>	<u>16,636,237</u>
Expenditures:				
Current:				
Security of Persons and Property	5,517,450	5,828,902	5,584,614	6,166,170
Public Health and Welfare Services	631,418	754,709	677,715	694,326
Leisure Time Activities	683,733	706,685	728,146	718,703
Community Environment	211,150	293,474	1,560,761	591,187
Transportation	4,177,685	3,940,483	3,675,011	3,901,070
General Government	5,567,468	6,369,728	5,443,844	5,590,698
Debt Service:				
Principal Retirement	325,179	2,434,814	422,401	436,723
Interest and Fiscal Charges	250,142	329,738	339,425	287,960
Total Expenditures	<u>17,364,225</u>	<u>20,658,533</u>	<u>18,431,917</u>	<u>18,386,837</u>
Excess (Deficiency) of Revenues Over Expenditures	(34,624)	(3,128,791)	(578,119)	(1,750,600)

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
\$12,728,720	\$12,820,372	\$14,018,827	\$14,994,697	\$11,782,401	\$12,742,449
2,736,097	2,243,029	2,727,769	4,464,177	3,005,589	2,900,021
1,628,400	1,538,771	1,565,290	1,592,629	1,645,697	2,092,297
20,135	10,252	18,747	46,275	20,353	20,496
37,698	29,448	11,260	27,083	44,327	91,431
785,523	696,006	675,007	687,259	805,303	822,688
1,224,294	1,004,302	1,549,515	442,234	321,651	509,548
<u>19,160,867</u>	<u>18,342,180</u>	<u>20,566,415</u>	<u>22,254,354</u>	<u>17,625,321</u>	<u>19,178,930</u>
5,548,197	6,201,515	6,173,136	6,277,707	6,627,332	6,751,717
707,922	696,102	747,707	693,979	725,904	687,038
700,979	762,156	848,879	825,430	883,875	960,435
528,995	648,532	323,093	763,019	1,012,146	355,354
4,047,663	2,868,350	3,526,598	5,509,975	3,687,931	3,316,511
6,627,844	7,660,676	6,202,716	6,176,909	7,228,697	6,968,691
484,756	500,756	515,327	537,568	579,980	596,714
359,602	279,021	264,038	275,624	205,623	205,820
<u>19,005,958</u>	<u>19,617,108</u>	<u>18,601,494</u>	<u>21,060,211</u>	<u>20,951,488</u>	<u>19,842,280</u>
154,909	(1,274,928)	1,964,921	1,194,143	(3,326,167)	(663,350)

(Continued)

City of Mount Vernon, Ohio

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

	2008	2009	2010	2011
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	12,298	17,865	3,259	38,177
Ohio Public Works Commission Loan	0	125,000	0	0
General Obligation Bonds Issued	0	2,165,000	0	0
General Obligation Notes Issued	2,100,000	0	0	0
General Obligation Refunding Bonds Issued	0	0	0	0
Special Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Notes	7,245	8,232	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	2,785,286	1,286,170	827,126	1,028,456
Transfers Out	(2,785,286)	(1,286,170)	(827,126)	(1,028,456)
Total Other Financing Sources (Uses)	<u>2,119,543</u>	<u>2,316,097</u>	<u>3,259</u>	<u>38,177</u>
Net Change in Fund Balance	<u>\$2,084,919</u>	<u>(\$812,694)</u>	<u>(\$574,860)</u>	<u>(\$1,712,423)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 4.41%	 16.75%	 5.10%	 4.72%

Source: City Auditor's Office

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
11,342	31,689	3,148	42,156	7,238	4,450
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,654,000	0	0	1,995,150	0	0
1,775,000	0	0	0	0	0
0	0	0	0	0	0
(1,600,053)	0	0	(1,969,258)	0	0
1,275,651	1,656,139	1,252,978	1,242,974	1,187,721	1,319,499
(1,275,651)	(1,656,139)	(1,252,978)	(1,242,974)	(1,187,721)	(1,319,499)
1,840,289	31,689	3,148	68,048	7,238	4,450
<u>\$1,995,198</u>	<u>(\$1,243,239)</u>	<u>\$1,968,069</u>	<u>\$1,262,191</u>	<u>(\$3,318,929)</u>	<u>(\$658,900)</u>
5.51%	5.03%	4.53%	4.21%	4.37%	4.42%

