

INTRODUCTORY SECTION

CITY OF MT. VERNON, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended April 30, 2019

Prepared by:

Department of Finance

Merle A. Hollmann
Director of Finance

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CITY OF MT. VERNON, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

April 30, 2019

City Council

Mayor John Lewis
Councilperson Jeff May
Councilperson Donte Moore
Councilperson Jim Rippy
Councilperson Mike Young

City Manager

Mary Ellen Bechtel

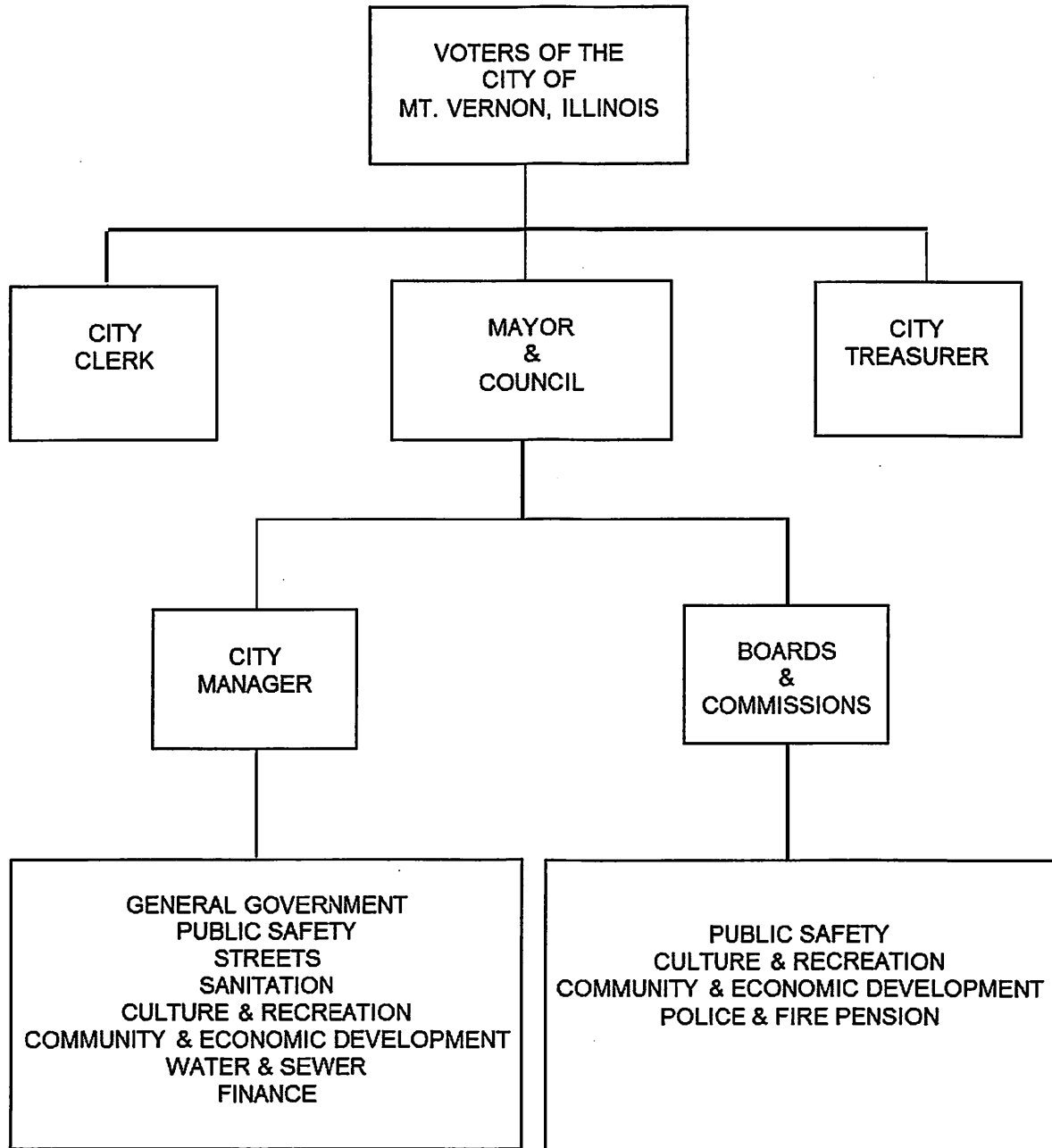
City Clerk

Mary Jo Pemberton

City Treasurer

Pat Carlson

CITY OF MT. VERNON, ILLINOIS
ORGANIZATION CHART
April 30, 2019



FINANCIAL SECTION

Wm. Brent Palmer, C.P.A.
 James G. Leuty, C.P.A.
 Gary S. Malawy, C.P.A.
 Richelle J. Heggemeler, C.P.A.
 Robert N. Huffman, C.P.A.
 Brent D. Maschhoff, C.P.A.
 Greg W. Charlton, C.P.A.
 Emily E. J. Tynes, C.P.A.
 Joshua A. Esser, C.P.A.
 Cheryl A. Presswood, C.P.A.
 Michelle M. Hagen, C.P.A.



**KREHBIEL
& ASSOCIATES, LLC**

Certified Public Accountants

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618-327-8042 Fax 327-8052
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Carlyle, Illinois 62231
618-594-2025 Fax 594-2206

Wayne L. Krehbiel, C.P.A.

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
 City of Mt. Vernon, Illinois

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 Mt. Vernon, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Mt. Vernon, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mt. Vernon, Illinois, as of April 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, the City of Mt. Vernon, Illinois adopted the provisions of Governmental Accounting Standards Board Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", Government Accounting Standards Board Statement No. 85 "Omnibus 2017" and Government Accounting Standards Board No. 86 "Certain Debt Extinguishment Issues". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 21 and 96 through 125 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mt. Vernon, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of

expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2019, on our consideration of the City of Mt. Vernon, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Mt. Vernon, Illinois' 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 of Mt. Vernon, Illinois' internal control over financial reporting and compliance.

Krehbil & Associates, LLC

Mt. Vernon, Illinois
October 11, 2019

CITY OF MT. VERNON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

This section of the City of Mt. Vernon, Illinois' annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on April 30, 2019. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The total governmental activities experienced a 58.13% decrease in the Change in Net Position, moving from \$10,736,605 at April 30, 2018, to \$4,495,389 at April 30, 2019. This is mostly due to the implementation of GASB 75. Business-type activities showed a 10.30% increase in Change in Net Position.
- Fiscal year 18-19, governmental activities' sales tax revenue increased by 29.08%, property taxes decreased 6.20%, other use taxes showed slight increases.
- For the fiscal year ended April 30, 2019, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This standard establishes standards for governmental employer recognition, measurement, and presentation of information about other postemployment benefits (OPEB). The implementation of this standard required restating prior balance sheet balances. As a result of recording the actuarially determined OPEB liabilities and deferred outflows, the net prior period adjustment was a reduction in equity of \$10,712,082, \$9,100,163 for governmental activities and \$1,611,919 for business-type activities. See Note 13 for more details.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the Public Utilities Fund (Enterprise) and the Health Insurance Fund (Internal Service).
- Fiduciary funds statements provide information about the financial relationships - like the retirement plan for the City's employees - in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

Figure A-1
Required Components of the City of Mt. Vernon, Illinois' Basic Financial Report

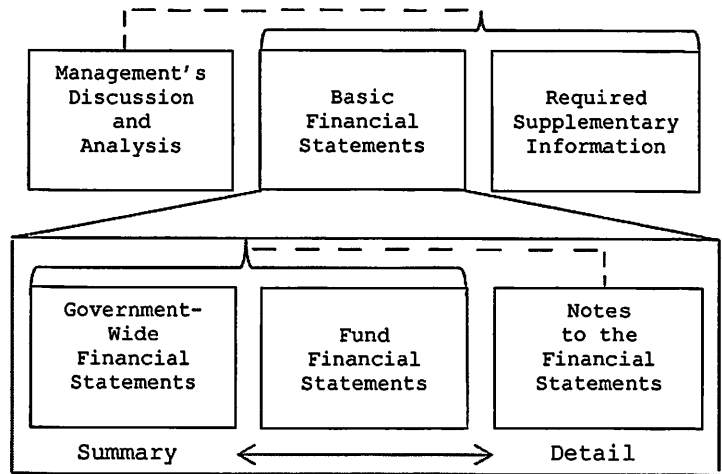


Figure A-2
Major Features of the City of Mt. Vernon, Illinois' Government-Wide and Fund Financial Statements

Scope	Government-Wide Statements	Fund Statements		
	Entire City government (except fiduciary funds)	Governmental Funds The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Proprietary Funds Activities the City operates similar to private businesses: Public Utilities	Fiduciary Funds Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for police and fire employees
Required financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this

annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the financial statements.

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 government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position - the City's assets and deferred outflows of resources, less its 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 is 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 changes in the City's property tax base and the condition of the City's roads.

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

- *Governmental activities* - Most of the City's basic services are included here, such as the police, fire, public works and parks departments, and general administration including Internal Service Fund Activity. Sales, use, and property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities* - The City charges fees to customers to help it cover the costs of certain services it provides. The Public Utilities and Sanitation Funds are included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.

- The City Council establishes other funds to control and manage money for particular purposes (like the Revolving Loan Fund) or to show that it is properly using certain revenue sources (like the Community Development Assistance Program Fund).

The City has three kinds of funds:

- *Governmental funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* - Proprietary funds are used to account for services primarily supported by user fees. The proprietary fund financial statements are prepared on the same long-term focus as the government-wide financial statements. The City maintains the following two types of proprietary funds.

Enterprise funds are used for activities that primarily serve customers outside the governmental unit. The enterprise funds generally provide information similar to the business-type activities column of the government-wide financial statements, but provide more detail and additional information such as cash flows. Any reconciliation necessary between the enterprise funds and the business-type activities column of the government-wide financial statements is provided with the fund statements. The City's enterprise funds are the public utilities fund and the sanitation fund. The enterprise funds are considered to be major funds of the City.

Internal service funds are used for activities where the primary customer is the City itself. Because the primary customers of the internal service funds are the governmental activities, the assets and liabilities of those funds are included in the governmental activities column of the government-wide statement of net position. The costs of internal service funds are allocated to the various user functions on the government-wide statement of activities. The City has one internal service fund, the health insurance fund.

- *Fiduciary funds* - The City is the trustee, or fiduciary, for its fire and police pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") concerning the City of Mt. Vernon, Illinois' progress in funding its obligation to provide pension benefits to its employees. RSI information follows the notes to the financial statements. The combining statements, which include nonmajor funds, for governmental funds are presented immediately following the RSI.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position amounted to \$20.9 million. Of that total \$41.7 million is in the form of capital assets.

Table A-1
City of Mt. Vernon, Illinois' Net Position
4/30/19

	Governmental Activities 4/30/19	Restated* Governmental Activities 4/30/18	Business-Type Activities 4/30/19	Restated* Business-Type Activities 4/30/18	Total 4/30/19	Restated* Total 4/30/18
Current and other assets	\$ 19,058,886	\$ 22,665,566	\$ 4,271,094	\$ 2,795,541	\$ 23,329,980	\$ 25,461,107
Capital assets	53,137,120	49,994,255	25,389,274	21,229,305	78,526,394	71,223,560
Total assets	<u>\$ 72,196,006</u>	<u>\$ 72,659,821</u>	<u>\$29,660,368</u>	<u>\$24,024,846</u>	<u>\$101,856,374</u>	<u>\$ 96,684,667</u>
Deferred outflows of resources						
Deferred pension and OPEB charges	\$ 6,744,983	\$ 1,148,648	\$ 745,573	\$ 18,213	\$ 7,490,556	\$ 1,166,861
Total deferred outflows of resources	<u>\$ 6,744,983</u>	<u>\$ 1,148,648</u>	<u>\$ 745,573</u>	<u>\$ 18,213</u>	<u>\$ 7,490,556</u>	<u>\$ 1,166,861</u>
Current liabilities	\$ 3,088,148	\$ 6,229,435	\$ 1,391,575	\$ 1,173,635	\$ 4,479,723	\$ 7,403,070
Long-term liabilities	71,119,449	65,724,268	12,584,063	9,160,954	83,703,512	74,885,222
Total liabilities	<u>\$ 74,207,597</u>	<u>\$ 71,953,703</u>	<u>\$13,975,638</u>	<u>\$10,334,589</u>	<u>\$ 88,183,235</u>	<u>\$ 82,288,292</u>
Deferred inflows of resources						
Deferred Pension Credits	\$ -0-	\$ -0-	\$ -0-	\$ 436,711	\$ -0-	\$ 436,711
Deferred revenue	238,003	218,324	66,094	47,498	304,097	265,822
Total deferred inflows of resources	<u>\$ 238,003</u>	<u>\$ 218,324</u>	<u>\$ 66,094</u>	<u>\$ 484,209</u>	<u>\$ 304,097</u>	<u>\$ 702,533</u>
Net position:						
Net investment in capital assets	\$ 25,866,187	\$ 27,827,996	\$15,838,537	\$13,907,047	\$ 41,704,724	\$ 41,735,043
Restricted	835,197	715,220	-0-	-0-	835,197	715,220
Unrestricted	(22,205,995)	(26,906,774)	525,672	(682,786)	(21,680,323)	(27,589,560)
Total net position	<u>\$ 4,495,389</u>	<u>\$ 1,636,442</u>	<u>\$16,364,209</u>	<u>\$13,224,261</u>	<u>\$ 20,859,598</u>	<u>\$ 14,860,703</u>

*Beginning net position as restated April 30, 2018, due to the provisions of GASB 75 (See Note 13).

Most of the Governmental Activities' net position either are restricted as to the purposes they can be used for (e.g. grants) or are invested in capital assets (buildings, roads, bridges, and so on). The City has been able to pay the full economic costs of its services and programs in the current period. Many local governments are unable to accomplish this and, as a result, future generations will be required to pay for programs enjoyed in the current period. The City of Mt. Vernon, Illinois not only has sufficient funds to meet requirements for cash outlays in the next fiscal year, but it has the financial capacity to meet its long-term obligations in the years to come. The City's policy has been to make reasonable and continuous efforts to fund all long-term liabilities even in the face of a declining economy. The total net position of our Business-Type Activities amounted to \$16.4 million in fiscal year 18-19.

Changes in Net Position

The City's total revenues amounted to \$37.1 million in fiscal year 18-19 (See Table A-2). The largest revenue category is taxes, which amounted to \$23 million. In fiscal year 18-19, 72% of all taxes came from sales tax collections. \$13.7 million of total revenue was derived from program revenue, which consists of charges for services, federal and state grants, and other contributions. Total expenses amounted to \$31 million in fiscal year 18-19. The City's expenses cover a range of services, including public safety, public works, culture and recreation, and social and economic programs.

The City's total deferred outflows of resources of approximately \$7,490,556 increased approximately \$6,323,695 due to the deferred pension charges recognized and implementation of GASB Statement No. 75.

The City's total liabilities of approximately \$88,183,235 increased approximately \$5,894,943 mostly due to the implementation of GASB Statement No.75.

Table A-2
City of Mt. Vernon, Illinois' Changes in Net Position
4/30/19

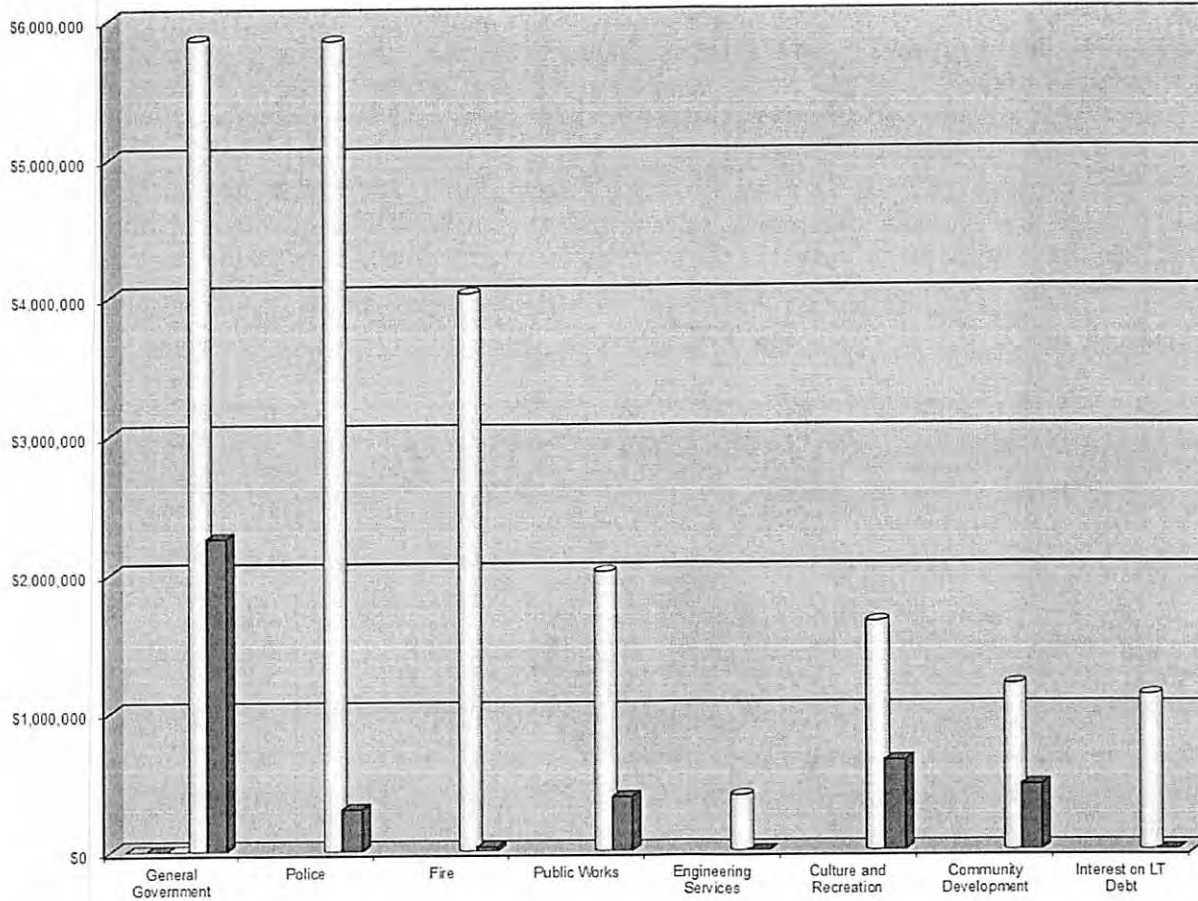
	Governmental Activities 4/30/19	Governmental Activities 4/30/18	Business-Type Activities 4/30/19	Business-Type Activities 4/30/18	Total 4/30/19	Total 4/30/18
Revenues:						
Program revenues:						
Charges for services	\$ 1,556,464	\$ 1,628,747	\$ 9,563,799	\$10,306,542	\$ 11,120,263	\$ 11,935,289
Operating grants/ contributions	168,935	142,810	-0-	-0-	168,935	142,810
Capital grants/ contributions	2,368,206	2,982,580	-0-	2,560	2,368,206	2,985,140
General revenues:						
Sales taxes	16,497,586	12,780,466	-0-	-0-	16,497,586	12,780,466
Property taxes	2,170,533	2,314,071	37,820	37,839	2,208,353	2,351,910
Other taxes	4,290,167	4,081,169	-0-	-0-	4,290,167	4,081,169
Unrestricted grants	24,848	8,592	-0-	-0-	24,848	8,592
Other	393,408	367,507	32,011	19,623	425,419	387,130
Total revenues	<u>27,470,147</u>	<u>24,305,942</u>	<u>9,633,630</u>	<u>10,366,564</u>	<u>37,103,777</u>	<u>34,672,506</u>
Expenses:						
General government	5,850,037	5,403,819	-0-	-0-	5,850,037	5,403,819
Public safety	9,860,590	9,847,174	-0-	-0-	9,860,590	9,847,174
Public works	2,009,913	2,045,219	-0-	-0-	2,009,913	2,045,219
Engineering services	396,170	465,543	-0-	-0-	396,170	465,543
Health and sanitation	-0-	-0-	8,606,844	9,658,017	8,606,844	9,658,017
Culture and recreation	1,646,158	1,606,812	-0-	-0-	1,646,158	1,606,812
Community development	1,192,181	2,785,122	-0-	-0-	1,192,181	2,785,122
Interest on long-term debt	1,112,911	1,179,838	430,078	430,078	1,542,989	1,609,916
Total expenses	<u>22,067,960</u>	<u>23,333,527</u>	<u>9,036,922</u>	<u>10,088,095</u>	<u>31,104,882</u>	<u>33,421,622</u>
Change before transfers	5,402,187	972,415	596,708	278,469	5,998,895	1,250,884
Transfers	(2,543,240)	(753,949)	2,543,240	753,949	-0-	-0-
Increase in net position	<u>2,858,947</u>	<u>218,466</u>	<u>3,139,948</u>	<u>1,032,418</u>	<u>5,998,895</u>	<u>1,250,884</u>
Net position - beginning, as previously reported	10,736,605	10,518,139	14,836,180	13,803,762	25,572,785	24,321,901
Cumulative change in accounting principle (See Note 13)	(9,100,163)	(9,100,163)	(1,611,919)	(1,611,919)	(10,712,082)	(10,712,082)
Net position - beginning, restated	<u>1,636,442</u>	<u>1,417,976</u>	<u>13,224,261</u>	<u>12,191,843</u>	<u>14,860,703</u>	<u>13,609,819</u>
Net position - ending	<u>\$ 4,495,389</u>	<u>\$ 1,636,442</u>	<u>\$16,364,209</u>	<u>\$13,224,261</u>	<u>\$ 20,859,598</u>	<u>\$ 14,860,703</u>

Governmental Activities: Net position for governmental activities increased by \$2,858,947 in the current year.

Business-Type Activities: Net position for business-type activities increased by \$3,139,948 in the current year.

Governmental Activities

Expenses and Program Revenues - Governmental Activities (Graph 1)

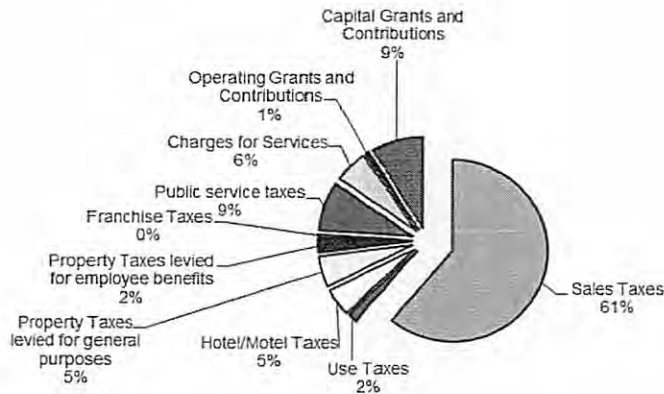


Graph 1 presents the cost of each of the City's seven largest programs - general government, police, fire, public works, engineering services, culture and recreation and community development, as well as each program's net cost (total cost less fees generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

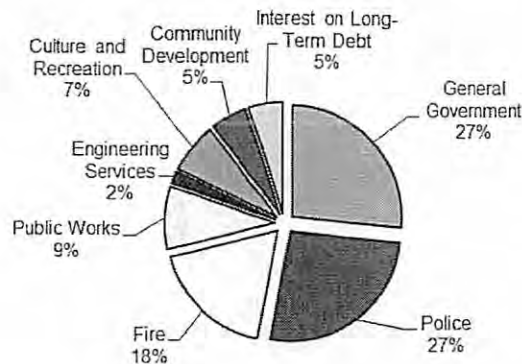
- The cost of all governmental activities this year was \$22,067,960.
- However, the amount that our taxpayers paid for these activities through City revenues was \$17,974,355. Some of the cost was paid by:
 - Those who directly benefitted from the programs \$1,556,464 or
 - Other governments and organizations that subsidized certain programs with grants and contributions \$2,537,141.
- The City paid for the \$17,974,355 "public benefit" portion with \$19,222,137 in taxes and other revenues, such as interest earnings and unrestricted grants.
- General government required the third largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$3,594,369 in fiscal year 18-19.

- Public works required the fourth largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$1,622,112 in fiscal year 18-19.
- Police and fire required the first and second largest net amount of public funds after subtracting program revenue and grant contributions. The total subsidy for police was \$5,539,515, while fire was \$3,987,387.
- Administration and support services comprised 27% of total expenses in fiscal year 18-19.
- 66% of all governmental activities revenue came from sales tax revenue in fiscal year 18-19 (see Graph 2).
- 45% of all governmental activities expenses were for police (27%) and fire (18%), 27% went for general government, and 9% went for public works (see Graph 3).

Revenue by Source - Governmental Activities (Graph 2)



Expenses - Governmental Activities (Graph 3)



Business-Type Activities

Revenues of the City's business-type activities were \$9,633,630, and expenses were \$9,036,922 (Refer to Table A-2).

The Water and Sewer Fund were separated into two funds effective May 1, 2018. Previously, they were both included in the Public Utilities Fund.

The 2018-2019 Budget for the Water Fund projected an Operating Working Fund Balance (defined in the section "General Corporate Fund Budgetary Highlights" below) at April 30, 2019 of \$746,469.

The Water Fund ended the 2018-2019 fiscal year with an actual Operating Working Fund Balance of \$176,194 which is \$570,275 less than originally projected in the operating budget for that year. The major differences between the actual realized amount and the originally budgeted amount are:

- (1) The beginning Operating Working Fund Balance projected for the Water Fund in the budget for fiscal year 2018-2019 was overstated by \$42,444.
- (2) \$651,093 of Operating Working Fund Balance was transferred to the newly created Sewer Fund on May 1, 2018.
- (3) Operating revenues for fiscal year 2018-2019 came in approximately \$73,000 under budget.
- (4) Operating expenses for the fiscal year 2018-2019 came in approximately \$ under budget.

25% of the new 1% Home Rule Tax that was assessed starting on January 1, 2018 is being transferred into the Water Fund. The 2% increase in the water rates instituted on November 1, 2016 will continue and will increase an additional 2% each November 1 until stopped. These revenues have been committed by the City Council to finance future capital expenditures, infrastructure improvements and related debt service payments for water projects.

The 2018-2019 Budget for the Sewer Fund projected an Operating Working Fund Balance Deficit at April 30, 2019 of \$(7,752).

The Sewer Fund ended the 2018-2019 fiscal year with an actual Operating Working Fund Balance of \$659,284 which is \$667,036 more than originally projected in the operating budget for that year. The major differences between the actual realized amount and the originally budgeted amount are:

- (1) The beginning Operating Working Fund Balance projected for the Sewer Fund in the budget for fiscal year 2018-2019 was correctly stated.
- (2) \$651,093 of Operating Working Fund Balance was transferred from the Water Fund on May 1, 2018.
- (3) Operating revenues for fiscal year 2018-2019 came in approximately \$68,000 under budget.
- (4) Operating expenses for the fiscal year 2018-2019 came in approximately \$108,000 under budget.

25% of the new 1% Home Rule Tax that was assessed starting on January 1, 2018 is being transferred into the Sewer Fund. The 2% increase in the sewer rates instituted on November 1, 2016 will continue and will increase an additional 2% each November 1 until stopped. These revenues have been committed by the City Council to finance future capital expenditures, infrastructure improvements and related debt service payments for sewer projects.

The Sanitation Fund ended the 2018-2019 fiscal year with an actual Operating Working Fund Balance of \$154,965 when the 2018-2019 operating budget had projected \$161,382, which is \$6,417 less than originally projected. This decline was primarily due to the following:

- (1) The beginning Operating Working Fund Balance projected for the Sanitation Fund in the budget for fiscal year 2018-2019 was overstated by \$1,100.
- (2) Operating revenues for fiscal year 2018-2019 came in approximately \$2,500 under budget.
- (3) Operating expenses for the fiscal year 2018-2019 came in approximately \$3,000 over budget.

FINANCIAL ANALYSIS OF THE CITY FUNDS

As the City completed its 2018-2019 fiscal year, its governmental funds reported a combined fund balance of \$11,193,153, a decrease of \$1,277,106, mostly due to the Quality of Life Fund and the General Corporate Capital Fund spending down their restricted assets. The decrease is accounted for in the next paragraph.

The General Corporate Fund's combined fund balance was \$4,466,735, an increase of \$502,705. The combined fund balance of the Quality of Life Fund decreased \$717,008 to \$2,921,421; the combined fund balance of the General Corporate Capital Fund decreased \$1,926,872 to \$1,715,152; the combined fund balance of the Motor Fuel Tax Fund increased \$165,279 to \$476,624; the combined fund balance of the Home Rule Tax increased \$534,135 to \$1,361,195; the combined fund balance of the Downtown TIF Fund increased \$81,678 to \$23,056; and the combined fund balances of the other governmental funds increased \$82,977 to \$228,970.

General Corporate Fund Budgetary Highlights

"Operating Working Fund Balance" is a term that the City uses regularly that consists of the "Unassigned Fund Balance", which is net of non-spendable, restricted, committed and assigned fund balance amounts. It represents liquid unrestricted net position that is available for future periods and is a number that we monitor closely. Our initial fiscal year 2018-2019 Budget for the General Corporate Fund, our largest operating fund of the City, and which includes the Aquatic Zoo Fund, predicted an Operating Working Fund Balance at April 30, 2019 of \$3,528,512. The accompanying financial statements show the General Corporate Fund as having an actual Operating Working Fund Balance, or Unassigned Fund Balance, of \$4,149,977 at April 30, 2019, an increase of \$621,465 over the original budgeted amount.

The major reasons for the difference between the budgeted amount and the actual amount are summarized as follows:

- (1) The beginning Operating Working Fund Balance or "Unassigned Fund Balance" projected for General Corporate in the budget for fiscal year 2018-2019 was understated by \$9,388.
- (2) Actual total revenues recognized for fiscal year 2018-2019 were \$943,681 higher than those originally budgeted, with sales taxes coming in at \$580,451 over the original budget (but should be reduced by \$57,353 state administration fee), use taxes coming in at \$58,268 over the original budget, hotel/motel taxes coming in at \$35,520 under the original budget, public service taxes coming in at \$200,449 over the original budget, unrestricted investment income coming in at \$71,856 over the original budget, and charges for services coming in at \$59,187 over the original budget.
- (3) Actual total expenditures incurred for fiscal year 2018-2019 were \$704,868 lower than those originally budgeted, with General Government expenditures coming in at \$237,017 lower than originally

budgeted, Police Department expenditures coming in at \$309,657 under the original budget, Fire Department expenditures coming in at \$76,340 under the original budget, Public Works Department expenditures coming in at \$72,311 under the original budget, Engineering Department expenditures coming in at \$37,765 under the original budget and Culture and Recreation expenditures coming in at \$28,222 over.

- (4) Actual "Net other financing (uses)" for fiscal year 2018-2019 were \$1,012,788 over that originally budgeted, with transfers to other funds coming in at \$1,000,000 over the original budget.

The Aquatic Zoo Fund is part of the General Corporate Fund discussed above and has an operating working fund balance of \$111,357 at April 30, 2019, a decrease of \$72,938 from the previous year.

We amended our General Corporate revenue budget upward by \$746,775 during the fiscal year 2018-2019, which included an increase in the sales taxes budget of \$549,000, an increase in use taxes budget of \$58,000, an increase in public service taxes budget of \$110,602, and an increase of \$24,949 in the budget for charges for services. We amended our General Corporate expenditure budget downward by \$271,425 during the fiscal year, including decreased budgeted expenditures for General Government of \$66,520. Budgeted expenditures for the Police Department were decreased by \$218,646, Fire Department budgeted expenditures were decreased by \$51,938, Public Works Department budgeted expenditures were decreased by \$29,809, and Culture and Recreation budgeted expenditures were increased by \$91,094.

The City maintains a conservative philosophy in its budgeting process.

Starting in the fall of 2017, we raised the price of liquor licenses and video gaming licenses. We also increased our property taxes 4.99% from the previous year for 2018-2019.

Other Governmental Funds Budgetary Highlights

On May 1, 2012 the General Corporate Capital Fund was set up. The 1% Food and Beverage Tax, the 2-cent per gallon Diesel Fuel Tax, the 1% Telecommunications Tax, grant income, interest income, miscellaneous income, bond and loan proceeds and transfers from other funds for capital expenditures are deposited into this fund. The funds accumulated from these revenues, after eligible disbursements, ended the fiscal year 2018-2019 with a positive balance of \$1,715,152 including receivables, that has been committed by the City Council to finance future capital expenditures, infrastructure improvements and related debt service payments. This includes a \$1,000,000 transfer from the General Corporate Fund during the fiscal year 2018-2019. The 2010 bond proceeds have now been spent and the principal recorded in the General Corporate Capital Fund was 34.8455% of the total, based on actual amounts spent. The Water Fund has recorded 65.1545% of the total. The General Corporate Capital Fund's share of the 2012 general obligation bonds issued by the City in October 2012, was \$12,635,088, based on an estimate of capital and infrastructure projects in the Capital Projects Fund to be funded with those bond proceeds and the spend down of these funds has been accounted for in this fund. That estimate was high and during the year ended April 30, 2019 the unspent amount of these bond proceeds, \$2,623,251, was transferred to the Quality of Life Fund and to the Water Fund where they have been or will be spent. The applicable portions of the debt service on these two bond issues is paid with restricted assets in this fund.

Also, as of May 1, 2012, the Quality of Life Fund was set up to record "quality of life and economic development" related expenditures that are funded by a portion of the general obligation bonds that were issued in October 2012, which totaled \$19,871,340 allocated to this fund; a ½ % Home Rule Sales Tax that was effective July 1, 2012; grant income; loans for capital expenditures; interest income; miscellaneous income and transfers from other funds for capital expenditures. We projected a total negative Working Fund balance of \$(1,448,693) at April 30, 2019 and the actual amount was \$2,921,421, mostly due to a transfer of \$2,418,279 of unspent 2012 bond proceeds from the General Corporate Capital Fund and 2012 Bond Proceeds not being spent down as fast as expected.

The Motor Fuel Tax Fund budget for 2018-2019 projected a working fund balance at April 30, 2019 of \$394,326. The actual working fund balance at April 30, 2019 was \$476,624, an increase of \$82,298, mostly due to expenses coming in lower than budgeted.

The Home Rule Sales Tax Fund, a special revenue fund, was created on January 1, 2018 to account for the revenue received from the new 1% home rule sales tax that was effective on that same date. The City Council restricted the use of this fund to expenses incurred for capital construction projects for the Water and Sewer Funds, capital equipment purchases for all City Departments, capital expenditures for road construction or road maintenance, early retirement of existing indebtedness and nuisance abatement expenditures including demolition of dangerous and dilapidated structures. The budget for 2018-2019 projected a total Working Fund Balance at April 30, 2019 of \$1,206,267. The actual Working Fund Balance at April 30, 2019 was \$1,361,195, an increase of \$154,928, mostly due to revenues coming in higher than budgeted. 25% of the net revenues in this fund are tentatively earmarked for Water Fund projects, 25% for Sewer Fund Projects, and the other 50% are tentatively earmarked for the other restricted purposes mentioned above.

Internal Service Fund Budgetary Highlights

The City's self-insured Health Insurance Fund budgeted a 0% increase in its premiums charged to all the City's applicable funds effective January 1, 2019, since we had substantial increases as of January 1, 2016 and January 1, 2017 attributable to abnormally high amounts of claims in 2015 and 2016. Our claims had decreased in 2017 and we had a 0% increase as of January 1, 2018. Our claims continued to be low in 2018 and we did in fact have a 0% increase on January 1, 2019 as budgeted. The Health Insurance Fund budget for 2018-2019 projected a Working Fund Balance at April 30, 2019 of \$1,188,039. The actual Working Fund Balance at April 30, 2019 was \$1,444,002, an increase of \$255,963, due to the beginning fund balance being under stated by \$175,665 and revenues coming in higher than expected by \$101,738.

Table A-3
City of Mt. Vernon, Illinois' Capital Assets
4/30/19

	Governmental Activities 4/30/19	Governmental Activities 4/30/18	Business-Type Activities 4/30/19	Business-Type Activities 4/30/18	Total 4/30/19	Total 4/30/18
Land	\$ 5,489,495	\$ 5,336,310	\$ 150,379	\$ 150,379	\$ 5,639,874	\$ 5,486,689
Buildings and improvements	6,449,746	6,252,531	11,611,988	11,611,988	18,061,734	17,864,519
Equipment	12,006,339	11,067,711	1,903,383	1,845,887	13,909,722	12,913,598
Infrastructure	58,143,526	53,320,721	41,983,476	36,904,277	100,127,002	90,224,998
Total	<u>\$82,089,106</u>	<u>\$75,977,273</u>	<u>\$55,649,226</u>	<u>\$50,512,531</u>	<u>\$137,738,332</u>	<u>\$126,489,804</u>

Long-Term Debt:

At year-end, the City had \$33,514,999 in bonds outstanding - a decrease of \$1,885,000 over the prior year. Other long-term debt outstanding at year end was \$4,451,416, an increase of \$2,241,816. More detailed information about the City's long-term liabilities is presented in Note 5 to the financial statements.

Bond Ratings
Standard and Poor's Ratings Services assigned its "A+" long-term rating to Mount Vernon, Illinois' series 2012 general obligation bonds in September 2012.

Table A-4
City of Mt. Vernon, Illinois' Outstanding Debt
4/30/19

	Governmental Activities 4/30/19	Restated* Governmental Activities 4/30/18	Business-Type Activities 4/30/19	Restated* Business-Type Activities 4/30/18	Total 4/30/19	Restated* Total 4/30/18
General obligation bonds	\$26,917,588	\$28,392,540	\$ 6,597,411	\$7,007,459	\$33,514,999	\$35,399,999
Compensated absences	195,597	251,217	56,055	26,330	251,652	277,547
Other long-term debt	1,327,093	1,693,267	3,124,323	516,333	4,451,416	2,209,600
Net pension obligation	34,051,557	26,608,641	1,391,767	133,531	35,443,324	26,742,172
Total other post employment benefits obligation	8,123,653	8,292,707	1,395,509	1,424,549	9,519,162	9,717,256
	<u>\$70,615,488</u>	<u>\$65,238,372</u>	<u>\$12,565,065</u>	<u>\$9,108,202</u>	<u>\$83,180,553</u>	<u>\$74,346,574</u>

*Beginning Liabilities as restated April 30, 2018, due to provisions of GASB 75 (See Note 13)

NEXT YEAR'S BUDGET HIGHLIGHTS

We prepare a budget for all the City funds except for the Police and Firefighters' Pension Funds. The budget for 2019-2020 includes total City-wide budgeted expenditures of \$51,561,304.

The City projects an Operating Working Fund Balance in the General Corporate Fund of \$3,770,078 at April 30, 2020. Total operating expenditures in the General Corporate Fund are projected at \$14,650,388 for the fiscal year ending April 30, 2020 with a budgeted deficit in operations of \$(58,958). We project to have an Operating Working Fund Balance at April 30, 2020 which is equal to 3.1 months of operating expenditures. The Aquatic Zoo Fund is included in the General Corporate Fund.

We anticipated a decrease of 2% in our 1% State Sales Tax and our 1% Home Rule Sales Tax over 2018-2019 revenue except for an additional partial year amount planned from the new Menard's store which opened July 3, 2018. These revenues were up for 2018-2019 from the previous year and we estimate that they will decrease for 2019-2020.

2019-2020 will be the second full year since we raised the price of liquor licenses and video gaming licenses. We increased our property taxes 2.17% from the previous year.

All City departments were required to have only a 1% increase in their 2019-2020 operating budgets, exclusive of payroll, from their 2018-2019 operating budgets.

During 2018-2019, we re-hired the last three of the seven previously laid-off full-time laborer positions. As far as part-time labor positions, we had only budgeted for four non-union positions for nuisance enforcement. For 2019-2020, we have budgeted for those four positions and budgeted for two part-time union positions in the Public Works department and two in the Parks department.

General Corporate's repayment for labor and equipment from the Motor Fuel Tax Fund is not budgeted for 2019-2020 after not being paid for 2017-2018 and 2018-2019. We hope to be able to continue this "no charge" in the future.

Our most recent six union contracts started on May 1, 2018 with all of them agreeing to a four-year contract with a 1% longevity raise and an additional 1.75% raise each year. We have assumed this same raise for our non-union employees.

The City will manage the Aquatic Zoo for the 2019 season with internal staff. This fund incurred an abnormal number of repairs for 2018-2019 and is expected to continue that trend for 2019-2020. 2019-2020 will be the sixth season of operations.

The City has ten other Governmental Funds whose revenues are earmarked for specific purposes and are not to be used for general operating purposes. These funds are called Special Revenue Funds.

Included in this class of funds is the Quality of Life Fund. We are projecting a total Working Fund Balance at April 30, 2020 of \$665,360 in this fund, which includes a zero restricted Working Fund Balance for the 2012 Bonds since those funds are all projected to be spent. We transferred \$2,418,279 during 2018-2019 from the General Corporate Capital Projects Fund unspent 2012 bond funds to this fund to provide money for the remaining projects to be spent out of this fund.

The General Corporate Capital Projects Fund is another special revenue fund and we are proposing to spend \$3.9 million for capital and infrastructure expenditures and related debt service expenses during 2019-2020. The General Corporate Fund transferred \$1,000,000 to this fund during 2018-2019 for various capital and infrastructure expenditures in 2019-2020. During 2018-2019, we transferred \$2,623,251 of unspent 2012 bond proceeds to the Quality of Life and Water Funds and no longer have any 2012 bond funds remaining. We are projecting a total Working Fund Balance at April 30, 2020 of \$6,506 in this fund,

The Home Rule Sales Tax Fund, another special revenue fund, is projected to have a total Working Fund balance of \$118,864 at April 30, 2020. Future balances in the fund may be used for early retirement of a portion of the 2012 bonds that have a call date of December 15, 2020.

The total Working Fund Balance of the ten Special Revenue Funds at April 30, 2020 is projected to be \$1,215,838. Three TIF (Tax Increment Financing) funds are included in these funds.

The City has four Proprietary Funds whose operating expenses are intended to be funded by their operating revenues.

