

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AUDIT REPORT

OF

CITY OF MOUNT VERNON

POSEY COUNTY, INDIANA

January 1, 2017 to December 31, 2017



FILED
08/16/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cristi L. Sitzman	01-01-16 to 12-31-19
Mayor	G. William Curtis	03-01-16 to 12-31-19
President of the Board of Public Works	G. William Curtis	03-01-16 to 12-31-19
President Pro Tempore of the Common Council	Rebecca Higgins	01-01-17 to 12-31-18
President of the Water Utility Board	Rebecca Higgins	01-01-17 to 12-31-18
Superintendent of Utilities	Chuck Gray	01-01-17 to 12-31-18
Utility Bookkeeper	Deann Blackburn	01-01-17 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF MOUNT VERNON, POSEY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Mount Vernon (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2017.


Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

August 2, 2018

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF MOUNT VERNON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
General	\$ 855,044	\$ 3,673,056	\$ 3,213,325	\$ 1,314,775
Motor Vehicle Highway	528,197	757,585	576,157	709,625
Local Road And Street	29,391	32,845	1,850	60,386
Park Nonreverting Operating	7,733	33,861	30,873	10,721
Abandoned Vehicle	2,501	-	-	2,501
Law Enforcement Continuing Ed	3,548	3,851	6,667	732
Unsafe Building Fund	15,880	327	-	16,207
Parks And Recreation	130,402	718,992	687,402	161,992
Rainy Day	216,857	-	127,633	89,224
LOIT	830,334	-	830,334	-
Cumulative Capital Development	110,129	78,391	90,889	97,631
Cumulative Capital Improvement	85,280	16,262	5,555	95,987
Police Pension	207,675	91,492	98,961	200,206
Fire Pension	311,620	99,591	91,769	319,442
Public Safety Tax	-	422,578	193,563	229,015
ONB-Police & Fire Bldg 13 Debt Svc	89,019	402	-	89,421
ONB-Police & Fire Bldg 13 Constr	9,603	43	-	9,646
ONB-Police & Fire Bldg 13 Cap Int	21,213	96	-	21,309
ONB-Police & Fire Bldg 13 Sinking	9,917	87,552	82,638	14,831
TIF-MV Downtown	34,243	36,540	-	70,783
Community Crossing Grant Fund	-	957,967	883,028	74,939
E D I T	824,252	907,840	418,058	1,314,034
Donations	31,963	27,456	39,280	20,139
Economic Development Commission	14,423	17,600	16,770	15,253
State Gaming	81,207	160,611	85,925	155,893
EWSF	9,808	1	-	9,809
MVH II	59,295	14,390	3,232	70,453
Project Fun	600	2,600	3,173	27
BB Pool Lghts	9	-	-	9
Downtown Plan	481	-	-	481
C O I T	1,095,968	185,292	524,913	756,347
Insurance	20,570	201,651	207,439	14,782
Tax Incremental Financing	-	240,109	240,109	-
Payroll	20,589	3,642,063	3,643,990	18,662
Wastewater Oper & Maint - United Fidelity	1,692,489	2,299,828	1,158,694	2,833,623
Wastewater Improvement - United Fidelity	371,832	600,155	11,813	960,174
Wastewater Cash Clearance - United Fidelity	-	2,328,522	2,328,522	-
Wastewater Trash Transfer - United Fidelity	-	321,856	321,856	-
Wastewater Pre Treatment - United Fidelity	175,358	84,122	67,802	191,678
Wastewater Consumer Deposit - United Fidelity	46,722	12,683	11,751	47,654
Wastewater State Rev Loan-East Side Gravity Sewer	-	22,094	22,094	-
Debt Svc-Bank Of New York	757,797	88,966	-	846,763
Sinking Fund-Bank Of New York	902,450	669,069	1,209,243	362,276
Wastewater State Rev Loan	-	966,767	966,767	-
Water Works Revenue - United Fidelity	-	4,466,078	4,466,078	-
Water 2015 Construction - United Fidelity	2,331,332	11,706,483	11,658,874	2,378,941
Water Bond & Interest - United Fidelity	3,739	1,532,577	1,525,234	11,082
Water Debt Service - United Fidelity	1,277,352	90,346	-	1,367,698
Water 2012 Revenue - United Fidelity	12,156	27	12,183	-
Water Operating & Maint - United Fidelity	2,208,572	2,909,244	2,084,359	3,033,457
Water Escrow - United Fidelity	154,503	178,680	178,691	154,492
Water Improvement - United Fidelity	1,286,701	-	34,339	1,252,362
Water Consumer Meter Dep - United Fidelity	90,383	19,634	18,810	91,207
Totals	<u>\$ 16,969,137</u>	<u>\$ 40,708,175</u>	<u>\$ 38,180,643</u>	<u>\$ 19,496,669</u>

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

CITY OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits. Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. *1925 Police Officers' Pension Plan*

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENT
(Continued)

B. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

D. Additional Pension Plan

The City also contributes to additional pension plan unique to the City. Information regarding these plans may be obtained from the City.