City of Mount Vernon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2008	2009	2010	2011
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands) (1)	\$451,730	\$462,638	\$513,183	\$542,270
Total Tax Collected	\$10,273,944	\$9,446,804	\$8,556,302	\$9,017,691
Income Tax Receipts				
Withholding	7,083,885	7,159,863	6,967,691	7,408,369
Percentage	68.95%	75.79%	81.43%	82.15%
Corporate	2,486,687	1,673,288	926,225	961,045
Percentage	24.20%	17.71%	10.83%	10.66%
Individuals	703,372	613,653	662,386	648,277
Percentage	6.85%	6.50%	7.74%	7.19%

Source: City Income Tax Department

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

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$580,616	\$606,203	\$641,916	\$668,472	\$673,501	\$673,501
\$10,128,973	\$11,210,717	\$11,725,532	\$12,409,133	\$11,261,723	\$10,660,851
7,854,868	8,088,514	8,450,570	8,673,622	9,042,251	8,591,242
77.55%	72.15%	72.07%	69.90%	80.29%	80.59%
1,578,706	2,396,265	2,522,261	2,889,193	1,373,619	1,229,520
15.59%	21.37%	21.51%	23.28%	12.20%	11.53%
695,399	725,938	752,701	846,318	845,853	840,089
6.86%	6.48%	6.42%	6.82%	7.51%	7.88%



City of Mount Vernon, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2017				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$309,575,103	43.56%	\$4,643,627	43.56%
All Others	401,148,267	56.44%	6,017,224	56.44%
Total	<u>\$710,723,370</u>	<u>100.00%</u>	<u>\$10,660,851</u>	<u>100.00%</u>

Calendar Year 2008				
<u>Income Tax Filers</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$111,971,670	16.35%	\$1,679,575	16.35%
All Others	572,957,933	83.65%	8,594,369	83.65%
Total	<u>\$684,929,603</u>	<u>100.00%</u>	<u>\$10,273,944</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Mount Vernon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2008	2009	2010	2011
Governmental Activities ⁽¹⁾				
Long-Term Notes Payable	\$2,100,000	\$0	\$0	\$0
General Obligation Bonds Payable	5,420,015	7,280,711	6,881,718	6,482,568
Special Obligation Bonds Payable	0	0	0	0
Ohio Public Works Commission Loan Payable	329,375	433,125	419,375	391,875
Business-type Activities ⁽¹⁾				
Ohio Public Works Commission Loan Payable	\$0	\$125,362	\$122,228	\$115,960
Ohio Water Development Authority	0	0	0	2,303,347
General Obligation Bonds Payable	11,469,985	13,274,289	12,348,282	11,392,432
Special Obligation Bonds Payable	0	0	0	0
Mortgage Revenue Bonds Payable	5,015,000	4,420,000	4,020,000	3,620,000
Total Primary Government	<u>\$24,334,375</u>	<u>\$25,533,487</u>	<u>\$23,791,603</u>	<u>\$24,306,182</u>
Population ⁽²⁾				
City of Mount Vernon	15,256	15,256	16,990	16,990
Outstanding Debt Per Capita	\$1,595	\$1,674	\$1,400.33	\$1,430.62
Income ⁽³⁾				
Personal (in thousands)	451,730	462,638	513,183	542,270
Percentage of Personal Income	5.39%	5.52%	4.64%	4.48%

Sources:

(1) City Auditor's Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

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

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
\$0	\$0	\$0	\$0	\$0	\$0
6,177,200	5,812,400	5,436,000	5,205,500	4,770,450	4,324,200
1,775,000	1,677,500	1,577,500	1,475,000	1,370,000	1,260,000
364,375	336,875	309,375	281,875	254,375	226,875
\$109,692	\$103,424	\$97,156	\$90,888	\$126,237	\$116,886
6,289,243	6,476,726	6,500,028	6,154,888	5,872,440	5,536,388
10,522,800	9,582,600	8,604,000	7,828,650	6,747,950	5,617,700
1,775,000	1,677,500	1,577,500	1,475,000	1,370,000	1,260,000
3,205,000	2,780,000	2,345,000	1,895,000	1,430,000	950,000
<u>\$30,218,310</u>	<u>\$28,447,025</u>	<u>\$26,446,559</u>	<u>\$24,406,801</u>	<u>\$21,941,452</u>	<u>\$19,292,049</u>
16,990	16,990	16,990	16,990	16,990	16,990
\$1,778.59	\$1,674.34	\$1,556.60	\$1,436.54	\$1,291.43	\$1,135.49
580,616	606,203	641,916	668,472	673,501	673,501
5.20%	4.69%	4.12%	3.65%	3.26%	2.86%

City of Mount Vernon, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2008	2009	2010	2011
Population ⁽¹⁾	15,256	15,256	16,990	16,990
Assessed Value ⁽²⁾	\$258,440,860	\$261,803,090	\$259,179,980	\$247,090,750
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$16,890,000	\$20,555,000	\$19,230,000	\$17,875,000
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$10,568	\$0	\$0
Net General Bonded Debt	\$16,890,000	\$20,544,432	\$19,230,000	\$17,875,000
Ratio of Net Bonded Debt to Assessed Value	6.54%	7.85%	7.42%	7.23%
Net Bonded Debt per Capita	\$1,107.11	\$1,346.65	\$1,131.84	\$1,052.09

Sources:

- (1) U.S. Bureau of Census of Population
- (2) Knox County Auditor
- (3) Includes all general obligation bonded debt.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
16,990	16,990	16,990	16,990	16,990	16,990
\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780
\$16,700,000	\$15,395,000	\$14,040,000	\$13,034,150	\$11,518,400	\$9,941,900
\$966	\$0	\$0	\$0	\$0	\$0
\$16,699,034	\$15,395,000	\$14,040,000	\$13,034,150	\$11,518,400	\$9,941,900
6.74%	6.18%	5.64%	5.17%	4.53%	3.66%
\$982.87	\$906.12	\$826.37	\$767.17	\$677.95	\$585.16



City of Mount Vernon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2017*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Mount Vernon</u>	<u>Amount Applicable to the City of Mount Vernon</u>
Direct:			
City of Mount Vernon	\$5,811,075	100.00%	\$5,811,075
Overlapping:			
Knox County	7,238,815	21.07%	1,525,218
Mount Vernon School District	1,625,000	46.36%	753,350
Knox County Career Center	5,721,000	23.41%	1,339,286
		Subtotal	<u>3,617,854</u>
		Total	<u><u>\$9,428,929</u></u>

Source: Knox County Auditor and Fiscal Officers of Subdivision

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

City of Mount Vernon, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Debt				
Net Assessed Valuation	\$258,440,860	\$261,803,090	\$259,179,980	\$247,090,750
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	27,136,290	27,489,324	27,213,898	25,944,529
City Debt Outstanding (2)	3,116,945	2,999,195	2,876,145	2,752,795
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>(10,568)</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>3,116,945</u>	<u>2,988,627</u>	<u>2,876,145</u>	<u>2,752,795</u>
Overall Legal Debt Margin	<u><u>\$24,019,345</u></u>	<u><u>\$24,500,697</u></u>	<u><u>\$24,337,753</u></u>	<u><u>\$23,191,734</u></u>
Unvoted Debt				
Net Assessed Valuation	\$258,440,860	\$261,803,090	\$259,179,980	\$247,090,750
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,214,247	14,399,170	14,254,899	13,589,991
City Debt Outstanding (2)	3,116,945	2,999,195	2,876,145	2,752,795
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>(10,568)</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>3,116,945</u>	<u>2,988,627</u>	<u>2,876,145</u>	<u>2,752,795</u>
Overall Legal Debt Margin	<u><u>\$11,097,302</u></u>	<u><u>\$11,410,543</u></u>	<u><u>\$11,378,754</u></u>	<u><u>\$10,837,196</u></u>