The Water Fund is projected to have an operating surplus of \$405,835 for 2019-2020, which will be totally used and then some to subsidize the Sewer Fund operations, a Working Fund Balance for operations at April 30, 2020 of \$771,916 (which has since been adjusted down to \$120,823 due to the separation transfer to the new Sewer Fund) and total expenditures for operations of \$3,905,209. On May 1, 2019, there was no increase in water rates for operations. The Water Fund is proposing \$4.615 million of capital expenses, infrastructure improvements and related debt service expenses for fiscal year 2019-2020.

The Sewer Fund is projected to have an operating deficit of \$(438,633) for 2019-2020, which will be completely subsidized by a transfer from the Water Fund's operations, a Working Fund Balance for operations at April 30, 2020 of \$785 (which has since been adjusted upward to \$651,878 due to the separation transfer from the Water Fund) and total expenditures for operations of \$3,313,441. On May 1, 2019, there was no increase in sewer rates for operations. The Sewer Fund is proposing \$3.861 million of capital expenses, infrastructure improvements and related debt service expenses for fiscal year 2019-2020.

The City Council previously restricted revenue from 3% water and sewer rate increases on May 1, 2009, November 1, 2009, November 1, 2010, November 1, 2011 and November 1, 2012 for capital, infrastructure improvements and related debt service expenses, which are being accounted for in the Water Fund. They also restricted revenues from a 2% water and sewer rate increase on November 1, 2016 and each November 1st thereafter, until suspended, for the same purposes, which are being accounted for in the Water and Sewer Funds. Approximately 10% of the 2012 General Obligation Bonds have been allocated to the Water and Sewer Funds and are restricted there for capital and infrastructure improvements. These funds are being accounted for in the Water Fund. The City transferred \$204,972 during 2018-2019 from the General Corporate Capital Projects Fund unspent 2012 bond funds to the Water Fund to provide money for the projects spent out of this fund.

The Sanitation Fund is projecting a Working Fund Balance of \$183,386 at April 30, 2020. The garbage rates were not increased on May 1, 2019 and are still at \$19.00 per month.

The City's self-insured Health Insurance Fund, which is considered an "Internal Service Fund", is projected to have a Working Fund Balance of \$1,482,250 at April 30, 2020. We are estimating no increase in our rates effective January 1, 2020. Effective May 1, 2016 we transferred our health insurance coverage for 56 retirees to Medicare Plan F coverage and have since transferred additional retirees to this plan.

Noncompliance with the City's Financial Policies

On October 1, 2012, the City Council passed as an ordinance the "City of Mt. Vernon, IL Financial Policies", which, among other things, implemented a policy as to the amount of Operating Working Fund Balance that each fund should maintain. At April 30, 2019 the City is following that policy in all but the following funds:

	Operating Working Fund Balance	Amount Required	Shortage
Downtown TIF	\$ 23,056	\$161,667	\$138,611
Special Service Area Number One	\$ 7,668	\$ 7,841	\$ 173
IPC TIF	\$ (8,606)	\$ -0-	\$ 8,606
Public Utilities Fund	\$176,194	\$325,434	\$149,240

Also, the audit is required to be approved at the second City Council meeting in September and that deadline was not reached.

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL CORPORATE FUND—SEPARATED BY
 RESTRICTED AND UNRESTRICTED BALANCES
 For the Fiscal Year Ended April 30, 2019

	General Corporate Fund			Unrestricted Amounts (Operating)	Totals
	Restricted Amounts	Nonspendable Amounts	Aquatic Zoo Amounts		
Revenues:					
Sales taxes	\$ -0-	\$ -0-	\$ -0-	\$ 9,429,551	\$ 9,429,551
Use taxes	-0-	-0-	-0-	464,468	464,468
Hotel/motel taxes	-0-	-0-	-0-	774,080	774,080
Property tax levied for general purposes	-0-	-0-	-0-	277,946	277,946
Property tax levied for employee benefits	702,661	-0-	-0-	(1)	702,660
Franchise taxes	-0-	-0-	-0-	149,755	149,755
Public service taxes	-0-	-0-	-0-	2,361,649	2,361,649
Gain on sale of fixed assets	-0-	-0-	-0-	10,525	10,525
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	6,403	6,403
Unrestricted investment income	1,758	-0-	6,454	141,244	149,456
Miscellaneous	-0-	-0-	-0-	22,626	22,626
Operating grants and contributions	-0-	-0-	-0-	40,233	40,233
Charges for services	50,598	-0-	407,870	639,080	1,097,548
Total revenues	<u>755,017</u>	<u>-0-</u>	<u>414,324</u>	<u>14,317,559</u>	<u>15,486,900</u>
Expenditures:					
Current					
General government	-0-	1,148	-0-	3,055,151	3,056,299
Public safety					
Police	65,721	-0-	-0-	4,900,402	4,966,123
Fire	-0-	-0-	-0-	3,152,810	3,152,810
Public works	-0-	-0-	-0-	1,435,878	1,435,878
Engineering services	-0-	-0-	-0-	381,256	381,256
Culture and recreation	-0-	-0-	487,262	565,328	1,052,590
IMRF, FICA and Medicare (total of all departments)	589,744	-0-	-0-	(589,744)	-0-
Debt service					
Principal retirement	111,719	-0-	-0-	-0-	111,719
Interest and fiscal charges	28,032	-0-	-0-	-0-	28,032
Total expenditures	<u>795,216</u>	<u>1,148</u>	<u>487,262</u>	<u>12,901,081</u>	<u>14,184,707</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,199)</u>	<u>(1,148)</u>	<u>(72,938)</u>	<u>1,416,478</u>	<u>1,302,193</u>
Other financing sources (uses):					
Transfers from other funds	-0-	-0-	-0-	200,512	200,512
Transfers to other funds	-0-	-0-	-0-	(1,000,000)	(1,000,000)
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(799,488)</u>	<u>(799,488)</u>
Net change in fund balances	(40,199)	(1,148)	(72,938)	616,990	502,705
Fund balances, beginning	<u>355,007</u>	<u>3,098</u>	<u>184,295</u>	<u>3,421,630</u>	<u>3,964,030</u>
Fund balances, ending	<u>\$314,808</u>	<u>\$ 1,950</u>	<u>\$111,357</u>	<u>\$ 4,038,620</u>	<u>\$ 4,466,735</u>

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 WATER FUND - SEPARATED BY RESTRICTED, CAPITAL,
 LONG-TERM AND UNRESTRICTED BALANCES
 For the Fiscal Year Ended April 30, 2019

	Water Fund				Totals
	Restricted and Long-Term Amounts	Net Investment in Capital Assets	Other Long-Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>					
User charges	\$ 500,448	\$ -0-	\$ -0-	\$ 4,260,589	\$ 4,761,037
Other operating revenue	-0-	-0-	-0-	43,258	43,258
Total operating revenues	<u>500,448</u>	<u>-0-</u>	<u>-0-</u>	<u>4,303,847</u>	<u>4,804,295</u>
<u>Operating expenses:</u>					
Administration	-0-	-0-	62,958	1,705,516	1,768,474
Cost of sales and services	-0-	-0-	-0-	2,149,792	2,149,792
Depreciation	-0-	353,031	-0-	-0-	353,031
Total operating expenses	<u>-0-</u>	<u>353,031</u>	<u>62,958</u>	<u>3,855,308</u>	<u>4,271,297</u>
Operating income	<u>500,448</u>	<u>(353,031)</u>	<u>(62,958)</u>	<u>448,539</u>	<u>532,998</u>
<u>Non-operating revenues</u>					
<u>(expenses):</u>					
Non-operating revenues	95,679	-0-	-0-	76,458	172,137
Property tax revenue	37,820	-0-	-0-	-0-	37,820
Interest and fiscal charges	(388,572)	-0-	-0-	-0-	(388,572)
Debt incurred	2,700,000	(2,700,000)	-0-	-0-	-0-
Principal paid on debt	(473,850)	436,053	(9,504)	47,301	-0-
Capital expenses that will be depreciated	(4,656,507)	4,656,507	-0-	-0-	-0-
Total non-operating revenues (expenses)	<u>(2,685,430)</u>	<u>2,392,560</u>	<u>(9,504)</u>	<u>123,759</u>	<u>(178,615)</u>
Income/(loss) before contributions and transfers	(2,184,982)	2,039,529	(72,462)	572,298	354,383
Transfers from (to) other funds	<u>1,697,890</u>	<u>(12,291,642)</u>	<u>104,481</u>	<u>(1,040,644)</u>	<u>(11,529,915)</u>
Change in net position	(487,092)	(10,252,113)	32,019	(468,346)	(11,175,532)
Net position - beginning as previously reported	532,209	13,867,047	(344,270)	644,541	14,699,527
Cumulative change in accounting principle (See Note 13)	<u>-0-</u>	<u>-0-</u>	<u>(1,337,762)</u>	<u>-0-</u>	<u>(1,337,762)</u>
Net position - beginning, restated	<u>532,209</u>	<u>13,867,047</u>	<u>(1,682,032)</u>	<u>644,541</u>	<u>13,361,765</u>
Total net position - ending	<u>\$ 45,117</u>	<u>\$ 3,614,934</u>	<u>\$ (1,650,013)</u>	<u>\$ 176,195</u>	<u>\$ 2,186,233</u>

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 SEWER FUND - SEPARATED BY RESTRICTED, CAPITAL,
 LONG-TERM AND UNRESTRICTED BALANCES
 For the Fiscal Year Ended April 30, 2019

	Sewer Fund				Totals
	Restricted and Long-Term Amounts	Net Investment in Capital Assets	Other Long-Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>					
User charges	\$ 487,916	\$ -0-	\$ -0-	\$2,854,037	\$ 3,341,953
Other operating revenue	9,897	-0-	-0-	34,725	44,622
Total operating revenues	<u>497,813</u>	<u>-0-</u>	<u>-0-</u>	<u>2,888,762</u>	<u>3,386,575</u>
<u>Operating expenses:</u>					
Administration	(663,293)	-0-	49,282	1,650,538	1,036,527
Cost of sales and services	-0-	-0-	-0-	1,606,579	1,606,579
Depreciation	-0-	623,696	-0-	-0-	623,696
Total operating expenses	<u>(663,293)</u>	<u>623,696</u>	<u>49,282</u>	<u>3,257,117</u>	<u>3,266,802</u>
Operating income	<u>1,161,106</u>	<u>(623,696)</u>	<u>(49,282)</u>	<u>(368,355)</u>	<u>119,773</u>
<u>Non-operating revenues</u>					
<u>(expenses):</u>					
Non-operating revenues	9,022	-0-	-0-	61,848	70,870
Interest and fiscal charges	-0-	-0-	-0-	(6,630)	(6,630)
Principal paid on debt	-0-	35,468	32,756	(68,224)	-0-
Capital expenses that will be depreciated	(480,188)	480,188	-0-	-0-	-0-
Total non-operating revenues (expenses)	<u>(471,166)</u>	<u>515,656</u>	<u>32,756</u>	<u>(13,006)</u>	<u>64,240</u>
Income/(loss) before contributions and transfers	689,940	(108,040)	(16,526)	(381,361)	184,013
Transfers from (to) other funds	<u>845,350</u>	<u>12,291,642</u>	<u>(104,481)</u>	<u>1,040,644</u>	<u>14,073,155</u>
Change in net position	1,535,290	12,183,602	(121,007)	659,283	14,257,168
Net position - beginning as previously reported	-0-	-0-	-0-	-0-	-0-
Cumulative change in accounting principle (See Note 13)	-0-	-0-	(274,157)	-0-	(274,157)
Net position - beginning, restated	<u>-0-</u>	<u>-0-</u>	<u>(274,157)</u>	<u>-0-</u>	<u>(274,157)</u>
Total net position - ending	<u>\$1,535,290</u>	<u>\$12,183,602</u>	<u>\$(395,164)</u>	<u>\$ 659,283</u>	<u>\$13,983,011</u>

BASIC FINANCIAL STATEMENTS

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF NET POSITION
For the Fiscal Year Ended April 30, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 10,214,619	\$ 2,712,169	\$ 12,926,788
Investments	324,679	33,191	357,870
Receivables:			
Accounts, net	771,264	1,040,516	1,811,780
Notes	139,256	-0-	139,256
Due from other funds	273,813	216	274,029
Due from other governments and their agencies	3,275,765	-0-	3,275,765
Property and replacement taxes, net	3,109,792	-0-	3,109,792
Interest	-0-	713	713
Prepaid	3,847	-0-	3,847
Inventories	2,157	133,424	135,581
Prepaid expenses	540,058	71,264	611,322
Restricted assets	403,636	279,601	683,237
Property and equipment			
Land, improvements, buildings, lines	49,682,232	25,349,418	75,031,650
Other capital assets	3,454,888	39,856	3,494,744
Total Assets	<u>\$ 72,196,006</u>	<u>\$29,660,368</u>	<u>\$101,856,374</u>
Deferred outflows of resources			
Deferred pension and OPEB charges	\$ 6,744,983	\$ 745,573	\$ 7,490,556
Total deferred outflows of resources	<u>\$ 6,744,983</u>	<u>\$ 745,573</u>	<u>\$ 7,490,556</u>
Liabilities			
Payables			
Accounts	\$ 1,458,406	\$ 830,322	\$ 2,288,728
Payroll and related liabilities	903,728	183,317	1,087,045
Accrued interest payable	364,226	98,119	462,345
Liabilities payable from restricted assets	88,828	279,601	368,429
Due to other funds	272,960	216	273,176
General obligation bonds and long-term debt			
Due within one year	1,789,380	995,320	2,784,700
Due in more than one year	26,455,301	8,726,414	35,181,715
Net pension obligation	34,051,557	1,391,767	35,443,324
Total other post employment benefits obligation	8,123,653	1,395,509	9,519,162
Unamortized bond premium	699,558	75,053	774,611
Total Liabilities	<u>\$ 74,207,597</u>	<u>\$13,975,638</u>	<u>\$ 88,183,235</u>
Deferred inflows of resources			
Deferred revenue	\$ 238,003	\$ 66,094	\$ 304,097
Total deferred inflows of resources	<u>\$ 238,003</u>	<u>\$ 66,094</u>	<u>\$ 304,097</u>
Net Position			
Net investment in capital assets	\$ 25,866,187	\$15,838,537	\$ 41,704,724
Restricted for:			
Employee benefits	144,835	-0-	144,835
Dare donations - Police	2,011	-0-	2,011
DUI	83,125	-0-	83,125
Federal Drug Force	47,458	-0-	47,458
Liquor ordinance fines	4,500	-0-	4,500
Park donations	3,187	-0-	3,187
State/Local drug	28,440	-0-	28,440
Anti-crime FNS	42,860	-0-	42,860
Public works	476,624	-0-	476,624
Inventory items	2,157	-0-	2,157
Unrestricted	(22,205,995)	525,672	(21,680,323)
Total Net Position	<u>\$ 4,495,389</u>	<u>\$16,364,209</u>	<u>\$ 20,859,598</u>

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended April 30, 2019

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Government activities:					
General government	\$ 5,850,037	\$ 738,941	\$ -0-	\$ 1,516,727	\$ (3,594,369)
Public safety:					
Police	5,842,823	293,455	9,853	-0-	(5,539,515)
Fire	4,017,767	-0-	30,380	-0-	(3,987,387)
Public works	2,009,913	-0-	-0-	387,801	(1,622,112)
Engineering services	396,170	-0-	-0-	-0-	(396,170)
Culture and recreation	1,646,158	517,467	128,702	-0-	(999,989)
Community development	1,192,181	6,601	-0-	463,678	(721,902)
Interest on long-term debt	1,112,911	-0-	-0-	-0-	(1,112,911)
Total government activities	<u>22,067,960</u>	<u>1,556,464</u>	<u>168,935</u>	<u>2,368,206</u>	<u>(17,974,355)</u>
Business-type activities:					
Water, Sewer, and Sanitation Funds (includes interest expense of \$395,202)	9,036,922	9,563,799	-0-	-0-	526,877
Total business-type activities	<u>9,036,922</u>	<u>9,563,799</u>	<u>-0-</u>	<u>-0-</u>	<u>526,877</u>
Totals	<u>\$31,104,882</u>	<u>\$11,120,263</u>	<u>\$168,935</u>	<u>\$2,368,206</u>	<u>\$ (17,447,478)</u>
		Governmental Activities	Business-Type Activities	Total	
Change in net position:					
Net (expense) revenue		<u>\$ (17,974,355)</u>	<u>\$ 526,877</u>	<u>\$ (17,447,478)</u>	
General revenues and transfers:					
Taxes:					
Sales taxes	16,497,586		-0-	16,497,586	
Use taxes	464,468		-0-	464,468	
Hotel/motel taxes	1,309,615		-0-	1,309,615	
Property taxes levied for general purposes	1,492,610		-0-	1,492,610	
Property taxes levied for employee benefits	677,923		37,820	715,743	
Franchise taxes	149,755		-0-	149,755	
Public service taxes	2,366,329		-0-	2,366,329	
Gain on sale of fixed assets	9,525		-0-	9,525	
Grants and contributions not restricted to specific programs	24,848		-0-	24,848	
Unrestricted investment income	291,059		32,011	323,070	
Miscellaneous	92,824		-0-	92,824	
Transfers	(2,543,240)		2,543,240	-0-	
Total general revenues and transfers	<u>20,833,302</u>		<u>2,613,071</u>	<u>23,446,373</u>	
Change in net position	2,858,947		3,139,948	5,998,895	
Net position - beginning as previously reported	<u>10,736,605</u>		<u>14,836,180</u>	<u>25,572,785</u>	
Cumulative change in accounting principle (See Note 13)	(9,100,163)		(1,611,919)	(10,712,082)	
Net position - beginning, restated	<u>1,636,442</u>		<u>13,224,261</u>	<u>14,860,703</u>	
Net position - ending	<u>\$ 4,495,389</u>		<u>\$16,364,209</u>	<u>\$ 20,859,598</u>	

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2019

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 3,342,379	\$ 2,056,282	\$ 1,434,103	\$ 454,350	\$ 788,646	\$ 271,456	\$ 309,346	\$ 8,656,562
Investments	4,079	161,755	151,750	-0-	-0-	-0-	-0-	317,584
Receivables								
Accounts, net	50,675	6,535	5,132	-0-	605,676	1,600	424,139	1,093,757
Notes	139,256	-0-	-0-	-0-	-0-	-0-	-0-	139,256
Due from other funds	273,813	-0-	-0-	-0-	-0-	-0-	-0-	273,813
Due from other governments and their agencies	1,676,640	1,416,200	149,110	33,815	-0-	-0-	-0-	3,275,765
Property and replacement taxes, net	1,166,498	-0-	-0-	-0-	-0-	434,721	379,051	1,980,270
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	2,157	2,157
Prepaid expenses	2,832	-0-	-0-	-0-	-0-	-0-	-0-	2,832
Restricted assets	403,636	-0-	-0-	-0-	-0-	-0-	-0-	403,636
Total Assets	\$ 7,059,808	\$ 3,640,772	\$ 1,740,095	\$ 488,165	\$1,394,322	\$ 707,777	\$1,114,693	\$ 16,145,632
LIABILITIES AND FUND BALANCES								
Liabilities								
Payables								
Accounts	\$ 401,890	\$ 719,351	\$ 24,943	\$ 11,541	\$ 33,127	\$ -0-	\$ 146,404	\$ 1,337,256
Payroll and related liabilities	693,315	-0-	-0-	-0-	-0-	-0-	14,816	708,131
Liabilities payable from restricted assets	88,828	-0-	-0-	-0-	-0-	-0-	-0-	88,828
Due to other funds	-0-	-0-	-0-	-0-	-0-	250,000	22,960	272,960
Total liabilities	1,184,033	719,351	24,943	11,541	33,127	250,000	184,180	2,407,175
Deferred inflows of resources								
Deferred revenue	1,409,040	-0-	-0-	-0-	-0-	434,721	701,543	2,545,304
Fund balances								
Nonspendable:								
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	2,157	2,157
Prepaid expenses	1,950	-0-	-0-	-0-	-0-	-0-	-0-	1,950
Restricted:								
Employee benefits	103,227	-0-	-0-	-0-	-0-	-0-	-0-	103,227
Dare donations - Police (General Corporate)	2,011	-0-	-0-	-0-	-0-	-0-	-0-	2,011
DUI (General Corporate)	83,125	-0-	-0-	-0-	-0-	-0-	-0-	83,125
Federal Drug Force (General Corporate)	47,458	-0-	-0-	-0-	-0-	-0-	-0-	47,458
State/Local drug (General Corporate)	28,440	-0-	-0-	-0-	-0-	-0-	-0-	28,440
Anti-crime FNS	42,860	-0-	-0-	-0-	-0-	-0-	-0-	42,860
Liquor ordinance fines	4,500	-0-	-0-	-0-	-0-	-0-	-0-	4,500
Park donations	3,187	-0-	-0-	-0-	-0-	-0-	-0-	3,187
Public works	-0-	-0-	-0-	476,624	-0-	-0-	-0-	476,624
Committed:								
Community development	-0-	-0-	-0-	-0-	-0-	161,667	-0-	161,667
Committed revenues	-0-	1,091,134	-0-	-0-	-0-	-0-	-0-	1,091,134
Capital, infrastructure, and related debt service expenditures - Food and beverage tax	-0-	-0-	541,012	-0-	-0-	-0-	-0-	541,012
Capital, infrastructure, and related debt service expenditures - Diesel tax	-0-	-0-	500,240	-0-	-0-	-0-	-0-	500,240
Capital, infrastructure, and related debt service expenditures - Telecommunication tax	-0-	-0-	227,074	-0-	-0-	-0-	-0-	227,074
Assigned								
Bond proceeds	-0-	1,297,537	-0-	-0-	-0-	-0-	-0-	1,297,537
Unassigned, reported in								
General Corporate	4,149,977	-0-	-0-	-0-	-0-	-0-	-0-	4,149,977
Special revenue funds	-0-	532,750	446,826	-0-	1,361,195	(138,611)	226,813	2,428,973
Total fund balances	4,466,735	2,921,421	1,715,152	476,624	1,361,195	23,056	228,970	11,193,153
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,059,808	\$ 3,640,772	\$ 1,740,095	\$ 488,165	\$1,394,322	\$ 707,777	\$1,114,693	\$ 16,145,632

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CITY OF MT. VERNON, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2019

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
Total fund balance - total governmental funds	\$ 4,466,735	\$ 2,921,421	\$ 1,715,152	\$ 476,624	\$1,361,195	\$ 23,056	\$ 228,970	\$ 11,193,153
Amounts reported for governmental activities in the statement of net position are different because:								
Capital assets of \$82,089,106, net of accumulated depreciation of \$(28,951,986), are not financial resources and, therefore, are not reported in the funds (See Note 4).	9,738,793	22,937,024	16,419,998	2,468,233	749,233	-0-	823,839	53,137,120
Property taxes for 2018 payable in 2019	1,171,037	-0-	-0-	-0-	-0-	583,975	985,033	2,740,045
Unamortized bond premium cost	-0-	(427,643)	(271,915)	-0-	-0-	-0-	-0-	(699,558)
Road and bridge tax	374,286	-0-	-0-	-0-	-0-	-0-	-0-	374,286
Long-term debt	(625,573)	(15,168,261)	(11,998,938)	-0-	-0-	-0-	(451,909)	(28,244,681)
Accrued interest payable	-0-	(219,098)	(141,044)	-0-	-0-	-0-	(4,086)	(364,228)
Sick pay recorded as a liability of the fund	(195,597)	-0-	-0-	-0-	-0-	-0-	-0-	(195,597)
Deferred pension charges	6,648,747	(21,582)	-0-	-0-	-0-	-0-	117,818	6,744,983
Net pension obligation	(33,830,377)	-0-	-0-	-0-	-0-	-0-	(221,180)	(34,051,557)
Total OPEB obligation	(7,959,923)	-0-	-0-	-0-	-0-	-0-	(163,730)	(8,123,653)
General liability and business auto insurance - asset of the fund	534,038	165	-0-	-0-	-0-	-0-	6,871	541,074
The internal service fund is used by management to charge the costs of operating the self-insured health care plan (Health Insurance Fund) to the individual funds. The assets and liabilities of the Health Insurance Fund are included in governmental activities, in the government-wide statement of net position (net of the amount allocated to business-type activities, if any). Internal service fund balances not included in other reconciling items:								
Current assets	1,565,153	-0-	-0-	-0-	-0-	-0-	-0-	1,565,153
Current liabilities	(121,151)	-0-	-0-	-0-	-0-	-0-	-0-	(121,151)
Net position of governmental activities	<u>\$ (18,233,832)</u>	<u>\$ 10,022,026</u>	<u>\$ 5,723,253</u>	<u>\$ 2,944,857</u>	<u>\$ 2,110,428</u>	<u>\$ 607,031</u>	<u>\$ 1,321,626</u>	<u>\$ 4,495,389</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Fiscal Year Ended April 30, 2019

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
Revenues:								
Sales taxes	\$ 9,429,551	\$ 1,902,804	\$ 1,359,623	\$ -0-	\$ 3,805,608	\$ -0-	\$ -0-	\$16,497,586
Use taxes	464,468	-0-	-0-	-0-	-0-	-0-	-0-	464,468
Hotel/motel taxes	774,080	-0-	-0-	-0-	-0-	-0-	535,535	1,309,615
Property taxes levied for general purposes	277,946	-0-	-0-	-0-	-0-	414,821	506,531	1,199,298
Property taxes levied for employee benefits	702,660	-0-	-0-	-0-	-0-	-0-	32,451	735,111
Franchise taxes	149,755	-0-	-0-	-0-	-0-	-0-	-0-	149,755
Public service taxes	2,361,649	-0-	-0-	-0-	-0-	-0-	-0-	2,361,649
Gain on sale of fixed assets	10,525	-0-	-0-	-0-	-0-	-0-	-0-	10,525
Grants and contributions not restricted to specific programs	6,403	-0-	15,470	-0-	-0-	-0-	-0-	21,873
Unrestricted investment income	149,456	(16,258)	59,710	11,451	41,359	8,857	8,283	262,858
Miscellaneous	22,626	-0-	68,391	-0-	-0-	-0-	1,807	92,824
Operating grants and contributions	40,233	-0-	-0-	-0-	-0-	-0-	128,702	168,935
Capital grants and contributions	-0-	1,456,595	60,132	387,801	-0-	-0-	463,678	2,368,206
Charges for services	1,097,548	-0-	-0-	-0-	-0-	-0-	1,885	1,099,433
Total revenues	15,486,900	3,343,141	1,563,326	399,252	3,846,967	423,678	1,678,872	26,742,136
Expenditures:								
Current								
General government	3,056,299	5,023,481	463,010	-0-	1,004,360	-0-	-0-	9,547,150
Public safety								
Police	4,966,123	-0-	-0-	-0-	-0-	-0-	-0-	4,966,123
Fire	3,152,810	-0-	-0-	-0-	-0-	-0-	-0-	3,152,810
Public works	1,435,878	-0-	-0-	233,973	-0-	-0-	-0-	1,669,851
Engineering services	381,256	-0-	-0-	-0-	-0-	-0-	-0-	381,256
Culture and recreation	1,052,590	-0-	-0-	-0-	-0-	-0-	512,242	1,564,832
Community development	-0-	-0-	-0-	-0-	-0-	327,000	863,744	1,190,744
Debt service								
Principal retirement	111,719	-0-	-0-	-0-	-0-	-0-	-0-	111,719
Interest and fiscal charges	28,032	610,840	517,213	-0-	-0-	-0-	12,216	1,168,301
Total expenditures	14,184,707	5,634,321	980,223	233,973	1,004,360	327,000	1,388,202	23,752,786
Excess (deficiency) of revenues over (under) expenditures	1,302,193	(2,291,180)	583,103	165,279	2,842,607	96,678	290,670	2,989,350
Other financing sources (uses)								
Transfers from other funds	200,512	2,418,279	1,000,000	-0-	-0-	-0-	-0-	3,618,791
Transfers to other funds	(1,000,000)	(29,796)	(2,623,251)	-0-	(2,308,472)	(15,000)	(185,512)	(6,162,031)
Principal paid on long-term debt	-0-	(814,311)	(886,724)	-0-	-0-	-0-	(22,181)	(1,723,216)
Total other financing sources (uses)	(799,488)	1,574,172	(2,509,975)	-0-	(2,308,472)	(15,000)	(207,693)	(4,266,456)
Net change in fund balances	502,705	(717,008)	(1,926,872)	165,279	534,135	81,678	82,977	(1,277,106)
Fund balances, beginning	3,964,030	3,638,429	3,642,024	311,345	827,060	(58,622)	145,993	12,470,259
Fund balances, ending	\$ 4,466,735	\$ 2,921,421	\$ 1,715,152	\$ 476,624	\$ 1,361,195	\$ 23,056	\$ 228,970	\$11,193,153

(Continued)

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Fiscal Year Ended April 30, 2019

	<u>General Corporate</u>	<u>Quality of Life</u>	<u>General Corporate Capital</u>	<u>Motor Fuel Tax</u>	<u>Home Rule Tax</u>	<u>TIF Downtown</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities								
Net change in fund balances - total governmental funds	\$ 502,705	\$ (717,008)	\$ (1,926,872)	\$ 165,279	\$ 534,135	\$ 81,678	\$ 82,977	\$ (1,277,106)
Depreciation expense	(661,364)	(759,555)	(1,264,156)	(200,708)	(59,488)	-0-	(23,697)	(2,968,968)
Capital asset purchases	4,975	4,870,577	430,559	-0-	808,722	-0-	-0-	6,114,833
Bond premium accretion	-0-	22,958	14,598	-0-	-0-	-0-	-0-	37,556
Property taxes for 2018 payable in 2019	(40,135)	-0-	-0-	-0-	(1)	18,775	257,484	236,123
Debt principal paid	-0-	814,310	886,724	-0-	-0-	-0-	22,181	1,723,215
Accrued interest payable	-0-	9,127	8,510	-0-	-0-	-0-	271	17,908
Capital asset disposals	(1,000)	-0-	-0-	-0-	-0-	-0-	-0-	(1,000)
Sick pay	(3,532)	-0-	-0-	-0-	-0-	-0-	-0-	(3,532)
Deferred pension charges	5,524,877	(9,494)	-0-	-0-	-0-	-0-	185,090	5,700,473
Net pension obligation	(7,246,578)	3,696	-0-	-0-	-0-	-0-	(200,034)	(7,442,916)
Early retirement costs - I.M.R.F.	111,719	-0-	-0-	-0-	-0-	-0-	6,192	117,911
Total OPEB obligation	153,495	-0-	-0-	-0-	-0-	-0-	3,157	156,652
General liability and business auto insurance	(44,467)	166	-0-	-0-	-0-	-0-	6,871	(37,430)
The internal service fund is used by management to charge the costs of operating the self-insured health care plan (Health Insurance Fund) to the individual funds. The net revenue of the Health Insurance Fund is reported with the governmental activities, in the government-wide statement of activities (net of the amount allocated to business-type activities, if any). Internal service fund balances not included in other reconciling items:								
Change in net position	<u>485,228</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>485,228</u>
Change in net position of governmental activities	<u>\$ (1,214,077)</u>	<u>\$ 4,234,777</u>	<u>\$ (1,850,637)</u>	<u>\$ (35,429)</u>	<u>\$ 1,283,368</u>	<u>\$ 100,453</u>	<u>\$ 340,492</u>	<u>\$ 2,858,947</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
April 30, 2019

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 596,174	\$ 1,947,011	\$168,984	\$ 2,712,169	\$1,558,057
Investments	33,191	-0-	-0-	33,191	7,096
Receivables:					
Accounts, net	556,660	409,414	74,442	1,040,516	-0-
Due from other funds	-0-	-0-	216	216	-0-
Interest	713	-0-	-0-	713	-0-
Inventories	133,424	-0-	-0-	133,424	-0-
Prepaid expenses	44,232	27,032	-0-	71,264	-0-
Total current assets	<u>1,364,394</u>	<u>2,383,457</u>	<u>243,642</u>	<u>3,991,493</u>	<u>1,565,153</u>
Restricted assets:					
Cash and cash equivalents	279,601	-0-	-0-	279,601	-0-
Total restricted assets	<u>279,601</u>	<u>-0-</u>	<u>-0-</u>	<u>279,601</u>	<u>-0-</u>
Noncurrent assets:					
Property and equipment	12,872,491	12,436,927	40,000	25,349,418	-0-
Other capital assets	39,856	-0-	-0-	39,856	-0-
Total noncurrent assets	<u>12,912,347</u>	<u>12,436,927</u>	<u>40,000</u>	<u>25,389,274</u>	<u>-0-</u>
Total Assets	<u>\$14,556,342</u>	<u>\$14,820,384</u>	<u>\$283,642</u>	<u>\$29,660,368</u>	<u>\$1,565,153</u>
Deffered outflows of resources					
Deffered pension and OPEB charges	\$ 585,685	\$ 159,888	\$ -0-	\$ 745,573	\$ -0-
Total deffered outflows of resources	<u>\$ 585,685</u>	<u>\$ 159,888</u>	<u>\$ -0-</u>	<u>\$ 745,573</u>	<u>\$ -0-</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current liabilities:					
Payables					
Accounts	\$ 588,747	\$ 152,898	\$ 88,677	\$ 830,322	\$ 121,151
Payroll and related liabilities	141,091	42,226	-0-	183,317	-0-
Accrued interest payable	95,477	2,642	-0-	98,119	-0-
Due to other funds	216	-0-	-0-	216	-0-
Total current liabilities	<u>825,531</u>	<u>197,766</u>	<u>88,677</u>	<u>1,111,974</u>	<u>121,151</u>
Liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	279,601	-0-	-0-	279,601	-0-
Total liabilities payable from restricted assets	<u>279,601</u>	<u>-0-</u>	<u>-0-</u>	<u>279,601</u>	<u>-0-</u>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
April 30, 2019

	Business-Type Activities <u>Water Fund</u>	Business-Type Activities <u>Sewer Fund</u>	Business-Type Activities <u>Sanitation</u>	Business-Type Activities <u>Total</u>	Governmental Activities - Internal Service <u>Funds</u>
Noncurrent liabilities:					
General obligation bonds, net, and general long-term debt	9,543,462	253,325	-0-	9,796,787	-0-
Net pension obligation	1,092,143	299,624	-0-	1,391,767	-0-
Total other post employment benefits obligation	<u>1,148,963</u>	<u>246,546</u>	<u>-0-</u>	<u>1,395,509</u>	<u>-0-</u>
Total noncurrent liabilities	<u>11,784,568</u>	<u>799,495</u>	<u>-0-</u>	<u>12,584,063</u>	<u>-0-</u>
Total liabilities	<u>12,889,700</u>	<u>997,261</u>	<u>88,677</u>	<u>13,975,638</u>	<u>121,151</u>
Deferred inflows of resources					
Deferred revenue	<u>66,094</u>	<u>-0-</u>	<u>-0-</u>	<u>66,094</u>	<u>-0-</u>
Total deferred inflows of resources	<u>66,094</u>	<u>-0-</u>	<u>-0-</u>	<u>66,094</u>	<u>-0-</u>
Net position:					
Net investment in capital assets	3,614,935	12,183,602	40,000	15,838,537	-0-
Committed for:					
Restricted revenue	248,169	-0-	-0-	248,169	-0-
Unrestricted	<u>(1,676,871)</u>	<u>1,799,409</u>	<u>154,965</u>	<u>277,503</u>	<u>1,444,002</u>
Total net position	<u>2,186,233</u>	<u>13,983,011</u>	<u>194,965</u>	<u>16,364,209</u>	<u>1,444,002</u>
Total Liabilities and Fund Balances	<u>\$15,142,027</u>	<u>\$14,980,272</u>	<u>\$283,642</u>	<u>\$30,405,941</u>	<u>\$1,565,153</u>

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended April 30, 2019

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
<u>Operating revenues</u>					
User charges	\$ 4,761,037	\$ 3,341,953	\$1,158,518	\$ 9,261,508	\$2,544,048
Other operating revenue	43,258	44,622	-0-	87,880	-0-
Total operating revenues	<u>4,804,295</u>	<u>3,386,575</u>	<u>1,158,518</u>	<u>9,349,388</u>	<u>2,544,048</u>
<u>Operating expenses</u>					
Administration	1,768,474	1,036,527	33,233	2,838,234	70,498
Cost of sales and services	2,149,792	1,606,579	1,070,388	4,826,759	2,016,519
Depreciation	353,031	623,696	-0-	976,727	-0-
Total operating expenses	<u>4,271,297</u>	<u>3,266,802</u>	<u>1,103,621</u>	<u>8,641,720</u>	<u>2,087,017</u>
Operating income	<u>532,998</u>	<u>119,773</u>	<u>54,897</u>	<u>707,668</u>	<u>457,031</u>
Non-operating revenues (expenses):					
Non-operating revenues	172,137	70,870	3,415	246,422	28,197
Property tax revenue	37,820	-0-	-0-	37,820	-0-
Interest and fiscal charges - bonds	(388,572)	(6,630)	-0-	(395,202)	-0-
Total non-operating revenues (expenses)	<u>(178,615)</u>	<u>64,240</u>	<u>3,415</u>	<u>(110,960)</u>	<u>28,197</u>
Income before contributions and transfers	354,383	184,013	58,312	596,708	485,228
Transfers from other funds	<u>(11,529,915)</u>	<u>14,073,155</u>	<u>-0-</u>	<u>2,543,240</u>	<u>-0-</u>
Change in net position	<u>(11,175,532)</u>	<u>14,257,168</u>	<u>58,312</u>	<u>3,139,948</u>	<u>485,228</u>
Net position - beginning as previously reported	14,699,527	-0-	136,653	14,836,180	958,774
Cumulative change in accounting principle (See Note 13)	<u>(1,337,762)</u>	<u>(274,157)</u>	<u>-0-</u>	<u>(1,611,919)</u>	<u>-0-</u>
Net position - beginning, restated	<u>13,361,765</u>	<u>(274,157)</u>	<u>136,653</u>	<u>13,224,261</u>	<u>958,774</u>
Total net position - ending	<u>\$ 2,186,233</u>	<u>\$13,983,011</u>	<u>\$ 194,965</u>	<u>\$16,364,209</u>	<u>\$1,444,002</u>

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 STATEMENT OF CASH FLOWS - INCREASE (DECREASE) IN CASH
 AND CASH EQUIVALENTS
 PROPRIETARY FUNDS
 Year Ended April 30, 2019

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 5,108,262	\$ 2,930,356	\$ 1,166,782	\$ 9,205,400	\$ 2,544,048
Cash payments to suppliers for goods and services	(2,791,368)	(1,816,916)	(1,098,725)	(5,707,009)	(2,037,559)
Cash payments to employees and professional contractors for services	(1,449,856)	(260,885)	(2,244)	(1,712,985)	(70,498)
Other operating revenues (expenses)	43,258	45,972	-0-	89,230	-0-
Net cash provided by operating activities	<u>910,296</u>	<u>898,527</u>	<u>65,813</u>	<u>1,874,636</u>	<u>435,991</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	1,053,588	1,497,258	-0-	2,550,846	-0-
Other non-operating revenues	85,901	-0-	-0-	85,901	-0-
Net cash provided by noncapital financing activities	<u>1,139,489</u>	<u>1,497,258</u>	<u>-0-</u>	<u>2,636,747</u>	<u>-0-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(4,656,509)	(480,187)	-0-	(5,136,696)	-0-
Interest and fiscal charges paid	(343,070)	(3,988)	-0-	(347,058)	-0-
Proceeds from issuance of long-term debt (net of issuance costs)	2,700,000	-0-	-0-	2,700,000	-0-
Principal paid on long-term debt	(466,590)	(35,469)	-0-	(502,059)	-0-
Net cash (used for) capital and related financing activities	<u>(2,766,169)</u>	<u>(519,644)</u>	<u>-0-</u>	<u>(3,285,813)</u>	<u>-0-</u>
Cash flows from investing activities:					
Interest and customer penalty income received	86,236	70,870	3,415	160,521	28,363
Proceeds from sale of investments	1,150	-0-	-0-	1,150	-0-
Net cash provided by investing activities	<u>87,386</u>	<u>70,870</u>	<u>3,415</u>	<u>161,671</u>	<u>28,363</u>
Cash flows from nonexchange activities					
Property tax revenue	37,820	-0-	-0-	37,820	-0-
Net cash provided by nonexchange activities	<u>37,820</u>	<u>-0-</u>	<u>-0-</u>	<u>37,820</u>	<u>-0-</u>
Net (decrease) increase in cash and cash equivalents	(591,178)	1,947,011	69,228	1,425,061	464,354
Cash and cash equivalents at May 1, 2018	<u>1,466,953</u>	<u>-0-</u>	<u>99,756</u>	<u>1,566,709</u>	<u>1,093,703</u>
Cash and cash equivalents at April 30, 2019	<u>\$ 875,775</u>	<u>\$ 1,947,011</u>	<u>\$ 168,984</u>	<u>\$ 2,991,770</u>	<u>\$ 1,558,057</u>
Reconciliation of cash and cash equivalents:					
Current assets - cash and cash equivalents	\$ 596,174	\$ 1,947,011	\$ 168,984	\$ 2,712,169	\$ 1,558,057
Restricted assets - cash and cash equivalents	279,601	-0-	-0-	279,601	-0-
Total cash and cash equivalents	<u>\$ 875,775</u>	<u>\$ 1,947,011</u>	<u>\$ 168,984</u>	<u>\$ 2,991,770</u>	<u>\$ 1,558,057</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF CASH FLOWS - INCREASE (DECREASE) IN CASH
AND CASH EQUIVALENTS
PROPRIETARY FUNDS
Year Ended April 30, 2019

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income	\$ 532,998	\$ 119,773	\$ 54,897	\$ 707,668	\$ 457,031
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	353,031	623,696	-0-	976,727	-0-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(33,315)	(42,618)	8,265	(67,668)	-0-
Decrease (increase) in inventories	15,106	(3,805)	-0-	11,301	-0-
(Increase) decrease in prepaid expenses	4,132	(7,011)	-0-	(2,879)	-0-
(Increase) decrease in deferred pension charges	(926,275)	(237,796)	-0-	(1,164,071)	-0-
(Decrease) increase in accounts payable	(35,492)	152,898	2,651	120,057	(21,040)
Increase in payroll and related liabilities payable	26,859	23,702	-0-	50,561	-0-
Increase in deferred revenue	18,596	-0-	-0-	18,596	-0-
Increase in net pension obligation	983,417	274,819	-0-	1,258,236	-0-
(Decrease) in total other post employment benefits	(23,909)	(5,131)	-0-	(29,040)	-0-
(Decrease) in customer deposits payable	(4,852)	-0-	-0-	(4,852)	-0-
Total adjustments	<u>377,298</u>	<u>778,754</u>	<u>10,916</u>	<u>1,166,968</u>	<u>(21,040)</u>
Net cash provided by operating activities	<u>\$ 910,296</u>	<u>\$ 898,527</u>	<u>\$ 65,813</u>	<u>\$ 1,874,636</u>	<u>\$ 435,991</u>

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
April 30, 2019

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total Fiduciary Funds</u>
Assets			
Cash and short-term investments	\$ 412,069	\$ 325,211	\$ 737,280
Investments, at fair value:			
U.S. government and agency obligations	5,539,769	-0-	5,539,769
Mutual funds	11,910,968	10,750,568	22,661,536
Annuities	461	-0-	461
Certificate of deposit	1,250,286	3,773,405	5,023,691
Total investments	<u>18,701,484</u>	<u>14,523,973</u>	<u>33,225,457</u>
Receivables:			
Accounts	140	-0-	140
Property and replacement taxes, net	1,203,538	1,283,594	2,487,132
Interest and dividends	44,584	17,516	62,100
Total receivables	<u>1,248,262</u>	<u>1,301,110</u>	<u>2,549,372</u>
Total assets	<u>20,361,815</u>	<u>16,150,294</u>	<u>36,512,109</u>
Liabilities:			
Payables:			
Accounts	1,785	11,329	13,114
Benefits payable	11,917	12,370	24,287
Due to other funds	282	571	853
Total payables	<u>13,984</u>	<u>24,270</u>	<u>38,254</u>
Total liabilities	<u>13,984</u>	<u>24,270</u>	<u>38,254</u>
Net position - held in trust for pension benefits	<u>\$20,347,831</u>	<u>\$16,126,024</u>	<u>\$36,473,855</u>

Police Pension - to account for the accumulation of resources to be used for retirement annuity payments to participants at appropriate amounts and times in the future.