CITY OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. *Holding Corporation*

The City has entered into a capital lease with Mount Vernon Public Safety Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2017 totaled \$87,500.

OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	General	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Abandoned Vehicle	Law Enforcement Continuing Ed
Cash and investments - beginning	\$ 855,044	\$ 528,197	\$ 29,391	\$ 7,733	\$ 2,501	\$ 3,548
Receipts:						
Taxes	2,691,606	382,498	-	-	-	299
Licenses and permits	52,718	465	-	-	-	2,190
Intergovernmental receipts	561,319	362,109	32,845	-	-	-
Charges for services	353,971	8,110	-	-	-	1,362
Fines and forfeits	320	-	-	19,745	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	13,122	4,403	-	14,116	-	-
Total receipts	<u>3,673,056</u>	<u>757,585</u>	<u>32,845</u>	<u>33,861</u>	<u>-</u>	<u>3,851</u>
Disbursements:						
Personal services	2,061,200	385,895	-	9,042	-	-
Supplies	258,057	46,832	-	15,319	-	6,637
Other services and charges	735,983	98,130	1,850	1,417	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	82,032	45,300	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	76,053	-	-	5,095	-	30
Total disbursements	<u>3,213,325</u>	<u>576,157</u>	<u>1,850</u>	<u>30,873</u>	<u>-</u>	<u>6,667</u>
Excess (deficiency) of receipts over disbursements	<u>459,731</u>	<u>181,428</u>	<u>30,995</u>	<u>2,988</u>	<u>-</u>	<u>(2,816)</u>
Cash and investments - ending	<u>\$ 1,314,775</u>	<u>\$ 709,625</u>	<u>\$ 60,386</u>	<u>\$ 10,721</u>	<u>\$ 2,501</u>	<u>\$ 732</u>

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Unsafe Building Fund	Parks And Recreation	Rainy Day	LOIT	Cumulative Capital Development	Cumulative Capital Improvement
Cash and investments - beginning	\$ 15,880	\$ 130,402	\$ 216,857	\$ 830,334	\$ 110,129	\$ 85,280
Receipts:						
Taxes	-	552,028	-	-	68,813	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	22,295	-	-	9,578	16,262
Charges for services	-	32,556	-	-	-	-
Fines and forfeits	327	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	112,113	-	-	-	-
Total receipts	327	718,992	-	-	78,391	16,262
Disbursements:						
Personal services	-	413,289	-	-	-	-
Supplies	-	68,120	-	-	17,889	-
Other services and charges	-	105,323	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	73,000	5,555
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	100,670	127,633	830,334	-	-
Total disbursements	-	687,402	127,633	830,334	90,889	5,555
Excess (deficiency) of receipts over disbursements	327	31,590	(127,633)	(830,334)	(12,498)	10,707
Cash and investments - ending	\$ 16,207	\$ 161,992	\$ 89,224	\$ -	\$ 97,631	\$ 95,987

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Police Pension	Fire Pension	Public Safety Tax	ONB-Police & Fire Bldg 13 Debt Svc	ONB-Police & Fire Bldg 13 Constr	ONB-Police & Fire Bldg 13 Cap Int
Cash and investments - beginning	\$ 207,675	\$ 311,620	\$ -	\$ 89,019	\$ 9,603	\$ 21,213
Receipts:						
Taxes	91,105	99,591	422,578	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	387	-	-	402	43	96
Total receipts	91,492	99,591	422,578	402	43	96
Disbursements:						
Personal services	98,489	91,720	-	-	-	-
Supplies	23	-	-	-	-	-
Other services and charges	449	49	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	193,563	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	98,961	91,769	193,563	-	-	-
Excess (deficiency) of receipts over disbursements	(7,469)	7,822	229,015	402	43	96
Cash and investments - ending	\$ 200,206	\$ 319,442	\$ 229,015	\$ 89,421	\$ 9,646	\$ 21,309

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	ONB-Police & Fire Bldg 13 Sinking	TIF-MV Downtown	Community Crossing Grant Fund	EDIT	Donations	Economic Development Commission
Cash and investments - beginning	\$ 9,917	\$ 34,243	\$ -	\$ 824,252	\$ 31,963	\$ 14,423
Receipts:						
Taxes	-	36,540	-	806,353	-	17,600
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	87,552	-	957,967	101,487	27,456	-
Total receipts	87,552	36,540	957,967	907,840	27,456	17,600
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	3,635	-	-
Other services and charges	-	-	883,028	216,775	-	-
Debt service - principal and interest	82,638	-	-	-	-	-
Capital outlay	-	-	-	97,648	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	100,000	39,280	16,770
Total disbursements	82,638	-	883,028	418,058	39,280	16,770
Excess (deficiency) of receipts over disbursements	4,914	36,540	74,939	489,782	(11,824)	830
Cash and investments - ending	\$ 14,831	\$ 70,783	\$ 74,939	\$ 1,314,034	\$ 20,139	\$ 15,253