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

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.
Tax Increment Financing Bonds are not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
26,014,202	26,150,657	26,158,213	26,476,456	26,670,750	28,486,792
2,607,800	2,477,600	2,342,400	2,360,300	2,185,850	2,004,600
(966)	0	0	0	0	0
2,606,834	2,477,600	2,342,400	2,360,300	2,185,850	2,004,600
\$23,407,368	\$23,673,057	\$23,815,813	\$24,116,156	\$24,484,900	\$26,482,192
\$247,754,300	\$249,053,880	\$249,125,840	\$252,156,720	\$254,007,140	\$271,302,780
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
13,626,487	13,697,963	13,701,921	13,868,620	13,970,393	14,921,653
2,607,800	2,477,600	2,342,400	2,360,300	2,185,850	2,004,600
(966)	0	0	0	0	0
2,606,834	2,477,600	2,342,400	2,360,300	2,185,850	2,004,600
\$11,019,653	\$11,220,363	\$11,359,521	\$11,508,320	\$11,784,543	\$12,917,053

City of Mount Vernon, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2008	2009	2010	2011
Water System Bonds 1999 Series (1)				
Gross Revenues (2)	\$3,344,136	\$3,292,955	\$3,394,458	\$3,373,589
Direct Operating Expenses (3)	(1,956,474)	(1,991,293)	(2,026,472)	(1,933,228)
Net Revenue Available for Debt Service	1,387,662	1,301,662	1,367,986	1,440,361
Annual Debt Service Requirement	636,612	638,600	542,383	539,650
Coverage	2.18	2.04	2.52	2.67
Tax Increment Financing (TIF) Bonds (4)				
Payment In Lieu of Taxes (PILOT) Collections	\$1,155,370	\$1,232,200	\$1,320,086	\$1,262,210
Debt Service				
Principal	182,600	186,554	190,943	195,800
Interest	88,297	84,361	79,136	72,745
Coverage	4.26	4.55	4.89	4.70

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

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

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

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

Source: City Auditor's Office

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
\$3,560,407	\$3,451,448	\$3,685,199	\$3,563,294	\$3,538,481	\$5,118,429
(1,805,985)	(1,853,530)	(1,874,612)	(1,982,573)	(1,989,032)	(2,040,514)
1,754,422	1,597,918	1,810,587	1,580,721	1,549,449	3,077,915
542,650	540,200	537,450	539,400	540,900	539,625
3.23	2.96	3.37	2.93	2.86	5.70
\$1,572,036	\$748,799	\$1,214,761	\$1,278,656	\$1,301,697	\$1,256,931
231,000	149,600	156,200	158,400	160,600	165,000
87,076	74,120	28,627	25,569	22,628	19,521
4.94	3.35	6.57	6.95	7.10	6.81

City of Mount Vernon, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2008	2009	2010	2011
Population (1)				
City of Mount Vernon	15,256	15,256	16,990	16,990
Knox County	54,500	54,500	60,921	60,921
Income (2) (a)				
Total Personal (in thousands)	451,730	462,638	513,183	542,270
Per Capita	29,610	30,325	30,205	31,917
Unemployment Rate (3)				
Federal	5.8%	5.8%	9.1%	8.3%
State	6.6%	6.6%	9.3%	7.6%
Knox County	6.3%	6.3%	9.1%	7.6%
Civilian Work Force Estimates (3)				
State	5,986,400	5,986,400	5,986,400	5,806,000
Knox County	30,800	30,800	30,800	29,600

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2016 for the presentation of 2017 statistics, the City is using the latest information available.