Firefighters' Pension - to account for the accumulation of resources to be used for retirement annuity payments to participants at appropriate amounts and times in the future.

A schedule of funding progress for each pension plan is presented in Note 6.

The accompanying notes are an integral part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended April 30, 2019

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total Fiduciary Funds</u>
ADDITIONS			
Contributions:			
Employer, property taxes	\$ 905,413	\$ 955,969	\$ 1,861,382
Employer, general replacement tax	8,857	9,728	18,585
Employees	237,340	181,439	418,779
	<u>1,151,610</u>	<u>1,147,136</u>	<u>2,298,746</u>
Investment income:			
Net appreciation (decline) in fair value of investments	58,832	(428,647)	(369,815)
Interest and dividends	368,356	256,355	624,711
Gain on sale of investments	579,375	488,822	1,068,197
	<u>1,006,563</u>	<u>316,530</u>	<u>1,323,093</u>
Investment expense	29,239	73,187	102,426
Net investment income	<u>977,324</u>	<u>243,343</u>	<u>1,220,667</u>
Total additions to net position	<u>2,128,934</u>	<u>1,390,479</u>	<u>3,519,413</u>
DEDUCTIONS			
Pensions paid to plan participants	1,521,076	1,294,442	2,815,518
Member transfer of service payments	73,007	-0-	73,007
Refunds of contributions	108,497	1,981	110,478
Administrative expenses	13,547	15,433	28,980
Total deductions	<u>1,716,127</u>	<u>1,311,856</u>	<u>3,027,983</u>
Increase in net position during the year	412,807	78,623	491,430
Net position held in trust for pension benefits - beginning of year	<u>19,935,024</u>	<u>16,047,401</u>	<u>35,982,425</u>
Net position held in trust for pension benefits - end of year	<u>\$20,347,831</u>	<u>\$16,126,024</u>	<u>\$36,473,855</u>

Police Pension - to account for the accumulation of resources to be used for retirement annuity payments to participants at appropriate amounts and times in the future.

Firefighters' Pension - to account for the accumulation of resources to be used for retirement annuity payments to participants at appropriate amounts and times in the future.

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
April 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mt. Vernon, Illinois (the "City"), was founded in 1819, and has a population of 15,277. The City operates under a Mayor-Council-Manager form of government. The City is an Illinois municipal corporation. The Mayor is elected at large for a four-year term. The City council is comprised of four members elected for four-year terms. The financial statements of the City are prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

A. Reporting Entity

In evaluating the City as a reporting entity as defined by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an Amendment of GASB Statement No. 14*, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management has concluded that there are no component units of the City.

B. Joint Ventures and Related Organizations

Joint Ventures - A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an on-going financial interest or (b) an on-going financial responsibility. Management has concluded that there are no joint ventures.

Related Organizations - The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations do not extend beyond making the appointments. The following organizations are related organizations that are excluded from the reporting entity: The City Housing Authority of Mt. Vernon provides public housing to qualified residents. The City Council appoints all members of the Board of Commissioners of the Authority. The Authority is not a component unit nor a joint venture of the City because it is autonomous in its operations and because the City has no financial accountability over the Authority.

The Illinois Municipal Retirement Fund is a multiple-employer public employee retirement system serving as an investment and administrative agent for participating units of government. The City is a participating unit of local government as more fully described in Note 6. State statutes determine which units of local government in Illinois are required to participate in the I.M.R.F. system and those that have the choice of participating. The Illinois Municipal Retirement Fund is not a component unit of the City because it is autonomous in its operations and because the City has no financial accountability over the Fund.

The Foreign Fire Insurance Board of the City of Mt. Vernon, Illinois was created on October 13, 2004, by the members of the City of Mt. Vernon Fire Department. The board consists of seven members elected by the members of the Fire Department. The purpose of the board is to manage and determine the use and disposition of money received from Foreign Fire Insurance tax receipts. The board is not considered to be a component unit nor a joint venture because it is autonomous in its operations, designation of management, and an ongoing financial interest is not retained by the City. See Note 3 for additional information regarding the Foreign Fire Insurance Board of the City of Mt. Vernon, Illinois.

The Board of Commissioners of the Mt. Vernon Airport Authority consists of five members of which three are appointed by the City Council and two are appointed by the Jefferson County Board. The Authority is neither a component unit nor a joint venture because it is autonomous in its operations, designation of management, and accountability for fiscal matters and an ongoing financial interest is not retained by either the City or the County.

The Jefferson County Development Corporation (JCDC) is a not for profit organization whose mission statement is "to lead, coordinate, develop, and implement strategies to enhance economic development through business retention, expansion, and attraction". It started official operation on May 1, 2006. There are twenty-three Board members, fifteen from industry and eight from the public or not for profit sectors. The Mayor of the City automatically holds one of the board seats, but there are no board members appointed by the City Council. The City has in the past funded between \$100,000 and \$150,000 in financial support per year for nine years, in addition to in-kind support by providing office space in its Municipal West building. The City has budgeted funding of \$100,000 to the JCDC for the year ended April 30, 2020, as well as providing office space. The JCDC is neither a component unit nor a joint venture of the City because it is autonomous in its operations, designation of management, and accountability for fiscal matters and an ongoing financial interest is not retained by the City.

Jointly Governed Organizations - The following organization is a jointly governed organization that is excluded from the City's reporting entity. This organization is not a joint venture because the City does not retain an ongoing financial interest or an ongoing financial responsibility. The City, in conjunction with the County and other municipalities, has created the following organization:

During the year ended April 30, 1991, the City and Jefferson County Board entered into an Intergovernmental Agreement and, pursuant to the Emergency Telephone System Act, established the Jefferson County Emergency Telephone System Board. The purpose of the Board is to oversee the implementation and the fiscal and operational responsibilities for an emergency telephone system commonly known as "Enhanced 9-1-1". The Agreement specified that the Mayor of the City of Mt. Vernon, Illinois and the Chairman of the Jefferson County Board shall each appoint three members to serve initial terms of one, two, and three years, respectively, and thereafter, to serve three-year terms. Another board member shall be appointed annually by the City of Mt. Vernon, Illinois during even-numbered years and by the Chairman of the Jefferson County Board during odd-numbered years. The City has no ongoing financial interest or ongoing financial responsibility but has joint control over the Board, which is considered a jointly governed organization. The City provides insurance coverage for the "Enhanced 9-1-1" equipment located within the City's police station. There were no related-party transactions between the City and the Board during the year ended April 30, 2019.

C. Basic Financial Statements - GASB Statement No. 34

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds of a particular type), the new reporting model focuses on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from fines and forfeitures, licenses and permits fees, special assessment taxes, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity. This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements are, in substance, very similar to the financial statements presented in the previous model. Emphasis here is on the major funds in either the governmental or business-type categories. Nonmajor funds (by category) or fund type are summarized into a single column. Unless an internal service fund is combined with the business-type activities (deemed to be an infrequent event), totals on the proprietary fund statements should directly reconcile to the business-type activity column presented in the government-wide statements. The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's

actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented either on the fund statement or on the page following each statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation. Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented in the summary form as part of the proprietary fund financial statements (when applicable). Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity (public safety, public works, etc.). The City's health insurance fund is an internal service fund. The City's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type as applicable (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension, participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The focus of the current model is on the City as a whole and the fund financial statements including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

D. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The new model as defined in GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing activity. The principal operating revenues for the public utilities are charged to customers for sales and services. Operating expenses include cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. Major Funds

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The quality of life fund accounts for "quality of life and economic development" related expenditures that are funded by general obligation bonds and a $\frac{1}{2}$ % home rule sales tax.

The general corporate capital fund accounts for capital expenditures, infrastructure improvements and related debt service expenditures of the general corporate fund that are funded by restricted sources of revenue, including general obligation bonds.

Motor fuel tax accounts for State motor fuel tax allotments.

Sanitation fund accounts for collecting and disposing of refuse.

Home Rule sales tax fund accounts for revenue collected on the January 1, 2018 1% Home Rule sales tax as well as related expenditures.

Downtown TIF (Tax Increment Finance) to account for the City's activities related to TIF funds received from the Downtown district.

Water fund accounts for the operations and maintenance of providing waterworks utility services to the residents of the City and surrounding areas and to outlying villages.

Sewer fund accounts for the operations and maintenance of providing sanitary sewerage utility services to the residents of the City.

Health insurance fund accounts for the risk management function of the City's health care claims paid under the City's self-insurance program. These costs are allocated to the related funds.

2. Internal Service Funds

Internal service funds account for the operations that provide services to other departments or agencies of the governmental or to other governments on a cost-reimbursement basis. The internal service funds are presented as one column on the proprietary fund financial statements. Currently the City has one internal service fund that accounts the self insured health care costs related to employee benefits. The health insurance fund accounts for the risk management function of the City's health care claims paid under the City's self-insurance program. These costs are allocated to the related funds.

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, are not available to support City programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds.

Pension funds are used to report resources that are held in trust for the members and beneficiaries of defined benefit plans and other post employment benefit plans.

Agency funds are used to report resources held by the City in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations or other governments.

4. Noncurrent Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the governmental column in the Government-Wide Statement of Net Position.

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The Government-Wide Financial Statements, the Proprietary, and Fiduciary Fund Financial Statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The governmental funds in the Fund Financial Statements are presented on a modified accrual basis.

Accrual - Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual - All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City defined the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and as deferred revenue by the recipient.

F. Budget Policy and Budgetary Data

Budget Policy - The City establishes control over the operations of its funds through the use of budgets. The budgets of the governmental funds are prepared on the modified accrual basis of accounting. Budgeted expenditures represent the legal limitation on actual expenditures. The level of classification at which expenditures may not legally exceed budgeted amounts is at the individual line item (object classification) within a fund. Instances of expenditures exceeding budgeted amounts are detailed in Note 8. Unspent budgeted amounts lapse at the end of the fiscal year for which they were made. Encumbrances are not used for unperformed contracts for goods or services. The City follows these procedures in establishing its budgets:

1. In January the Department heads begin to submit their budget requests to the City Manager for the upcoming fiscal year.
2. The City Manager and the Director of Finance meet with the Department heads and revise the budget requests as necessary.
3. In March, or as soon after as possible, the City Manager presents a tentative budget to the City Council.
4. The City Council meets with the City Manager, Director of Finance, and the Department heads and revises the tentative budget as necessary.
5. The budget is adopted by the City Council by April 30 through passage of an ordinance.

6. The budget may be amended within a subclass of a fund (either revenue sources or expenditure subclass classifications) with the approval of the City Manager and the Director of Finance. Any amendments that change the total revenues or expenditures within a subclass of a fund must be approved by a two-thirds vote of the City Council.
7. Formal budgetary integration is employed as a management control technique during the year for all funds with a budget.

Budgetary Data - During the year, several supplemental appropriations were necessary. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Cash and Cash Equivalents - In order to maintain internal control, cash balances are pooled from most funds of the City. The pool is deposited in an interest-bearing account that is subject to withdrawal. Earnings from this account are allocated monthly to each fund based on the average of the week ending balances during the month.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The City reports cash flows from operating activities using the indirect method. In accordance with Statement No. 9 of the Governmental Accounting Standards Board regarding reporting cash flows, a statement of cash flows has not been presented for the pension trust funds. Refer to Note 3 for the collateralization of the City's cash.

2. Investments - Investments are stated at fair value in the statement of net position. A net increase in fair value of investments is recognized and reported as investment gain in the financial statements for the year ended. The amount of the increase for the year ending April 30, 2019, is as follows:

Government activities	\$-0-
Business-type activities	-0-
Net increase in fair value	<u>\$-0-</u>

Refer to Note 3 for the collateralization of the City's investments.

3. Accounts Receivable and Taxes Receivable - Sales, taxpayer-assessed income, motor fuel, and similar taxes collected by other governments for the City are recorded as receivables when in the possession of intermediary collecting governments. Use, occupancy, and franchise taxes collected by the City are recorded as receivables when due and collectible. Property taxes are recorded as receivables, net of an allowance for uncollectible taxes, when they are levied. Unbilled services are recorded as receivables. The allowances for doubtful accounts for the Governmental Fund Types and Proprietary Fund Types are \$-0- and \$109,000, respectively.
4. Inventories - Inventory items in the modified accrual basis funds are expended when purchased. Inventories in the accrual basis funds are valued at the lower of cost or market on a "first-in, first-out" flow assumption. Raw water in the City's reservoirs is not included in inventory in the public utilities fund. Appropriate allowances are recorded for obsolete and surplus items.
5. Prepaid Expenses - Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.
6. Internal Balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the entity-wide governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Within the governmental fund financial statements, such amounts are equally offset by a fund balance reserve that indicates they do not constitute available spendable resources.

Due To/Due From - Amounts, which are due within one year, owed to one fund by another are reported as due to or due from other funds.
7. Capital Assets - The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized with a cost of \$5,000 or more, except for infrastructure assets which are capitalized beginning with a cost of \$100,000. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

Capitalization:

	<u>Useful Life</u>
Buildings	20-50 years
Land improvements	20-30 years
Equipment	2-20 years
Water and sewer lines	33-100 years
Streets	25 years
Bridges	50 years

Interest is capitalized on assets, other than infrastructure assets, acquired with tax-exempt debt. The amount of interest capitalized is the net interest expense incurred (interest expense less interest income) from the date of the borrowing until completion of the project.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Upon implementation of GASB Statement No. 34, the City is required to record and depreciate infrastructure assets for governmental funds. Infrastructure assets placed into service since fiscal year ending April 30, 1981, above the required threshold amount, have been reported at their estimated historical cost using the deflated replacement cost approach.

Refer to Note 4 for the composition of the City's property and equipment.

8. Restricted Assets - Restricted assets are assets which are restricted in use by legal or contractual requirements.

Refer to Note 3 for the composition of the City's restricted assets.

9. Bond Discounts, Premiums, and Issuance Costs - In the governmental funds, bond discounts, premiums, and issuance costs are treated as period costs/revenues in the year of issuance. Bond issuance costs are shown as an "other financing use". In proprietary funds, issuance costs are treated as period costs/revenues in the year of issuance. Bond discounts are presented as a reduction of the face amount of the revenue bonds payable. Bond premiums are presented on the balance sheet as a liability. The premiums are accreted over the life of the bonds using the effective interest rate method. As part of the reconciliation and presentation at the government-wide level these type of costs (when present) in the governmental funds are required to be adjusted and reflected similarly to proprietary funds.

10. Deferred Outflows and Inflows of Resources - As defined by GASB Concept Statement No. 4, "*Elements of Financial Statements*", deferred outflows of resources and deferred inflows of resources are the consumption of net position by the government that are applicable to a future reporting period and an acquisition of net position by the government that are applicable to a future reporting period, respectively.

In addition to assets, the Statement of Net Position and the Balance Sheet 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 currently has one type of deferred outflows of resources: (1) The City reports *deferred pension charges* in its Statements of Net Position in connection with its participation in the Illinois Municipal Retirement Fund and its Police and Firefighters' Pension Funds. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet 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. The City currently has one type of deferred inflow of resources. The City reports *deferred revenue*; it is deferred and recognized as an inflow of resources in the period the amounts become available.

11. Fund Equity

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the fiscal year ended April 30, 2010. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Beginning fund balances for the City's governmental funds were restated to reflect the above classifications at the time of implementation.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Capital contributed to the proprietary funds to finance the acquisition of property and equipment has been credited to contributed equity within the municipal equity section of the balance sheet. These amounts are systematically amortized over the useful life of the assets acquired. The depreciation attributable to these assets is charged against net income but is closed against contributed equity instead of retained earnings.

Contributions to the proprietary funds from the governmental funds for the purchase of property and equipment are shown as residual equity transfers in the governmental funds and as increases in contributed equity in the proprietary funds.

Refer to Note 3 for the composition of the City's municipal equity classifications.

H. Revenues, Expenses, and Expenditures

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected several months after the taxes are levied. Expenditures are recognized when the related fund liability is incurred except for the following which are permitted by generally accepted accounting principles:

1. Sales, Hotel, and Other Tax Revenue - The City administers the collection of its occupancy tax on hotels and motels, its franchise taxes, and its licenses and permits. The Illinois Municipal League administers the collection of the tax on fire insurance premiums paid to out-of-state insurance companies. Various officials of the City are members of the Illinois Municipal League. No direct relationship exists between the City and the League. The Illinois Department of Transportation administers the collection of motor fuel taxes. No direct relationship exists between the City and the Illinois Department of Transportation. Sales tax and all other tax collections of the City are administered by the Illinois Department of Revenue. No direct relationship exists between the City and the Illinois Department of Revenue.
2. Property Tax Revenue - Property taxes and court fines and fees collections are administered by Jefferson County. The City's corporate limits are totally contained within Jefferson County. No direct relationship exists between the City and the County other than as disclosed in Note 2. Property taxes are levied during a calendar year and attach as an enforceable lien on property as of December 31. These are payable in two installments during the following summer and fall on due dates to be set by the County at which time collection is made. Property tax revenue is recorded as revenue and taxes receivable on the levy date.
3. Grant Revenue - The City, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements, including time requirements, are met.

Resources transmitted to the City before the eligibility requirements are met are reported as deferred revenues. Some grants and contributions consist of capital assets

or resources that are restricted for capital purposes - to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the City.

4. Investment Income - Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average daily equity in pooled cash and investments to the total average daily pooled equity in pooled cash and investments. Investment earnings from the debt service fund, if any, are reported as investment earnings of the general fund.
5. Debt - General obligation long-term debt principal and interest are reported only when due.
6. Inventory - Inventory costs are reported in the period when inventory items are consumed, rather than in the period purchased.
7. Interfund Transactions - Interfund transactions are loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services, deemed to be reasonably equivalent in value, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are presented as transfers. Transfers within governmental activities or within business-type activities are eliminated upon consolidation in the government-wide statements.
8. Compensated Absences - Compensated employee vacation pay is accrued when earned in both governmental and proprietary funds. Accumulated sick pay is accrued in the governmental and proprietary funds when vested. Accumulated unvested sick pay cannot be reasonably estimated by the City as of April 30, 2019.

Employees are granted two weeks vacation after one year of service, three weeks vacation after seven years of service, and four weeks vacation after twelve years of service. Vacations are granted on January 1 of each year and shall be used on or before December 31 of the same year. Employees with less than one year of service as of January 1 are granted one vacation day for each full month of service with a maximum of two weeks. Vacations may not be accumulated and any vacations not used during the year are forfeited. Upon termination, employees are paid for any unused accumulated vacation as of their date of termination.

Employees are granted one sick day for each full month of service up to a maximum of 125 days. Additionally, employees can earn one (1) day above the 125 days each year they do not use any sick days. Upon normal retirement or death, employees are paid for one half of their accumulated sick days at their current salary rate. Accumulated sick pay is considered to be vested at the employees' normal retirement date in the amount of one half of the accumulated number of days.

The liability for compensated absences attributable to the City's governmental funds is recorded in the entity-wide statements. The amount attributable to the business-type activities is charged to expense with a corresponding liability established in the entity wide statements as well as the applicable business-type funds.

9. Other Post Employment Benefits - In addition to providing pension benefits (Note 6), the City provides certain health benefits for retired or disabled employees. Employees hired before May 1, 1987, become eligible for these benefits if they reach normal retirement age while working for the City or if they withdraw from active employment due to disability. These benefits originated through resolutions and personnel agreements and are provided through an insurance company. During the fiscal year ended April 30, 2019, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This standard establishes standards for governmental employer recognition, measurement, and presentation of information about other postemployment benefits (OPEB). The actuarially determined Net OPEB obligation is now recorded as a liability on the government wide financial statements as well as the related deferred inflows and outflows. The City pays the cost of this benefit on a "pay as you go basis" currently. See Note 6 for additional disclosures.

I. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in fixed assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets - is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is the outstanding capital debt less any unspent debt proceeds (held as liquid assets) and any associated unamortized cost.

Restricted Net Position - represents liquid assets (generated from revenues and net bond proceeds) which have third party (statutory, bond covenant, or granting agency) limitations on their use. The City would typically use restricted net position first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

Unrestricted Net Position - represent unrestricted liquid assets. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

J. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 6 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the City's proportionate share thereof in the case of an agent multiple-employer plan, measured as of the City's fiscal year end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27" ("GASB No. 68") and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68" ("GASB No. 71" and collectively "Statements") in the year ended April 30, 2016. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. In addition, state and local governments who participate in a cost-sharing multiple employer plan are now required to recognize a liability for their proportionate share of the net pension

liability of that plan. It is GASB's intention that these Statements will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City's financial obligations to current and former employees for past services rendered. In particular, these Statements require the City to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the Illinois Municipal Retirement Fund and its Police and Firefighters' Pension Funds, on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statements of Net Position) and present more extensive note disclosures.

K. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any) and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

L. Comparative Data

Comparative data (i.e. presentation of prior year totals by fund type) has not presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

M. Change in Accounting Principle

For the fiscal year ended April 30, 2019, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This standard establishes standards for governmental employer recognition, measurement, and presentation of information about other postemployment benefits (OPEB). To establish beginning balances for the total OPEB liability, the fiscal year ended April 30, 2018 ending net positions for the City's government-wide and enterprise fund financial statements were restated as disclosed in Note 13. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for OPEB. It is GASB's intention that these Statements will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City's financial obligations to current and former employees for past services rendered. In particular, these Statements require the City to recognize a total OPEB liability, deferred outflows of

resources, and deferred inflows of resources for its OPEB Plan on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statements of Net Position) and present more extensive note disclosures.

The adoption of these Statements had no impact on the City's governmental fund financial statements, which continue to report expenditures in the amount of the actual contributions. However, the adoption has resulted in the restatement of the City's net position as of May 1, 2018, for its government-wide and enterprise fund financial statements to reflect the reporting of total OPEB liabilities and deferred outflows of resources for its Plan in accordance with the provisions of this Statement. Net position of the City's government-wide and enterprise fund financial statements as of May 1, 2018, was decreased by \$9,100,163 and \$1,611,919, respectively, reflecting the cumulative change in accounting principle related to the adoption of this Statement. See Note 6 for more information regarding the City's OPEB plan.

N. Impact of Recently Issued Accounting Principles

Recently Adopted Accounting Pronouncements

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). GASB 75 establishes accounting and financial reporting standards for OPEB that is provided to employees of state and local governmental employees. The requirements of GASB 75 are effective for fiscal years beginning after June 15, 2017. See Note 6 and Note 13 for the impact of GASB 75 on the City's financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017* ("GASB 85"). GASB 85 includes a variety of small technical revisions to previously issued GASB statements. The requirements of GASB 85 are effective for periods beginning after June 15, 2017, with earlier application encouraged. No effect occurred from the adoption of GASB 85 on the City's financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues* ("GASB 86"). GASB 86 provides guidance for reporting the in-substance defeasance of outstanding debt obligations using existing resources. Qualifying transactions will remove both the assets placed into trust and the related debt obligation from the government's statement of net position. The requirements of GASB 86 are effective for reporting periods beginning after June 15, 2017, with earlier application encouraged. No effect occurred from the adoption of GASB 86 on the City's financial statements.

Recently Issued Accounting Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83"). GASB 83 addresses accounting and financial reporting for certain asset retirement obligations - legally enforceable liabilities associated with the retirement of a tangible capital asset. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018, with earlier application encouraged. Management is currently evaluating the impact of GASB 83 on the City's financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB 84"). GASB 84 establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods. The requirements of GASB 84 are effective for reporting periods beginning after December 15, 2018, with earlier application encouraged. Management is currently evaluating the impact of GASB 84 on the City's financial statements.

In June 2017, GASB issued Statement No. 87, *Leases* ("GASB 87"). GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB 87 are effective for reporting periods beginning after December 15, 2019, with earlier application encouraged. Management is currently evaluating the impact of GASB 87 on the City's financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* ("GASB 88"). GASB 88 provides guidance on note disclosures related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018, with earlier application encouraged. Management is currently evaluating the impact of GASB 88 on the City's financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"). GASB 89 requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, the interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type or enterprise fund. The requirement of GASB 89 are effective for reporting periods beginning after December 15, 2019, with earlier application encouraged. Management is currently evaluating the impact of GASB 89 on the City's financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61* ("GASB 90"). GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2018, with earlier application encouraged. Management is currently evaluating the impact of GASB 90 on the City's financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* ("GASB 91"). GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2020, with earlier application encouraged. Management is currently evaluating the impact of GASB 91 on the City's financial statements.

Note 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance with Finance Related Legal and Contractual Provisions - The City incurred no material violations of finance related legal and contractual provisions.
2. Excess of Expenditures Over Appropriations in Individual Funds - The City incurred material excess of expenditures over appropriations in individual funds. See Note 8 for a detailed listing.
3. Net Position/Fund Balance Deficit - At April 30, 2019 and 2018, the following deficit fund balances existed:

	<u>2019</u>	<u>2018</u>
General Corporate	\$(19,677,834)	\$(9,056,675)
Industrial Park TIF	N/A	\$ (305,755)

Note 3. CASH, INVESTMENTS, RESTRICTED ASSETS, RESERVES, AND DESIGNATED FUND BALANCES

Statutes authorize the City to invest in deposits with qualified financial institutions, obligations of the U.S. Treasury, obligations secured by U.S. Government agencies, qualified short-term corporate obligations, qualified money market mutual funds, certain insurance contracts, and qualified repurchase agreements. The police and firefighters' pension funds are allowed to invest up to 50% of their assets in the domestic equity market.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City requires deposits to be secured by collateral value at market or par, whichever is lower, less the amount covered by F.D.I.C. All of the City's deposits are insured or collateralized with securities held by the pledging financial institution's trust department but not in the authorities' name.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investments consist of certificates of deposit with a maturity of one year or less to avoid any material interest rate risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City requires collateralization of any deposits that exceed the F.D.I.C. limits.

The following schedule summarizes the City's investments, deposits, and cash on hand at April 30, 2019:

Description	Institution	Fund	Fair Value/ Carrying Amount	Institution Carrying Amount	F.D.I.C./ S.P.I.C. Insured Category #1	Collat- eralized Category #2	Collat- eralized Category #3	U.S. Government Treasuries Category #4	Uncollateralized Category #5	Not Categorized
Bank Account	Peoples National Bank	Health Insurance	\$ 1,558,057	\$ 1,558,057	\$ 250,000	\$ 1,308,057	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Bank Account	Peoples National Bank	General	38,711	35,231	-0-	35,231	-0-	-0-	-0-	-0-
Bank Account	Peoples National Bank	General	37,307	37,307	-0-	37,307	-0-	-0-	-0-	-0-
Bank Account	Peoples National Bank	All Funds	10,912,884	10,939,742	-0-	10,939,742	-0-	-0-	-0-	-0-
Bank Account	Peoples National Bank	IHDA-SFR	6,070	6,070	-0-	6,070	-0-	-0-	-0-	-0-
Bank Account	Illinois Funds	General	189,335	189,335	-0-	189,335	-0-	-0-	-0-	-0-
Bank Account	Illinois Funds	Sanitation	68,111	68,111	-0-	68,111	-0-	-0-	-0-	-0-
Bank Account	Illinois Funds	Water Fund	1,903	1,903	-0-	1,903	-0-	-0-	-0-	-0-
Bank Account	Illinois Funds	Public Utilities	611,982	611,982	-0-	611,982	-0-	-0-	-0-	-0-
Bank Account	Illinois National Bank	Public Utilities	13,966	13,966	13,966	-0-	-0-	-0-	-0-	-0-
U.S. Treas.	I.M.E.T.	Water Fund	33,191	33,191	-0-	-0-	-0-	33,191	-0-	-0-
U.S. Treas.	I.M.E.T.	General Corp	151,749	151,749	-0-	-0-	-0-	151,749	-0-	-0-
U.S. Treas.	I.M.E.T.	Quality of Life	161,755	161,755	-0-	-0-	-0-	161,755	-0-	-0-
U.S. Treas.	I.M.E.T.	General	4,079	4,079	-0-	-0-	-0-	4,079	-0-	-0-
U.S. Treas.	I.M.E.T.	Health Insurance	7,096	7,096	-0-	-0-	-0-	7,096	-0-	-0-
Cash on Hand	None	All Funds	2,259	2,259	-0-	-0-	-0-	-0-	-0-	2,259
Total governmental and business-type activities			<u>\$13,798,455</u>	<u>\$13,821,833</u>	<u>\$ 263,966</u>	<u>\$13,197,738</u>	<u>\$-0-</u>	<u>\$357,870</u>	<u>\$ -0-</u>	<u>\$2,259</u>
Bank Account	Peoples National Bank		\$ 269,849	\$ 307,684	\$ 307,684	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Certificate of deposit	American Express National Bank		152,715	152,715	152,715	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	1 st Merchant Bank		199,888	199,888	199,888	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	GE Capital Bank		240,543	240,543	240,543	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Citi Bank NA		255,434	255,434	255,434	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	1 st National Bank of America		199,882	199,882	199,882	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Wells Fargo Bank NA		201,824	201,824	201,824	-0-	-0-	-0-	-0-	-0-
Mutual Funds	Charles Schwab		11,911,429	11,911,429	-0-	-0-	-0-	-0-	11,911,429	-0-
Investments	US Bank		804,918	804,918	804,918	-0-	-0-	-0-	-0-	-0-
Investments	Charles Schwab		142,220	142,220	142,220	-0-	-0-	-0-	-0-	-0-
Investments	U.S. Treasuries		2,320,206	2,320,206	2,320,206	-0-	-0-	-0-	-0-	-0-
Investments	Corporate Bonds		2,414,645	2,414,645	2,414,645	-0-	-0-	-0-	-0-	-0-
Total police pension			<u>\$19,113,553</u>	<u>\$19,151,388</u>	<u>\$ 7,239,959</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$11,911,429</u>	<u>\$ -0-</u>
Bank Account	Peoples National Bank		\$ 33,191	\$ 33,191	\$ 33,191	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Certificate of deposit	Ally Bank NA		233,827	233,827	233,827	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Ally Bank NA		233,821	233,821	233,821	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	American Express Central Bank		59,488	59,488	59,488	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	American Express Central Bank		114,293	114,293	114,293	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Bank of Georgetown		233,012	233,012	233,012	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	BMW Bank No America		233,816	233,816	233,816	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Capital One		233,821	233,821	233,821	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Capital One		233,556	233,556	233,556	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Capital One		233,827	233,827	233,827	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Citi Bank		110,875	110,875	110,875	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Comenity Cap Bank		44,777	44,777	44,777	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Comenity Cap Bank		191,553	191,553	191,553	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Compass Bank		242,028	242,028	242,028	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Discover Bank		233,827	233,827	233,827	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Investors Bank		244,087	244,087	244,087	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Merrick Bank		194,947	194,947	194,947	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Third Fed Savings		234,971	234,971	234,971	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Wells Fargo		233,594	233,594	233,594	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Wells Fargo		233,284	233,284	233,284	-0-	-0-	-0-	-0-	-0-
Investments	Peoples National Bank		292,021	292,021	292,021	-0-	-0-	-0-	-0-	-0-
Mutual Funds	Charles Schwab		10,750,568	10,750,568	-0-	-0-	-0-	-0-	10,750,568	-0-
Total fire pension			<u>\$14,849,184</u>	<u>\$14,849,184</u>	<u>\$ 4,098,616</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$10,750,568</u>	<u>\$ -0-</u>
Total deposits with financial institutions and U.S. Treasury securities, and others			<u>\$47,761,192</u>	<u>\$47,822,405</u>	<u>\$11,602,541</u>	<u>\$13,197,738</u>	<u>\$-0-</u>	<u>\$357,870</u>	<u>\$22,661,997</u>	<u>\$2,259</u>

Reported in financial statements as:

Cash and cash equivalents - unrestricted	\$12,926,788
Cash and cash equivalents - restricted	683,237
Investments	357,870
Cash overdraft recorded as accounts payable	(169,440)
Total governmental and business-type activities	<u>\$13,798,455</u>
Cash and cash equivalents - police pension	\$ 412,069
Investments - police pension	18,701,484
Total police pension	<u>\$19,113,553</u>
Cash and cash equivalents - fire pension	\$ 325,211
Investments - fire pension	14,523,973
Total fire pension	<u>\$14,849,184</u>
Total all funds	<u>\$47,761,192</u>

Category #1 includes deposits covered by F.D.I.C., S.P.I.C., or collateral held by the City or its agent in the City's name.
 Category #2 includes deposits collateralized by securities held by the pledging financial institutions' trust department or agent but not in the depositor-government's name.
 Category #3 includes deposits collateralized by securities held by the pledging financial institution.
 Category #4 includes U.S. Government backed securities.
 Category #5 includes deposits that are uncollateralized.

Restricted assets, liabilities payable from restricted assets, and restricted fund balance on April 30, 2019 in the general corporate fund are detailed as follows:

	Restricted Assets - Cash	Liabilities	Restricted Fund Balance
Employee benefits	\$103,227	\$ -0-	\$103,227
Electrical licenses	12,810	12,810	-0-
D.U.I. fines	83,125	-0-	83,125
Police Dare donations	2,011	-0-	2,011
Park - tree donations	691	-0-	691
Park - bench donations	2,496	-0-	2,496
Liquor ordinance fines	4,500	-0-	4,500
Federal Drug forfeitures	47,458	-0-	47,458
State/Local Drug forfeitures	28,440	-0-	28,440
Unclaimed evidence	37,307	37,307	-0-
Anti-crime FNS	42,860	-0-	42,860
Abandoned money	38,711	38,711	-0-
	<u>\$403,636</u>	<u>\$88,828</u>	<u>\$314,808</u>

Changes in restricted fund balances in the general corporate fund are detailed as follows:

	Restricted Fund Balance 5/1/2018	Additions	Reductions	Restricted Fund Balance 4/30/2019
Foreign fire insurance	\$ -0-			
Tax receipts		\$ -0-		
Interest income		60,236		
Less qualifying expenditures for capital equipment			\$ 60,236	
Subtotal - foreign fire insurance				\$ -0-
Employee benefits	130,062			
Employee benefits receipts		-0-		
Less qualifying expenditures			26,835	
Subtotal - employee benefits				103,227
2% hotel/motel tax	-0-			
Tax receipts		417,057		
Less qualifying expenditures			417,057	
Subtotal - 2% hotel/motel tax				-0-
DUI fines	130,261			
Fine receipts		10,386		
Less qualifying expenditures			57,522	
Subtotal - DUI fines				83,125
Police Dare donations	2,011			
Donation receipts		4,114		
Less qualifying expenditures			4,114	
Subtotal - Police Dare donations				2,011

	Restricted Fund Balance 5/1/2018	Additions	Reductions	Restricted Fund Balance 4/30/2019
Park - tree donations	691			
Donation receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Park - tree donations				691
Park - bench donations	2,496			
Donation receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Park - bench donations				2,496
Liquor ordinance fines	4,500			
Fine receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Liquor ordinance fines				4,500
Federal drug forfeitures	48,049			
Forfeiture receipts		-0-		
Less qualifying expenditures			591	
Subtotal - federal drug forfeitures				47,458
State/Local Drug forfeitures	(998)			
Forfeiture receipts		35,288		
Less qualifying expenditures			5,850	
Subtotal - State/Local Drug forfeitures				28,440
Anti-crime FNS	37,936			
Anti-crime FNS receipts		4,924		
Less anti-crime FNS expenditures			-0-	
Subtotal - Anti-crime FNS				42,860
I.M.R.F./F.I.C.A. tax levy	-0-			
Property taxes received for I.M.R.F., F.I.C.A., and Medicare		702,661		
Expenditures for I.M.R.F., F.I.C.A., and Medicare			702,661	
Subtotal - I.M.R.F./F.I.C.A. tax levy				-0-
	<u>\$355,008</u>	<u>\$1,234,666</u>	<u>\$1,274,866</u>	<u>\$314,808</u>

Foreign fire insurance tax receipts originate from a tax assessed on every corporation, company, and association which is not incorporated in Illinois and which is providing fire insurance within the City. The tax receipts, assessed from the gross premiums, are reserved for the maintenance, use and benefit of the Fire Department. The receipts and disbursements from these funds have been turned over to the Foreign Fire Insurance Board of the City of Mt. Vernon, Illinois. The City of Mt. Vernon, Illinois does not collect or disburse these funds. Therefore, the funds of this board are not included in the City of Mt. Vernon, Illinois' Funds for Financial Statement reporting. However, in order to comply with subsection (h) of Section 6 of Article VII of the Illinois Constitution, the receipts and disbursements of the Foreign Fire Insurance Board of the City of Mt. Vernon, Illinois were reviewed and verified to be in compliance. The beginning balance of the fund was \$157,473, expenditures were \$41,186 consisting of remodeling, dishwasher, TV, recliners, EMS coats, monitors and system software, etc., tax receipts were \$60,236 and interest income was \$766, leaving an ending balance of \$177,289. Members of the board are: Doug Boczek, President; Daniel Plumb, Secretary; Kevin Sargent, Treasurer; Brad Baum, Board Member; Chris Yenne, Board Member; Casey McCommons, Board Member; and Brian Pendley, Board Member. The board carries a surety bond of \$100,000.

Restricted assets, liabilities payable from restricted assets, and restricted net position on April 30, 2019, in the enterprise fund consist of the following:

	Restricted Assets - Cash	Liabilities	Restricted Net Position Balance
Customer deposits	<u>\$279,601</u>	<u>\$279,601</u>	<u>\$-0-</u>

Fund balances in the pension trust funds are reserved by Illinois statutes up to the total actuarial requirements of these funds.

Refer to Note 6 for presentation of the unfunded accrued liabilities of the police pension fund and the firefighters' pension fund.