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	State Gaming	EWSF	MVH II	Project Fun	BB Pool Lghts	Downtown Plan
Cash and investments - beginning	\$ 81,207	\$ 9,808	\$ 59,295	\$ 600	\$ 9	\$ 481
Receipts:						
Taxes	-	-	14,390	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	79,225	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	81,386	1	-	2,600	-	-
Total receipts	160,611	1	14,390	2,600	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	2,518	-	-	-
Other services and charges	85,925	-	714	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	3,173	-	-
Total disbursements	85,925	-	3,232	3,173	-	-
Excess (deficiency) of receipts over disbursements	74,686	1	11,158	(573)	-	-
Cash and investments - ending	\$ 155,893	\$ 9,809	\$ 70,453	\$ 27	\$ 9	\$ 481

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	COIT	Insurance	Tax Incremental Financing	Payroll	Wastewater Oper & Maint - United Fidelity	Wastewater Improvement - United Fidelity
Cash and investments - beginning	\$ 1,095,968	\$ 20,570	\$ -	\$ 20,589	\$ 1,692,489	\$ 371,832
Receipts:						
Taxes	-	-	240,109	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	185,292	201,651	-	3,642,063	2,299,828	600,155
Total receipts	185,292	201,651	240,109	3,642,063	2,299,828	600,155
Disbursements:						
Personal services	244,490	-	-	-	561,120	-
Supplies	-	-	-	-	-	-
Other services and charges	195,933	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	72,000	-	-	-	-	-
Utility operating expenses	-	-	-	-	597,574	11,813
Other disbursements	12,490	207,439	240,109	3,643,990	-	-
Total disbursements	524,913	207,439	240,109	3,643,990	1,158,694	11,813
Excess (deficiency) of receipts over disbursements	(339,621)	(5,788)	-	(1,927)	1,141,134	588,342
Cash and investments - ending	\$ 756,347	\$ 14,782	\$ -	\$ 18,662	\$ 2,833,623	\$ 960,174

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Wastewater Cash Clearance - United Fidelity	Wastewater Trash Transfer - United Fidelity	Wastewater Pre Treatment - United Fidelity	Wastewater Consumer Deposit - United Fidelity	Wastewater State Rev Loan-East Side Gravity Sewer	Debt Svc-Bank Of New York
Cash and investments - beginning	\$ -	\$ -	\$ 175,358	\$ 46,722	\$ -	\$ 757,797
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	2,279,147	-	-	-	-	-
Penalties	49,375	-	-	-	-	-
Other receipts	-	321,856	84,122	12,683	22,094	88,966
Total receipts	2,328,522	321,856	84,122	12,683	22,094	88,966
Disbursements:						
Personal services	-	-	59,653	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	8,149	-	-	-
Other disbursements	2,328,522	321,856	-	11,751	22,094	-
Total disbursements	2,328,522	321,856	67,802	11,751	22,094	-
Excess (deficiency) of receipts over disbursements	-	-	16,320	932	-	88,966
Cash and investments - ending	\$ -	\$ -	\$ 191,678	\$ 47,654	\$ -	\$ 846,763

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Sinking Fund-Bank Of New York	Wastewater State Rev Loan	Water Works Revenue - United Fidelity	Water 2015 Construction - United Fidelity	Water Bond & Interest - United Fidelity	Water Debt Service - United Fidelity
Cash and investments - beginning	\$ 902,450	\$ -	\$ -	\$ 2,331,332	\$ 3,739	\$ 1,277,352
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	4,308,208	-	-	-
Penalties	-	-	38,381	-	-	-
Other receipts	669,069	966,767	119,489	11,706,483	1,532,577	90,346
Total receipts	669,069	966,767	4,466,078	11,706,483	1,532,577	90,346
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	734,894	-	-	-	1,525,234	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	474,349	966,767	4,466,078	11,658,874	-	-
Total disbursements	1,209,243	966,767	4,466,078	11,658,874	1,525,234	-
Excess (deficiency) of receipts over disbursements	(540,174)	-	-	47,609	7,343	90,346
Cash and investments - ending	\$ 362,276	\$ -	\$ -	\$ 2,378,941	\$ 11,082	\$ 1,367,698