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

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

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
16,990	16,990	16,990	16,990	16,990	16,990
60,921	60,705	61,167	61,061	60,814	60,814
580,616	606,203	641,916	668,472	673,501	673,501
34,174	35,680	37,782	39,345	39,641	39,641
7.6%	7.4%	6.2%	5.3%	4.9%	4.4%
6.6%	7.4%	5.7%	4.9%	4.9%	5.0%
6.2%	6.7%	5.2%	4.7%	4.5%	4.5%
5,701,000	5,726,000	5,719,000	5,700,300	5,713,100	5,780,000
29,400	30,500	31,100	31,000	31,300	31,300



City of Mount Vernon, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2017	
		Number of Employees	Rank
Ariel Corporation	Manufacturing	1,500	1
Knox Community Hospital	Medical Care	900	2
Jeld-Wen, Inc.	Manufacturing	470	3
Knox County	Government	425	4
Mount Vernon City Schools	Education	400	5
Mount Vernon Nazarene University	Education	370	6
Wal-Mart	Retail	325	7
Siemens Energy, Inc.	Manufacturing	275	8
Sanoh America, Inc.	Manufacturing	230	9
First Knox National Bank	Financial	200	10
Total		5,095	

Employer	Nature of Business	2008	
		Number of Employees	Rank
Rolls-Royce Energy Systems, Inc.	Manufacturing	855	1
Ariel Corporation	Manufacturing	835	2
Knox Community Hospital	Medical Care	573	3
Knox County	Government	452	4
Board of Education (City)	Education	448	5
Mount Vernon Nazarene University	Education	400	6
Wal-Mart	Retail	327	7
Jeld-Wen Windows & Doors	Manufacturing	284	8
Sanoh America, Inc.	Manufacturing	200	9
International Paper Company	Manufacturing	180	10
Total		4,554	

Source:

City Auditor's Office

Total Employment within the City is not available

City of Mount Vernon, Ohio

Full Time Equivalent Employees by Function Last Ten Years

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

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

Elected Officials have been omitted from this table

Source: City Auditor's Office

City of Mount Vernon, Ohio

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
11.00	11.00	11.00	11.00	11.00
2.00	2.00	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50
6.50	6.00	6.00	6.00	6.00
1.75	1.75	1.75	1.75	1.75
32.00	32.00	32.00	32.00	32.00
40.00	40.00	40.00	40.00	40.00
12.50	12.50	12.50	12.50	12.50
56.50	56.50	56.50	56.50	56.50
5.25	5.25	5.25	5.25	5.25
17.50	17.50	17.50	17.50	17.00
19.50	19.50	19.50	19.50	19.00
<u>215.00</u>	<u>214.50</u>	<u>214.50</u>	<u>214.50</u>	<u>213.50</u>

City of Mount Vernon, Ohio

Operating Indicators by Function Last Ten Years

	2008	2009	2010
Governmental Activities			
General Government			
Court			
Number of Civil Cases	1,484	1,425	1,259
Number of Criminal Cases	1,335	1,246	1,378
Number of Traffic Cases	5,811	5,867	6,234
Number of Open Cases	1,003	1,038	884
Licenses and Permits			
Number of Building Permits	160	162	159
Security of Persons and Property			
Police			
Number of Citations Issued	3,857	3,295	3,640
Fire			
Number of Fire Calls	871	1,032	1,067
Number of EMS Runs	3,259	3,282	3,386
Number of Inspections	1,250	1,009	685
Business-Type Activities			
Water			
Number of Service Connections	6,449	6,469	6,484
Daily Average Consumption (thousands of gallons)	2,704,110	3,026,000	2,565,381
Sewer			
Number of Service Connections	6,655	6,682	6,704
Daily Average Sewage Treatment (thousands of gallons)	3,282,192	2,979,515	2,881,773