As of April 30, 2019 fund balances of the governmental funds are classified as follows:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

As of April 30, 2019 fund balances are composed of the following:

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Inventories	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,157	\$ 2,157
Prepaid expenses	1,950	-0-	-0-	-0-	-0-	-0-	-0-	1,950
Restricted:								
Employee benefits	103,227	-0-	-0-	-0-	-0-	-0-	-0-	103,227
Dare donations - Police (General Corporate)	2,011	-0-	-0-	-0-	-0-	-0-	-0-	2,011
DUI (General Corporate)	83,125	-0-	-0-	-0-	-0-	-0-	-0-	83,125
Federal Drug Force (General Corporate)	47,458	-0-	-0-	-0-	-0-	-0-	-0-	47,458
State/Local drug (General Corporate)	28,440	-0-	-0-	-0-	-0-	-0-	-0-	28,440
Anti-crime FNS	42,860	-0-	-0-	-0-	-0-	-0-	-0-	42,860
Liquor ordinance fines	4,500	-0-	-0-	-0-	-0-	-0-	-0-	4,500
Park donations	3,187	-0-	-0-	-0-	-0-	-0-	-0-	3,187
Public works	-0-	-0-	-0-	476,624	-0-	-0-	-0-	476,624
Committed:								
Community development	-0-	-0-	-0-	-0-	-0-	161,667	-0-	161,667
Committed revenues Capital, infrastructure, and related debt service expenditures -	-0-	1,091,134	-0-	-0-	-0-	-0-	-0-	1,091,134
Food and beverage tax	-0-	-0-	541,012	-0-	-0-	-0-	-0-	541,012
Diesel fuel	-0-	-0-	500,240	-0-	-0-	-0-	-0-	500,240
Telecommunication tax	-0-	-0-	227,074	-0-	-0-	-0-	-0-	227,074
Assigned:								
Bond proceeds	-0-	1,297,537	-0-	-0-	-0-	-0-	-0-	1,297,537
Unassigned reported in:								
General Corporate	4,149,977	-0-	-0-	-0-	-0-	-0-	-0-	4,149,977
Special Revenue Funds	-0-	532,750	446,826	-0-	1,361,195	(138,611)	226,813	2,428,973
Total fund balances	<u>\$4,466,735</u>	<u>\$2,921,421</u>	<u>\$1,715,152</u>	<u>\$476,624</u>	<u>\$1,361,195</u>	<u>\$ 23,056</u>	<u>\$228,970</u>	<u>\$11,193,153</u>

Note 4. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended April 30, 2019, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Non-depreciable assets:				
Land	\$ 5,336,310	\$ 156,185	\$ 3,000	\$ 5,489,495
Total non-depreciable assets	<u>5,336,310</u>	<u>156,185</u>	<u>3,000</u>	<u>5,489,495</u>
Depreciable assets:				
Infrastructure	53,320,721	4,822,805	-0-	58,143,526
Buildings	6,252,531	197,215	-0-	6,449,746
Machinery and equipment	3,602,806	232,281	-0-	3,835,087
Furniture and fixtures	1,181,874	55,372	-0-	1,237,246
Vehicles	6,283,031	650,975	-0-	6,934,006
Total depreciable assets	<u>70,640,963</u>	<u>5,958,648</u>	<u>-0-</u>	<u>76,599,611</u>
Total capital assets	<u>75,977,273</u>	<u>6,114,833</u>	<u>3,000</u>	<u>82,089,106</u>
Accumulated depreciation:				
Infrastructure	15,189,934	2,101,981	-0-	17,291,915
Buildings	2,843,944	190,593	-0-	3,034,537
Machinery and equipment	2,732,578	184,937	-0-	2,917,515
Furniture and fixtures	1,112,069	23,138	-0-	1,135,207
Vehicles	4,104,493	468,319	-0-	4,572,812
Total accumulated depreciation	<u>25,983,018</u>	<u>2,968,968</u>	<u>-0-</u>	<u>28,951,986</u>
Governmental activities capital assets, net	<u>\$49,994,255</u>	<u>\$3,145,865</u>	<u>\$ 3,000</u>	<u>\$53,137,120</u>
Business-type activities:				
Non-depreciable assets:				
Land	\$ 150,379	\$ -0-	\$ -0-	\$ 150,379
Total non-depreciable assets	<u>150,379</u>	<u>-0-</u>	<u>-0-</u>	<u>150,379</u>
Depreciable assets:				
Buildings and structures	11,611,988	-0-	-0-	11,611,988
Equipment	1,845,887	57,496	-0-	1,903,383
Water and sanitary sewer lines	36,904,277	5,079,200	-0-	41,983,477
Total depreciable assets	<u>50,362,152</u>	<u>5,136,696</u>	<u>-0-</u>	<u>55,498,848</u>
Total capital assets	<u>50,512,531</u>	<u>5,136,696</u>	<u>-0-</u>	<u>55,649,227</u>
Accumulated depreciation:				
Buildings and structures	9,734,592	195,669	-0-	9,930,261
Equipment	1,605,069	55,828	-0-	1,660,897
Water and sanitary sewer lines	17,943,565	725,230	-0-	18,668,795
Total accumulated depreciation	<u>29,283,226</u>	<u>976,727</u>	<u>-0-</u>	<u>30,259,953</u>
Business-type capital assets, net	<u>\$21,229,305</u>	<u>\$4,159,969</u>	<u>\$ -0-</u>	<u>\$25,389,274</u>

Depreciation expense is charged to functions as follows:

Governmental Activities		Business-Type Activities	
Public safety	\$ 428,917	Water Fund	\$ 353,031
Public works	205,487	Sewer Fund	623,696
Engineering services	2,529		<u>\$ 976,727</u>
Culture and recreation	772,557		
Community development	606		
General government	1,558,872		
	<u>\$2,968,968</u>		

Note 5. LONG-TERM LIABILITIES

A summary of long-term liability activity is for the year ended April 30, 2019, as follows. Additional detailed information is available on the following pages.

	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental activities:								
General obligation bonds 2010A (includes \$24,842 issuance costs)	\$ 894,400	11/01/30	5.5%-6.2%	\$ 1,198,685	\$ -0-	\$ -0-	\$ -0-	\$ 1,198,685
General obligation bonds 2010B (includes \$40,773 issuance costs)	1,467,700	11/01/24	1.0%-5.5%	1,048,850	-0-	142,867	-0-	905,983
General obligation bonds 2012 (includes \$508,900 issuance costs and \$905,288 bond premium)	32,110,041	12/15/32	2.0%-5.0%	26,145,005	-0-	1,332,085	-0-	24,812,920
Note dated 08/09/13 - secured by equipment	498,000	08/09/18	2.47%	104,519	-0-	104,519	-0-	-0-
Note dated 12/30/16 - secured by 1% municipal sales tax	890,317	12/30/23	3.75%	778,155	-0-	117,911	-0-	660,244
Note dated 01/05/17 - unsecured	461,000	01/05/24	2.78%	439,419	-0-	22,181	-0-	417,238
Note dated 12/08/15 - secured by equipment	608,000	12/08/20	1.77%	371,174	-0-	121,563	-0-	249,611
Compensated absences				251,217	-0-	55,620	-0-	195,597
Net pension obligation				26,608,641	7,446,612	3,696	-0-	34,051,557
Total other post employment benefits obligation*				8,292,707	-0-	169,054	-0-	8,123,653
				<u>65,238,372</u>	<u>7,446,612</u>	<u>2,069,496</u>	<u>-0-</u>	<u>70,615,488</u>
Business-type activities:								
General obligation bonds 2010A (includes \$70,704 issuance costs)	\$ 2,545,600	11/01/30	5.5%-6.2%	2,241,315	-0-	-0-	-0-	2,241,315
General obligation bonds 2010B (includes \$116,048 issuance costs)	4,177,300	11/01/24	1.0%-5.5%	1,961,150	-0-	267,134	-0-	1,694,016
General obligation bonds 2012 (includes \$54,598 issuance costs and \$97,125 bond premium)	3,444,959	12/15/32	2.0%-5.0%	2,804,994	-0-	142,914	-0-	2,662,080
Note dated 12/30/16 secured by 1% municipal sales tax	230,583	12/30/23	3.75%	201,534	-0-	30,537	-0-	170,997
Note dated 08/09/13 - secured by equipment	125,050	08/09/18	1.99%	26,005	-0-	26,005	-0-	-0-
Note dated 08/07/18 - secured by 1% Home Rule Sales Tax	2,700,000	08/07/23	2.79%	-0-	2,700,000	-0-	-0-	2,700,000
Illinois E.P.A. note payable	652,277	01/01/25	2.50%	288,794	-0-	35,468	-0-	253,326
Compensated absences				26,330	29,725	-0-	-0-	56,055
Net pension obligation				133,531	1,258,236	-0-	-0-	1,391,767
Total other post employment benefits obligation*				1,424,549	-0-	29,040	-0-	1,395,509
				<u>9,108,202</u>	<u>3,987,961</u>	<u>531,098</u>	<u>-0-</u>	<u>12,565,065</u>
Totals				<u>\$74,346,574</u>	<u>\$11,434,573</u>	<u>\$2,600,594</u>	<u>\$-0-</u>	<u>\$83,180,553</u>

*From restated net position per GASB 75. (See Note 13)

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds and promissory notes issued for business-type activities are repaid from those activities.

Legal Debt Margin - Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (3) if its population is 25,000 or less, an aggregate of one-half percent. Indebtedness which is outstanding on the effective date of this Constitution or which is thereafter approved by referendum or assumed from another unit of local government shall not be included in the foregoing percentage amounts. To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

Principal and interest payments in subsequent years:

Year Ending April 30,	Notes and Mortgages			General Obligation Bonds			Totals		
	Scheduled			Scheduled			Scheduled		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 847,508	\$117,436	\$ 964,944	\$ 1,935,000	\$ 1,397,219	\$ 3,332,219	\$ 2,782,508	\$ 1,514,655	\$ 4,297,163
2021	871,354	94,228	965,582	2,005,000	1,318,349	3,323,349	2,876,354	1,412,577	4,288,931
2022	767,776	70,336	838,112	2,085,000	1,235,784	3,320,784	2,852,776	1,306,120	4,158,896
2023	790,779	48,006	838,785	2,165,000	1,148,379	3,313,379	2,955,779	1,196,385	4,152,164
2024	1,111,856	25,649	1,137,505	2,250,000	1,056,949	3,306,949	3,361,856	1,082,598	4,444,454
2025	41,170	1,298	42,468	2,334,999	960,774	3,295,773	2,376,169	962,072	3,338,241
2026	20,973	262	21,235	2,410,000	878,474	3,288,474	2,430,973	878,736	3,309,709
2027	-0-	-0-	-0-	2,500,000	773,149	3,273,149	2,500,000	773,149	3,273,149
2028	-0-	-0-	-0-	2,600,000	663,174	3,263,174	2,600,000	663,174	3,263,174
2029	-0-	-0-	-0-	2,700,000	548,274	3,248,274	2,700,000	548,274	3,248,274
2030	-0-	-0-	-0-	2,805,000	428,514	3,233,514	2,805,000	428,514	3,233,514
2031	-0-	-0-	-0-	2,895,000	320,530	3,215,530	2,895,000	320,530	3,215,530
2032	-0-	-0-	-0-	2,375,000	205,874	2,580,874	2,375,000	205,874	2,580,874
2033	-0-	-0-	-0-	2,455,000	122,748	2,577,748	2,455,000	122,748	2,577,748
	<u>\$4,451,416</u>	<u>\$357,215</u>	<u>\$4,808,631</u>	<u>\$33,514,999</u>	<u>\$11,058,191</u>	<u>\$44,573,190</u>	<u>\$37,966,415</u>	<u>\$11,415,406</u>	<u>\$49,381,821</u>

Year Ending April 30,	G.O.B. 2010A			G.O.B. 2012			G.O.B. 2010B			Totals		
	Scheduled			Scheduled			Scheduled			Scheduled		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ -0-	\$ 206,630	\$ 206,630	\$ 1,515,000	\$1,062,194	\$ 2,577,194	\$ 420,000	\$128,395	\$ 548,395	\$ 1,935,000	\$ 1,397,219	\$ 3,332,219
2021	-0-	206,630	206,630	1,575,000	1,001,594	2,576,594	430,000	110,125	540,125	2,005,000	1,318,349	3,323,349
2022	-0-	206,630	206,630	1,640,000	938,594	2,578,594	445,000	90,560	535,560	2,085,000	1,235,784	3,320,784
2023	-0-	206,630	206,630	1,705,000	872,994	2,577,994	460,000	68,755	528,755	2,165,000	1,148,379	3,313,379
2024	-0-	206,630	206,630	1,775,000	804,794	2,579,794	475,000	45,525	520,525	2,250,000	1,056,949	3,306,949
2025	120,000	206,630	326,630	1,845,000	733,794	2,578,794	369,999	20,350	390,349	2,334,999	960,774	3,295,773
2026	510,000	200,030	710,030	1,900,000	678,444	2,578,444	-0-	-0-	-0-	2,410,000	878,474	3,288,474
2027	525,000	170,705	695,705	1,975,000	602,444	2,577,444	-0-	-0-	-0-	2,500,000	773,149	3,273,149
2028	545,000	139,730	684,730	2,055,000	523,444	2,578,444	-0-	-0-	-0-	2,600,000	663,174	3,263,174
2029	560,000	107,030	667,030	2,140,000	441,244	2,581,244	-0-	-0-	-0-	2,700,000	548,274	3,248,274
2030	580,000	72,870	652,870	2,225,000	355,644	2,580,644	-0-	-0-	-0-	2,805,000	428,514	3,233,514
2031	600,000	37,200	637,200	2,295,000	283,330	2,578,330	-0-	-0-	-0-	2,895,000	320,530	3,215,530
2032	-0-	-0-	-0-	2,375,000	205,874	2,580,874	-0-	-0-	-0-	2,375,000	205,874	2,580,874
2033	-0-	-0-	-0-	2,455,000	122,748	2,577,748	-0-	-0-	-0-	2,455,000	122,748	2,577,748
	<u>\$3,440,000</u>	<u>\$1,967,345</u>	<u>\$5,407,345</u>	<u>\$27,475,000</u>	<u>\$8,627,136</u>	<u>\$36,102,136</u>	<u>\$2,599,999</u>	<u>\$463,710</u>	<u>\$3,063,709</u>	<u>\$33,514,999</u>	<u>\$11,058,191</u>	<u>\$44,573,190</u>

Operating Leases

Although the City is not a party to a capital lease agreement, the City has entered into a number of operating leases. These leases have cancellation provisions and are subject to annual appropriations. For the year ended April 30, 2019, lease expenditures were \$34,329.

Note 6. RETIREMENT COMMITMENTS

The oversight unit of the City maintains two pension trust funds and participates in the Illinois Municipal Retirement Fund (I.M.R.F.).

The City contributes to the Illinois Municipal Retirement Fund, the Police Pension Fund, and the Firefighters' Pension Fund. At April 30, 2019, the City reported the following aggregate amounts related to these pension plans:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net pension liabilities	\$34,051,557	\$1,391,767	\$35,443,324
Deferred outflows (inflows) of resources	6,651,360	729,489	7,380,849
Pension expense	4,137,205	262,711	4,399,916

Pension Trust Funds

Plan Descriptions

Police Pension

Police Department sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 108½ - Article 3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2019, was \$2,554,379 out of a total payroll of \$8,615,342. At April 30, 2019, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>34</u>
Current employees	
Vested	18
Nonvested	<u>24</u>
	<u>42</u>
Total	<u>76</u>

The following is a summary of the Police Pension Plan as provided for in the Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2041, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	30-60%	0.70%
Domestic equities	35-65%	5.80%
Cash and cash equivalents	0-5%	0.50%

ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2019, are listed in the table above.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Discount Rate

The discount rate used to measure the total pension liability was 5.97%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was blended with the index rate of 3.79% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2019, to arrive at a discount rate of 5.97% used to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 5.97% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.97%) or 1 percentage point higher (6.97%) than the current rate:

	1% Decrease (4.97%)	Current Discount Rate (5.97%)	1% Increase (6.97%)
Net pension liability	\$21,021,368	\$15,486,286	\$11,033,382

The net position at April 30, 2019, consisted of the following components:

Reserved for employee contributions	\$ 8,178,127
Reserved for retirement benefits	22,415,714
Unreserved net position (deficit)	(10,246,009)
Net Position	<u>\$ 20,347,832</u>

The components of the net pension liability at April 30, 2019 are as follows:

Total pension liability	\$ 35,834,118
Plan's fiduciary net position	20,347,832
Net pension liability	<u>\$ 15,486,286</u>

Plan fiduciary net position as a percentage of total pension liability	56.78%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2019, the City recognized pension expense for police pension of \$1,718,213. At April 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 226,843	\$126,685
Assumption changes	2,289,977	-0-
Net difference between projected and actual earnings on pension plan investments	595,674	391,993
Total	<u>\$3,112,494</u>	<u>\$518,678</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

Year Ended <u>April 30</u>	
2020	\$ 578,929
2021	262,647
2022	385,343
2023	434,206
2024	364,361
Thereafter	568,330
	<u>\$2,593,816</u>

Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Significant accounting policies for the police pension fund are summarized in Note 1.

Firefighters' Pension

Fire Department sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois State Statutes (Chapter 108½ - Pensions - Article 4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2019, was \$2,029,652 out of a total payroll of \$8,615,342. At April 30, 2019, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>34</u>
Current employees	
Vested	24
Nonvested	<u>5</u>
	<u>29</u>
Total	<u>63</u>

The following is a summary of the Firefighters' Pension Plan as provided for in the Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The City is required to contribute the remaining amounts (not less than 9¼%) necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2041, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	0-80%	0.70%
Equities	0-15%	5.80%
International equities	0-5%	5.90%

ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2019, are listed in the table above.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Discount Rate

The discount rate used to measure the total pension liability was 6.15%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was blended with the index rate of 3.79% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2019, to arrive at a discount rate of 6.15% used to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.15% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.15%) or 1 percentage point higher (7.15%) than the current rate:

	1% Decrease (5.15%)	Current Discount Rate (6.15%)	1% Increase (7.15%)
Net pension liability	\$19,780,301	\$14,869,448	\$10,923,429

The net position at April 30, 2019, consisted of the following components:

Reserved for employee contributions	\$ 10,617,834
Reserved for retirement benefits	15,927,532
Unreserved net position (deficit)	<u>(10,419,342)</u>
Net Position	<u>\$ 16,126,024</u>

The components of the net pension liability at April 30, 2019, are as follows:

Total pension liability	\$ 30,995,472
Plan's fiduciary net position	<u>16,126,024</u>
Net pension liability	<u>\$ 14,869,448</u>

Plan fiduciary net position as a percentage of total pension liability	52.03%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2019, the City recognized pension expense for fire pension of \$1,721,365. At April 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,956	\$270,161
Assumption changes	1,736,674	-0-
Net difference between projected and actual earnings on pension plan investments	<u>924,944</u>	<u>266,440</u>
Total	<u>\$2,678,574</u>	<u>\$536,601</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Fire Pension will be recognized in pension expense as follows:

Year Ended April 30	
2020	\$ 585,075
2021	327,563
2022	448,242
2023	429,738
2024	213,103
Thereafter	138,252
	<u>\$2,141,973</u>

Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Significant accounting policies for the firefighters' pension fund are summarized in Note 1.

Significant Investments

The following are investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represents 5% or more of net position available for benefits:

	Police Pension	Firefighters' Pension
Ishares Core S & P 500 ETF	\$2,646,275	\$ -0-
Vanguard FTSE Developed Markets ETF	1,369,127	-0-
Oakmark Fund - INST OANMX	1,135,259	-0-
Champlain Small Company Fund	1,206,966	-0-
Prime Cap Odyssey Growth	1,253,042	-0-
Russell 2000 ETF	1,433,231	-0-
Schwab DFA US Large Cap Value	-0-	2,650,830
Schwab DFA US Large Co	-0-	2,232,397
Schwab DFA US Small Cap Port	-0-	1,317,854
Schwab DFA US Small Cap Value	-0-	2,400,715

Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-

concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

Actuarial assumptions and changes are listed in the required supplementary information section of this report for both the police pension fund and the firefighters' pension fund. Please refer to this portion of the report for assumption used.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Police Pension			
Balances at May 1, 2018	<u>\$33,721,623</u>	<u>\$19,935,024</u>	<u>\$13,786,599</u>
Changes for the year:			
Service cost	658,250	-0-	658,250
Interest on the total pension liability	2,031,387	-0-	2,031,387
Differences between the expected and actual experience in the measurement of the pension liability	110,306	-0-	110,306
Changes of assumptions	1,015,132	-0-	1,015,132
Contributions - employer	-0-	914,270	(914,270)
Contributions - employee	-0-	237,340	(237,340)
Net investment income	-0-	977,325	(977,325)
Benefits payments, including refunds of employee contributions	(1,702,580)	(1,702,580)	-0-
Administrative expense	<u>-0-</u>	<u>(13,547)</u>	<u>13,547</u>
Net changes	<u>2,112,495</u>	<u>412,808</u>	<u>1,699,687</u>
Balances at April 30, 2019	<u>\$35,834,118</u>	<u>\$20,347,832</u>	<u>\$15,486,286</u>
Firefighters' Pension			
Balances beginning at May 1, 2018	<u>\$28,516,864</u>	<u>\$16,047,401</u>	<u>\$12,469,463</u>
Changes for the year:			
Service cost	554,525	-0-	554,525
Interest on the total pension liability	1,825,397	-0-	1,825,397
Differences between the expected and actual experience in the measurement of the pension liability	(284,774)	-0-	(284,774)
Changes of assumptions	1,679,882	-0-	1,679,882
Contributions - employer	-0-	965,697	(965,697)
Contributions - employee	-0-	181,439	(181,439)
Net investment income	-0-	243,352	(243,352)
Benefits payments, including refunds of employee contributions	(1,296,422)	(1,296,422)	-0-
Administrative expense	<u>-0-</u>	<u>(15,443)</u>	<u>15,443</u>
Net changes	<u>2,478,608</u>	<u>78,623</u>	<u>2,399,985</u>
Balances ending at April 30, 2019	<u>\$30,995,472</u>	<u>\$16,126,024</u>	<u>\$14,869,448</u>

Effects on the Pension Benefit Obligation of Current-Year Changes

There were current-year changes in actuarial assumptions. Actuarial assumptions and changes are listed in the required supplementary information section of this report for both the police pension fund and the firefighters' pension fund. Please refer to this portion of the report for the changes and the assumptions used. There was not any changes in benefit provisions that affected the pension benefit obligation of either the police pension fund or the firefighters' pension fund.

Actuarially Determined Contribution Requirements and Contributions Made

Police Pension and Firefighters' Pension

The Systems' funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate assets gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the City's employee group as a whole has tended to remain level as a percentage of annual covered payroll. The contribution rate for normal cost is determined using the entry age normal actuarial funding method.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements and those used to compute the pension benefit obligation are listed in the required supplementary information section of this report for both the police pension fund and the firefighters' pension fund. Please refer to this portion of the report for assumption used.

Effects on the Contribution Requirements of Current-Year Changes

There were current-year changes in the actuarial assumptions effecting the contribution requirements of the police pension fund and the firefighters' pension fund. Actuarial assumptions and changes are listed in the required supplementary information section of this report for both the police pension fund and the firefighters' pension fund. Please refer to this portion of the report for the changes and the assumptions used.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information is found in the required supplementary information section of the City's comprehensive annual financial report.

Statement of Net Position
As of April 30, 2019

	Police Pension Fund	Firefighters' Pension Fund
Assets		
Cash and short-term investments	\$ 412,069	\$ 325,211
Investments, at fair value:		
U.S. Government and agency obligations	5,539,769	-0-
Mutual funds	11,910,968	10,750,568
Annuities	461	-0-
Certificate of deposit	1,250,286	3,773,405
Total investments	<u>18,701,484</u>	<u>14,523,973</u>
Receivables:		
Accounts	140	-0-
Property and replacement taxes, net	1,203,538	1,283,594
Interest and dividends	44,584	17,516
Total receivables	<u>1,248,262</u>	<u>1,301,110</u>
Total assets	<u>20,361,815</u>	<u>16,150,294</u>
Liabilities		
Payables:		
Accounts	1,785	11,329
Benefits payable	11,917	12,370
Due to other funds	282	571
Total payables	<u>13,984</u>	<u>24,270</u>
Total liabilities	<u>13,984</u>	<u>24,270</u>
Net position - held in trust for pension benefits	<u>\$20,347,831</u>	<u>\$16,126,024</u>

Statement of Changes in Net Position Available for Benefits
Year Ended April 30, 2019

	Police Pension Fund	Firefighters' Pension Fund
Investment income		
Net appreciation (decline) in fair value of investments	\$ 58,832	\$ (428,647)
Interest and dividends	368,356	256,355
Gain on sale of investments	579,375	488,822
	<u>1,006,563</u>	<u>316,530</u>
Investment expense	29,239	73,187
Net investment income	<u>977,324</u>	<u>243,343</u>
Contributions		
Employer, property taxes	905,413	955,969
Employer, general replacement tax	8,857	9,728
Employees	237,340	181,439
	<u>1,151,610</u>	<u>1,147,136</u>
Total additions to net position	<u>2,128,934</u>	<u>1,390,479</u>
Reduction in net position		
Pensions paid to plan participants	1,521,076	1,294,442
Member transfer of service payments	73,007	-0-
Refunds of contributions	108,497	1,981
Administrative expenses	13,547	15,433
	<u>1,716,127</u>	<u>1,311,856</u>
Increase in net position during the year	412,807	78,623
Net position available at beginning of year	<u>19,935,024</u>	<u>16,047,401</u>
Net position available for benefits at end of year	<u>\$20,347,831</u>	<u>\$16,126,024</u>

I.M.R.F.

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (I.M.R.F.), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. I.M.R.F. issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained online at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in I.M.R.F. as participating members unless they are covered by the police pension fund or the firefighters' pension fund for the same service. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings for each year of credited service up to 15 years and 2% for each year thereafter. I.M.R.F. also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Funding Policy - As set by statute, your employer regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2018 used by the employer was 14.03% of annual covered payroll. The employer annual required contribution rate for calendar year 2017 was 15.20%. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the I.M.R.F. level. Contribution rates for disability and death benefits are set by the I.M.R.F. Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost - For calendar year ending December 31, 2018, the employer's actual contributions for pension cost for the calendar year 2018 were \$518,376. Its required contribution for calendar year 2018 was \$527,613.

The required contribution for 2018 was determined as part of the December 31, 2016 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2016, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually.

The actuarial value of your employer regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer regular plan's unfunded actuarial accrued liability at December 31, 2016, is being amortized as a level percentage of projected payroll on an open 25 year basis.

Funded Status and Funding Progress - As of December 31, 2018, the most recent actuarial valuation date, the regular plan was 60.96% funded. The total pension liability was \$33,680,195 and the plan fiduciary net position was \$28,592,603, resulting in a net pension liability of \$5,087,592. The covered payroll for calendar year 2018 (annual payroll of active employees covered by the plan) was \$3,694,768 and the ratio of the net pension liability to the covered payroll was 137.70%. The plan fiduciary net position as a percentage of the total pension liability was 84.89%.

**Summary of Actuarial Methods and Assumptions
Used in the Calculation of the Total Pension Liability**

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll Closed
Asset Valuation Method	5 Year Smoothed Market, 20% Corridor
Wage Growth	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F. specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current I.M.R.F. experience. For disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F. specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that was applied for non-disabled lives. For active members, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F. specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current I.M.R.F. experience.

Other Information:

Notes	There were no benefit changes during the year.
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A detailed description of the actuarial assumptions and methods can be found in the December 31, 2018 Illinois Municipal Retirement Fund annual actuarial valuation report.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net pension liability (asset)	\$8,822,180	\$5,087,592	\$(1,966,760)

The net position at April 30, 2019, consisted of the following components:

Reserved for employee contributions	\$ 2,847,405
Reserved for employer contributions	1,136,387
Reserved for retirement benefits	24,608,811
Net Position	<u>\$28,592,603</u>

The components of the net pension liability at April 30, 2019, are as follows:

Total pension liability	\$33,680,195
Plan's fiduciary net position	28,592,603
Net pension liability	<u>\$ 5,087,592</u>

Plan fiduciary net position as a percentage of total pension liability	84.89%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2019, the City recognized pension expense for I.M.R.F. of \$960,338. At April 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to I.M.R.F. from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 554,213	\$ 23,972	\$ 530,241
Changes in assumptions	576,138	445,199	130,939
Net difference between projected and actual earnings on pension plan investments	4,045,631	2,040,169	2,005,462
Total	<u>\$5,175,982</u>	<u>\$2,509,340</u>	<u>\$2,666,642</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the I.M.R.F. will be recognized in pension expense as follows:

Year Ended April 30	
2019	\$ 971,649
2020	487,568
2021	307,634
2022	899,791
2023	-0-
	<u>\$2,666,642</u>

Illinois Municipal Retirement Fund	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	\$32,208,651	\$31,722,541	\$ 486,110
Changes for the year:			
Service cost	365,511	-0-	365,511
Interest on the total pension liability	2,338,519	-0-	2,338,519
Differences between the expected and actual experience in the measurement of the pension liability	357,873	-0-	357,873
Changes of assumptions	831,946	-0-	831,946
Contributions - employer	-0-	518,376	(518,376)
Contributions - employee	-0-	166,264	(166,264)
Net investment income	-0-	(2,156,284)	2,156,284
Benefits payments, including refunds of employee contributions	(2,422,305)	(2,422,305)	-0-
Other changes (net transfer)	-0-	764,011	(764,011)
Net changes	<u>1,471,544</u>	<u>(3,129,938)</u>	<u>4,601,482</u>
Balances at December 31, 2018	\$33,680,195	\$28,592,603	\$ 5,087,592

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

There were no securities of the City or related parties included in the System's assets.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information is found in the required supplementary information section of the City's comprehensive annual financial report.

Post-Retirement Health Care Benefits

Plan Description - The City provides post-retirement benefits for certain employees for current and future health insurance benefit expenses through a single-employer defined benefit plan. An actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made April 30, 2019.

The contribution requirements of plan members and the City are established and may be amended by the City. The actuarial valuation used the entry age method. The City currently funds the plan on a "pay as you go basis". The Plan is a single-employer defined benefit healthcare plan administered by the City. No assets are accumulated in a trust for the Plan. The City does not issue a separate report related to post-retirement healthcare benefits. The OPEB liability is mostly liquidated by the General, Water, and Sewer Funds. Current year contributions were \$836,148, \$697,085 explicit payments and \$139,063 are implicit payments.

At April 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	85
Inactive employees entitled to but not yet receiving benefits	-0-
Active employees	<u>137</u>
Total	<u>222</u>

Total OPEB Liability

The City's total OPEB liability was measured as of April 30, 2019, and was determined by an actuarial valuation as of that date under GASB Statement No. 75.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Salary increase	2.75% including inflation
Discount rate	3.79%
Healthcare cost trend rates	8.0% for 4/30/19 decreasing to an ultimate rate of 5.0% for 2026 and later years

The discount rate was based on the 20 year bond GO index at the end of the fiscal year. The rate for the prior fiscal year was 3.97%.

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table for males and females, as appropriate, with generational projection based on Scale MP-2016.

The Plan has not had a formal actuarial experience study performed.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at April 30, 2018	\$9,717,256
Changes for the year:	
Service cost	144,639
Interest	369,177
Changes of assumptions	124,238
Benefit payments	<u>(836,148)</u>
Net changes	<u>(198,094)</u>
Balances at December 31, 2018	<u>\$9,519,162</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.97% in 2018 to 3.79% in 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.79%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.79%) or 1% point higher (4.79%) than the current discount rate:

	<u>1% Decrease (2.79%)</u>	<u>Current Discount Rate (3.79%)</u>	<u>1% Increase (4.79%)</u>
Total OPEB liability	\$10,323,149	\$9,519,162	\$8,912,908

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, calculated using the healthcare cost trend rates of 8.0% decreasing to 5.0% as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (7.0% decreasing to 4.0%) or 1% point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	<u>1% Decrease Varies</u>	<u>Current Discount Rate Varies</u>	<u>1% Increase Varies</u>
Total OPEB liability	\$8,735,057	\$9,519,162	\$10,547,288

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the City recognized OPEB expense of \$528,347. Deferred outflows and inflows of resources related to OPEB are from the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Assumption changes	\$109,707	\$-0-	\$109,707

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For The
Years Ending
April 30

2020	\$ 14,531
2021	14,531
2022	14,531
2023	14,531
2024	14,531
Thereafter	37,052
Total	<u>\$109,707</u>

Related Party Investments

During the year ended April 30, 2019, none of the above mentioned pension funds held securities issued by the City or other related parties.

Note 7. COMMITMENTS

At April 30, 2019, the City had accepted bids on projects, contracts, or purchases which were not completed at that date. Major commitments were as follows:

General Corporate Fund	
Tri-state Mailing Systems	\$ 570
Mid America Fire & Safety - four thermal imaging cameras	\$14,431
Aquatic Zoo	
Bevis Construction - Concrete Work	\$36,360
Furniture Leisure Commercial Site Finishing - 100 Lounge Chairs	\$20,614
Recreonics, Inc. - Two Diving Boards	\$8,652
General Corporate Capital Fund	
Sumprone Group Kyocera 6052CI Copier	
5-year Maintenance Agreement \$9,858	\$9,619
Morrow Brothers Ford for a New Police 2019 Ford Interceptor	\$32,480
Quality of Life Fund	
Henagan & Associates - Bennett Metal Water Extension \$47,000 (Rackaway)	\$13,417
Rhutasel & Associates - Design of Concrete Road on 44 th Street North and South \$138,500	\$18,522
Rhutasel & Associates - North and South 44 th Street Resurface Design	\$11,143
HMG 42 nd Street Turn Lane Design \$61,200	\$30,600
North 44 th Street Road Improvement bid accepted	
Baxmeyer Construction, Inc \$1,072,077	\$605,764
Brian Edmison & Associates, LLC for Drawings for the Design of the New Retail US Post Office Facility	\$79,000
Downtown TIF	
Downtown TIF Projects	\$484,203
Home Rule Tax	
Heck's Excavating - Property Demolition \$52,000	\$4,000
Ken Hails - Property Demolition \$93,800	\$13,080
Sanitation	
CWI 5/1/19-4/30/22	\$3,419,078
Tourism	
Fireworks 2019-2020	\$40,000
Water	
EMC 5/1/18 - 4/30/23	\$720,000
EMC 5/1/18 - 4/30/19	\$10,859
EMC 5/1/19 - 4/30/20 (assumed minimum increase of 1.5%)	\$2,168,782
EMC 5/1/20 - 4/30/21 (assumed minimum increase of 1.5%)	\$2,201,314
EMC 5/1/21 - 4/30/22 (assumed minimum increase of 1.5%)	\$2,234,333
EMC 5/1/22 - 4/30/23 (assumed minimum increase of 1.5%)	\$2,267,849
Heneghan & Associates - Opdyke Water Tower Maintenance Design \$50,500	\$9,252
JK Trotter for water system upgrade project (pits at base of towers) \$395,495	\$172,670
Kamstrup water meters \$2,600,000	\$2,553,706
Rhutasel & Associates Water Main Project \$142,300	\$89,437
Round Table Design Water Main Project \$295,000	\$245,500
Sanitary Sewer	
Visu-Sewer Waste Water Treatment Plant Sewer Investigation Project \$86,334	\$45,628
Visu-Sewer Sanitary Sewer Cleaning and Televising Project in the Summersville area \$64,356	\$5,737
All Funds	
Audit of Comprehensive Annual Report 2019 Through 2020	\$156,300
Mathis Excavating for aggregate milling \$32,500	\$11,722

Note 8. INDIVIDUAL FUND DISCLOSURES

Expenditures exceeded budgeted amounts at the legal level at which they may not, as described in Note 1 under the caption "Budgets", in the following instances:

Fund/Department	Object Classification	Original Budget	Budget Amendment	Amended Budget	Actual	Variance
General Corporate Fund						
City Manager	Workers compensation benefits	\$ 1,011	\$ -0-	\$ 1,011	\$ 1,262	\$ (251)
	Publishing	30	-0-	30	105	(75)
	Pager/cell	1,413	-0-	1,413	1,570	(157)
	Motor fuels and lubricants	666	-0-	666	806	(140)
	Maintenance/repair - buildings and structures	300	-0-	300	565	(265)
	Maintenance/repair - vehicles	400	-0-	400	448	(48)
	Other contractual services	250	-0-	250	282	(32)
City Clerk	Overtime	-0-	-0-	-0-	33	(33)
	Health insurance benefits	15,003	-0-	15,003	15,005	(2)
	Communications - postage	630	-0-	630	715	(85)
	Maintenance/repair - equipment	395	-0-	395	428	(33)
	Subscriptions and memberships	130	-0-	130	133	(3)
Human Resources Division	Regular salaries and wages	95,678	(1,674)	97,352	97,354	(2)
	Overtime	-0-	-0-	-0-	457	(457)
	FICA benefits	5,932	(104)	6,036	6,041	(5)
	Medicare benefits	1,387	(24)	1,411	1,413	(2)
	Workers compensation benefits	616	-0-	616	621	(5)
	Communications - postage	160	-0-	160	198	(38)
	Office supplies	685	-0-	685	805	(120)
Legal	Plan F medical insurance	6,153	-0-	6,153	6,165	(12)
	Communications - postage	950	-0-	950	978	(28)
Park	Unemployment benefits	3,670	-0-	3,670	4,078	(408)
	Special fringe benefits	2,255	-0-	2,255	2,663	(408)
	Pager/cell	719	-0-	719	879	(160)
	GPS tracking	1,910	-0-	1,910	1,953	(43)
	Rental charges	2,292	-0-	2,292	2,717	(425)
Finance Administration	Workers compensation benefits	1,285	-0-	1,285	1,290	(5)
	Professional/consulting	-0-	-0-	-0-	126	(126)
	Communications - telephone	2,189	-0-	2,189	2,223	(34)
	Communications - pagers/cell phones	471	-0-	471	523	(52)
	Motor fuels and lubricants	222	-0-	222	255	(33)
	Maintenance/repair - buildings and structures	200	-0-	200	474	(274)
	Other contractual services	250	-0-	250	398	(148)
Engineering	Health insurance benefits	60,011	-0-	60,011	60,021	(10)
	Professional/consulting	350	-0-	350	542	(192)
	GPS tracking	1,433	-0-	1,433	1,772	(339)
	Insurance business auto	-0-	-0-	-0-	3	(3)
Police	Maintenance/repair - vehicle parts	40,000	(8,000)	48,000	52,739	(4,739)
Fire	Overtime	174,151	12,952	161,199	192,797	(31,598)
	Outside cleaning	1,200	-0-	1,200	1,238	(38)
	Publishing	2,000	-0-	2,000	2,010	(10)
	Analysis and testing	11,000	-0-	11,000	11,299	(299)
	Communications - postage	200	-0-	200	269	(69)
	Pager/cell	3,161	-0-	3,161	3,227	(66)
	License and taxes	50	-0-	50	54	(4)
ESDA	Communications - telephone	290	-0-	290	299	(9)
	Chemicals	1,500	-0-	1,500	1,509	(9)
	Subscriptions and memberships	380	-0-	380	630	(250)
Public Works	FICA benefits	38,781	(678)	39,459	39,807	(348)
	Medicare benefits	9,070	(159)	9,229	9,310	(81)
	Communications - postage	30	-0-	30	36	(6)
	Subscriptions and memberships	190	-0-	190	196	(6)
	Charge out 1201 Casey	42,898	-0-	42,898	43,230	(332)
Fleet Services	Incentive pay	4,800	-0-	4,800	5,023	(223)
	Printing	300	-0-	300	544	(244)
General Government	Printing	(350)	-0-	(350)	(175)	(175)
	Communications - postage	1,819	-0-	1,819	2,124	(305)
	Motor fuels and lubricants	2,886	-0-	2,886	3,002	(116)
	Subscriptions and memberships	2,155	-0-	2,155	2,223	(68)
	Discount on notes receivable sold	-0-	(10,500)	10,500	14,944	(4,444)
	Public relations	2,280	-0-	2,280	2,556	(276)
	Employee relations	3,150	-0-	3,150	3,556	(406)

(Continued)

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<u>Fund/Department</u>	<u>Object Classification</u>	<u>Original Budget</u>	<u>Budget Amendment</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
1201 Casey	Overtime	-0-	-0-	-0-	224	(224)
	Health insurance benefits	31,256	-0-	31,256	31,260	(4)
	Charter	1,188	-0-	1,188	1,271	(83)
	Utilities electric	14,873	-0-	14,873	14,888	(15)
	Operating supplies	1,600	-0-	1,600	1,653	(53)
	Maintenance/repair - building equipment	490	-0-	490	982	(492)
	Service/charges operating division	(171,592)	-0-	(171,592)	(171,031)	(561)
Aquatic Center	Noncapital equipment	17,500	(3,400)	20,900	21,089	(189)
	Additional sidewalks	-0-	-0-	-0-	488	(488)
Quality of Life	Verizon Aircard	-0-	-0-	-0-	38	(38)
	City Hall building repairs	-0-	-0-	-0-	1,040	(1,040)
	2012 GOB bond interest	601,713	9,200	592,513	610,840	(18,327)
General Corporate Capital	Annual audit costs	1,302	-0-	1,302	1,443	(141)
	State administration fee - TCom tax	-0-	-0-	-0-	312	(312)
	Licensed vehicles	-0-	-0-	-0-	14,066	(14,066)
TIF - Downtown	Office supplies	-0-	-0-	-0-	15	(15)
	Construction of new buildings	-0-	-0-	-0-	4,650	(4,650)
Tourism	New hire screening	-0-	-0-	-0-	357	(357)
	Travel/conference/training	4,900	-0-	4,900	5,151	(251)
	Salute to Freedom expense	20,000	-0-	20,000	20,300	(300)
	Subscriptions and memberships	1,820	-0-	1,820	1,946	(126)
Special Service Area Number One	Workers compensation benefits	3,877	-0-	3,877	4,220	(343)
	Vacation pay expense	-0-	-0-	-0-	4,105	(4,105)
	Maintenance/repair building and structures	1,350	-0-	1,350	1,700	(350)
	Other contractual charges	70	-0-	70	87	(17)

Receivables as of April 30, 2019, for the government's individual major funds and aggregate nonmajor funds including applicable allowances for uncollectible accounts, are as follows:

	General Corporate Fund	Quality of Life	General Corporate Capital	Motor Fuel Tax	Sanitation	Home Rule Tax	Water Fund	Sewer Fund	Downtown TIF	Nonmajor Governmental Funds	Total
Receivables:											
Accounts receivable, gross	\$ 50,675	\$ 6,535	\$ 5,132	\$ -0-	\$75,442	\$605,675	\$619,660	\$454,414	\$ 1,600	\$ 101,647	\$1,920,780
Notes	139,256	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	139,256
Due from other governments and their agencies	1,676,640	1,416,200	149,110	33,815	-0-	-0-	-0-	-0-	-0-	-0-	3,275,765
Property and replacement taxes, gross	1,545,324	-0-	-0-	-0-	-0-	-0-	-0-	-0-	583,975	985,033	3,114,332
Interest	-0-	-0-	-0-	-0-	-0-	-0-	713	-0-	-0-	-0-	713
Gross receivables	3,411,895	1,422,735	154,242	33,815	75,442	605,675	620,373	454,414	585,575	1,086,680	8,450,846
Less: allowance for uncollectibles	4,540	-0-	-0-	-0-	1,000	-0-	63,000	45,000	-0-	-0-	113,540
Net receivables	<u>\$3,407,355</u>	<u>\$1,422,735</u>	<u>\$154,242</u>	<u>\$33,815</u>	<u>\$74,442</u>	<u>\$605,675</u>	<u>\$557,373</u>	<u>\$409,414</u>	<u>\$585,575</u>	<u>\$1,086,680</u>	<u>\$8,337,306</u>

Interfund receivables and payables for the year ended April 30, 2019, consist of the following:

Interfund receivables

Amount	Due From Other Funds	Due To Other Funds	Purpose
\$ 22,960	General Corporate	Industrial Park TIF	Community development cash flow loan
250,000	General Corporate	Downtown TIF	Community development cash flow loan
272,960	Total Governmental Funds		
216	Sanitation	Public Utilities	Sanitation's portion of customer billings
216	Total Enterprise Funds		
273,176	Totals		
282	Police Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
571	Firefighters' Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>\$274,029</u>	Total reported on statement of net position due from other funds		

Interfund payables

Amount	Due To Other Funds	Due From Other Funds	Purpose
\$ 22,960	Industrial Park TIF	General Corporate	Community development cash flow loan
250,000	Downtown TIF	General Corporate	Community development cash flow loan
272,960	Total Governmental Funds		
216	Public Utilities	Sanitation	Payroll withholding clearing
<u>216</u>	Total Enterprise Funds		
<u>\$273,176</u>	Total reported on statement of net position due to other funds		

Interfund receivables and payables mainly consist of cash flow loans from one fund to another. Each balance is expected to be paid back within one year.