CITY OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Water 2012 Revenue - United Fidelity	Water Operating & Maint United Fidelity	Water Escrow - United Fidelity	Water Improvement - United Fidelity	Water Consumer Meter Dep - United Fidelity	Totals
Cash and investments - beginning	\$ 12,156	\$ 2,208,572	\$ 154,503	\$ 1,286,701	\$ 90,383	\$ 16,969,137
Receipts:						
Taxes	-	-	-	-	-	5,423,510
Licenses and permits	-	-	-	-	-	55,373
Intergovernmental receipts	-	-	-	-	-	1,083,633
Charges for services	-	-	-	-	-	395,999
Fines and forfeits	-	-	-	-	-	20,392
Utility fees	-	-	-	-	-	6,587,355
Penalties	-	-	-	-	-	87,756
Other receipts	27	2,909,244	178,680	-	19,634	27,054,157
Total receipts	27	2,909,244	178,680	-	19,634	40,708,175
Disbursements:						
Personal services	-	656,019	-	-	-	4,580,917
Supplies	-	-	-	-	-	419,030
Other services and charges	-	-	-	-	-	2,325,576
Debt service - principal and interest	-	-	178,691	-	-	2,521,457
Capital outlay	-	34,339	-	-	-	603,437
Utility operating expenses	-	1,394,001	-	-	-	2,011,537
Other disbursements	12,183	-	-	34,339	18,810	25,718,689
Total disbursements	12,183	2,084,359	178,691	34,339	18,810	38,180,643
Excess (deficiency) of receipts over disbursements	(12,156)	824,885	(11)	(34,339)	824	2,527,532
Cash and investments - ending	\$ -	\$ 3,033,457	\$ 154,492	\$ 1,252,362	\$ 91,207	\$ 19,496,669

CITY OF MOUNT VERNON
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 98,167	\$ 432,046
Water Utility	163,344	518,283
Governmental activities	125,758	-
Totals	\$ 387,269	\$ 950,329

CITY OF MOUNT VERNON
SCHEDULE OF LEASES AND DEBT
December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Old National Bank	2017 Pierce Pumper Fire Truck	\$ 83,842	9/30/2017	9/30/2023
TCF Equipment Finance	Packer Truck	31,449	3/25/2014	12/25/2018
United Fidelity Bank	2017 Global M3 Street Sweeper	32,114	9/1/2017	9/1/2020
Mount Vernon Public Safety Building Corporation	Public Safety Building	<u>87,000</u>	1/15/2015	1/15/2029
Total governmental activities		<u>234,405</u>		
Water Utility:				
Old National Bank	Water Meters	<u>178,691</u>	5/8/2008	5/8/2022
Total of annual lease payments		<u>\$ 413,096</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue Bonds	Economic Development Revenue Bonds of 2006 (TIF)	\$ 1,250,000	\$ 60,000 *
Total governmental activities		<u>1,250,000</u>	<u>60,000</u>
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds 2017 (SRF)	899,073	85,591
Revenue bonds	Sewage Works Revenue Bonds of 2001 Series A (SRF)	617,000	136,595
Revenue bonds	Sewage Works Revenue Bonds of 2009 (SRF)	1,711,288	181,398
Revenue bonds	Sewage Works Revenue Bonds of 2011 (SRF)	5,295,219	405,588
Revenue bonds	Sewage Works Revenue Bonds of 2006 (SRF)	<u>219,957</u>	<u>32,479</u>
Total Wastewater		<u>8,742,537</u>	<u>841,651</u>
Water Utility:			
Revenue bonds	Waterworks Revenue Bonds of 2017	11,470,000	578,865
Revenue bonds	Waterworks Revenue Bonds of 2012 (SRF)	13,010,000	863,713
Revenue bonds	Waterworks Revenue Bonds of 2001 (SRF)	<u>1,300,000</u>	<u>263,575</u>
Total Water Utility		<u>25,780,000</u>	<u>1,706,153</u>
Totals		<u>\$ 35,772,537</u>	<u>\$ 2,607,804</u>

*Principal only is reported. Interest rate is variable and will fluctuate based upon the index rate so no payment schedule has been adopted.

CITY OF MOUNT VERNON
SCHEDULE OF CAPITAL ASSETS
December 31, 2017

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 435,081
Buildings	2,911,845
Improvements other than buildings	314,776
Machinery, equipment, and vehicles	<u>5,122,622</u>
Total governmental activities	<u>8,784,324</u>
Wastewater:	
Land	142,965
Infrastructure	13,750,662
Buildings	1,925,070
Improvements other than buildings	21,565,625
Machinery, equipment, and vehicles	5,325,310
Construction in progress	<u>1,538,787</u>
Total Wastewater	<u>44,248,419</u>
Water Utility:	
Land	135,322
Infrastructure	9,598,438
Buildings	5,698,953
Improvements other than buildings	31,633,167
Machinery, equipment, and vehicles	5,663,977
Construction in progress	<u>965,668</u>
Total Water Utility	<u>53,695,525</u>
Total capital assets	<u>\$ 106,728,268</u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.