Source: City Auditor's Office

City of Mount Vernon, Ohio

2011	2012	2013	2014	2015	2016	2017
1,394	1,258	780	823	932	1,443	1,496
1,551	1,365	1,280	1,272	1,163	967	1,201
5,825	5,500	4,978	4,573	4,664	4,603	4,387
514	547	440	322	678	829	833
157	150	122	140	132	137	184
3,117	2,557	3,117	1,971	1,832	2,274	2,713
1,032	1,185	918	1,049	1,108	1,055	1,322
3,649	3,817	3,583	3,581	3,850	3,777	4,050
820	750	740	580	420	641	570
6,495	6,507	6,514	6,527	6,540	6,559	6,575
2,409,501	2,530,735	2,748,137	2,542,049	2,728,019	2,761,211	2,756,540
6,717	6,726	6,734	6,745	6,764	6,783	6,792
3,524,871	2,676,145	2,779,449	2,794,266	2,783,184	2,567,540	3,021,038

City of Mount Vernon, Ohio

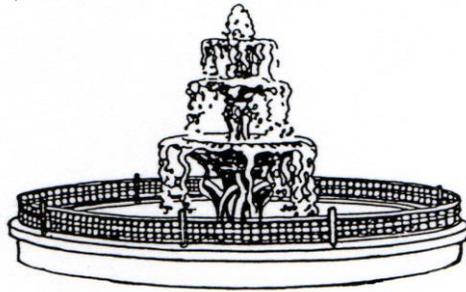
Capital Asset Statistics by Function Last Ten Years

	2008	2009	2010	2011
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	9.8	9.8	12.4	12.4
Buildings	9	9	9	9
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	13	13	13	13
Fire				
Stations	2	2	2	2
Vehicles	11	11	11	11
Transportation				
Street				
Streets (center line miles)	82	82	82	82
Street Lights	1,470	1,470	1,470	1,470
Traffic Signals	52	53	53	53
Vehicles	13	13	13	13
Leisure Time Activities				
Parks/Recreation				
Land (acres)	241.86	241.86	244.98	244.98
Buildings	14	14	14	14
Parks	8	8	8	8
Playgrounds	4	4	4	4
Swimming Pools	4	4	4	4
Tennis Courts	10	10	10	10
Baseball/Softball Diamonds	11	11	11	11
Soccer Fields	2	2	2	2
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	63	63	63	63
Number of Hydrants	484	484	484	484
Average Daily Consumption	2,704,110	3,026,000	2,565,381	2,409,501
Storage Capacity (thousands of gallons)	7,000	7,000	7,000	7,000
Sewer				
Sewerlines (Miles)	62	62	62	62
Average Daily Treatment	3,282,192	2,979,515	2,881,773	3,524,871
Treatment Capacity (thousands of gallons)	5,000	5,000	5,000	5,000

Source: City Auditor's Office

City of Mount Vernon, Ohio

2012	2013	2014	2015	2016	2017
12.4 9	12.7 9	12.7 9	12.7 9	12.7 9	12.7 9
1 13	1 13	1 13	1 13	1 13	1 13
2 11	2 11	2 11	2 11	2 11	2 11
82 1,470 54 13	82 1,470 54 13	92 1,470 54 13	92 1,470 54 13	92 1,470 54 13	92 1,470 54 13
244.98 14 8 4 4 10 11 2	244.98 14 8 4 4 10 11 2	269.98 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2	337.56 14 8 4 4 10 11 2
63 484 2,530,735 7,000	63 484 2,748,137 7,000	63 484 2,542,049 7,000	63 484 2,728,019 7,000	63 484 2,761,211 7,000	63 484 2,756,540 7,000
62 2,676,145 5,000	62 2,779,449 5,000	62 2,794,266 5,000	62 2,783,184 5,000	62 2,567,540 5,000	62 3,021,038 5,000





Dave Yost • Auditor of State

CITY OF MOUNT VERNON

KNOX COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 23, 2018**