Interfund transfers for the year ended April 30, 2019, consist of the following amounts:

On government-wide financial statements:

	Transfers To	Transfers From							Nonmajor Governmental Funds	Business-Type Activities
		General Corporate Fund	Quality of Life	General Corporate Capital	Motor Fuel Tax	Sanitation	Home Rule Tax	Downtown TIF		
Governmental Activities:										
General Corporate Fund	\$ 200,512	\$ -0-	\$ -0-	\$ -0-	\$-0-	\$-0-	\$ -0-	\$15,000	\$185,512	\$-0-
General Corporate Capital	1,000,000	1,000,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Quality of Life	2,418,279	-0-	-0-	2,418,279	-0-	-0-	-0-	-0-	-0-	-0-
Total Governmental Activities	<u>3,618,791</u>	<u>1,000,000</u>	<u>-0-</u>	<u>2,418,279</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>15,000</u>	<u>185,512</u>	<u>-0-</u>
Business-Type Activities:										
Water Fund	1,389,004	-0-	29,796	204,972	-0-	-0-	1,154,236	-0-	-0-	-0-
Sewer Fund	1,154,236	-0-	-0-	-0-	-0-	-0-	1,154,236	-0-	-0-	-0-
Total Business-Type Activities	<u>2,543,240</u>	<u>-0-</u>	<u>29,796</u>	<u>204,972</u>	<u>-0-</u>	<u>-0-</u>	<u>2,308,472</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Government	<u>\$6,162,031</u>	<u>\$1,000,000</u>	<u>\$29,796</u>	<u>\$2,623,251</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$2,308,472</u>	<u>\$15,000</u>	<u>\$185,512</u>	<u>\$-0-</u>
Transfers-in		Transfers-out								
Governmental Activities	\$3,618,791	Governmental Activities				\$6,162,031				
Business-Type Activities	2,543,240	Business-Type Activities				-0-				
Total Governmental Activities	<u>\$6,162,031</u>	Total Governmental Activities				<u>\$6,162,031</u>				

On fund financial statements:

	Transfers To	Transfers From							Nonmajor Governmental Funds	Business-Type Activities
		General Corporate Fund	Quality of Life	General Corporate Capital	Motor Fuel Tax	Sanitation	Home Rule Tax	Downtown TIF		
Governmental Activities:										
General Corporate Fund	\$ 220,512	\$ -0-	\$ -0-	\$ -0-	\$-0-	\$-0-	\$ -0-	\$15,000	\$185,512	\$-0-
General Corporate Capital	1,000,000	1,000,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Quality of Life	2,418,279	-0-	-0-	2,418,279	-0-	-0-	-0-	-0-	-0-	-0-
Total Governmental Activities	<u>3,618,791</u>	<u>1,000,000</u>	<u>-0-</u>	<u>2,418,279</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>15,000</u>	<u>185,512</u>	<u>-0-</u>
Business-Type Activities:										
Water Fund	1,389,004	-0-	29,796	204,972	-0-	-0-	1,154,236	-0-	-0-	-0-
Sewer Fund	1,154,236	-0-	-0-	-0-	-0-	-0-	1,154,236	-0-	-0-	-0-
Total Business-Type Activities	<u>2,543,240</u>	<u>-0-</u>	<u>29,796</u>	<u>204,972</u>	<u>-0-</u>	<u>-0-</u>	<u>2,308,472</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Government Activities	<u>\$6,162,031</u>	<u>\$1,000,000</u>	<u>\$29,796</u>	<u>\$2,623,251</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$2,308,472</u>	<u>\$15,000</u>	<u>\$185,512</u>	<u>\$-0-</u>

Eliminations

Interfund transfers are reported in the governmental activities and business-type activities fund financial statements. In the government-wide statements, interfund transfers are eliminated within the governmental activities column and within the business-type column.

Purpose of Transfers

Transfers are used to (1) move revenues from the fund that State statute or City ordinances requires to collect them to the fund that State statutes or City ordinances requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The City maintains two enterprise funds. The public utilities fund provides waterworks utility services and sanitary sewerage utility services. The sanitation fund provides for the collecting and disposing of refuse.

Segment information for the City's enterprise funds for the year ending April 30, 2019, is presented in the following table.

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>
Condensed Statement of Net Position			
Assets:			
Current assets	\$ 1,364,394	\$ 2,383,457	\$ 243,642
Capital assets	12,912,347	12,436,927	40,000
Other noncurrent assets	279,601	-0-	-0-
Total assets	<u>14,556,342</u>	<u>14,820,384</u>	<u>283,642</u>
Deferred outflows of resources			
Deferred pension charges	585,685	159,888	-0-
Total deferred outflows of resources	<u>585,685</u>	<u>159,888</u>	<u>-0-</u>
Liabilities:			
Current liabilities	825,531	197,766	88,677
Noncurrent liabilities	12,064,169	799,495	-0-
Total liabilities	<u>12,889,700</u>	<u>997,261</u>	<u>88,677</u>
Deferred inflows of resources			
Deferred revenue	66,094	-0-	-0-
Total deferred inflows of resources	<u>66,094</u>	<u>-0-</u>	<u>-0-</u>
Net position:			
Net investment in capital assets	3,614,935	12,183,602	40,000
Committed for:			
Restricted revenue	248,169	-0-	-0-
Restricted for:			
Unrestricted	(1,676,871)	1,799,409	154,965
Total net position	<u>\$ 2,186,233</u>	<u>\$13,983,011</u>	<u>\$ 194,965</u>

(Continued)

(Continued)

	Water Fund	Sewer Fund	Sanitation Fund
Condensed Statement of Revenues, Expenses, and Changes in Net Position			
Operating revenues:			
User charges	\$ 4,761,037	\$ 3,341,953	\$1,158,518
Other operating revenues	43,258	44,622	-0-
Total operating revenues	<u>4,804,295</u>	<u>3,386,575</u>	<u>1,158,518</u>
Operating expenses:			
Depreciation expense:			
On property and equipment acquired with fund liabilities or retained earnings	285,933	229,691	-0-
On property and equipment acquired with contributed equity	67,098	394,005	-0-
Total depreciation expense	<u>353,031</u>	<u>623,696</u>	<u>-0-</u>
Administration	1,768,474	1,036,527	33,233
Cost of sales and services	2,149,792	1,606,579	1,070,388
Total operating expenses	<u>4,271,297</u>	<u>3,266,802</u>	<u>1,103,621</u>
Operating income	<u>532,998</u>	<u>119,773</u>	<u>54,897</u>
Non-operating revenues (expenses):			
Non-operating revenues	172,137	70,870	3,415
Property tax revenue	37,820	-0-	-0-
Interest and fiscal charges - bonds	(388,572)	(6,630)	-0-
Total non-operating revenues (expenses)	<u>(178,615)</u>	<u>64,240</u>	<u>3,415</u>
Net income	354,383	184,013	58,312
Transfers from other funds	<u>(11,529,915)</u>	<u>14,073,155</u>	<u>-0-</u>
Change in net position	(11,175,532)	14,257,168	58,312
Total net position - beginning, as previously reported	14,699,527	-0-	136,653
Cumulative change in accounting principle - See Note 14	(1,337,762)	(274,157)	-0-
Net position - beginning, restated	<u>13,361,765</u>	<u>(274,157)</u>	<u>136,653</u>
Total net position, ending	<u>\$ 2,186,233</u>	<u>\$13,983,011</u>	<u>\$ 194,965</u>
Capital Assets Additions and Deletions			
Property and equipment:			
Additions	<u>\$ 4,656,507</u>	<u>\$ 480,188</u>	<u>\$ -0-</u>
Condensed Statement of Cash Flows			
Net cash provided by operating activities	\$ 910,296	\$ 898,527	\$ 65,813
Net cash provided by noncapital financing activities	1,139,489	1,497,258	-0-
Net cash (used for) capital and related financing activities	(2,766,169)	(519,644)	-0-
Net cash provided by investing activities	87,386	70,870	3,415
Net cash provided by nonexchange activities	<u>37,820</u>	<u>-0-</u>	<u>-0-</u>
Net (decrease) increase in cash and cash equivalents	(591,178)	1,947,011	69,228
Cash and cash equivalents at May 1, 2018	<u>1,466,953</u>	<u>-0-</u>	<u>99,756</u>
Cash and cash equivalents at April 30, 2019	<u>\$ 875,775</u>	<u>\$ 1,947,011</u>	<u>\$ 168,984</u>
Reported as:			
Current assets	\$ 596,174	\$ 1,947,011	\$ 168,984
Restricted assets	279,601	-0-	-0-
	<u>\$ 875,775</u>	<u>\$ 1,947,011</u>	<u>\$ 168,984</u>

Note 9. CONTINGENT LIABILITIES AND RISK POOL PARTICIPATION

The City participates in a number of financial assistance programs that utilize Federal and State funds. Most of these programs are subject to program compliance audits by the grantors or their representatives. Some of the audits of these programs for or including the year ended April 30, 2019, have not yet been finalized. Accordingly, the City's compliance with applicable program requirements will be established at some future date. The amount, if any, of unrecorded liabilities to the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial. Additionally, some financial assistance programs place restrictions on the use and disposition of certain property acquired with program funds.

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Starting September 1, 1997, the City of Mt. Vernon, Illinois elected to manage this risk by becoming a member of the Illinois Municipal League Risk Management Association. The IMLRMA insures hundreds of cities in Illinois for the purpose of operating and maintaining a cooperative program of self-insurance and risk management. The IMLRMA is a self-insured pool which is reinsured by Gen Reif, a major insurer. The City does not retain any risk of loss since the risk pool is backed by a major insurer for any short falls. No settlements have exceeded insurance coverage in the past three years.

Beginning January 1, 2008, the City created the health insurance fund (an Internal Service Fund) to administer the newly adopted self-insurance plan for employee health related benefits. The use of this fund does not constitute a transfer of risk from the City. A stop loss insurance policy is purchased from a commercial insurance company to cover employee health care costs that exceed \$60,000 per employee or \$1,600,000 for the group per calendar year. The City has a third party administrator that is responsible for administering the plan and paying health claims as submitted by various medical billing offices. The third party administrator is Health Alliance. The City funds that have employees participate in the costs of the health insurance fund. Each fund with employees makes payments to the health insurance fund based upon amounts determined by the third party administrator of the plan. As of April 30, 2019, the monthly cost per employee was determined to be \$1,248. The insurance coverage is substantially the same as in prior years.

GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, as amended by GASB Statement No. 30, Risk Financing Omnibus, which requires that claims liabilities be based upon estimated ultimate costs of settling the claims. The liability also includes incurred but not reported claims (IBNR) developed through actuarial analysis of loss history and actual claims paid. Amounts due in future years on claims as of April 30, 2019, are recognized as a long-term liability in the statement of net position. Changes in the balance of estimated insurance claims payable for the years ended April 30, 2008 through 2019 are:

	2019	2018	2017	2016	2015	2014
Claims liability at beginning of year	\$ 142,191	\$ 285,728	\$ 385,996	\$ 545,074	\$ 311,493	\$ 373,037
Current year claims and estimate changes	1,966,165	1,875,057	2,566,016	2,959,204	1,946,061	1,687,621
Claims payments	(1,987,205)	(2,018,594)	(2,666,284)	(3,118,282)	(1,712,480)	(1,749,165)
Claims liability at end of year	<u>\$ 121,151</u>	<u>\$ 142,191</u>	<u>\$ 285,728</u>	<u>\$ 385,996</u>	<u>\$ 545,074</u>	<u>\$ 311,493</u>
	2013	2012	2011	2010	2009	2008*
Claims liability at beginning of year	\$ 118,704	\$ 225,894	\$ 139,586	\$ 257,409	\$ 218,860	\$ -0-
Current year claims and estimate changes	2,076,680	1,704,422	1,666,328	1,505,842	1,707,979	561,409
Claims payments	(1,822,347)	(1,811,612)	(1,580,020)	(1,623,665)	(1,669,430)	(342,549)
Claims liability at end of year	<u>\$ 373,037</u>	<u>\$ 118,704</u>	<u>\$ 225,894</u>	<u>\$ 139,586</u>	<u>\$ 257,409</u>	<u>\$ 218,860</u>

*January 1, 2008 through April 30, 2008

Note 10. TIF FUNDS

During the fiscal year ended April 30, 2009, the City created two Tax Increment Financing (TIF) funds. The Downtown TIF fund and the Homestead TIF fund. During the fiscal year ended April 30, 2010, the City created two additional TIF funds, Rt 15 and I-57 TIF and Industrial Park Construction TIF. Illinois statutes require that all TIF's file an annual TIF report with the IOC. Statutes also require a stand alone audit be submitted along with the TIF report for any TIF fund that has accumulated more than \$100,000 in incremental revenue. TIF funds that are below the \$100,000 threshold are allowed to submit the municipal audit report which includes the TIF fund reporting. The Downtown TIF, The Industrial Park Construction TIF, and the Route 15 and I-57 TIF required stand alone audits for April 30, 2019.

The TIF funds were created under the provisions of the Illinois' Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74).

Tax Increment Financing is simple in concept. TIF calls for local taxing bodies to make a joint investment in the development or redevelopment of an area, with the intent that any short-term gains be reinvested and leveraged so that all the taxing bodies will receive larger financial gains in the future. The funds for this investment do not come from current revenues, but from future tax revenues, not otherwise expected to occur. These new revenues are generated by increased public and private investment in identified, underperforming areas.

When a TIF redevelopment project area (often called a TIF district) is created, the value of the property in the area is established as the "base" amount. The property taxes paid on this base amount continue to go to the various taxing bodies as they always had, with the amount of this revenue declining only if the base declines (something that the TIF is expected to keep from happening) or the tax rate goes down. It is the growth of the value of the property over the base that generates the tax increment. This increment is collected into a special fund (the Special Tax Increment Allocation Fund) for use by the municipality to make additional investment in the TIF project area. This reinvestment generates additional growth in property value, which results in even more revenue growth for reinvestment.

In this way the TIF redevelopment project creates a vital cycle, increasing development and redevelopment in the area, such that when the TIF project ends - and Illinois law allows a TIF project to exist for a period of up to 23 years - all of the taxing bodies benefit from the new growth.

A tax increment is the difference between the amount of property tax revenue generated before TIF district designation and the amount of property tax revenue generated after designation. Establishment of a TIF does not reduce property tax revenues available to overlapping taxing bodies as the property taxes collected on properties included in the TIF at the time of designation continue to be distributed to them in the same manner as they would if the TIF did not exist. Only the new property taxes generated by the incremental increase in the value of these properties after the TIF is established are available for investment in the TIF.

Note 11. ACCRETION OF BOND PREMIUM

Accretion of Series 2012 Bond Premium

The original bond premium of the Series 2012 bonds were \$1,002,413. This premium is being accreted over the 20 year life of the bonds based upon the effective interest rate method.

Current year accretion was \$41,585 leaving a balance of \$774,610 distributed in the following funds: General Corporate Capital \$271,914, Quality of Life \$427,643, Public Utilities \$75,053. Related accretion revenue for the years ended April 30, 2020 through April 30, 2033, is as follows:

Year Ending April 30,	General Corporate Capital		Quality of Life		Public Utilities		Total	
	Accretion Revenue	Unaccreted Premium	Accretion Revenue	Unaccreted Premium	Accretion Revenue	Unaccreted Premium	Accretion Revenue	Unaccreted Premium
2020	\$ 14,994	\$256,920	\$ 23,581	\$404,062	\$ 4,138	\$70,916	\$ 42,713	\$731,898
2021	15,587	241,333	24,515	379,547	4,302	66,614	44,404	687,494
2022	16,231	225,102	25,526	354,021	4,480	62,134	46,237	641,257
2023	16,874	208,228	26,538	327,483	4,658	57,476	48,070	593,187
2024	17,567	190,661	27,628	299,855	4,849	52,627	50,044	543,143
2025	18,260	172,401	28,717	271,138	5,040	47,587	52,017	491,126
2026	18,804	153,597	29,573	241,565	5,190	42,397	53,567	437,559
2027	19,546	134,051	30,741	210,824	5,395	37,002	55,682	381,877
2028	20,338	113,713	31,986	178,838	5,614	31,388	57,938	323,939
2029	21,179	92,534	33,309	145,529	5,846	25,542	60,334	263,605
2030	22,020	70,514	34,632	110,897	6,078	19,464	62,730	200,875
2031	22,713	47,801	35,721	75,176	6,269	13,195	64,703	136,172
2032	23,506	24,295	36,966	38,210	6,487	6,707	66,959	69,212
2033	24,295	-0-	38,210	-0-	6,707	-0-	69,212	-0-
	<u>\$271,914</u>	<u>\$ -0-</u>	<u>\$427,643</u>	<u>\$ -0-</u>	<u>\$75,053</u>	<u>\$ -0-</u>	<u>\$774,610</u>	<u>\$ -0-</u>

Note 12. TAX ABATEMENT AGREEMENTS

ENTERPRISE ZONE INCENTIVES

The City uses enterprise zone incentives to entice businesses to start or expand their businesses. These agreements are structured in accordance with the Illinois Enterprise Zone Program, which is designed to stimulate economic growth and neighborhood revitalization in economically depressed areas of the state through state and local tax incentives, regulatory relief and improved governmental services. Businesses located or expanding in an Illinois enterprise zone may be eligible for the following state and local tax incentives:

STATE INCENTIVES AND EXEMPTIONS

- 1) Exemption on retailers' occupation tax paid on building materials
- 2) An investment tax credit of 0.5% of qualified property
- 3) Expanded state sales tax exemptions on purchases of personal property used or consumed in the manufacturing process or in the operation of a pollution control facility
- 4) An exemption on the state utility tax for electricity and natural gas
- 5) An exemption on the Illinois Commerce Commission's administrative charge and telecommunication excise tax

CITY INCENTIVES AND EXEMPTIONS

- 1) Property tax exemption for a period of time, depending on the type and size of a project and/or the number of jobs being created
- 2) Abatement of the City's building permit, electrical permit, plumbing permit and excavation permit fees

Exemptions are available for companies that make minimum statutory investments that either create or retain a certain number of jobs. These exemptions require a business to make application to, and be certified by, the Illinois Department of Commerce.

Numerous Mt. Vernon businesses are participating in the City's enterprise zone program. Since the City is not subject to the Property Tax Extension Limitation Law, because of being a Home Rule Community, there is no property tax loss to the City from the enterprise zone program. This is also true in the special taxing district of the City. The loss of permit fees revenue is immaterial.

TAX INCREMENT FINANCING INCENTIVES

The City has three Tax Increment Financing (TIF) Districts that are organized under the State's Tax Increment Financing Program which stimulate economic growth and neighborhood revitalization in economically depressed areas through local subsidy incentives. The TIF Districts provide City subsidies for eligible development expenses, that the City funds with property taxes assessed on the increased assessed value (increment) related to the improvements. No other county taxing districts besides the City receive these incremental property taxes for the life of the TIF, which is normally twenty-three years. The City has numerous local companies participating in its three TIF Districts. Since the City receives more property taxes under the TIF program than it would have otherwise, there are no property tax or other revenues lost from this program.

Note 13. RESTATEMENT

For the fiscal year ended April 30, 2019, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This standard establishes standards for governmental employer recognition, measurement, and presentation of information about other postemployment benefits (OPEB). To establish beginning balances for the net OPEB liability, the fiscal year ended April 30, 2018 ending net positions for the City's government-wide and enterprise fund financial statements were restated as follows:

Government-Wide Financial Statements

The restatement required by GASB Statement No. 75 affected balance sheet accounts as presented below.

	Governmental Activities			Business-Type Activities			Total		
	Previously Reported	Restated	Change	Previously Reported	Restated	Change	Previously Reported	Restated	Change
Current and other assets	\$ 22,665,566	\$ 22,665,566	\$ -0-	\$ 2,795,541	\$ 2,795,541	\$ -0-	\$ 25,461,107	\$ 25,461,107	\$ -0-
Capital assets	49,994,255	49,994,255	-0-	21,229,305	21,229,305	-0-	71,223,560	71,223,560	-0-
Total assets	<u>72,659,821</u>	<u>72,659,821</u>	<u>-0-</u>	<u>24,024,846</u>	<u>24,024,846</u>	<u>-0-</u>	<u>96,684,667</u>	<u>96,684,667</u>	<u>-0-</u>
Deferred outflows of resources									
Deferred pension and OPEB charges	1,042,623	1,148,648	106,025	-0-	18,213	18,213	1,042,623	1,166,861	124,238
Total deferred outflows of resources	<u>1,042,623</u>	<u>1,148,648</u>	<u>106,025</u>	<u>-0-</u>	<u>18,213</u>	<u>18,213</u>	<u>1,042,623</u>	<u>1,166,861</u>	<u>124,238</u>
Current liabilities	6,229,435	6,229,435	-0-	1,173,635	1,173,635	-0-	7,403,070	7,403,070	-0-
Long-term liabilities	56,518,080	65,724,268	9,206,188	7,530,822	9,160,954	1,630,132	64,048,902	74,885,222	10,836,320
Total liabilities	<u>62,747,515</u>	<u>71,953,703</u>	<u>9,206,188</u>	<u>8,704,457</u>	<u>10,334,589</u>	<u>1,630,132</u>	<u>71,451,972</u>	<u>82,288,292</u>	<u>10,836,320</u>
Deferred inflows of resources									
Deferred pension credits	-0-	-0-	-0-	436,711	436,711	-0-	436,711	436,711	-0-
Deferred revenue	218,324	218,324	-0-	47,498	47,498	-0-	265,822	265,822	-0-
Total deferred inflows of resources	<u>218,324</u>	<u>218,324</u>	<u>-0-</u>	<u>484,209</u>	<u>484,209</u>	<u>-0-</u>	<u>702,533</u>	<u>702,533</u>	<u>-0-</u>
Net position:									
Net investment in capital assets	27,827,996	27,827,996	-0-	13,907,047	13,907,047	-0-	41,735,043	41,735,043	-0-
Restricted	715,220	715,220	-0-	-0-	-0-	-0-	715,220	715,220	-0-
Unrestricted	(17,906,611)	(26,906,774)	(9,100,163)	929,133	(682,786)	(1,611,919)	(16,877,478)	(27,589,560)	(10,712,082)
Total net position	<u>\$ 10,736,605</u>	<u>\$ 1,636,442</u>	<u>\$(9,100,163)</u>	<u>\$14,836,180</u>	<u>\$13,224,261</u>	<u>\$(1,611,919)</u>	<u>\$ 25,572,785</u>	<u>\$ 14,860,703</u>	<u>\$(10,712,082)</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>						
Net position - beginning of previously reported	\$10,736,605	\$14,836,180	\$ 25,572,785						
Cumulative change in accounting principle	<u>(9,100,163)</u>	<u>(1,611,919)</u>	<u>(10,712,082)</u>						
Net position - beginning, restated	<u>\$ 1,636,442</u>	<u>\$13,224,261</u>	<u>\$ 14,860,703</u>						

Enterprise Fund Financial Statements

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total
Net position - beginning, as previously reported	\$14,699,527	\$ -0-	\$136,653	\$14,836,180
Cumulative change in accounting principle	<u>(1,337,762)</u>	<u>(274,157)</u>	<u>-0-</u>	<u>(1,611,919)</u>
Net position - beginning, restated	<u>\$13,361,765</u>	<u>\$(274,157)</u>	<u>\$136,653</u>	<u>\$13,224,261</u>

The restatement required by GASB Statement No. 75 affected unrestricted net position category as presented below:

	Governmental Activities		Business-Type Activities		Total	
	Previously Reported	Restated	Previously Reported	Restated	Previously Reported	Restated
Net investment in capital assets	\$ 27,827,996	\$ 27,827,996	\$13,907,047	\$13,907,047	\$ 41,735,043	\$ 41,735,043
Restricted for:						
Employee benefits	177,076	177,076	-0-	-0-	177,076	177,076
Dare donations - police	2,011	2,011	-0-	-0-	2,011	2,011
DUI	130,261	130,261	-0-	-0-	130,261	130,261
Federal drug force	48,049	48,049	-0-	-0-	48,049	48,049
Liquor ordinance fines	4,500	4,500	-0-	-0-	4,500	4,500
Park donations	3,187	3,187	-0-	-0-	3,187	3,187
State/local drug	(998)	(998)	-0-	-0-	(998)	(998)
Anti crime FNS	37,936	37,936	-0-	-0-	37,936	37,936
Public works	311,345	311,345	-0-	-0-	311,345	311,345
Inventory items	1,853	1,853	-0-	-0-	1,853	1,853
Unrestricted	<u>(17,806,611)</u>	<u>(26,906,774)</u>	<u>929,133</u>	<u>(682,786)</u>	<u>(16,877,478)</u>	<u>(27,589,560)</u>
Total net position	<u>\$ 10,736,605</u>	<u>\$ 1,636,442</u>	<u>\$14,836,180</u>	<u>\$13,224,261</u>	<u>\$ 25,572,785</u>	<u>\$ 14,860,703</u>

	Business-Type Activities							
	Water		Sewer		Sanitation		Total	
	Previously Reported	Restated	Previously Reported	Restated	Previously Reported	Restated	Previously Reported	Restated
Net investment in capital assets	\$13,867,047	\$13,867,047	\$-0-	\$ -0-	\$ 40,000	\$ 40,000	\$13,907,047	\$13,907,047
Restricted revenue	248,169	248,169	-0-	-0-	-0-	-0-	248,169	248,169
Unrestricted	<u>584,311</u>	<u>(753,451)</u>	<u>-0-</u>	<u>(274,157)</u>	<u>96,653</u>	<u>96,653</u>	<u>680,964</u>	<u>(930,955)</u>
Total net position	<u>\$14,699,527</u>	<u>\$13,361,765</u>	<u>\$-0-</u>	<u>\$(274,157)</u>	<u>\$136,653</u>	<u>\$136,653</u>	<u>\$14,836,180</u>	<u>\$13,224,261</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S
 NET PENSION LIABILITY AND RELATED RATIOS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 Last 10 Fiscal Years (Built Prospectively)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Total pension liability				
Service cost	\$ 365,511	\$ 393,336	\$ 420,770	\$ 447,233
Interest	2,338,519	2,393,667	2,302,457	2,120,906
Differences between expected and actual experience	357,873	(55,798)	910,686	2,129,371
Changes in assumptions	831,946	(992,225)	(70,880)	25,468
Benefit payments, including refunds of member contributions	<u>(2,422,305)</u>	<u>(2,498,453)</u>	<u>(2,332,072)</u>	<u>(2,157,372)</u>
Net change in total pension liability	1,471,544	(759,473)	1,230,961	2,565,606
Total pension liability - beginning	<u>32,208,651</u>	<u>32,968,124</u>	<u>31,737,163</u>	<u>29,171,557</u>
Total pension liability - ending	<u>\$33,680,195</u>	<u>\$32,208,651</u>	<u>\$32,968,124</u>	<u>\$31,737,163</u>
Plan fiduciary net position				
Contributions - employer	\$ 518,376	\$ 442,180	\$ 1,620,935	\$ 587,963
Contributions - member	166,264	167,076	223,818	302,026
Net investment income	(2,156,284)	5,459,348	1,852,814	133,639
Benefit payments, including refunds of member contributions	(2,422,305)	(2,498,453)	(2,332,072)	(2,157,372)
Other (net transfer)	<u>764,011</u>	<u>(492,882)</u>	<u>244,633</u>	<u>807,399</u>
Net change in plan fiduciary net position	(3,129,938)	3,077,269	1,610,128	(326,345)
Plan fiduciary net position - beginning	<u>31,722,541</u>	<u>28,645,272</u>	<u>27,035,144</u>	<u>27,361,489</u>
Plan fiduciary net position - ending	<u>\$28,592,603</u>	<u>\$31,722,541</u>	<u>\$28,645,272</u>	<u>\$27,035,144</u>
City's net pension liability - ending	<u>\$ 5,087,592</u>	<u>\$ 486,110</u>	<u>\$ 4,322,852</u>	<u>\$ 4,702,019</u>
Plan fiduciary net position as a percentage of the total pension liability	84.89%	98.49%	86.89%	85.18%
Covered-employee payroll	\$ 3,694,768	\$ 3,565,971	\$ 3,943,169	\$ 4,168,843
City's net pension liability as a percentage of covered employee payroll	137.70%	13.63%	109.63%	112.79%

CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE PENSION NET POSITION LIABILITY
 ILLINOIS MUNICIPAL RETIREMENT FUND

<u>Actuarial Valuation Date</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
12/31/2018	\$33,680,195	\$28,592,603	\$5,087,592	84.89%	\$3,694,768	137.70%
12/31/2017	32,208,651	31,722,541	486,110	98.49%	3,565,971	13.63%
12/31/2016	32,968,124	28,645,272	4,322,852	86.89%	3,943,169	109.63%
12/31/2015	31,737,163	27,035,144	4,702,019	85.18%	4,168,843	112.79%
12/31/2014	29,171,557	27,361,489	1,810,068	93.80%	4,109,697	44.04%

CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND

Calendar Year Ending <u>December 31,</u>	Actuarially Determined <u>Contribution</u>	Actual Contribution as a % of <u>Covered Payroll</u>	Actual <u>Contributions</u>	Contribution Deficiency (Excess)	<u>Covered Payroll</u>
2018	\$527,613	14.03%	\$ 518,376	\$ 9,237	\$3,694,768
2017	542,028	12.40%	442,180	99,848	3,565,971
2016	475,152	41.11%	1,620,935	(1,145,783)	3,943,169
2015	522,356	14.10%	587,963	(65,607)	4,168,843

NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
ILLINOIS MUNICIPAL RETIRMENT FUND

Used in the Calculation of the 2018 Contribution Rate

Valuation Date:	December 31, 2018
Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and Assumptions Used to Determine 2018 Contribution Rates:	
Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: A period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years).
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Growth	3.5%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.5% including inflation
Investment Rate of Return	7.50%

(Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality For non-disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current I.M.R.F experience. For disabled retirees, an I.M.R.F specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an I.M.R.F specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current I.M.R.F experience.

Other Information:

Notes There were no benefit changes during the year.

*Based on valuation assumptions used in the December 31, 2016 actuarial valuation

Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%

NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality For non-disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F. specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current I.M.R.F. experience. For disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F. specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The I.M.R.F. specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current I.M.R.F. experience.

Other Information:

Notes There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2018 Illinois Municipal Retirement Fund annual actuarial valuation report.

CITY OF MT. VERNON, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS
ILLINOIS MUNICIPAL RETIRMENT FUND

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	7.54%	18.09%	6.65%	0.49%

CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S
 NET PENSION LIABILITY AND RELATED RATIOS
 POLICE PENSION
 Last 10 Fiscal Years (Built Prospectively)

	Reporting Fiscal Year (Measurement Date) <u>April 30, 2019</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2018</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2017</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2016</u>
Total pension liability				
Service cost	\$ 658,250	\$ 624,578	\$ 587,893	\$ 509,241
Interest	2,031,387	1,964,155	1,815,915	1,903,251
Changes of benefit terms	-0-	-0-	-0-	-0-
Differences between expected and actual experience	110,306	167,695	(192,998)	-0-
Changes of assumptions	1,015,132	275,985	1,797,325	-0-
Benefit payments, including refunds of member contributions	<u>(1,702,580)</u>	<u>(1,575,281)</u>	<u>(1,689,684)</u>	<u>(1,325,529)</u>
Net change in total pension liability	2,112,495	1,457,132	2,318,451	1,086,963
Total pension liability - beginning	<u>33,721,623</u>	<u>32,264,491</u>	<u>29,946,040</u>	<u>28,859,077</u>
Total pension liability - ending	35,834,118	33,721,623	32,264,491	29,946,040
Plan fiduciary net position				
Contributions - employer	914,270	656,263	935,025	872,624
Contributions - member	237,340	259,049	274,341	259,417
Net investment income	977,325	1,510,770	1,798,113	(348,745)
Benefit payments, including refunds of member contributions	<u>(1,702,580)</u>	<u>(1,575,281)</u>	<u>(1,689,684)</u>	<u>(1,325,529)</u>
Other (net transfer)	<u>(13,547)</u>	<u>(15,680)</u>	<u>(15,997)</u>	<u>(32,995)</u>
Net change in plan fiduciary net position	412,808	835,121	1,301,798	(575,228)
Plan fiduciary net position - beginning	<u>19,935,024</u>	<u>19,099,903</u>	<u>17,798,105</u>	<u>18,373,333</u>
Plan fiduciary net position - ending	<u>20,347,832</u>	<u>19,935,024</u>	<u>19,099,903</u>	<u>17,798,105</u>
City's net pension liability - ending	<u>\$15,486,286</u>	<u>\$13,786,599</u>	<u>\$13,164,588</u>	<u>\$12,147,935</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>57.00%</u>	<u>59.12%</u>	<u>59.20%</u>	<u>59.43%</u>
Covered-employee payroll	<u>\$ 2,554,379</u>	<u>\$ 2,442,239</u>	<u>\$ 2,365,452</u>	<u>\$ 2,524,089</u>
City's net pension liability as a percentage of covered employee payroll	<u>606.00%</u>	<u>564.51%</u>	<u>556.54%</u>	<u>481.28%</u>

CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S
 NET PENSION LIABILITY AND RELATED RATIOS
 FIREFIGHTERS' PENSION
 Last 10 Fiscal Years (Built Prospectively)

	Reporting Fiscal Year (Measurement Date) April 30, 2019	Reporting Fiscal Year (Measurement Date) April 30, 2018	Reporting Fiscal Year (Measurement Date) April 30, 2017	Reporting Fiscal Year (Measurement Date) April 30, 2016
Total pension liability				
Service cost	\$ 554,525	\$ 536,372	\$ 503,305	\$ 414,252
Interest	1,825,397	1,760,912	1,666,159	1,653,010
Changes of benefit terms	-0-	-0-	-0-	-0-
Differences between expected and actual experience	(284,774)	(40,278)	31,103	-0-
Changes of assumptions	1,679,882	77,931	464,384	-0-
Benefit payments, including refunds of member contributions	<u>(1,296,422)</u>	<u>(1,242,714)</u>	<u>(1,200,947)</u>	<u>(1,191,451)</u>
Net change in total pension liability	2,478,608	1,092,223	1,464,004	875,811
Total pension liability - beginning	<u>28,516,864</u>	<u>27,424,581</u>	<u>25,960,577</u>	<u>25,084,766</u>
Total pension liability - ending	30,995,472	28,516,804	27,424,581	25,960,577
Plan fiduciary net position				
Contributions - employer	965,697	970,825	763,136	751,183
Contributions - member	181,439	185,102	181,858	185,080
Net investment income	243,352	1,057,215	1,528,491	(322,125)
Benefit payments, including refunds of member contributions	(1,296,422)	(1,242,714)	(1,200,947)	(1,191,451)
Other (net transfer)	<u>(15,443)</u>	<u>(18,851)</u>	<u>(19,841)</u>	<u>(15,537)</u>
Net change in plan fiduciary net position	78,623	951,577	1,252,697	(592,850)
Plan fiduciary net position - beginning	<u>16,047,401</u>	<u>15,095,824</u>	<u>13,843,127</u>	<u>14,435,977</u>
Plan fiduciary net position - ending	<u>16,126,024</u>	<u>16,047,401</u>	<u>15,095,824</u>	<u>13,843,127</u>
City's net pension liability - ending	<u>\$14,869,448</u>	<u>\$12,469,403</u>	<u>\$12,328,757</u>	<u>\$12,117,450</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>56.27%</u>	<u>55.04%</u>	<u>53.32%</u>
Covered-employee payroll	<u>\$ 2,029,652</u>	<u>\$ 1,968,962</u>	<u>\$ 1,906,985</u>	<u>\$ 1,880,691</u>
City's net pension liability as a percentage of covered employee payroll	<u>733.00%</u>	<u>633.30%</u>	<u>646.51%</u>	<u>644.31%</u>

CITY OF MT. VERNON, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

Police Pension

Valuation Date	Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to the		Covered Payroll at Valuation Date	Actual Contribution as a % of Covered Employee Payroll
			Actuarially Determined Contribution	Contribution Deficiency (Excess)		
4/30/19	2019	\$836,465	\$914,270	\$ (77,805)	\$2,554,329	35.79%
4/30/18	2018	749,419	656,263	93,156	2,442,239	26.87%
4/30/17	2017	748,583	935,025	(186,442)	2,365,452	39.53%
4/30/16	2016	679,928	872,624	(192,696)	2,524,089	34.57%

Firefighters' Pension

Valuation Date	Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to the		Covered Payroll at Valuation Date	Actual Contribution as a % of Covered Employee Payroll
			Actuarially Determined Contribution	Contribution Deficiency (Excess)		
4/30/19	2019	\$919,271	\$965,697	\$ (46,426)	\$2,029,652	47.58%
4/30/18	2018	766,433	970,825	(204,392)	1,968,962	49.31%
4/30/17	2017	707,498	763,136	(55,638)	1,906,985	40.02%
4/30/16	2016	862,094	751,183	110,911	1,880,691	39.94%

CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 POLICE PENSION

Actuarial Assumptions (Economic)

Discount rate used for the total pension liability	5.97%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	3.79%
Projected individual salary increases	2.75% - 18.75%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.50%
Inflation rate included	2.50%

Actuarial Assumptions (Demographic)

Mortality table	L&A 2016 Illinois Police Mortality Rates
Retirement rates	L&A 2016 Illinois Police Retirement Rates capped at age 65
Disability rates	L&A 2016 Illinois Police Disability Rates
Termination rates	L&A 2016 Illinois Police Termination Rates
Percent married	80.0%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. For more information on the selection of the actuarial assumptions, please see the assumption document prepared for the fund.

ASSUMPTION CHANGES

The assumptions were changed from the prior year.

The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.97% to 3.79% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and Statement 68.

The discount rate used in the determination of the Total Pension Liability was changed from 6.18% to 5.97%. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

In addition, there are changes that can be made that impact the projection of the net position of the fund. For example, changes in the formal or informal funding policy can impact the discount rate. Actual changes in the net position from one year to the next can impact the projections as well.

In the current valuation, we have updated the mortality assumption to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund.

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CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 POLICE PENSION

NOTES ON ACTUARIAL ASSUMPTIONS

Individual Pay Increases

Individual pay increases include provisions for annual cost of living increases, plus any additional increases in pensionable pay provided (step increases, longevity increases, promotions, educations, etc.). Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	18.75%	8	4.00%
1	2.75%	9	4.00%
2	3.40%	10	4.00%
3	3.41%	15	4.00%
4	3.40%	20	4.00%
5	3.40%	25	4.00%
6	4.00%	30	4.00%
7	4.00%	35	4.00%

Demographic Assumptions

Active mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study, with Blue Collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Retiree mortality follows the L&A Assumption Study for police 2016. These rates are experience weighted with the raw rates as developed in the RP-2014 study, with Blue Collar adjustment and improved generationally using MP-2016 improvement rates.

Disabled mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study for disabled participants, with Blue Collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Spouse mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study. These rates are improved generationally using MP-2016 improvement rates.

Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois police officers.

POSTEMPLOYMENT BENEFIT CHANGES

Eligibility for postemployment benefit increases is determined based on the Illinois pension code. Tier 1 police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 police retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September.

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CITY OF MT. VERNON, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
POLICE PENSION

The CPI-U for September 1985 was 108.3. The CPI-U for September 2018 was 252.4. The average increase in the CPI-U for September 1985 through September 2018 was 2.61% (on a compounded basis).

EXPECTED RETURN ON PENSION PLAN INVESTMENTS

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the investment professionals that work with the pension fund. The table below illustrates the best estimate of long-term expected real rates of return developed for each of the major asset classes, adjusted for expected inflation.

There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes. We do not provide an opinion on the reasonableness of the returns provided nor the reasonableness of the approach used in the determination of the rates provided. The information provided is shown below for convenience.

The rates provided in the table below are based on an arithmetic average. The investment policy statement will provide more detail regarding the fund's policies on asset allocation targets and acceptable ranges.

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Equities	10.00%	2.90%	7.10%	60.00%
Fixed Income	5.10%	2.90%	2.20%	37.50%
Mt. Vernon Police	3.30%	2.90%	0.40%	2.50%

Long-term expected real rates of return under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

The long-term inflation expectation is 2.90% and is included in the long-term expected rates of return. The long-term inflation expectation is from the same source as the long-term expected real rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report.

Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. Higher volatility results in a greater difference.

CITY OF MT. VERNON, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
POLICE PENSION

MUNICIPAL BOND RATE

The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The rate shown earlier in this section of the report is the April 25, 2019 rate. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond G.O. Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

DISCOUNT RATE

The discount rate used in the determination of the total pension liability is based on a combination of the long-term expected rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future fiduciary net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected fiduciary net position, the long-term expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected fiduciary net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan. The funding policy is discussed in more detail in the *Funding Policy* section of this report.

CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 FIREFIGHTERS' PENSION

Actuarial Assumptions (Economic)

Discount rate used for the total pension liability	6.15%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	3.79%
Projected individual salary increases	3.50% - 7.05%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.50%
Inflation rate included	2.50%

Actuarial Assumptions (Demographic)

Mortality table	L&A 2016 Illinois Firefighters' Mortality Rates
Retirement rates	L&A 2016 Illinois Firefighters' Retirement Rates capped at age 65
Disability rates	L&A 2016 Illinois Firefighters' Disability Rates
Termination rates	L&A 2016 Illinois Firefighters' Termination Rates
Percent married	80.0%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. For more information on the selection of the actuarial assumptions, please see the assumption document prepared for the fund.

ASSUMPTION CHANGES

The assumptions were changed from the prior year.

The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.97% to 3.79% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and Statement 68.

The discount rate used in the determination of the Total Pension Liability was changed from 6.55% to 6.15%. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

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CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 FIREFIGHTERS' PENSION

In addition, there are changes that can be made that impact the projection of the net position of the fund. For example, changes in the formal or informal funding policy can impact the discount rate. Actual changes in the net position from one year to the next can impact the projections as well.

In the current valuation, we have updated the mortality assumption to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund.

NOTES ON ACTUARIAL ASSUMPTIONS

Individual Pay Increases

Individual pay increases include provisions for annual cost of living increases, plus any additional increases in pensionable pay provided (step increases, longevity increases, promotions, educations, etc.). Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	7.05%	8	4.00%
1	3.50%	9	4.00%
2	3.50%	10	4.00%
3	3.50%	15	4.00%
4	3.50%	20	4.00%
5	3.50%	25	4.00%
6	4.00%	30	4.00%
7	4.00%	35	4.00%

Demographic Assumptions

Active mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study, with Blue Collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Retiree mortality follows the L&A Assumption Study for firefighters' 2016. These rates are experience weighted with the raw rates as developed in the RP-2014 study, with Blue Collar adjustment and improved generationally using MP-2016 improvement rates.

Disabled mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study for disabled participants, with Blue Collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Spouse mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study. These rates are improved generationally using MP-2016 improvement rates.

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CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 FIREFIGHTERS' PENSION

Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois firefighters' officers.

POSTEMPLOYMENT BENEFIT CHANGES

Eligibility for postemployment benefit increases is determined based on the Illinois pension code. Tier 1 firefighter retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 firefighter retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September 1985 was 108.3. The CPI-U for September 2018 was 252.4. The average increase in the CPI-U for September 1985 through September 2018 was 2.61% (on a compounded basis).

EXPECTED RETURN ON PENSION PLAN INVESTMENTS

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The table below illustrates the best estimate of long-term expected real rates of return developed for each of the major asset classes, adjusted for expected inflation.

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equity	8.30%	2.50%	5.80%
US Mid Cap Equity	9.30%	2.50%	6.80%
US Small Cap Equity	9.30%	2.50%	6.80%
Non-US Developed Large Cap Equity Unhedged	8.40%	2.50%	5.90%
Emerging Markets Equity Unhedged	10.50%	2.50%	8.00%
US Corporate Bonds	4.20%	2.50%	1.70%
US Government Fixed Income	3.20%	2.50%	0.70%
US Cash	3.00%	2.50%	0.50%
Global Real Estate - REITS	8.30%	2.50%	5.80%
Commodities - Long Only	4.90%	2.50%	2.40%

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CITY OF MT. VERNON, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
FIREFIGHTERS' PENSION

Long-term expected real rates of return under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

The long-term inflation expectation is 2.50% and is included in the long-term expected rates of return. The long-term inflation expectation is from the same source as the long-term expected real rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report.

Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. Higher volatility results in a greater difference.

MUNICIPAL BOND RATE

The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The rate shown earlier in this section of the report is the April 25, 2019 rate. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond G.O. Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

DISCOUNT RATE

The discount rate used in the determination of the total pension liability is based on a combination of the long-term expected rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent to which the plan's future fiduciary net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected fiduciary net position, the long-term expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan. The funding policy is discussed in more detail in the *Funding Policy* section of this report.

SCHEDULE OF INVESTMENT RETURNS

	Annual Money-Weighted Rate of Return, Net of Investment Expense	
	<u>Police Pension</u>	<u>Firefighters' Pension</u>
4/30/19	5.40%	1.69%
4/30/18	8.71%	7.54%
4/30/17	10.78%	11.84%
4/30/16	(2.16%)	(2.61%)
4/30/15	7.13%	4.32%

City Other Post Employment Benefits Plan

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

	<u>4/30/19</u>
Total OPEB liability	
Service cost	\$ 144,639
Interest	369,177
Changes of benefit terms	-0-
Differences between expected and actual experience	-0-
Changes in assumptions	124,238
Benefit payments	(836,148)
Net change in total OPEB liability	<u>(198,094)</u>
Total OPEB liability - beginning	9,717,256
Total OPEB liability - ending (a)	<u>\$9,519,162</u>
OPEB plan net position	
Contributions - employer	\$ 836,148
Contributions - member	-0-
Contributions - other	-0-
Net investment income	-0-
Benefit payments	(836,148)
Administrative expense	-0-
Net change in OPEB plan net position	<u>-0-</u>
Total OPEB plan net position - beginning	-0-
Total OPEB plan net position - ending (b)	<u>\$ -0-</u>
Employer's total OPEB liability/(asset) - ending (a) - (b)	<u>\$9,519,162</u>
Covered-employee payroll	\$7,565,742
Employer's total OPEB liability as a percentage of covered-employee payroll	125.82%
Contribution from other City resources (actuarially determined contribution)	\$ 836,148

There is no ADC or employer contribution in relation to the ADC, as there is no trust that exists for funding the OPEB liability. However, the City did make benefit payments from other City resources in the current year in the amount of \$836,148.

Information is not available for fiscal year prior to 4/30/19.

CITY OF MT. VERNON, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
 SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 CITY OTHER POST EMPLOYMENT BENEFIT'S PLAN

STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS

Assumptions (economic)

Discount rate used for the total OPEB liability	
Beginning of year	3.97%
End of year	3.79%
Long-term expected rate of return on plan assets	N/A
High quality 20 year tax-exempt G.O. bond rate	
Beginning of year	3.97%
End of year	3.79%
Total payroll increases	2.75%
Claims and premiums	See accompanying tables
Healthcare cost trend rates	See accompanying tables
Retiree contribution rates	Same as healthcare cost trend rates

GASB METHODS AND PROCEDURES

	Statement 75 Employer Financials
Fiscal year end for reporting	<u>April 30, 2019</u>
Measurement date	April 30, 2019
Actuarial valuation date	May 1, 2018
Data date	April 30, 2019
Asset valuation method	Market value
Actuarial cost method	Entry age normal (level %)
Methodology Used in the Determination of Deferred Inflows and Outflows of Resources	
Amortization method	Straight line
Amortization period	
Actuarial experience	8.55 years
Changes in assumptions	8.55 years
Asset experience	5.00 years

As noted in the table above, the actuarial funding method used in the determination of the total OPEB liability is the entry age normal cost method (level percent of pay). The method allocates normal cost contributions by employee over the working career of the employee as a level percent of their pay.

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The total OPEB liability for the current fiscal year has been developed based on the actuarial valuation date shown above, and adjusted to the measurement date shown above, based on procedures that conform to generally accepted actuarial principles and practices.

Mortality Rates

Active IMRF mortality follows the sex distinct raw rates as developed in the RP-2014 study. These rates are improved generationally using MP-2017 improvement rates and weighted based on the IMRF December 31, 2017 actuarial valuation.

Retiree and spousal IMRF mortality follows the sex distinct raw rates as developed in the RP-2014 study, with blue collar adjustment. These rates are improved generationally using MP-2017 improvement rates.

Active firefighter mortality follows the sex distinct raw rates as developed in the RP-2014 study, with blue collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Retiree firefighter mortality follows the L&A assumption study for firefighters 2016. These rates are experience weighted with the raw rates as developed in the RP-2014 study, with blue collar adjustment and improved generationally using MP-2016 improvement rates.

Active police mortality follows the sex distinct raw rates as developed in the RP-2014 study, with blue collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Retiree police mortality follows the L&A assumption study for police 2016. These rates are experience weighted with the raw rates as developed in the RP-2014 study, with blue collar adjustment and improved generationally using MP-2016 improvement rates.

Disabled mortality follows the sex distinct raw rates as developed in the RP-2014 study for disabled participants. These rates are improved generationally using MP-2016 improvement rates.

Spouse mortality follows the sex distinct raw rates as developed in the RP-2014 study. These rates are improved generationally using MP-2016 improvement rates.

(Continued)

ASSUMPTION CHANGES

Because this is implementation year of GASB 74/75, the beginning total OPEB liability is based on the same data and plan provisions as the ending total OPEB liability. For the purpose of developing changes in OPEB liability for GASB 74/75 reporting, the only change in assumptions was the discount rate.

EXPECTED RETURN ON OPEB PLAN INVESTMENTS

There is currently no expectation for future returns on OPEB plan assets since the OPEB obligation is an unfunded obligation. The employer does not have a trust dedicated exclusively to the payment of OPEB benefits.

MUNICIPAL BOND RATE

The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The beginning of year rate shown earlier in the assumption section is the April 26, 2018 rate, and the end of year rate shown is the April 25, 2019 rate. The 20-bond G.O. index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-bond index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

DISCOUNT RATE

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan assets and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the City of Mt. Vernon, Illinois, then only the municipal bond rate is used in determining the total OPEB liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit

(Continued)

payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net OPEB liability associated with those payments.

Projected benefit payments are determined during the valuation process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan. The funding policy is discussed in more detail in a later section.

INFLATION RATE

The long-term inflation expectation used is 2.50%, which is an underlying component of the discount rate and assumed health care trend rates.

DEVELOPMENT OF STARTING CLAIMS COSTS

Starting costs for the City's plan were developed based on the blended premiums charged for coverage. The insurance carrier charges actives and retirees the same premium rates. According to GASB, when an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees. As such, premiums were estimated for under-65 retirees and their spouses as if they were rated on a stand-alone basis. The results were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age.

The City's budget is prepared using the G.A.A.P. basis of accounting. Therefore, a reconciliation is not required.

The City had an excess of expenditures over budgeted amounts which have been detailed in Note 8.

CITY OF MT. VERNON, ILLINOIS
GENERAL CORPORATE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 8,849,100	\$ 549,000	\$ 9,398,100	\$ 9,429,551	\$ 31,451
Use taxes	406,200	58,000	464,200	464,468	268
Hotel/motel taxes	809,600	-0-	809,600	774,080	(35,520)
Property taxes levied for general purposes	279,400	-0-	279,400	277,946	(1,454)
Property taxes levied for employee benefits	706,000	-0-	706,000	702,660	(3,340)
Franchise taxes	147,300	-0-	147,300	149,755	2,455
Public service taxes	2,161,200	110,602	2,271,802	2,361,649	89,847
Gain on sale of fixed assets	15,000	-0-	15,000	10,525	(4,475)
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	6,403	6,403
Unrestricted investment income	77,600	-0-	77,600	149,456	71,856
Miscellaneous	30,500	430	30,930	22,626	(8,304)
Operating grants and contributions	22,958	3,794	26,752	40,233	13,481
Charges for services	1,038,361	24,949	1,063,310	1,097,548	34,238
Total revenues	<u>14,543,219</u>	<u>746,775</u>	<u>15,289,994</u>	<u>15,486,900</u>	<u>196,906</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
 GENERAL CORPORATE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS
 GOVERNMENTAL FUNDS
 Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Expenditures:</u>					
Current					
General government	3,293,316	(66,520)	3,226,796	3,056,299	170,497
Public safety					
Police	5,275,780	(218,646)	5,057,134	4,966,123	91,011
Fire	3,229,150	(51,938)	3,177,212	3,152,810	24,402
Public works	1,508,189	(29,809)	1,478,380	1,435,878	42,502
Engineering services	419,021	4,394	423,415	381,256	42,159
Culture and recreation	1,024,368	91,094	1,115,462	1,052,590	62,872
Debt service					
Principle retirement	111,719	-0-	111,719	111,719	-0-
Interest and fiscal charges	28,032	-0-	28,032	28,032	-0-
Total expenditures	<u>14,889,575</u>	<u>(271,425)</u>	<u>14,618,150</u>	<u>14,184,707</u>	<u>433,443</u>
Excess (deficiency) of revenues over (under) expenditures	(346,356)	1,018,200	671,844	1,302,193	630,349
<u>Other financing sources (uses)</u>					
Transfers from other funds	213,300	-0-	213,300	200,512	(12,788)
Transfers to other funds	-0-	(1,100,000)	(1,100,000)	(1,000,000)	100,000
Net other financing sources (uses)	<u>213,300</u>	<u>(1,100,000)</u>	<u>(886,700)</u>	<u>(799,488)</u>	<u>87,212</u>
Net change in fund balance	<u>(133,056)</u>	<u>\$ (81,800)</u>	<u>(214,856)</u>	<u>502,705</u>	<u>\$717,561</u>
Fund balance - beginning	<u>3,964,030</u>		<u>3,964,030</u>	<u>3,964,030</u>	
Fund balance - ending	<u>\$ 3,830,974</u>		<u>\$ 3,749,174</u>	<u>\$ 4,466,735</u>	

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 QUALITY OF LIFE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS
 GOVERNMENTAL FUNDS
 Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
Revenues:					
Sales taxes	\$ 1,775,700	\$ -0-	\$ 1,775,700	\$ 1,902,804	\$ 127,104
Grants & contributions not restricted to specific programs	289,000	-0-	289,000	-0-	(289,000)
Unrestricted investment income	11,100	-0-	11,100	(16,258)	(27,358)
Capital grants and contributions	2,541,398	-0-	2,541,398	1,456,595	(1,084,803)
Total revenues	<u>4,617,198</u>	<u>-0-</u>	<u>4,617,198</u>	<u>3,343,141</u>	<u>(1,274,057)</u>
Expenditures:					
Current					
General government	6,058,072	(25,400)	6,032,672	5,023,481	1,009,191
Debt service					
Principal retirement	822,592	(8,200)	814,392	814,311	81
Interest and fiscal charges	601,713	(9,200)	592,513	610,840	(18,327)
Total expenditures	<u>7,482,377</u>	<u>(42,800)</u>	<u>7,439,577</u>	<u>6,448,632</u>	<u>990,945</u>
Excess (deficiency) of revenues over (under) expenditures	(2,865,179)	42,800	(2,822,379)	(3,105,491)	(283,112)
Other financing sources (uses)					
Transfers from other funds	-0-	-0-	-0-	2,418,279	2,418,279
Transfers to other funds	-0-	(42,800)	(42,800)	(29,796)	13,004
Net other financing sources (uses)	<u>-0-</u>	<u>(42,800)</u>	<u>(42,800)</u>	<u>2,388,483</u>	<u>2,431,283</u>
Net change in fund balance	(2,865,179)	<u>\$ -0-</u>	(2,865,179)	(717,008)	<u>\$ 2,148,171</u>
Fund balance - beginning	<u>3,638,429</u>		<u>3,638,429</u>	<u>3,638,429</u>	
Fund balance - ending	<u>\$ 773,250</u>		<u>\$ 773,250</u>	<u>\$ 2,921,421</u>	

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 GENERAL CORPORATE CAPITAL
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS
 GOVERNMENTAL FUNDS
 Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$1,324,500	\$ -0-	\$1,324,500	\$ 1,359,623	\$ 35,123
Grants & contributions not restricted to specific programs	-0-	-0-	-0-	15,470	15,470
Unrestricted investment income	3,000	-0-	3,000	59,710	56,710
Miscellaneous	45,845	-0-	45,845	68,391	22,546
Capital grants and contributions	-0-	55,000	55,000	60,132	5,132
Total revenues	<u>1,373,345</u>	<u>55,000</u>	<u>1,428,345</u>	<u>1,563,326</u>	<u>134,981</u>
<u>Expenditures:</u>					
Current					
General government	165,041	311,919	476,960	463,010	13,950
Debt service					
Interest and fiscal charges	511,410	5,900	517,310	517,213	97
Total expenditures	<u>676,451</u>	<u>317,819</u>	<u>994,270</u>	<u>980,223</u>	<u>14,047</u>
Excess (deficiency) of revenues over (under) expenditures	696,894	(262,819)	434,075	583,103	149,028
<u>Other financing sources (uses)</u>					
Transfers from other funds	-0-	257,553	257,553	1,000,000	742,447
Transfers to other funds	-0-	-0-	-0-	(2,623,251)	(2,623,251)
Principal paid on long-term debt	(893,732)	5,266	(888,466)	(886,724)	1,742
Net other financing sources (uses)	<u>(893,732)</u>	<u>262,819</u>	<u>(630,913)</u>	<u>(2,509,975)</u>	<u>(1,879,062)</u>
Net change in fund balance	(196,838)	<u>\$ -0-</u>	(196,838)	(1,926,872)	<u>\$ (1,730,034)</u>
Fund balance - beginning	<u>3,642,024</u>		<u>3,642,024</u>	<u>3,642,024</u>	
Fund balance - ending	<u>\$3,445,186</u>		<u>\$3,445,186</u>	<u>\$ 1,715,152</u>	

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
MOTOR FUEL TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Unrestricted investment income	\$ 1,200	\$-0-	\$ 1,200	\$ 11,451	\$10,251
Capital grants and contributions	<u>385,200</u>	<u>-0-</u>	<u>385,200</u>	<u>387,801</u>	<u>2,601</u>
Total revenues	<u>386,400</u>	<u>-0-</u>	<u>386,400</u>	<u>399,252</u>	<u>12,852</u>
<u>Expenditures:</u>					
Current					
Public works	<u>297,020</u>	<u>-0-</u>	<u>297,020</u>	<u>233,973</u>	<u>63,047</u>
Total expenditures	<u>297,020</u>	<u>-0-</u>	<u>297,020</u>	<u>233,973</u>	<u>63,047</u>
Net change in fund balance	89,380	<u>\$-0-</u>	89,380	165,279	<u>\$75,899</u>
Fund balance - beginning	<u>311,345</u>		<u>311,345</u>	<u>311,345</u>	
Fund balance - ending	<u>\$400,725</u>		<u>\$400,725</u>	<u>\$476,624</u>	

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
HOME RULE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$3,551,400	\$ -0-	\$3,551,400	\$ 3,805,608	\$ 254,208
Unrestricted investment income	10,500	-0-	10,500	41,359	30,859
Total revenues	<u>3,561,900</u>	<u>-0-</u>	<u>3,561,900</u>	<u>3,846,967</u>	<u>285,067</u>
<u>Expenditures:</u>					
Current					
General government	3,137,233	-0-	3,137,233	1,004,360	2,132,873
Total expenditures	<u>3,137,233</u>	<u>-0-</u>	<u>3,137,233</u>	<u>1,004,360</u>	<u>2,132,873</u>
Excess (deficiency) of revenues over (under) expenditures	424,667	-0-	424,667	2,842,607	2,417,940
<u>Other financing sources (uses):</u>					
Transfers to other funds	-0-	-0-	-0-	(2,308,472)	(2,308,472)
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(2,308,472)</u>	<u>(2,308,472)</u>
Net change in fund balance	424,667	<u>\$ -0-</u>	424,667	534,135	<u>\$ 109,468</u>
Fund balance - beginning	<u>827,060</u>		<u>827,060</u>	<u>827,060</u>	
Fund balance - ending	<u>\$1,251,727</u>		<u>\$1,251,727</u>	<u>\$ 1,361,195</u>	

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
TIF - DOWNTOWN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 374,000	\$ -0-	\$ 374,000	\$ 414,821	\$ 40,821
Unrestricted investment income	5,300	-0-	5,300	8,857	3,557
Total revenues	<u>379,300</u>	<u>-0-</u>	<u>379,300</u>	<u>423,678</u>	<u>44,378</u>
<u>Expenditures:</u>					
Current					
Community development	432,853	-0-	432,853	327,000	105,853
Total expenditures	<u>432,853</u>	<u>-0-</u>	<u>432,853</u>	<u>327,000</u>	<u>105,853</u>
Excess (deficiency) of revenues over (under) expenditures	(53,553)	-0-	(53,553)	96,678	150,231
<u>Other financing sources (uses):</u>					
Transfers to other funds	(15,000)	-0-	(15,000)	(15,000)	-0-
Total other financing sources (uses)	<u>(15,000)</u>	<u>-0-</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-0-</u>
Net change in fund balance	(68,553)	\$ <u>-0-</u>	(68,553)	81,678	<u>\$150,231</u>
Fund balance - beginning	<u>(58,622)</u>		<u>(58,622)</u>	<u>(58,622)</u>	
Fund balance - ending	<u>\$ (127,175)</u>		<u>\$ (127,175)</u>	<u>\$ 23,056</u>	

The accompanying notes are an integral
part of the financial statements

COMPLIANCE AND INTERNAL CONTROL REPORTING IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Wm. Brent Palmer, C.P.A.
James G. Leuty, C.P.A.
Gary S. Malawy, C.P.A.
Richelle J. Heggemeier, C.P.A.
Robert N. Huffman, C.P.A.
Brent D. Maschhoff, C.P.A.
Greg W. Charlton, C.P.A.
Emily E. J. Tynes, C.P.A.
Joshua A. Esser, C.P.A.
Cheryl A. Presswood, C.P.A.
Michelle M. Hagen, C.P.A.



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Wayne L. Krehbiel, C.P.A.

INDEPENDENT AUDITORS'
REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council
City of Mt. Vernon, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mt. Vernon, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Mt. Vernon, Illinois' basic financial statements and have issued our report thereon dated October 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Mt. Vernon, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mt. Vernon, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mt. Vernon, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on

a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mt. Vernon, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Krehbiel & Associates, LLC

Mt. Vernon, Illinois
October 11, 2019

EXPENDITURES OF FEDERAL AWARDS

Wm. Brent Palmer, C.P.A.
James G. Leuty, C.P.A.
Gary S. Malawy, C.P.A.
Richelle J. Heggemeier, C.P.A.
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INDEPENDENT AUDITORS'
REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Council
City of Mt. Vernon, Illinois

Report on Compliance for Each Major Federal Program

We have audited the City of Mt. Vernon, Illinois' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Mt. Vernon, Illinois' major federal programs for the year ended April 30, 2019. City of Mt. Vernon, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Mt. Vernon, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Mt. Vernon, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Mt. Vernon, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Mt. Vernon, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2019.

Report on Internal Control Over Compliance

Management of the City of Mt. Vernon, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit of compliance, we considered the City of Mt. Vernon, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Mt. Vernon, Illinois' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Krehbil & Associates, LLC
Mt. Vernon, Illinois
October 11, 2019

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended April 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Grantor's Number	Pass-Through Entity's Identifying Number	Award Amount	Current Year Federal Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607	None	N/A	\$ 4,058	\$ 1,986	\$-0-
Total U.S. Department of Justice					<u>1,986</u>	<u>-0-</u>
<u>U.S. Department of Commerce</u>						
Investments for Public Works and Economic Development Facilities Public Works Assistance - Industrial Park Grant	11.300	06-01-05937	N/A	\$2,437,285	1,032,185	-0-
Total U.S. Department of Commerce					<u>1,032,185</u>	<u>-0-</u>
<u>U.S. Department of Homeland Security</u>						
<i>Passed-through Illinois Emergency Management Agency</i>						
Emergency Management Performance Grants - Year 2017	97.042	17EMAMTVER	N/A	\$ 23,706	6,501	-0-
Emergency Management Performance Grants - Year 2018	97.042	18EMAMTVER	N/A	\$ 16,467	6,431	-0-
Emergency Management Performance Grants - Year 2019	97.042	19EMAMTVER	N/A	\$ 16,467	9,606	-0-
Total U.S. Department of Homeland Security					<u>22,538</u>	<u>-0-</u>
<u>U.S. Department of Housing and Urban Development</u>						
<i>Passed-through Illinois Department of Commerce and Economic Opportunity</i>						
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	16-243015	N/A	\$ 450,000	228,648	-0-
Total U.S. Department of Housing and Urban Development					<u>228,648</u>	<u>-0-</u>
<u>U.S. Department of Transportation</u>						
<i>Passed-through Illinois Department of Transportation</i>						
State and Community Highway Safety FFY19 Distracted Driving Grant	20.600	DD-19-0498	343-11397	\$ 4,320	3,753	-0-
Total U.S. Department of Transportation					<u>3,753</u>	<u>-0-</u>
<u>U.S. Department of Agriculture</u>						
<i>Passed-through Illinois Law Enforcement Training Standards Board</i>						
Law Enforcement Agreements - Camera Grant	10.704	None	1669-6154	\$ 55,000	55,000	-0-
Total U.S. Department of Agriculture					<u>55,000</u>	<u>-0-</u>
Total Federal Financial Assistance					<u>\$1,344,110</u>	<u>\$-0-</u>

The accompanying notes are an integral
part of this schedule.

CITY OF MT. VERNON, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
April 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Mt. Vernon, Illinois. The City's reporting entity is defined in Note 1 to the City's financial statements. Federal awards passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for all governmental funds and the accrual basis of accounting for all proprietary funds, which is described in Note 1 to the City's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Relationship to General Purpose Financial Statements

Federal awards received are reflected in the City's financial statements within the governmental funds as grants, entitlements, and subsidies, within the proprietary funds as equity contribution from the federal government.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs which have filed reports with the federal awarding agency.

Note 2. FEDERAL LOANS

The City had no outstanding loan balances or loan guarantees at April 30, 2019.

Note 3. INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. NONCASH FEDERAL ASSISTANCE

The City received no noncash assistance, such as rent, food commodities, or donated property (including donated surplus property) as of April 30, 2019.

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 April 30, 2019

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the City of Mt. Vernon, Illinois.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Mt. Vernon, Illinois were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the City of Mt. Vernon, Illinois expresses an unqualified opinion.
6. Our audit disclosed no findings required to be reported related to Federal programs under Section 2 CFR 200.516(a) of the Uniform Guidance.
7. The program tested as a major program included:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
11.300	Public Works Assistance - Industrial Park Grant

8. The threshold for distinguishing Types A and B programs was expended amounts in excess of \$750,000.
9. The City of Mt. Vernon, Illinois was determined to be a high-risk auditee.

CITY OF MT. VERNON, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
April 30, 2019

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings or questioned costs relating to the audit of the financial statements for the year ended April 30, 2019, which are required to be reported in accordance with *Government Auditing Standards*. No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings or questioned costs relating to the audit of the major federal award programs for the year ended April 30, 2019, which are required to be reported in accordance with Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.

CITY OF MT. VERNON, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
April 30, 2019

A. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no prior audit findings related to the financial statements.

B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no prior audit findings related to federal award programs.

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Convention and Visitors' Bureau - to account for promoting conventions and tourism in the City and surrounding areas.

Special Service Area Number One - to account for developing and promoting the central area of the City.

Community Development Assistance Program - to account for the City's activities related to grants received from the U.S. Department of Housing and Urban Development for the demolition/removal and renovation of private properties.

Rt 15 and I-57 TIF (Tax Increment Finance) - to account for the City's activities related to TIF funds received from the Rt 15 and I-57 district.

Industrial Park Construction TIF (Tax Increment Finance) - to account for the City's activities related to TIF funds received from the industrial park construction district.

CITY OF MT. VERNON, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 April 30, 2019

	Convention and Visitors' Bureau	Special Service Area Number One	TIF Rt 15 and I-57	TIF Industrial Park	Community Development Assistance Program	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$168,153	\$15,050	\$ 59,616	\$ 60,457	\$ 6,070	\$ 309,346
Receivables:						
Accounts, net	44,995	-0-	-0-	322,492	56,652	424,139
Property and replacement taxes, net	-0-	83,425	295,626	-0-	-0-	379,051
Inventories	<u>2,157</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,157</u>
Total Assets	<u>\$215,305</u>	<u>\$98,475</u>	<u>\$355,242</u>	<u>\$382,949</u>	<u>\$62,722</u>	<u>\$1,114,693</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Payables						
Accounts	\$ 35,633	\$ 1,946	\$ -0-	\$ 46,103	\$62,722	\$ 146,404
Payroll and related liabilities	9,380	5,436	-0-	-0-	-0-	14,816
Due to other funds	-0-	-0-	-0-	22,960	-0-	22,960
Total liabilities	<u>45,013</u>	<u>7,382</u>	<u>-0-</u>	<u>69,063</u>	<u>62,722</u>	<u>184,180</u>
Deferred inflows of resources						
Deferred revenue	<u>-0-</u>	<u>83,425</u>	<u>295,626</u>	<u>322,492</u>	<u>-0-</u>	<u>701,543</u>
Fund balances						
Nonspendable						
Inventories	2,157	-0-	-0-	-0-	-0-	2,157
Unreserved, reported in:						
Special revenue funds	<u>168,135</u>	<u>7,668</u>	<u>59,616</u>	<u>(8,606)</u>	<u>-0-</u>	<u>226,813</u>
Total fund balances	<u>170,292</u>	<u>7,668</u>	<u>59,616</u>	<u>(8,606)</u>	<u>-0-</u>	<u>228,970</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$215,305</u>	<u>\$98,475</u>	<u>\$355,242</u>	<u>\$382,949</u>	<u>\$62,722</u>	<u>\$1,114,693</u>

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended April 30, 2019

	Convention and Visitors' Bureau	Special Service Area Number One	TIF RT 15 and I-57	TIF Industrial Park	Community Development Assistance Program	Total Nonmajor Governmental Funds
Revenues:						
Hotel/motel taxes	\$ 535,535	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 535,535
Property taxes levied for general purposes	-0-	83,929	285,473	137,129	-0-	506,531
Property taxes levied for employee benefits	32,451	-0-	-0-	-0-	-0-	32,451
Unrestricted investment income	4,838	296	2,756	393	-0-	8,283
Miscellaneous	1,807	-0-	-0-	-0-	-0-	1,807
Operating grants and contributions	128,702	-0-	-0-	-0-	-0-	128,702
Capital grants and contributions	-0-	-0-	-0-	-0-	436,678	463,678
Charges for services	1,885	-0-	-0-	-0-	-0-	1,885
Total revenues	<u>705,218</u>	<u>84,225</u>	<u>288,229</u>	<u>137,522</u>	<u>463,678</u>	<u>1,678,872</u>
Expenditures:						
Current						
Culture and recreation	512,242	-0-	-0-	-0-	-0-	512,242
Community development	-0-	80,898	257,134	62,034	463,678	863,744
Debt service						
Interest and fiscal charges	-0-	-0-	-0-	12,216	-0-	12,216
Total expenditures	<u>512,242</u>	<u>80,898</u>	<u>257,134</u>	<u>74,250</u>	<u>463,678</u>	<u>1,388,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>192,976</u>	<u>3,327</u>	<u>31,095</u>	<u>63,272</u>	<u>-0-</u>	<u>290,670</u>
Other financing sources (uses):						
Transfers to other funds	(178,512)	-0-	(4,000)	(3,000)	-0-	(185,512)
Principle paid on long-term debt	-0-	-0-	-0-	(22,181)	-0-	(22,181)
Net other financing sources (uses)	<u>(178,512)</u>	<u>-0-</u>	<u>(4,000)</u>	<u>(25,181)</u>	<u>-0-</u>	<u>(207,693)</u>
Net change in fund balances	14,464	3,327	27,095	38,091	-0-	82,977
Fund balances - beginning	<u>155,828</u>	<u>4,341</u>	<u>32,521</u>	<u>(46,697)</u>	<u>-0-</u>	<u>145,993</u>
Fund balances - ending	<u>\$ 170,292</u>	<u>\$ 7,668</u>	<u>\$ 59,616</u>	<u>\$ (8,606)</u>	<u>\$ -0-</u>	<u>\$ 228,970</u>

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 CONVENTION AND VISITORS' BUREAU
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS
 GOVERNMENTAL FUNDS
 Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
Revenues:					
Hotel/motel taxes	\$ 573,900	\$-0-	\$ 573,900	\$ 535,535	\$ (38,365)
Property taxes levied for employee benefits	34,015	-0-	34,015	32,451	(1,564)
Unrestricted investment income	3,045	-0-	3,045	4,838	1,793
Miscellaneous	1,600	-0-	1,600	1,807	207
Operating grants and contributions	107,000	-0-	107,000	128,702	21,702
Charges for services	2,525	-0-	2,525	1,885	(640)
Total revenues	<u>722,085</u>	<u>-0-</u>	<u>722,085</u>	<u>705,218</u>	<u>(16,867)</u>
Expenditures:					
Current					
Culture and recreation	529,862	-0-	529,862	512,242	17,620
Total expenditures	<u>529,862</u>	<u>-0-</u>	<u>529,862</u>	<u>512,242</u>	<u>17,620</u>
Excess (deficiency) of revenues over (under) expenditures	<u>192,223</u>	<u>-0-</u>	<u>192,223</u>	<u>192,976</u>	<u>753</u>
Other financing sources (uses):					
Transfers to other funds	(191,300)	-0-	(191,300)	(178,512)	12,788
Net other financing sources (uses)	<u>(191,300)</u>	<u>-0-</u>	<u>(191,300)</u>	<u>(178,512)</u>	<u>12,788</u>
Net change in fund balance	923	<u>\$-0-</u>	923	14,464	<u>\$ 13,541</u>
Fund balance - beginning	<u>155,828</u>		<u>155,828</u>	<u>155,828</u>	
Fund balance - ending	<u>\$ 156,751</u>		<u>\$ 156,751</u>	<u>\$ 170,292</u>	

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
SPECIAL SERVICE AREA NUMBER ONE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 83,900	\$-0-	\$ 83,900	\$ 83,929	\$ 29
Unrestricted investment income	300	-0-	300	296	(4)
Total revenues	<u>84,200</u>	<u>-0-</u>	<u>84,200</u>	<u>84,225</u>	<u>25</u>
<u>Expenditures:</u>					
Current					
Community development	81,180	-0-	81,180	80,898	282
Total expenditures	<u>81,180</u>	<u>-0-</u>	<u>81,180</u>	<u>80,898</u>	<u>282</u>
Excess (deficiency) of revenues over (under) expenditure	<u>3,020</u>	<u>-0-</u>	<u>3,020</u>	<u>3,327</u>	<u>307</u>
Net change in fund balance	3,020	<u>\$-0-</u>	3,020	3,327	<u>\$ 307</u>
Fund balance - beginning	<u>4,341</u>		<u>4,341</u>	<u>4,341</u>	
Fund balance - ending	<u>\$ 7,361</u>		<u>\$ 7,361</u>	<u>\$ 7,668</u>	

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
TIF - RT 15 AND I-57
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
Revenues:					
Property taxes levied for general purposes	\$254,000	\$29,300	\$283,300	\$285,473	\$2,173
Unrestricted investment income	950	-0-	950	2,756	1,806
Total revenues	<u>254,950</u>	<u>29,300</u>	<u>284,250</u>	<u>288,229</u>	<u>3,979</u>
Expenditures:					
Current					
Community development	227,850	29,300	257,150	257,134	16
Total expenditures	<u>227,850</u>	<u>29,300</u>	<u>257,150</u>	<u>257,134</u>	<u>16</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,100</u>	<u>-0-</u>	<u>27,100</u>	<u>31,095</u>	<u>3,995</u>
Other financing sources (uses):					
Transfers to other funds	(4,000)	-0-	(4,000)	(4,000)	-0-
Net other financing sources (uses)	<u>(4,000)</u>	<u>-0-</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-0-</u>
Net change in fund balance	23,100	<u>\$ -0-</u>	23,100	27,095	<u>\$3,995</u>
Fund balance - beginning	<u>32,521</u>		<u>32,521</u>	<u>32,521</u>	
Fund balance - ending	<u>\$ 55,621</u>		<u>\$ 55,621</u>	<u>\$ 59,616</u>	

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
TIF - INDUSTRIAL PARK CONSTRUCTION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS
GOVERNMENTAL FUNDS
Year Ended April 30, 2019

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 8,900	\$ 45,500	\$ 54,400	\$137,129	\$82,729
Unrestricted investment income	6	-0-	6	393	387
Total revenues	<u>8,906</u>	<u>45,500</u>	<u>54,406</u>	<u>137,522</u>	<u>83,116</u>
<u>Expenditures:</u>					
Current					
Community development	48,750	17,100	65,850	62,034	3,816
Debt service					
Interest and fiscal charges	12,216	-0-	12,216	12,216	-0-
Total expenditures	<u>60,966</u>	<u>17,100</u>	<u>78,066</u>	<u>74,250</u>	<u>3,816</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,060)</u>	<u>28,400</u>	<u>(23,660)</u>	<u>63,272</u>	<u>86,932</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	-0-	-0-	-0-	(3,000)	(3,000)
Principal paid on long-term debt	(22,181)	-0-	(22,181)	(22,181)	-0-
Net other financing sources (uses)	<u>(22,181)</u>	<u>-0-</u>	<u>(22,181)</u>	<u>(25,181)</u>	<u>(3,000)</u>
Net change in fund balance	(74,241)	<u>\$ 28,400</u>	(45,841)	38,091	<u>\$83,932</u>
Fund balance - beginning	<u>(46,697)</u>		<u>(46,697)</u>	<u>(46,697)</u>	
Fund balance - ending	<u>\$ (120,938)</u>		<u>\$ (92,538)</u>	<u>\$ (8,606)</u>	

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 COMMUNITY DEVELOPMENT ASSISTANCE PROGRAM
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GAAP BASIS
 GOVERNMENTAL FUNDS
 Year Ended April 30, 2019

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Amended Budget</u>	<u>Total Actual</u>	<u>Revenue Over/(Under) Expenditure (Over)/Under Variance</u>
<u>Revenues:</u>					
Capital grants and contribution	\$677,332	\$-0-	\$677,332	\$463,678	\$(213,654)
Total revenues	<u>677,332</u>	<u>-0-</u>	<u>677,332</u>	<u>463,678</u>	<u>(213,654)</u>
<u>Expenditures:</u>					
Current					
Community development	677,332	-0-	677,332	463,678	213,654
Total expenditures	<u>677,332</u>	<u>-0-</u>	<u>677,332</u>	<u>463,678</u>	<u>213,654</u>
Net change in fund balance	-0-	<u>\$-0-</u>	-0-	-0-	<u>\$ -0-</u>
Fund balance - beginning	<u>-0-</u>		<u>-0-</u>	<u>-0-</u>	
Fund balance - ending	<u>\$ -0-</u>		<u>\$ -0-</u>	<u>\$ -0-</u>	

The accompanying notes are an integral
 part of the financial statements.

SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL STATEMENTS

General Corporate Fund

These supplementary statements are included to provide management additional information for financial analysis.

CITY OF MT. VERNON, ILLINOIS
GENERAL CORPORATE FUND
COMPARATIVE BALANCE SHEETS
April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$3,342,379	\$2,586,533
Investments	4,079	4,176
Receivables:		
Accounts, net	50,675	54,525
Notes	139,256	393,594
Due from other funds	273,813	273,357
Due from other governments and their agencies	1,676,640	1,574,390
Property and replacement taxes, net	1,166,498	1,201,942
Prepaid expenses	2,832	3,098
Restricted assets	403,636	494,018
Total Assets	<u>\$7,059,808</u>	<u>\$6,585,633</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Payables:		
Accounts	\$ 401,890	\$ 329,924
Payroll and related liabilities	693,315	732,403
Liabilities payable from restricted assets	88,828	139,010
Total liabilities	<u>1,184,033</u>	<u>1,201,337</u>
Deferred inflows of resources		
Deferred revenue	1,409,040	1,420,266
Fund balances		
Nonspendable:		
Prepaid expenses	1,950	3,098
Restricted:		
Employee benefits	103,227	130,062
Dare donations - Police (General Corporate)	2,011	2,011
DUI (General Corporate)	83,125	130,261
Federal Drug Force (General Corporate)	47,458	48,049
State/Local drug (General Corporate)	28,440	(998)
Anti-crime FNS	42,860	37,936
Park donations	3,187	3,187
Liquor ordinance fines	4,500	4,500
Unassigned, reported in:		
General Corporate	4,149,977	3,605,924
Total fund balances	<u>4,466,735</u>	<u>3,964,030</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$7,059,808</u>	<u>\$6,585,633</u>

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
GENERAL CORPORATE FUND
COMPARATIVE INCOME STATEMENTS
April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Revenues:</u>		
Sales taxes	\$ 9,429,551	\$ 8,837,191
Use taxes	464,468	401,838
Hotel/motel taxes	774,080	792,870
Property taxes levied for general purposes	277,946	388,497
Property taxes levied for employee benefits	702,660	699,444
Franchise taxes	149,755	149,231
Public service taxes	2,361,649	2,171,387
Gain on sale of fixed assets	10,525	17,835
Grants and contributions not restricted to specific programs	6,403	3,492
Unrestricted investment income	149,456	73,201
Miscellaneous	22,626	37,674
Operating grants and contributions	40,233	35,199
Charges for services	1,097,548	936,571
Total revenues	<u>15,486,900</u>	<u>14,544,430</u>
<u>Expenditures:</u>		
Current		
General government	3,056,299	3,134,447
Public safety		
Police	4,966,123	4,804,997
Fire	3,152,810	3,083,009
Public works	1,435,878	1,335,925
Engineering services	381,256	394,003
Culture and recreation	1,052,590	945,411
Community development	-0-	951
Debt service		
Principal retirement	111,719	106,272
Interest and fiscal charges	28,032	33,479
Total expenditures	<u>14,184,707</u>	<u>13,838,494</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,302,193</u>	<u>705,936</u>
<u>Other financing sources (uses):</u>		
Transfers from other funds	220,512	220,802
Transfers to other funds	(1,000,000)	(889,000)
Net other financing sources (uses)	<u>(799,488)</u>	<u>(668,198)</u>
Net change in fund balances	502,705	37,738
Fund balances - beginning	<u>3,964,030</u>	<u>3,926,292</u>
Fund balances - ending	<u>\$ 4,466,735</u>	<u>\$ 3,964,030</u>

The accompanying notes are an integral
part of the financial statements.

SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL STATEMENTS

Proprietary Funds

These supplementary statements are included to provide management additional information for financial analysis.

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 WATER FUND
 COMPARATIVE STATEMENTS OF NET POSITION
 April 30, 2019 and 2018

	<u>2019</u>	<u>Restated* 2018</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 596,174	\$ 1,182,500
Investments	33,191	34,341
Receivables:		
Accounts, net	556,660	890,141
Interest	713	706
Inventories	133,424	152,336
Prepaid expenses	44,232	68,385
Total current assets	<u>1,364,394</u>	<u>2,328,409</u>
Restricted assets:		
Cash and cash equivalents	279,601	284,453
Total restricted assets	<u>279,601</u>	<u>284,453</u>
Noncurrent assets:		
Property and equipment	12,872,491	20,948,488
Other capital assets	39,856	240,817
Total noncurrent assets	<u>12,912,347</u>	<u>21,189,305</u>
Total Assets	<u>\$14,556,342</u>	<u>\$23,802,167</u>
Deferred outflows of resources		
Deferred pension and OPEB charges	\$ 585,685	\$ 14,995
Total deferred outflows of resources	<u>\$ 585,685</u>	<u>\$ 14,995</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 588,747	\$ 624,239
Payroll and related liabilities	141,091	132,756
Accrued interest payable	95,477	45,945
Due to other funds	216	216
Total current liabilities	<u>825,531</u>	<u>803,156</u>
Liabilities payable from restricted assets:		
Accounts payable and accrued liabilities	279,601	284,453
Total liabilities payable from restricted assets	<u>279,601</u>	<u>284,453</u>
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	9,543,462	7,602,874
Net pension obligation	1,092,143	133,531
Total other post employment benefits obligation	1,148,963	1,147,174
Total noncurrent liabilities	<u>11,784,568</u>	<u>8,883,579</u>
Total liabilities	<u>12,889,700</u>	<u>9,971,188</u>
Deferred inflows of resources		
Deferred pension credits	-0-	436,711
Deferred revenue	66,094	47,498
Total deferred inflows of resources	<u>66,094</u>	<u>484,209</u>
Net position		
Invested in capital assets, net of related debt	3,614,935	13,867,047
Committed for:		
Restricted revenue	248,169	248,169
Unrestricted	(1,676,871)	(753,451)
Total net position	<u>2,186,233</u>	<u>13,361,765</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$15,142,027</u>	<u>\$23,817,162</u>

*Beginning net position as restated April 30, 2018, due to the provisions of GASB 75. (See Note 13)

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 WATER FUNDS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 Years Ended April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues		
User charges	\$ 4,761,037	\$ 8,821,747
Other operating revenues	43,258	82,265
Total operating revenues	<u>4,804,295</u>	<u>8,904,012</u>
Operating expenses		
Administration	1,768,474	2,773,030
Cost of sales and services	2,149,792	2,336,155
Treatment	-0-	2,544,277
Depreciation	353,031	1,010,726
Total operating expenses	<u>4,271,297</u>	<u>8,664,188</u>
Operating income	<u>532,998</u>	<u>239,824</u>
Non-operating revenues (expenses)		
Non-operating revenues	172,137	256,983
Property tax revenue	37,820	37,839
Interest and fiscal charges - bonds	(388,572)	(357,921)
Total non-operating revenues (expenses)	<u>(178,615)</u>	<u>(63,099)</u>
Income before contributions and transfers	354,383	176,725
Capital contributions	-0-	2,560
Transfers from other funds	<u>(11,529,915)</u>	<u>753,949</u>
Change in net position	(11,175,532)	933,234
Net position - beginning, as previously reported	14,699,527	13,766,293
Cumulative change in accounting principle (See Note 13)	<u>(1,337,762)</u>	<u>(1,337,762)</u>
Net position - beginning, restated	<u>13,361,765</u>	<u>12,428,531</u>
Total net position - ending	<u>\$ 2,186,233</u>	<u>\$13,361,765</u>

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 WATER FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 Years Ended April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Cash received from customers	\$ 5,108,262	\$ 8,799,986
Cash payments to suppliers for goods and services	(2,791,368)	(5,576,272)
Cash payments to employees and professional contractors for services	(1,449,856)	(1,716,416)
Other operating revenues	<u>43,258</u>	<u>82,272</u>
Net cash provided by operating activities	<u>910,296</u>	<u>1,589,570</u>
Cash flows from noncapital financing activities		
Transfers from other funds	1,053,588	753,949
Other non-operating revenues	<u>85,901</u>	<u>88,655</u>
Net cash provided by noncapital financing activities	<u>1,139,489</u>	<u>842,604</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(4,656,509)	(1,411,292)
Interest and fiscal charges paid	(343,070)	(365,307)
Proceeds from issuance of long-term debt	2,700,000	-0-
Principal paid on revenue bonds	<u>(466,590)</u>	<u>(511,732)</u>
Net cash (used for) capital and related financing activities	<u>(2,766,169)</u>	<u>(2,288,331)</u>
Cash flows from investing activities		
Interest and customer penalty income received	86,236	168,329
Proceeds from sale of investments	<u>1,150</u>	<u>270,915</u>
Net cash provided by investing activities	<u>87,386</u>	<u>439,244</u>
Cash flows from nonexchange activities		
Property tax revenue	<u>37,820</u>	<u>37,839</u>
Net cash provided by nonexchange activities	<u>37,820</u>	<u>37,839</u>
Net (decrease) increase in cash and cash equivalents	(591,178)	620,926
Cash and cash equivalents at May 1, 2018 and May 1, 2017	<u>1,466,953</u>	<u>846,027</u>
Cash and cash equivalents at May 1, 2019 and May 1, 2018	<u>\$ 875,775</u>	<u>\$ 1,466,953</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 596,174	\$ 1,182,500
Restricted assets - cash and cash equivalents	<u>279,601</u>	<u>284,453</u>
Total cash and cash equivalents	<u>\$ 875,775</u>	<u>\$ 1,466,953</u>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 WATER FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 Years Ended April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income	\$ 532,998	\$ 239,824
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	353,031	1,010,726
Changes in assets and liabilities		
(Increase) in accounts receivable	(33,315)	(29,456)
Decrease (increase) in inventories	15,106	(18,082)
Decrease in prepaid expenses	4,132	8,418
(Increase) decrease in deferred pension charges	(926,275)	1,248,653
(Decrease) increase in accounts payable	(35,492)	186,142
Increase (decrease) in payroll and related liabilities payable	26,859	(1,996)
Increase in deferred revenue	18,596	7,205
Increase (decrease) in net pension obligation	983,417	(1,027,263)
(Decrease) in total other post employment benefits	(23,909)	(35,092)
(Decrease) increase in customer deposits payable	(4,852)	491
Total adjustments	<u>377,298</u>	<u>1,349,746</u>
Net cash provided by operating activities	<u>\$ 910,296</u>	<u>\$ 1,589,570</u>
Noncash investing, capital, and financing activities		
Capital assets contributed	\$ -0-	\$ 2,560
Total noncash investing, capital, and financing activities	<u>\$ -0-</u>	<u>\$ 2,560</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 SEWER FUND
 COMPARATIVE STATEMENTS OF NET POSITION
 April 30, 2019 and 2018

	2019	Restated* 2018
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,947,011	\$ -0-
Receivables:		
Accounts, net	409,414	-0-
Prepaid expenses	27,032	-0-
Total current assets	2,383,457	-0-
Noncurrent assets:		
Property and equipment	12,436,927	-0-
Total noncurrent assets	12,436,927	-0-
Total Assets	\$14,820,384	\$ -0-
Deferred outflows of resources		
Deferred pension and OPEB charges	\$ 159,888	\$ 3,218
Total deferred outflows of resources	\$ 159,888	\$ 3,218
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 152,898	\$ -0-
Payroll and related liabilities	42,226	-0-
Accrued interest payable	2,642	-0-
Total current liabilities	197,766	-0-
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	253,325	-0-
Net pension obligation	299,624	-0-
Total other post-employment benefits obligation	246,546	277,375
Total noncurrent liabilities	799,495	277,375
Total liabilities	997,261	277,375
Net position		
Invested in capital assets, net of related debt	12,183,602	-0-
Unrestricted	1,799,409	(274,157)
Total net position	13,983,011	(274,157)
Total Liabilities and Fund Balances	\$14,980,272	\$ 3,218

*Beginning net position as restated April 30, 2018, due to the provisions of GASB 75. (See Note 13)

The accompanying notes are an integral
part of the financial statements.

CITY OF MT VERNON, ILLINOIS
 PROPRIETARY FUNDS
 SEWER FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION
 YEARS ENDED APRIL 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating revenues		
User charges	\$ 3,341,953	\$ -0-
Other operating revenue	44,622	-0-
Total operating revenues	<u>3,386,575</u>	<u>-0-</u>
Operating expenses		
Administration	1,036,527	-0-
Cost of sales and services	1,606,579	-0-
Depreciation	623,696	-0-
Total operating expenses	<u>3,266,802</u>	<u>-0-</u>
Operating income	119,773	-0-
Non-operating revenue (expenses)		
Non-operating revenues	70,870	-0-
Interest and fiscal charges - bonds	(6,630)	-0-
Total non-operating revenue (expenses)	<u>64,240</u>	<u>-0-</u>
Income before contributions and transfers	184,013	-0-
Transfers from other funds	<u>14,073,155</u>	<u>-0-</u>
Change in net position	14,257,168	-0-
Net position - beginning, as previously reported	-0-	-0-
Cumulative change in accounting principles (See Note 13)	<u>(274,157)</u>	<u>(274,157)</u>
Net position - beginning, restated	<u>(274,157)</u>	<u>(274,157)</u>
Total net position, ending	<u>\$13,983,011</u>	<u>\$ (274,157)</u>

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
PROPERTY FUNDS
SEWER FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED APRIL 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Cash received from customers	\$ 2,930,356	\$-0-
Cash payments to suppliers for goods and services	(1,816,916)	-0-
Cash payments to employees and professional contractors for services	(260,885)	-0-
Other operating revenues	45,972	-0-
Net cash provided by operating activities	<u>898,527</u>	<u>-0-</u>
Cash flows from noncapital financing activities		
Transfers from other funds	1,497,258	-0-
Net cash provided by noncapital financing activities	<u>1,497,258</u>	<u>-0-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(480,187)	-0-
Interest and fiscal charges paid	(3,988)	-0-
Principal paid on revenue bonds	(35,469)	-0-
Net cash (used for) capital and related financing activities	<u>(519,644)</u>	<u>-0-</u>
Cash flows from investing activities		
Interest and customer penalty income received	70,870	-0-
Net cash provided by investing activities	<u>70,870</u>	<u>-0-</u>
Net increase in cash and cash equivalents	1,947,011	-0-
Cash and cash equivalents at May 1, 2018 and May 1, 2017	<u>-0-</u>	<u>-0-</u>
Cash and cash equivalents at April 30, 2019 and 2018	1,947,011	-0-
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	1,947,011	-0-
Total cash and cash equivalents	<u>1,947,011</u>	<u>-0-</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	119,773	-0-
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	623,696	-0-
Changes in assets and liabilities		
(Decrease) in accounts receivable	(42,618)	-0-
(Increase) in inventories	(3,805)	-0-
(Increase) in prepaid expenses	(7,011)	-0-
(Increase) in deferred pension changes	(237,796)	-0-
Increase in accounts payable	152,898	-0-
Increase in payroll and related liabilities payable	23,702	-0-
Increase in net pension obligation	274,819	-0-
(Decrease) in total other post-employment benefits	(5,131)	-0-
Total adjustments	<u>778,754</u>	<u>-0-</u>
Net cash provided by operating activities	<u>\$ 898,527</u>	<u>\$-0-</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 SANITATION
 COMPARATIVE STATEMENTS OF NET POSITION
 APRIL 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$168,984	\$ 99,756
Receivables:		
Accounts, net	74,442	82,707
Due from other funds	216	216
Total current assets	<u>243,642</u>	<u>182,679</u>
Noncurrent assets:		
Property and equipment	<u>40,000</u>	<u>40,000</u>
Total noncurrent assets	<u>40,000</u>	<u>40,000</u>
 Total Assets	 <u>\$283,642</u>	 <u>\$222,679</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payable		
Accounts	\$ 88,677	\$ 86,026
Total current liabilities	<u>88,677</u>	<u>86,026</u>
Total liabilities	<u>88,677</u>	<u>86,026</u>
 Net position		
Invested in capital assets, net of related debt	40,000	40,000
Unrestricted	<u>154,965</u>	<u>96,653</u>
Total net position	<u>194,965</u>	<u>136,653</u>
 Total Liabilities and Fund Balances	 <u>\$283,642</u>	 <u>\$222,679</u>

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 SANITATION
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 Years Ended April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues		
User charges	\$1,158,518	\$1,164,024
Total operating revenues	<u>1,158,518</u>	<u>1,164,024</u>
Operating expenses		
Administration	33,233	33,371
Cost of sales and services	1,070,388	1,032,318
Total operating expenses	<u>1,103,621</u>	<u>1,065,689</u>
Operating income	54,897	98,335
Non-operating revenues		
Non-operating revenues	3,415	849
Total non-operating revenues	<u>3,415</u>	<u>849</u>
Change in net position	58,312	99,184
Total net position - beginning	<u>136,653</u>	<u>37,469</u>
Total net position - ending	<u>\$ 194,965</u>	<u>\$ 136,653</u>

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 PROPRIETARY FUNDS
 SANITATION
 COMPARATIVE STATEMENTS OF CASH FLOWS
 Years Ended April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Cash received from customers	\$ 1,166,782	\$ 1,158,720
Cash payments to suppliers for goods and services	(1,098,725)	(1,070,886)
Cash payments to employees and professional contractors for services	<u>(2,244)</u>	<u>(2,533)</u>
Net cash provided by operating activities	<u>65,813</u>	<u>85,301</u>
Cash flows from investing activities		
Interest and customer penalty income received	<u>3,415</u>	<u>848</u>
Net cash provided by investing activities	<u>3,415</u>	<u>848</u>
Net increase in cash and cash equivalents	69,228	86,149
Cash and cash equivalents at May 1, 2018 and May 1, 2017	<u>99,756</u>	<u>13,607</u>
Cash and cash equivalents at April 30, 2019 and April 30, 2018	<u>\$ 168,984</u>	<u>\$ 99,756</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 168,984	\$ 99,756
Total cash and cash equivalents	<u>\$ 168,984</u>	<u>\$ 99,756</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income	\$ 54,897	\$ 98,335
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	8,265	(5,303)
Increase (decrease) in accounts payable	<u>2,651</u>	<u>(7,731)</u>
Total adjustments	<u>10,916</u>	<u>(13,034)</u>
Net cash provided by operating activities	<u>\$ 65,813</u>	<u>\$ 85,301</u>

The accompanying notes are an integral part of the financial statements.

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF MT. VERNON, ILLINOIS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULE BY SOURCE
 April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Governmental funds capital assets		
Land	\$ 5,489,495	\$ 5,336,310
Buildings	6,449,746	6,252,531
Office furniture and equipment	1,237,246	1,181,874
Machinery and equipment	3,835,087	3,602,806
Licensed vehicles	6,934,006	6,283,031
Infrastructure	58,143,526	53,320,721
Total governmental funds capital assets	<u>\$82,089,106</u>	<u>\$75,977,273</u>
Investments in governmental funds capital assets by source		
General corporate fund	\$24,801,849	\$24,799,874
Special revenue funds	56,359,978	50,250,120
Donations	927,279	927,279
Total governmental funds capital assets	<u>\$82,089,106</u>	<u>\$75,977,273</u>

The accompanying notes are an integral
 part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 For the Fiscal Year Ended April 30, 2019

Function and Activity	Governmental Funds Capital Assets 4/30/18	Additions	Deductions	Transfers Between Governmental Activities	Governmental Funds Capital Assets 4/30/19
General government	\$21,801,587	\$4,958,797	\$(3,000)	\$-0-	\$26,757,384
Public safety and protection	7,340,916	602,872	-0-	-0-	7,943,788
Streets	29,998,491	362,952	-0-	-0-	30,361,443
Culture and recreation	14,820,599	190,212	-0-	-0-	15,010,811
Community and economic development	<u>2,015,680</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,015,680</u>
Total Governmental Funds Capital Assets	<u>\$75,977,273</u>	<u>\$6,114,833</u>	<u>\$(3,000)</u>	<u>\$-0-</u>	<u>\$82,089,106</u>

The accompanying notes are an integral
part of the financial statements.

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE BY FUNCTION AND CAPITAL ASSETS USED IN
 OPERATION OF GOVERNMENTAL FUNDS
 April 30, 2019

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Furniture and Fixtures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Total</u>
General government	\$1,857,987	\$2,057,352	\$ 923,624	\$ 212,700	\$ 185,235	\$21,520,486	\$26,757,384
Public safety and protection	-0-	924,077	292,564	1,525,049	5,168,313	33,785	7,943,788
Streets	-0-	109,546	-0-	1,416,003	1,448,806	27,387,088	30,361,443
Culture and recreation	2,575,649	2,449,979	12,459	661,860	108,697	9,202,167	15,010,811
Community and economic development	<u>1,055,859</u>	<u>908,792</u>	<u>8,599</u>	<u>19,475</u>	<u>22,955</u>	<u>-0-</u>	<u>2,015,680</u>
Total Governmental Funds Capital Assets	<u>\$5,489,495</u>	<u>\$6,449,746</u>	<u>\$1,237,246</u>	<u>\$3,835,087</u>	<u>\$6,934,006</u>	<u>\$58,143,526</u>	<u>\$82,089,106</u>

The accompanying notes are an integral
 part of the financial statements.

STATISTICAL SECTION

CITY OF MT. VERNON, ILLINOIS
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 LAST TEN FISCAL YEARS

Fiscal Year	General Government	Police	Fire	Public Works	Engineering Services	Health and Sanitation	Culture and Recreation	Community Development	Education	Interest on Long-Term Debt	Water, Sewer, and Sanitation Funds	Total
											(Includes Interest Expense of \$395,202)	
2019	\$5,850,037	\$5,842,823	\$4,017,767	\$2,009,913	\$396,170	\$1,103,621	\$1,646,158	\$1,192,181	\$-0-	\$1,112,911	\$7,933,301	\$31,104,882
2018	5,403,819	5,978,896	3,868,278	2,045,219	465,543	1,065,689	1,606,812	2,785,122	0-	1,179,838	9,022,406	33,421,622
2017	4,814,075	4,952,148	3,605,436	1,976,810	474,860	1,152,757	1,471,573	1,057,118	-0-	1,175,717	8,372,167	29,052,661
2016	5,837,478	5,355,077	3,945,545	2,481,469	596,213	1,119,734	1,855,666	933,660	-0-	1,218,555	8,548,196	31,891,593
2015	4,681,709	4,719,925	3,339,454	2,344,768	620,769	1,076,232	1,693,291	569,574	-0-	1,215,898	8,171,899	28,433,519
2014	4,521,542	4,896,290	3,373,968	2,338,854	639,032	685,003	1,287,904	304,882	-0-	1,230,339	8,458,903	27,736,717
2013	4,321,400	4,884,801	3,328,796	2,609,096	598,129	685,451	1,414,160	721,634	-0-	761,949	8,209,676	27,535,092
2012	3,545,014	4,639,019	3,161,600	2,691,326	394,625	681,442	1,337,808	526,866	-0-	136,447	7,792,369	24,906,516
2011	2,901,532	4,326,394	2,793,023	2,591,197	313,207	616,981	1,268,133	190,627	-0-	92,089	7,530,833	22,624,016
2010	2,858,304	4,339,590	2,852,869	2,371,718	322,417	612,932	1,231,139	688,827	-0-	10,588	7,015,647	22,304,031

CITY OF MT. VERNON, ILLINOIS
 GOVERNMENT-WIDE REVENUES
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Taxes</u>	<u>Gain (Loss) on Sale of Fixed Assets</u>	<u>Grants and Contributions Not Restricted to Specific Programs</u>	<u>Unrestricted Investment Income</u>	<u>Miscellaneous</u>	<u>Transfers</u>	<u>Total</u>
2019	\$11,120,263	\$168,935	\$2,368,206	\$22,996,106	\$ 9,525	\$ 24,848	\$ 323,070	\$ 92,824	\$-0-	\$37,103,777
2018	11,935,289	142,810	2,985,140	19,213,545	9,655	8,592	289,076	88,399	-0-	34,672,506
2017	11,294,627	146,892	1,298,908	17,688,171	141,305	12,675	133,404	167,831	-0-	30,883,813
2016	9,822,667	140,267	746,887	17,975,370	(6,603)	18,958	52,645	80,434	-0-	28,830,625
2015	9,811,879	155,933	647,349	17,785,947	27,114	49,077	(251,728)	62,196	-0-	28,287,767
2014	9,107,988	239,540	1,078,944	16,875,992	28,727	357,254	147,640	68,768	-0-	27,904,853
2013	8,966,302	223,554	6,270,967	16,282,951	(1,521)	180,176	130,215	112,004	-0-	32,164,648
2012	8,371,224	197,348	1,619,536	15,083,511	85,441	46,718	73,972	100,265	-0-	25,578,015
2011	7,658,775	146,615	1,647,199	14,308,913	68,086	317,260	83,614	82,723	-0-	24,313,185
2010	7,220,274	107,521	999,101	13,552,823	15,370	19,096	43,395	142,578	-0-	22,100,158

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF GENERAL GOVERNMENTAL REVENUES BY SOURCE (GAAP BASIS)
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Sales Taxes</u>	<u>Property Taxes</u>	<u>Other Taxes, Licenses, and Fines</u>	<u>User Charges</u>	<u>Grants, Entitlements, and Subsidies</u>	<u>Interest</u>	<u>Other Revenues</u>	<u>Total</u>
2019	\$16,497,586	\$1,934,409	\$4,285,487	\$1,099,433	\$2,559,014	\$ 262,858	\$103,349	\$26,742,136
2018	12,780,468	1,831,509	4,078,283	939,096	3,129,881	259,647	105,223	23,124,107
2017	11,845,721	1,664,163	3,989,434	897,516	1,442,835	122,759	313,553	20,275,981
2016	12,236,418	1,557,520	4,064,986	935,229	877,333	46,341	84,391	19,802,218
2015	12,425,777	1,303,539	3,963,767	992,431	820,059	(229,381)	99,879	19,376,071
2014	11,902,218	1,184,539	3,588,674	597,643	1,319,985	132,118	140,184	18,865,361
2013	11,536,650	1,090,277	3,513,374	529,529	5,853,206	112,386	118,106	22,753,528
2012	9,313,414	1,086,594	4,678,397	486,752	1,836,416	54,757	253,444	17,709,774
2011	8,757,274	918,853	4,384,910	497,270	2,085,074	63,728	245,973	16,953,082
2010	8,453,454	862,477	4,251,776	539,683	1,056,233	42,428	208,735	15,414,786

Includes all Governmental Funds

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (GAAP BASIS)
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Culture and Recreation</u>	<u>Community and Economic Development</u>	<u>Debt Service</u>	<u>Total</u>
2019	\$ 9,547,150	\$8,118,933	\$2,051,107	\$1,564,832	\$1,190,744	\$1,280,020	\$23,752,786
2018	9,490,782	7,888,006	1,928,655	1,445,778	2,774,830	1,340,231	24,868,282
2017	8,516,553	7,831,551	2,502,428	1,585,660	1,054,678	1,226,594	22,717,464
2016	9,240,724	8,238,661	2,599,861	1,653,918	934,927	1,268,292	23,936,383
2015	9,598,454	7,776,563	2,611,162	1,591,470	566,832	1,256,954	23,401,435
2014	10,381,451	7,980,218	2,622,731	1,207,840	300,223	1,460,111	23,952,574
2013	15,111,426	7,877,215	2,852,045	1,320,148	719,990	130,601	28,011,425
2012	6,015,912	7,652,223	2,755,960	1,260,401	525,222	140,798	18,350,516
2011	5,712,243	7,173,662	2,635,064	1,160,841	188,983	80,071	16,950,864
2010	3,989,893	6,970,768	2,426,339	1,157,375	687,182	10,588	15,242,145

Includes all Governmental Funds

CITY OF MT. VERNON, ILLINOIS
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Sales Taxes</u>	<u>Use Taxes</u>	<u>Hotel/Motel Taxes</u>	<u>Property Taxes Levied for General Purposes</u>	<u>Property Taxes Levied for Employee Benefits</u>	<u>Franchise Taxes</u>	<u>Public Service Taxes</u>	<u>Total</u>
2019	\$16,497,586	\$464,468	\$1,309,615	\$1,492,610	\$677,923	\$149,755	\$2,366,329	\$22,958,286
2018	12,780,466	401,838	1,355,827	1,569,229	744,842	149,231	2,174,273	19,175,706
2017	11,845,721	376,677	1,339,505	1,093,315	752,613	154,335	2,126,005	17,688,171
2016	12,236,418	352,654	1,370,259	894,685	782,209	157,350	2,181,795	17,975,370
2015	12,425,779	308,664	1,331,869	634,647	753,586	157,818	2,173,584	17,785,947
2014	11,902,218	267,510	1,202,011	625,850	755,626	148,598	1,974,179	16,875,992
2013	11,536,650	242,219	1,274,046	547,468	690,404	142,175	1,849,989	16,282,951
2012	9,313,414	222,969	1,214,062	483,188	596,229	135,283	3,118,366	15,083,511
2011	8,757,274	230,551	1,109,173	530,848	628,186	134,357	2,918,524	14,308,913
2010	8,453,454	194,865	1,054,890	585,271	339,993	130,241	2,834,250	13,592,964

CITY OF MT. VERNON, ILLINOIS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General merchandise	\$ 59,228,450	\$ 60,776,644	\$ 62,655,737	\$ 65,555,200	\$ 62,322,629	\$ 67,609,067	\$ 71,596,705	\$ 61,013,295	\$ 65,423,219	\$ 65,028,343
Food	57,133,143	51,742,043	45,088,667	45,899,752	56,863,371	58,602,933	56,277,010	52,050,019	42,090,819	34,936,362
Drinking and eating places	58,668,599	56,217,473	58,927,181	57,814,400	55,828,952	54,347,562	54,819,086	52,972,305	50,646,229	50,774,705
Apparel	10,056,442	9,302,033	9,625,953	8,944,667	7,127,200	5,339,733	5,940,248	16,119,752	5,745,924	6,803,333
Furniture and H.H. and radio	8,270,924	8,430,257	9,125,867	10,071,390	11,768,324	13,513,581	14,119,581	14,146,514	13,720,533	13,182,248
Lumber, building, and hardware	52,324,676	42,895,126	45,037,790	43,516,857	42,226,895	38,429,829	38,398,171	37,665,771	34,256,019	30,642,000
Automotive and filling stations	87,729,216	80,174,458	88,323,333	99,102,705	98,470,457	86,021,752	96,451,848	99,875,333	107,410,190	101,871,581
Drugs and miscellaneous retail	43,514,661	42,434,385	43,358,610	41,965,048	39,530,648	37,621,029	38,467,524	43,499,371	37,815,543	37,801,867
Agriculture and all others	43,904,458	40,395,143	40,939,448	46,143,048	48,575,695	41,001,829	39,528,857	42,933,238	42,682,057	33,802,514
Manufacturers	9,086,394	6,332,909	3,367,643	3,728,552	4,971,390	5,630,990	3,779,752	3,410,324	3,943,619	2,906,762
Total	<u>\$429,916,963</u>	<u>\$398,700,471</u>	<u>\$406,450,229</u>	<u>\$422,741,619</u>	<u>\$427,685,561</u>	<u>\$408,118,305</u>	<u>\$419,378,782</u>	<u>\$423,685,922</u>	<u>\$403,734,152</u>	<u>\$377,749,715</u>
Related City sales tax receipts	<u>\$ 15,021,806</u>	<u>\$ 10,450,762</u>	<u>\$ 10,564,791</u>	<u>\$ 10,925,554</u>	<u>\$ 10,994,258</u>	<u>\$ 10,573,936</u>	<u>\$ 9,956,851</u>	<u>\$ 9,115,233</u>	<u>\$ 8,692,024</u>	<u>\$ 8,258,102</u>

This information was obtained from the Illinois Department of Revenue. They provide the information on a calendar year basis only.

CITY OF MT. VERNON, ILLINOIS
SALES TAX RATES
LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
City	2.50%	2.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.00%	1.00%
Jefferson County	0.50%	0.50%	0.50%	0.50%	0.50%	0.25%	0.25%	0.25%	0.50%	0.50%
State of Illinois	<u>6.25%</u>	<u>6.25%</u>	<u>6.25%</u>	<u>6.25%</u>	<u>6.25%</u>	<u>6.25%</u>	<u>6.25%</u>	<u>6.25%</u>	<u>6.25%</u>	<u>6.25%</u>
Total	<u>9.25%</u>	<u>9.25%</u>	<u>8.25%</u>	<u>8.25%</u>	<u>8.25%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>7.75%</u>	<u>7.75%</u>

CITY OF MT. VERNON, ILLINOIS
RATIO FOR OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Per Capita
	General Obligation		General Obligation			
	Bonds	Notes Payable	Bonds	Notes Payable		
2019	\$26,917,588	\$1,327,093	\$9,297,411	\$ 424,323	\$37,966,415	\$2,485
2018	28,392,540	1,693,267	7,007,459	516,333	37,609,599	2,462
2017	29,821,627	2,225,128	7,403,374	632,149	40,082,278	2,624
2016	31,221,877	1,166,506	7,793,124	486,091	40,667,598	2,662
2015	32,585,518	881,851	8,172,483	568,438	42,205,290	2,763
2014	33,207,567	895,655	9,252,433	648,663	44,004,318	2,880
2013	34,283,641	561,016	9,631,359	578,501	45,054,517	2,769
2012	2,268,500	643,563	6,456,500	1,264,963	10,633,526	654
2011	2,362,100	842,174	6,722,900	1,325,388	11,252,562	737
2010	-0-	210,095	-0-	1,383,812	1,593,907	104

CITY OF MT. VERNON, ILLINOIS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2019	Restated* 2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Investment in capital assets, net of related debt	\$ 25,866,187	\$ 27,827,996	\$ 24,514,049	\$ 25,773,969	\$ 24,721,544	\$27,004,877	\$28,593,517	\$17,568,454	\$18,215,291	\$16,817,923
Restricted	835,197	715,220	535,423	280,821	309,864	172,154	159,519	419,439	846,586	1,051,565
Unrestricted	<u>(22,205,995)</u>	<u>(26,906,774)</u>	<u>(14,531,333)</u>	<u>(16,298,143)</u>	<u>(12,556,599)</u>	<u>7,485,272</u>	<u>5,678,580</u>	<u>12,106,062</u>	<u>9,823,676</u>	<u>8,358,839</u>
Total governmental activities net position	<u>4,495,389</u>	<u>1,636,442</u>	<u>10,518,139</u>	<u>9,756,647</u>	<u>12,474,809</u>	<u>34,662,303</u>	<u>34,431,616</u>	<u>30,093,955</u>	<u>28,885,553</u>	<u>26,228,327</u>
Business-type activities										
Investment in capital assets, net of related debt	15,838,537	13,907,047	13,021,239	11,332,152	10,272,293	9,929,780	10,302,453	11,125,148	8,162,736	15,263,104
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,041,617	6,540,932	408,620
Unrestricted	<u>525,672</u>	<u>(682,786)</u>	<u>782,523</u>	<u>1,401,937</u>	<u>2,804,602</u>	<u>3,670,560</u>	<u>4,156,207</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total business-type activities net position	<u>16,364,209</u>	<u>13,224,261</u>	<u>13,803,762</u>	<u>12,734,089</u>	<u>13,076,895</u>	<u>13,600,340</u>	<u>14,458,660</u>	<u>14,166,765</u>	<u>14,703,668</u>	<u>15,671,724</u>
Primary government										
Investment in capital assets, net of related debt	41,704,724	41,735,043	37,535,288	37,106,121	34,993,837	36,934,657	38,895,970	28,693,602	26,378,027	32,081,027
Restricted	835,197	715,220	535,423	280,821	309,864	172,154	159,519	3,461,056	7,387,518	1,460,185
Unrestricted	<u>(21,680,323)</u>	<u>(27,589,560)</u>	<u>(13,748,810)</u>	<u>(14,896,206)</u>	<u>(9,751,997)</u>	<u>11,155,832</u>	<u>9,834,787</u>	<u>12,106,062</u>	<u>9,823,676</u>	<u>8,358,839</u>
Total primary government net position	<u>\$ 20,859,598</u>	<u>\$ 14,860,703</u>	<u>\$ 24,321,901</u>	<u>\$ 22,490,736</u>	<u>\$ 25,551,704</u>	<u>\$48,262,643</u>	<u>\$48,890,276</u>	<u>\$44,260,720</u>	<u>\$43,589,221</u>	<u>\$41,900,051</u>

*Beginning net position as restated April 30, 2018, due to the provisions of GASB 75. (See Note 13)

CITY OF MT. VERNON, ILLINOIS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Government activities:										
General government	\$ 5,850,037	\$ 5,403,819	\$ 4,814,075	\$ 5,837,478	\$ 4,681,709	\$ 4,521,542	\$ 4,321,400	\$ 3,545,014	\$ 2,901,532	\$ 2,858,304
Public safety										
Police	5,842,823	5,978,896	4,952,148	5,355,077	4,719,925	4,896,290	4,884,801	4,639,019	4,326,394	4,339,590
Fire	4,017,767	3,868,278	3,605,436	3,945,545	3,339,454	3,373,968	3,328,796	3,161,600	2,793,023	2,852,869
Public works	2,009,913	2,045,219	1,976,810	2,481,469	2,344,768	2,338,854	2,609,096	2,691,326	2,591,197	2,371,718
Engineering services	396,170	465,543	474,860	596,213	620,769	639,032	598,129	394,625	313,207	322,417
Culture and recreation	1,646,158	1,606,812	1,471,573	1,855,666	1,693,291	1,287,904	1,414,160	1,337,808	1,268,133	1,231,139
Community development	1,192,181	2,785,122	1,057,118	933,660	569,574	304,882	721,634	526,866	190,627	688,827
Interest on long-term debt	1,112,911	1,179,838	1,175,717	1,218,555	1,215,898	1,230,339	761,949	136,447	92,089	10,588
Total governmental activities expenses	22,067,960	23,333,527	19,527,737	22,223,663	19,185,388	18,592,811	18,639,965	16,432,705	14,476,202	14,675,452
Business-type activities:										
Water and sewer funds	\$ 7,933,301	9,022,406	8,372,167	8,548,196	8,171,899	8,458,903	8,209,676	7,792,369	7,530,833	7,015,647
Sanitation	1,103,621	1,065,689	1,152,757	1,119,734	1,076,232	685,003	685,451	681,442	616,981	612,932
Total business-type activities expenses	9,036,922	10,088,095	9,524,924	9,667,930	9,248,131	9,143,906	8,895,127	8,473,811	8,147,814	7,628,579
Total primary government expenses	\$ 31,104,882	\$ 33,421,622	\$ 29,052,661	\$ 31,891,593	\$ 28,433,519	\$ 27,736,717	\$ 27,535,092	\$ 24,906,516	\$ 22,624,016	\$ 22,304,031
Program revenues										
Government activities:										
Charges for services										
General government	\$ 738,941	\$ 873,518	\$ 397,706	\$ 136,201	\$ 127,338	\$ 224,158	\$ 144,663	\$ 123,057	\$ 111,540	\$ 115,073
Public safety										
Police	293,455	228,379	240,097	271,177	358,370	319,877	256,935	243,299	259,757	303,812
Fire	-0-	-0-	100	5,043	1,725	1,200	1,050	575	325	875
Culture and recreation	517,467	525,816	517,723	520,606	503,125	94,441	119,879	110,274	109,157	112,322
Community development	6,601	1,034	2,104	2,202	1,873	19,142	7,002	9,547	16,491	7,601
Operating grants and contributions	168,935	142,810	146,892	140,267	155,933	239,540	223,554	197,348	146,615	107,521
Capital grants and contributions	2,368,206	2,982,580	1,295,268	732,108	643,049	1,073,445	5,621,276	1,606,478	1,647,199	983,950
Total governmental activities program revenues	4,093,605	4,754,137	2,599,890	1,807,604	1,791,413	1,971,803	6,374,359	2,290,578	2,291,084	1,631,154
Business-type activities										
Charges for services										
Water and sewer funds	\$ 8,405,282	9,142,518	8,964,347	7,861,945	7,795,801	7,747,283	7,725,955	7,175,074	6,586,083	6,103,793
Sanitation	1,158,517	1,164,024	1,172,550	1,025,493	1,023,647	701,887	710,818	709,398	575,422	576,798
Capital grants and contributions	-0-	2,560	3,640	14,779	4,300	5,499	649,691	13,058	-0-	15,151
Total business-type activities program revenues	9,563,799	10,309,102	10,140,537	8,902,217	8,823,748	8,454,669	9,086,464	7,897,530	7,161,505	6,695,742
Total primary government program revenues	\$13,657,404	\$ 15,063,239	\$ 12,740,427	\$ 10,709,821	\$ 10,615,161	\$ 10,426,472	\$ 15,460,823	\$ 10,188,108	\$ 9,452,589	\$ 8,326,896

(Continued)

CITY OF MT. VERNON, ILLINOIS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (expense) revenue										
Government activities	\$ (17,974,355)	\$ (18,579,390)	\$ (16,927,847)	\$ (20,416,059)	\$ (17,393,975)	\$ (16,621,008)	\$ (12,265,606)	\$ (14,142,127)	\$ (12,185,118)	\$ (13,044,298)
Business-type activities	526,877	221,007	615,613	(765,713)	(424,383)	(689,237)	191,337	(576,281)	(986,309)	(932,837)
Total primary government net expense	<u>\$ (17,447,478)</u>	<u>\$ (18,358,383)</u>	<u>\$ (16,312,234)</u>	<u>\$ (21,181,772)</u>	<u>\$ (17,818,358)</u>	<u>\$ (17,310,245)</u>	<u>\$ (12,074,269)</u>	<u>\$ (14,718,408)</u>	<u>\$ (13,171,427)</u>	<u>\$ (13,977,135)</u>
General revenues and other changes in net position										
Government activities:										
Taxes										
Sales taxes	\$ 16,497,586	\$ 12,780,466	\$ 11,845,721	\$ 12,236,418	\$ 12,425,779	\$ 11,902,218	\$ 11,536,650	\$ 9,313,414	\$ 8,757,274	\$ 8,453,454
Use taxes	464,468	401,838	376,677	352,654	308,664	267,510	242,219	222,969	230,551	194,865
Hotel/motel taxes	1,309,615	1,355,827	1,339,505	1,370,259	1,331,869	1,202,011	1,274,046	1,214,062	1,109,173	1,054,890
Property taxes levied for general purposes	1,492,610	1,569,229	1,093,315	894,685	634,647	625,850	547,468	483,188	530,848	585,271
Property taxes levied for employee benefits	677,923	744,842	752,613	782,209	753,586	755,626	690,404	596,229	628,186	339,993
Franchise taxes	149,755	149,231	154,335	157,350	157,818	148,598	142,175	135,283	134,357	130,241
Public service taxes	2,366,329	2,174,273	2,126,005	2,181,795	2,173,584	1,974,179	1,849,989	3,118,366	2,918,524	2,834,250
Gain (loss) on sale of fixed assets	9,525	9,655	138,223	(6,603)	27,114	28,727	4,386	85,689	68,593	13,769
Grants and contributions not restricted to specific programs	24,848	8,592	12,675	18,958	49,077	357,254	180,176	46,590	317,260	19,096
Unrestricted investment income	291,059	269,453	124,252	47,746	(227,299)	133,533	113,611	55,614	64,791	42,752
Miscellaneous	92,824	88,399	167,831	79,486	62,773	68,893	100,103	79,125	82,786	142,493
Transfers	(2,543,240)	(753,949)	(441,826)	(417,060)	(308,033)	(43,414)	(77,960)	-0-	-0-	(300)
Total governmental activities	<u>20,833,302</u>	<u>18,797,856</u>	<u>17,689,326</u>	<u>17,697,897</u>	<u>17,389,579</u>	<u>17,420,985</u>	<u>16,603,267</u>	<u>15,350,529</u>	<u>14,842,343</u>	<u>13,810,774</u>
Business-type activities:										
Property taxes levied for employee benefits	37,820	37,869	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(40,141)
Gain (loss) on sale of fixed assets	-0-	-0-	3,082	-0-	-0-	-0-	(5,907)	(248)	(507)	1,601
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	128	-0-	-0-
Unrestricted investment income	32,011	19,623	9,152	4,899	(24,429)	14,107	16,604	18,358	18,823	643
Miscellaneous	-0-	-0-	-0-	948	(577)	(125)	11,901	21,140	(63)	85
Transfers	2,543,240	753,949	441,826	417,060	308,033	43,414	77,960	-0-	-0-	300
Total business-type activities	<u>2,613,071</u>	<u>811,411</u>	<u>454,060</u>	<u>422,907</u>	<u>283,027</u>	<u>57,396</u>	<u>100,558</u>	<u>39,378</u>	<u>18,253</u>	<u>(37,512)</u>
Total primary government	<u>\$ 23,446,373</u>	<u>\$ 19,609,267</u>	<u>\$ 18,143,386</u>	<u>\$ 18,120,804</u>	<u>\$ 17,672,606</u>	<u>\$ 17,478,381</u>	<u>\$ 16,703,825</u>	<u>\$ 15,389,907</u>	<u>\$ 14,860,596</u>	<u>\$ 13,773,262</u>
Change in net position:										
Government activities	\$ 2,858,947	\$ 218,466	\$ 761,479	\$ (2,718,162)	\$ (4,396)	\$ 799,977	\$ 4,337,661	\$ 1,208,402	\$ 2,657,225	\$ 766,476
Business-type activities	3,139,948	1,032,418	1,069,673	(342,806)	(141,356)	(631,841)	291,895	(536,903)	(968,056)	(970,349)
Total primary government	<u>\$ 5,998,895</u>	<u>\$ 1,250,884</u>	<u>\$ 1,831,152</u>	<u>\$ (3,060,968)</u>	<u>\$ (145,752)</u>	<u>\$ 168,136</u>	<u>\$ 4,629,556</u>	<u>\$ 671,499</u>	<u>\$ 1,689,169</u>	<u>\$ (203,873)</u>

CITY OF MT. VERNON, ILLINOIS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Corporate Fund										
Nonspendable	\$ 1,950	\$ 3,098	\$ 1,145	\$ 1,840	\$ 503	\$ 1,720	\$ 1,975	\$ 1,997	\$ 1,076	\$ 3,577
Restricted	314,808	355,008	380,222	188,375	141,970	83,995	58,250	102,304	132,955	264,436
Committed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	642,550	955,153	824,097
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,216,280	2,464,153	450,427
Unassigned	4,149,977	3,605,924	3,544,925	3,448,070	3,993,451	3,804,556	3,721,525	3,532,836	2,885,390	2,028,936
Total General Corporate Fund	<u>4,466,735</u>	<u>3,964,030</u>	<u>3,926,292</u>	<u>3,638,285</u>	<u>4,135,924</u>	<u>3,890,271</u>	<u>3,781,750</u>	<u>6,495,967</u>	<u>6,438,727</u>	<u>3,571,473</u>
Quality of life										
Committed	1,091,134	1,169,733	1,049,171	1,174,814	1,170,134	812,843	385,424	-0-	-0-	-0-
Assigned	1,297,537	1,935,061	4,723,061	5,708,737	7,726,374	11,176,671	15,989,260	-0-	-0-	-0-
Unassigned	532,750	533,635	533,128	533,414	533,548	755,699	952,531	-0-	-0-	-0-
Total Quality of Life	<u>2,921,421</u>	<u>3,638,429</u>	<u>6,305,360</u>	<u>7,416,965</u>	<u>9,430,056</u>	<u>12,745,213</u>	<u>17,327,215</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
General Corporate Capital										
Committed	1,268,326	571,153	465,594	(156,366)	30,247	189,550	(195,040)	-0-	-0-	-0-
Assigned	-0-	2,625,252	3,412,625	6,608,219	9,176,340	10,618,233	12,323,069	-0-	-0-	-0-
Unassigned	446,826	445,619	442,709	442,018	432,677	414,762	496,867	-0-	-0-	-0-
Total General Corporate Capital	<u>1,715,152</u>	<u>3,642,024</u>	<u>4,320,928</u>	<u>6,893,871</u>	<u>9,639,264</u>	<u>11,222,545</u>	<u>12,624,896</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Motor Fuel Tax										
Restricted	476,624	311,345	116,052	55,000	130,948	44,082	70,708	289,422	676,097	771,684
Total Motor Fuel Tax	<u>476,624</u>	<u>311,345</u>	<u>116,052</u>	<u>55,000</u>	<u>130,948</u>	<u>44,082</u>	<u>70,708</u>	<u>289,422</u>	<u>676,097</u>	<u>771,684</u>
Revolving Loan										
Unassigned	-0-	-0-	2,112,924	2,118,870	2,120,887	2,120,457	2,133,882	2,174,888	2,622,702	2,604,913
Total Revolving Loan	<u>-0-</u>	<u>-0-</u>	<u>2,112,924</u>	<u>2,118,870</u>	<u>2,120,887</u>	<u>2,120,457</u>	<u>2,133,882</u>	<u>2,174,888</u>	<u>2,622,702</u>	<u>2,604,913</u>
Convention and Visitors Bureau										
Nonspendable	2,157	1,853	2,346	2,499	2,817	2,794	2,931	1,135	1,673	2,079
Unassigned	168,135	153,975	130,851	110,604	99,051	453,721	393,135	427,008	409,004	407,934
Total Convention and Visitors Bureau	<u>170,292</u>	<u>155,828</u>	<u>133,197</u>	<u>113,103</u>	<u>101,868</u>	<u>456,515</u>	<u>396,066</u>	<u>428,143</u>	<u>410,677</u>	<u>410,013</u>
Special Service Area Number One										
Unassigned	7,668	4,341	24,186	41,034	103,285	96,218	55,957	45,189	28,195	8,278
Total Special Service Area Number One	<u>7,668</u>	<u>4,341</u>	<u>24,186</u>	<u>41,034</u>	<u>103,285</u>	<u>96,218</u>	<u>55,957</u>	<u>45,189</u>	<u>28,195</u>	<u>8,278</u>
Home Rule Sales Tax Fund										
Unassigned	1,361,195	827,060	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Home Rule Sales Tax Fund	<u>1,361,195</u>	<u>827,060</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>
TIF - Downtown										
Committed	161,667	94,063	48,395	10,000	252,310	370,055	181,657	188,562	323,985	118,123
Unassigned	(138,611)	(152,685)	(200,263)	(209,588)	(188,939)	(245,343)	(104)	(43,886)	9,285	7,304
Total TIF - Downtown	<u>23,056</u>	<u>(58,622)</u>	<u>(151,868)</u>	<u>(199,588)</u>	<u>63,371</u>	<u>124,712</u>	<u>181,553</u>	<u>144,676</u>	<u>333,270</u>	<u>125,427</u>
TIF - Homestead										
Unassigned	-0-	-0-	-0-	140	(360)	(772)	(1,250)	(888)	(609)	(441)
Total TIF - Homestead	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>140</u>	<u>(360)</u>	<u>(772)</u>	<u>(1,250)</u>	<u>(888)</u>	<u>(609)</u>	<u>(441)</u>
TIF - Rt 15 and I-57										
Unassigned	59,616	32,521	10,060	(14,731)	(33,319)	(34,553)	(34,193)	(33,843)	(33,503)	(26,092)
Total TIF - Rt 15 and I-57	<u>59,616</u>	<u>32,521</u>	<u>10,060</u>	<u>(14,731)</u>	<u>(33,319)</u>	<u>(34,553)</u>	<u>(34,193)</u>	<u>(33,843)</u>	<u>(33,503)</u>	<u>(26,092)</u>
TIF - Industrial Park										
Unassigned	(8,606)	(46,697)	20,039	(20,845)	(22,609)	(23,128)	(22,960)	(23,053)	(23,028)	(9,124)
Total TIF - Industrial Park	<u>(8,606)</u>	<u>(46,697)</u>	<u>20,039</u>	<u>(20,845)</u>	<u>(22,609)</u>	<u>(23,128)</u>	<u>(22,960)</u>	<u>(23,053)</u>	<u>(23,028)</u>	<u>(9,124)</u>
Grand total	<u>\$11,193,153</u>	<u>\$12,470,259</u>	<u>\$16,817,170</u>	<u>\$20,042,104</u>	<u>\$25,669,315</u>	<u>\$30,641,560</u>	<u>\$36,513,624</u>	<u>\$9,520,501</u>	<u>\$10,452,528</u>	<u>\$7,456,131</u>

CITY OF MT. VERNON, ILLINOIS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Sales taxes	\$16,497,586	\$12,780,468	\$11,845,721	\$12,236,418	\$12,425,777	\$11,902,218	\$11,536,650	\$ 9,313,414	\$ 8,757,274	\$ 8,453,454
Use taxes	464,468	401,838	376,677	352,654	308,664	267,510	242,219	222,969	230,551	194,865
Hotel/motel taxes	1,309,615	1,355,827	1,339,505	1,370,259	1,331,869	1,202,011	1,274,046	1,214,062	1,109,173	1,054,890
Property taxes levied for general purposes	1,199,298	1,099,703	888,824	811,675	576,048	521,786	505,922	520,962	539,726	424,855
Property taxes levied for employee benefits	735,111	731,806	775,339	745,845	727,491	662,753	584,355	565,632	379,127	437,622
Franchise taxes	149,755	149,231	154,335	157,350	157,818	148,598	142,175	135,283	134,357	130,241
Public service taxes	2,361,649	2,171,387	2,118,917	2,184,723	2,165,416	1,970,555	1,854,934	3,106,083	2,910,829	2,871,780
Gain on sale of fixed assets	10,525	17,835	145,723	4,897	37,113	71,311	6,821	174,325	163,178	66,240
Grants and contributions not restricted to specific programs	21,873	3,492	675	4,958	21,077	7,000	8,376	32,590	291,260	11,096
Unrestricted investment income	262,858	259,647	122,759	46,341	(229,381)	132,118	112,386	54,757	63,728	42,428
Miscellaneous	92,824	87,388	167,830	79,494	62,766	68,873	111,285	79,119	82,795	142,495
Operating grants and contributions	168,935	143,810	146,892	140,267	155,933	239,540	223,554	1,352,144	1,311,586	238,934
Capital grants and contributions	2,368,206	2,982,579	1,295,268	732,108	643,049	1,073,445	5,621,276	451,682	482,228	852,533
Charges for services	1,099,433	939,096	897,516	935,229	992,431	597,643	529,529	486,752	497,270	539,683
Total revenues	<u>26,742,136</u>	<u>23,124,107</u>	<u>20,275,981</u>	<u>19,802,218</u>	<u>19,376,071</u>	<u>18,865,361</u>	<u>22,753,528</u>	<u>17,709,774</u>	<u>16,953,082</u>	<u>15,461,116</u>
Expenditures										
General government	9,547,150	9,490,782	8,516,553	9,240,724	9,598,454	10,381,451	15,111,426	6,015,912	5,712,243	3,989,893
Public safety										
Police	4,966,123	4,804,997	4,739,095	4,838,524	4,594,587	4,743,315	4,719,205	4,567,598	4,300,842	4,222,034
Fire	3,152,810	3,083,009	3,092,456	3,400,137	3,181,976	3,236,903	3,158,010	3,084,625	2,872,820	2,748,734
Public works	1,669,851	1,534,652	2,015,011	1,993,925	1,993,193	1,983,242	2,254,727	2,370,595	2,324,560	2,107,156
Engineering services	381,256	394,003	487,417	605,936	617,969	639,489	597,318	385,365	310,504	319,183
Culture and recreation	1,564,832	1,445,778	1,585,660	1,653,918	1,591,470	1,207,840	1,320,148	1,260,401	1,160,841	1,157,375
Community development	1,190,744	2,774,830	1,054,678	934,927	566,832	300,223	719,990	525,222	188,983	687,182
Interest and fiscal charges	1,280,020	1,340,231	1,226,594	1,268,292	1,256,954	1,460,111	130,601	140,798	80,071	10,588
Total expenditures	<u>23,752,786</u>	<u>24,868,282</u>	<u>22,717,464</u>	<u>23,936,383</u>	<u>23,401,435</u>	<u>23,952,574</u>	<u>28,011,425</u>	<u>18,350,516</u>	<u>16,950,864</u>	<u>15,242,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,989,350</u>	<u>(1,744,175)</u>	<u>(2,441,483)</u>	<u>(4,134,165)</u>	<u>(4,025,364)</u>	<u>(5,087,213)</u>	<u>(5,257,897)</u>	<u>(640,742)</u>	<u>2,218</u>	<u>218,971</u>
Other financing sources (uses)										
Transfers from other funds	3,618,791	1,109,802	951,060	609,516	2,154,934	267,648	502,681	639,382	445,430	128,226
Transfers to other funds	(6,162,031)	(1,863,751)	(1,392,886)	(1,026,576)	(1,789,382)	(311,062)	(580,641)	(639,382)	(445,430)	(128,526)
Sale of assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	925	-0-	20
Principal paid on long-term debt	(1,723,216)	(1,848,787)	(1,692,944)	(1,683,986)	(1,562,439)	(1,239,433)	(302,448)	(292,210)	(67,424)	(64,905)
Long-term debt issued	-0-	-0-	1,351,319	608,000	250,000	498,000	32,631,428	-0-	3,061,602	-0-
Net other financing sources (uses)	<u>(4,266,456)</u>	<u>(2,602,736)</u>	<u>(783,451)</u>	<u>(1,493,046)</u>	<u>(946,887)</u>	<u>(784,847)</u>	<u>32,251,020</u>	<u>(291,285)</u>	<u>2,994,178</u>	<u>(65,185)</u>
Net change in fund balance	<u>\$ (1,277,106)</u>	<u>\$ (4,346,911)</u>	<u>\$ (3,224,934)</u>	<u>\$ (5,627,211)</u>	<u>\$ (4,972,251)</u>	<u>\$ (5,872,060)</u>	<u>\$26,993,123</u>	<u>\$ (932,027)</u>	<u>\$ 2,996,396</u>	<u>\$ 153,786</u>

CITY OF MT. VERNON, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Household Income</u>	<u>Per Capita Income</u>	<u>Median Age of Population</u>	<u>School Enrollment</u>	<u>City Unemployment Rate Calendar Year</u>
2019	15,277	\$38,439	\$23,447	39.9	2,974	N/A
2018	15,277	38,439	23,447	39.9	2,921	N/A
2017	15,277	38,439	23,447	39.9	3,033	6.3%
2016	15,277	38,439	23,447	39.9	N/A	7.6%
2015	15,277	38,439	23,447	39.9	2,951	8.0%
2014	15,277	38,439	23,447	39.9	3,021	8.9%
2013	15,277	38,439	23,447	39.9	3,159	10.4%
2012	15,277	38,439	23,447	38.3	3,117	10.1%
2011	15,277	38,439	23,447	38.3	3,118	10.5%
2010	16,269	28,145	16,268	38.3	3,162	11.5%

Note: Items marked N/A were unavailable at the time these financial statements were published

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2019</u>				
Continental Tire The Americas, LLC	Manufacturing	20.0%	3,432	
SSM Health-Good Samaritan Hospital	Healthcare	12.1%	2,073	
Walgreens Distribution Center	Distribution	8.0%	1,380	
Mt. Vernon City Schools District 80	Education	1.7%	283	
Crossroads Community Hospital	Healthcare	1.7%	283	
Rend Lake College	Education	1.5%	261	
National Railway Equipment Company	Manufacturing	1.2%	207	
Spero Family Services	Service	1.1%	193	
Jefferson County	County Government	1.0%	178	
Mt. Vernon Township High School	Education	1.0%	171	
Kroger	Retail	0.9%	155	
City of Mt. Vernon	Municipality	0.8%	143	
Peoples National Bank	Banking	0.6%	102	
Magnum Steel Works	Manufacturing	0.5%	91	
NAPA Distribution Center	Distribution	0.5%	90	
Durham Bus Service	Transportation	0.5%	84	
Orthopedic Center of Southern IL	Healthcare	0.5%	78	
Medline	Medical Billing	0.4%	77	
Total at April 30, 2019		<u>54.0%</u>	<u>9,281</u>	<u>17,180</u>
<u>April 30, 2018</u>				
Continental Tire N.A., Inc.	Manufacturing	16.6%	3,348	
Walgreens Distribution Center	Regional distribution	6.8%	1,380	
Good Samaritan Regional Health Center	Hospital	10.9%	2,204	
Crossroads Community Hospital	Hospital	1.3%	260	
National Railway	Manufacturing	0.9%	185	
Mt. Vernon City Schools District 80	Education	1.3%	267	
City of Mt. Vernon	Municipal Government	0.7%	151	
Mt. Vernon Township High School	Education	0.9%	172	
Peoples National Bank	Banking	0.5%	102	
Spero Family Services	Service Provider	0.9%	189	
Mt. Vernon Neon Sign	Commercial signs	0.4%	77	
Medline Physicians Filing	Healthcare	0.5%	92	
NAPA Distribution Center	Distribution	0.4%	90	
Orthopedic Center of Southern IL	Healthcare	0.4%	81	
Magnum Steel Works	Manufacturing	0.3%	66	
Total at April 30, 2018		<u>42.8%</u>	<u>8,664</u>	<u>N/A</u>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2017</u>				
Continental Tire The Americas, LLC	Manufacturing	15.7%	3,292	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	6.7%	1,410	
Walgreens Distribution Center	Distribution	6.7%	1,400	
Mt. Vernon City Schools District 80	Education	1.3%	267	
Crossroads Community Hospital	Healthcare	1.2%	260	
City of Mt. Vernon	Municipality	1.1%	222	
National Railway Equipment Company	Manufacturing	1.0%	207	
Spero Family Services	Service	0.9%	189	
Jefferson County	County Government	0.9%	182	
Mt. Vernon Township High School	Education	0.8%	172	
Kroger	Retail	0.7%	145	
Peoples National Bank	Banking	0.5%	102	
Durham Bus Service	Transportation	0.5%	100	
Medline Physicians Filing	Healthcare	0.4%	92	
NAPA Distribution Center	Distribution	0.4%	90	
Total at April 30, 2017		<u>38.8%</u>	<u>8,130</u>	<u>20,920</u>
<u>April 30, 2016</u>				
Continental Tire The Americas, LLC	Manufacturing	16.3%	3,300	
Walgreens Distribution Center	Distribution	6.9%	1,385	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.5%	1,108	
Crossroads Community Hospital	Healthcare	1.6%	325	
National Railway Equipment Company	Manufacturing	1.5%	300	
Mt. Vernon City Schools District 80	Education	1.3%	255	
City of Mt. Vernon	Municipality	0.9%	172	
Mt. Vernon Township High School	Education	0.9%	172	
Peoples National Bank	Banking	0.6%	118	
Spero Family Services	Service	0.6%	114	
Mt. Vernon Neon Sign	Commercial signs	0.5%	100	
Medline Physicians Filing	Healthcare	0.4%	90	
NAPA Distribution Center	Distribution	0.4%	90	
Orthopedic Center of Southern IL	Healthcare	0.4%	85	
Magnum Steel Works	Manufacturing	0.4%	79	
Total at April 30, 2016		<u>38.2%</u>	<u>7,693</u>	<u>20,210</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2015</u>				
Continental Tire The Americas, LLC	Manufacturing	16.3%	3,300	
Walgreens Distribution Center	Distribution	6.9%	1,385	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.5%	1,108	
Crossroads Community Hospital	Healthcare	1.6%	325	
National Railway Equipment Company	Manufacturing	1.5%	300	
Mt. Vernon City Schools District 80	Education	1.3%	255	
City of Mt. Vernon	Municipality	0.9%	172	
Mt. Vernon Township High School	Education	0.9%	172	
Peoples National Bank	Banking	0.6%	118	
Spero Family Services	Service	0.6%	114	
Mt. Vernon Neon Sign	Commercial signs	0.5%	100	
Medline Physicians Filing	Healthcare	0.4%	90	
NAPA Distribution Center	Distribution	0.4%	90	
Orthopedic Center of Southern IL	Healthcare	0.4%	85	
Magnum Steel Works	Manufacturing	0.4%	79	
Total at April 30, 2015		<u>38.2%</u>	<u>7,693</u>	<u>20,210</u>
<u>April 30, 2014</u>				
Continental Tire The Americas, LLC	Manufacturing	15.8%	3,200	
Walgreens Distribution Center	Distribution	7.4%	1,500	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.6%	1,130	
Crossroads Community Hospital	Healthcare	1.6%	325	
Mt. Vernon City Schools District 80	Education	1.3%	260	
National Railway Equipment Company	Manufacturing	1.0%	200	
Mt. Vernon Township High School	Education	0.9%	172	
City of Mt. Vernon	Municipality	0.8%	160	
Spero Family Services	Service	0.6%	114	
Orthopedic Center of Southern IL	Healthcare	0.5%	100	
Magnum Steel Works	Manufacturing	0.5%	100	
Innotech Manufacturing, LLC	Manufacturing	0.5%	100	
Mt. Vernon Neon Sign	Commercial signs	0.5%	100	
NAPA Distribution Center	Distribution	0.4%	90	
Total at April 30, 2014		<u>37.4%</u>	<u>7,551</u>	<u>20,210</u>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2013</u>				
Continental Tire The Americas, LLC	Manufacturing	15.8%	3,200	
Walgreens Distribution Center	Distribution	7.3%	1,475	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.6%	1,130	
Crossroads Community Hospital	Healthcare	1.6%	325	
Mt. Vernon City Schools District 80	Education	1.3%	260	
National Railway Equipment Company	Manufacturing	1.0%	200	
Mt. Vernon Township High School	Education	0.8%	172	
City of Mt. Vernon	Municipality	0.8%	160	
Spero Family Services	Service	0.6%	114	
Orthopedic Center of Southern IL	Healthcare	0.5%	100	
Mt. Vernon Neon Sign	Commercial signs	0.5%	100	
NAPA Distribution Center	Distribution	0.4%	90	
Total at April 30, 2013		<u>36.2%</u>	<u>7,326</u>	<u>20,210</u>
<u>April 30, 2012</u>				
Continental Tire The Americas, LLC	Manufacturing	15.3%	3,000	
Walgreens Distribution Center	Distribution	8.2%	1,600	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.6%	1,100	
Crossroads Community Hospital	Healthcare	1.6%	310	
Mt. Vernon City Schools District 80	Education	1.3%	257	
City of Mt. Vernon	Municipality	0.9%	174	
National Railway Equipment Company	Manufacturing	0.9%	174	
Mt. Vernon Township High School	Education	0.9%	172	
Spero Family Services	Service	0.7%	139	
Orthopedic Center of Southern IL	Healthcare	0.5%	100	
NAPA Distribution Center	Distribution	0.5%	90	
Medline Physicians Filing	Healthcare	0.4%	85	
Mt. Vernon Neon Sign	Commercial signs	0.4%	80	
Total at April 30, 2012		<u>37.2%</u>	<u>7,281</u>	<u>19,580</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS
PRINCIPAL EMPLOYERS

April 30, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<u>April 30, 2011</u>				
Continental Tire The Americas, LLC	Manufacturing	12.6%	2,495	
Walgreens Distribution Center	Distribution	8.1%	1,600	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.5%	1,100	
Crossroads Community Hospital	Healthcare	1.6%	310	
Mt. Vernon City Schools District 80	Education	1.3%	257	
City of Mt. Vernon	Municipality	1.0%	195	
National Railway Equipment Company	Manufacturing	0.9%	174	
Mt. Vernon Township High School	Education	0.9%	172	
Spero Family Services	Service	0.6%	114	
Orthopedic Center of Southern IL	Healthcare	0.5%	100	
NAPA Distribution Center	Distribution	0.5%	90	
Medline Physicians Filing	Healthcare	0.4%	85	
Mt. Vernon Neon Sign	Commercial signs	0.4%	80	
Total at April 30, 2011		<u>34.3%</u>	<u>6,772</u>	<u>19,830</u>
<u>April 30, 2010</u>				
Continental Tire The Americas, LLC	Manufacturing	11.9%	2,495	
Walgreens Distribution Center	Distribution	7.6%	1,600	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.2%	1,100	
Crossroads Community Hospital	Healthcare	1.5%	312	
Mt. Vernon City Schools District 80	Education	1.2%	257	
City of Mt. Vernon	Municipality	0.9%	195	
National Railway Equipment Company	Manufacturing	0.8%	174	
Mt. Vernon Township High School	Education	0.8%	172	
NAPA Distribution Center	Distribution	0.4%	90	
Medline Physicians Filing	Healthcare	0.4%	85	
Mt. Vernon Neon Sign	Commercial signs	0.2%	50	
Total at April 30, 2010		<u>30.9%</u>	<u>6,530</u>	<u>19,820</u>

CITY OF MT. VERNON, ILLINOIS
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
General Government										
Buildings, land, and infrastructure	\$35,210,210	\$31,800,933	\$27,628,466	\$23,990,369	\$22,014,501	\$18,805,651	\$17,584,401	\$11,792,447	\$10,528,780	\$9,443,835
Equipment	\$2,111,208	\$1,926,593	\$1,768,530	\$1,993,747	\$2,096,376	\$2,150,675	\$2,410,496	\$2,149,520	\$2,064,188	\$2,115,184
Police										
Stations and land	\$326,496	\$332,830	\$340,772	\$348,714	\$330,538	\$337,836	\$345,134	\$352,432	\$359,730	\$367,028
Equipment	\$1,282,167	\$1,017,136	\$928,258	\$1,089,819	\$1,138,564	\$1,071,545	\$1,254,627	\$1,259,614	\$1,277,528	\$1,056,188
Fire										
Stations and land	\$470,053	\$357,221	\$337,997	\$355,890	\$373,783	\$391,676	\$390,937	\$369,957	\$376,589	\$389,405
Equipment	\$2,662,669	\$2,860,242	\$3,059,733	\$3,250,815	\$2,805,272	\$2,938,778	\$3,119,409	\$2,612,717	\$2,750,822	\$1,967,728
Parks and recreation										
Buildings and land	\$10,460,163	\$11,267,215	\$11,856,931	\$12,310,708	\$11,007,895	\$9,854,333	\$5,246,307	\$1,593,411	\$1,341,968	\$1,290,109
Equipment	\$654,154	\$472,085	\$503,661	\$549,720	\$577,757	\$530,771	\$410,778	\$390,419	\$397,860	\$305,393
Streets										
Street miles	132.0	132.3	132.3	132.3	132.3	132.3	132.3	132.3	132.3	130.7
Highway miles	18.7	18.7	18.7	18.7	18.7	18.7	18.7	18.7	18.7	18.7
Water utility										
Water mains (miles)	182.9	182.9	182.9	182.9	182.9	182.9	182.9	182.9	182.9	183.2
Buildings, land, structures, and lines	\$12,544,703	\$8,276,900	\$8,468,027	\$6,617,263	\$5,599,415	\$5,748,820	\$6,130,407	\$5,437,208	\$4,821,703	\$4,737,448
Equipment	\$282,457	\$246,783	\$81,220	\$25,148	\$12,233	\$12,233	\$93,193	\$93,030	\$134,888	\$190,538
Fire hydrants (physical count)	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,183
Storage capacity (1,000's of gallons)	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Wastewater										
Sanitary sewers (miles)	129.1	129.1	129.1	129.1	129.1	129.1	129.1	129.1	129.1	128.8
Buildings, land, structures, and lines	\$12,028,994	\$12,194,324	\$11,765,634	\$12,457,656	\$12,890,268	\$13,558,525	\$13,840,786	\$13,175,870	\$11,113,930	\$11,539,596
Equipment	\$493,120	\$471,298	\$471,298	\$471,298	\$471,298	\$471,298	\$407,927	\$100,503	\$100,503	\$139,334
Treatment capacity (1,000's of gallons per day)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

CITY OF MT. VERNON, ILLINOIS
 FULL TIME EQUIVALENT CITY GOVERNMENT
 EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
General government										
City council	2.50	2.50	2.50	2.50	2.63	2.50	2.50	3.25	3.25	2.50
City manager	2.75	2.00	2.00	2.38	3.13	3.00	3.00	2.00	2.00	2.00
City clerk	1.50	2.00	2.00	2.00	2.38	2.38	2.00	1.75	2.00	2.00
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City treasurer	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Finance administration	3.75	3.75	4.00	4.00	3.75	3.75	3.75	3.75	4.00	4.50
Legal	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total general government	<u>13.00</u>	<u>12.75</u>	<u>13.50</u>	<u>13.88</u>	<u>14.89</u>	<u>14.63</u>	<u>14.25</u>	<u>13.75</u>	<u>14.25</u>	<u>14.00</u>
Public safety										
Police	52.50	51.75	52.88	56.00	56.25	55.75	56.00	56.00	55.88	57.25
Fire	28.75	30.00	30.00	30.00	28.75	29.75	30.75	30.25	30.75	31.75
Total public safety	<u>81.25</u>	<u>81.75</u>	<u>82.88</u>	<u>86.00</u>	<u>85.00</u>	<u>85.50</u>	<u>86.75</u>	<u>86.25</u>	<u>86.63</u>	<u>89.00</u>
Transportation and building										
Public works	14.25	13.25	16.38	19.88	18.88	19.88	19.50	19.13	19.13	18.88
Inspection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
Engineering	4.25	5.00	6.25	7.00	7.75	6.88	7.13	5.75	4.75	3.50
Fleet services	5.00	5.50	5.25	6.50	7.00	7.00	7.00	7.00	6.25	7.00
Total transportation and building	<u>23.50</u>	<u>23.75</u>	<u>27.88</u>	<u>33.38</u>	<u>33.63</u>	<u>33.76</u>	<u>33.63</u>	<u>31.88</u>	<u>30.13</u>	<u>29.51</u>
Culture, parks and recreation										
Park	8.38	15.38	16.50	19.00	18.13	15.50	16.13	15.00	14.25	14.88
Tourism	3.13	3.50	3.75	4.13	4.13	4.63	4.50	4.38	4.00	4.00
Total culture, parks and recreation	<u>11.51</u>	<u>18.88</u>	<u>20.25</u>	<u>23.13</u>	<u>22.26</u>	<u>20.13</u>	<u>20.63</u>	<u>19.38</u>	<u>18.25</u>	<u>18.88</u>
Community and economic development										
Special Service Area Number One	0.00	0.00	0.00	0.00	0.00	0.00	1.38	2.13	1.75	1.88
Total community and economic development	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.38</u>	<u>2.13</u>	<u>1.75</u>	<u>1.88</u>
Public utilities	14.75	15.75	16.00	16.25	17.00	18.00	18.00	18.00	18.75	20.50
Public utilities (billing services)	3.00	3.13	3.25	3.38	3.50	3.38	3.50	3.38	3.25	4.00
Total public utilities	<u>17.75</u>	<u>18.88</u>	<u>19.25</u>	<u>19.63</u>	<u>20.50</u>	<u>21.38</u>	<u>21.50</u>	<u>21.38</u>	<u>22.00</u>	<u>24.50</u>
Total government	<u>147.01</u>	<u>156.01</u>	<u>163.76</u>	<u>176.02</u>	<u>176.28</u>	<u>175.40</u>	<u>178.14</u>	<u>174.77</u>	<u>173.01</u>	<u>177.77</u>

CITY OF MT. VERNON, ILLINOIS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
Police										
Physical arrests	1,525*	1,342*	1,238*	1,611*	1,569*	1,593*	1,612*	1,734*	4,083	4,716
Parking violations	77	37	15	202	953	308	630	866	959	1,197
Traffic violations	2,484	2,671	2,428	2,900	3,262	4,007	3,856	3,547	2,764	3,441
Fire										
Emergency responses	3,424	2,494	2,559	2,778	2,577	2,370	2,859	2,124	2,257	2,023
Fires extinguished	49	104	90	121	111	112	117	113	113	101
Sanitation										
Refuse collected (tons per day)	18.72	19.84	19.34	20.16	16.27	19.97	17.6	21.1	20.0	20.2
Street										
Street resurfacing (in miles)	4.07	4.31	3.45	0.78	0.86	0.84	0.59	1.3	2.1	1.3
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water										
Average daily consumption (1,000's of gallons)	3,118	3,438	3,399	3,404	3,285	3,601	3,423	3,290	3,321	3,144
Water main breaks	166	218	270	169	93	190	203	126	174	143
Wastewater										
Average daily flow treated (1,000's of gallons)	3,533	3,086	3,303	3,430	3,800	3,180	3,130	3,730	2,910	3,510

Note: Items marked N/A were unavailable at the time these financial statements were published

*In fiscal year 2011 and prior, physical arrests included traffic citation arrests. In fiscal years 2012 and after, traffic citation arrests have not been included in physical arrests.

CITY OF MT. VERNON, ILLINOIS
SCHEDULE OF PROPERTY TAX RATES AND EXTENSIONS
LAST TEN CALENDAR YEARS

	2018 Taxes	2017 Taxes	2016 Taxes	2015 Taxes	2014 Taxes	2013 Taxes	2012 Taxes	2011 Taxes	2010 Taxes	2009 Taxes
Assessed valuations	<u>\$228,903,950</u>	<u>\$227,321,413</u>	<u>\$219,269,781</u>	<u>\$210,806,720</u>	<u>\$210,646,308</u>	<u>\$205,525,358</u>	<u>\$199,241,099</u>	<u>\$199,276,935</u>	<u>\$204,904,421</u>	<u>\$206,848,996</u>
Tax rates by fund, per \$100 of assessed valuation:										
General Corporate	0.0042	0.0043	0.0043	0.0041	0.0040	0.0041	0.0043	0.0042	0.0041	0.0039
I.M.R.F.	0.1922	0.2340	0.2340	0.3626	0.3568	0.3594	0.3352	0.2955	0.2772	0.1843
City Park	0.1222	0.1739	0.1739	0.0881	0.0855	0.0877	0.0905	0.0907	0.0883	0.0814
Police Pension	0.3911	0.3418	0.3418	0.3823	0.3147	0.3327	0.3440	0.3492	0.3027	0.3180
Firefighters' Pension	0.4170	0.3495	0.3495	0.3613	0.4010	0.4071	0.3962	0.3746	0.3596	0.4145
Social Security	0.1315	0.1189	0.1189	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
City-wide tax rate	<u>1.2582</u>	<u>1.2224</u>	<u>1.2224</u>	<u>1.1984</u>	<u>1.1620</u>	<u>1.1910</u>	<u>1.1702</u>	<u>1.1142</u>	<u>1.0319</u>	<u>1.0021</u>
Assessed valuations - Special Service Area Number One	<u>\$ 5,133,162</u>	<u>\$ 5,143,843</u>	<u>\$ 5,119,360</u>	<u>\$ 5,183,031</u>	<u>\$ 5,224,717</u>	<u>\$ 5,217,161</u>	<u>\$ 5,233,896</u>	<u>\$ 5,242,721</u>	<u>\$ 5,294,395</u>	<u>\$ 5,418,510</u>
Special Service Area Number One	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6376</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6184</u>
Special Service Area Number One tax rate	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6376</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6184</u>
Tax extensions by fund:										
General Corporate	\$ 9,706	\$ 9,410	\$ 9,363	\$ 8,893	\$ 8,447	\$ 8,447	\$ 8,468	\$ 8,469	\$ 8,483	\$ 8,067
*I.M.R.F.	439,999	540,207	513,179	778,889	751,649	738,740	667,776	588,844	567,995	381,228
City Park	279,698	271,513	381,288	189,159	180,145	180,143	180,373	180,684	181,013	168,375
Police Pension	895,152	836,475	749,420	821,185	662,946	683,762	685,389	695,875	620,348	657,780
Firefighters' Pension	954,484	919,288	766,436	776,118	844,692	836,756	789,294	746,432	736,734	857,389
Social Security	301,009	241,006	260,734	-0-	-0-	-0-	-0-	-0-	-0-	-0-
City-wide tax extensions	<u>\$ 2,880,048</u>	<u>\$ 2,817,899</u>	<u>\$ 2,680,420</u>	<u>\$ 2,574,244</u>	<u>\$ 2,447,879</u>	<u>\$ 2,447,848</u>	<u>\$ 2,331,300</u>	<u>\$ 2,220,304</u>	<u>\$ 2,114,573</u>	<u>\$ 2,072,839</u>
Special Service Area Number One	<u>\$ 84,184</u>	<u>\$ 84,000</u>	<u>\$ 83,958</u>	<u>\$ 85,002</u>	<u>\$ 85,562</u>	<u>\$ 85,561</u>	<u>\$ 85,836</u>	<u>\$ 85,981</u>	<u>\$ 86,828</u>	<u>\$ 87,693</u>
Special Service Area Number One tax extensions	<u>\$ 84,184</u>	<u>\$ 84,000</u>	<u>\$ 83,958</u>	<u>\$ 85,002</u>	<u>\$ 85,562</u>	<u>\$ 85,561</u>	<u>\$ 85,836</u>	<u>\$ 85,981</u>	<u>\$ 86,828</u>	<u>\$ 87,693</u>

*I.M.R.F. Fund transferred to General Corporate Fund as of May 1, 1999

CITY OF MT. VERNON, ILLINOIS
ANALYSIS OF PROPERTY TAX SETTLEMENT
LAST TEN FISCAL YEARS

	2017 Taxes Settled In 2018 and 2019	2016 Taxes Settled In 2017 and 2018	2015 Taxes Settled In 2016 and 2017	2014 Taxes Settled In 2015 and 2016	2013 Taxes Settled In 2014 and 2015	2012 Taxes Settled In 2013 and 2014	2011 Taxes Settled In 2012 and 2013	2010 Taxes Settled In 2011 and 2012	2009 Taxes Settled In 2010 and 2011	2008 Taxes Settled In 2009 and 2010
Jefferson County Collectors' records: Charges										
Extension of tax	\$3,711,841	\$3,378,710	\$3,245,921	\$3,062,034	\$2,808,113	\$2,645,253	\$2,521,796	\$2,433,680	\$2,432,470	\$2,269,235
Errors and uncollected tax	(2,459)	(1,868)	4,416	(13,158)	(12,064)	(2,401)	5,426	4,352	(6,764)	(2,380)
Amount of tax on books	3,709,382	3,376,842	3,250,337	3,048,876	2,796,049	2,642,852	2,527,222	2,438,032	2,425,706	2,266,855
Other charges	-0-	-0-	-0-	-0-	(20)	-0-	-0-	-0-	-0-	-0-
Total charges	3,709,382	3,376,842	3,250,337	3,048,876	2,796,029	2,642,852	2,527,222	2,438,032	2,425,706	2,266,855
 Total received by County Collector for the City of Mt. Vernon, Illinois	3,353,637	3,057,473	2,982,708	2,846,254	2,771,273	2,626,713	2,521,586	2,438,032	2,425,706	2,266,855
Road and bridge tax	151,904	150,585	148,825	147,592	140,227	136,987	134,121	136,906	128,793	128,780
 Total due the City of Mt. Vernon, Illinois	<u>\$3,505,541</u>	<u>\$3,208,058</u>	<u>\$3,131,533</u>	<u>\$2,993,846</u>	<u>\$2,911,500</u>	<u>\$2,763,700</u>	<u>\$2,655,707</u>	<u>\$2,574,938</u>	<u>\$2,554,499</u>	<u>\$2,395,635</u>
 City of Mt. Vernon, Illinois distribution by fund:										
General Corporate, including road and bridge tax	\$ 429,850	\$ 539,082	\$ 345,985	\$ 334,743	\$ 325,945	\$ 324,407	\$ 321,832	\$ 325,613	\$ 304,268	\$ 291,785
*I.M.R.F.	702,661	699,444	747,943	713,902	697,582	641,613	584,354	565,632	379,128	597,212
Special Service Area										
Number One - administration	83,929	84,000	85,002	85,562	85,561	85,836	85,693	86,594	86,496	41,053
TIF Homestead	-0-	-0-	909	893	870	838	162	231	281	216
TIF Downtown	414,821	374,122	359,114	360,550	303,289	246,793	231,912	245,116	277,473	220,580
TIF IPC	137,129	3,913	2,584	2,244	890	624	443	315	-0-	-0-
Police Pension	827,608	745,288	817,427	657,796	673,350	680,233	690,570	617,768	654,170	518,748
Firefighters' Pension	909,543	762,209	772,569	838,156	824,013	783,356	740,741	733,669	852,683	726,041
 Total distribution	<u>\$3,505,541</u>	<u>\$3,208,058</u>	<u>\$3,131,533</u>	<u>\$2,993,846</u>	<u>\$2,911,500</u>	<u>\$2,763,700</u>	<u>\$2,655,707</u>	<u>\$2,574,938</u>	<u>\$2,554,499</u>	<u>\$2,395,635</u>

*I.M.R.F. Fund transferred to General Corporate Fund as of May 1, 1999

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF UTILITY OPERATING REVENUES
 (WATER, SEWER AND SANITATION)
 LAST TEN FISCAL YEARS

<u>Fiscal</u> <u>Year</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation</u>
2019	\$4,804,295	**\$3,386,575	\$1,158,518
2018	8,904,012	-0-	1,164,024
2017	8,731,134	-0-	1,172,550
2016	7,641,008	-0-	1,025,493
2015	7,562,426	-0-	1,023,647
2014	7,503,445	-0-	701,887
2013	7,479,507	-0-	710,818
2012	6,940,775	-0-	709,398
2011	6,397,251	-0-	575,422
2010	6,006,551	-0-	576,798

**The Sewer Fund was combined with the Water Fund prior to 2019

CITY OF MT. VERNON, ILLINOIS
SCHEDULE OF UTILITY CUSTOMERS SERVED
(WATER, SEWER AND SANITATION)
LAST TEN FISCAL YEARS

<u>Number of Customers at 4/30</u>	<u>Waterworks Customers</u>	<u>Sewerage Customers</u>	<u>Sanitation Customers</u>
2019	6,642	5,914	5,026
2018	6,685	5,955	5,087
2017	6,552	5,853	5,102
2016	6,770	6,024	5,104
2015	6,793	6,360	5,145
2014	6,628	6,184	5,237
2013	6,947	6,391	5,310
2012	6,413	6,352	5,356
2011	6,452	6,388	5,353
2010	7,029	6,409	5,350

CITY OF MT. VERNON, ILLINOIS
 SCHEDULE OF INSURANCE COVERAGE
 April 30, 2019

Policy Number and Company	Expiration Date	Coverage	Amount Excluding Deductible
ICRMT2017552 Illinois Counties Risk Management Trust	12/1/2019	General Liability (Each Occurrence/Aggregate)	\$1,000,000/\$3,000,000
		Premises Medical Payments (Ea Prsn, Ea Occur)	\$1,000/\$50,000
		Sexual Abuse Liability (Each Occurrence/Aggregate)	\$1,000,000/\$1,000,000
		Law Enforcement Liability (Each Occur/Aggregate)	\$1,000,000/\$3,000,000
		Auto Liability (Each Occurrence)	\$1,000,000
		Auto Medical Pmts (Each Person/Each Accident)	\$5,000/\$25,000
		Uninsured & Underinsured Motorist Liability (Ea. Occur.)	\$100,000
		Auto Physical Damage (Total Agreed Value)	\$3,681,000
		Public Officials Liab. - Claims Made (Ea. Occur./Agg.)	\$1,000,000/\$1,000,000
		(Employment Practices Liability)	
		(Employee Benefits Liability)	
		Cyber Liability Extension (Ea. Occur./Agg.)	\$50,000/\$100,000
		Excess Liability - General Liability	\$10,000,000
		Excess Liability - Law Enforcement Liability	\$10,000,000
		Excess Liability - Auto Liability	\$10,000,000
		Excess Liability - Public Officials Liability (Claims Made)	\$10,000,000
		Property - Buildings	\$46,363,496
		Property - Bus. Pers. Prop.	\$1,826,000
		Property - Personal Property of Others	\$100,000
		Property - Newly Const. or Acq. Prop.	\$1,000,000
		Property - Foot Bridges & Appurt. Structures	\$100,000
		Property - Covered Property in Transit	\$100,000
		Property - Earthquake (Ea. Occur./Prog. Agg.)	\$10M/\$300M
		Property - Flood (Ea. Occur./Prog. Agg.)	\$10M/\$300M
		Extra Exp./Bus. Inc.; Fine Arts; Accts. Rec.;	
		Val. Papers	\$250,000
		Inland Marine	\$4,121,862
		Builders Risk	\$1,000,000
		Various Supplemental Coverages	Various
		Sales Tax Interruption (30 Day waiting period)	\$1,000,000
		Equipment Breakdown Protection (Total Bldg. & Cont. Value)	\$48,189,496
		Various Crime Coverages (Ea. Coverage)	\$500,000
		Workers Compensation Limit	Statutory
		Employers Liability Limit (Ea. Accident & Ea. Emp. For Disease)	\$2,500,000