

**CITY OF MT. VERNON, ILLINOIS**  
**Comprehensive Annual Financial Report**  
**April 30, 2020**



INTRODUCTORY SECTION

CITY OF MT. VERNON, ILLINOIS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Year Ended April 30, 2020

Prepared by:

Department of Finance

Merle A. Hollmann  
Director of Finance  
and  
Steven Tate  
Director of Finance

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CITY OF MT. VERNON, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

April 30, 2020

City Council

Mayor John Lewis  
Councilperson Ray Botch  
Councilperson Donte Moore  
Councilperson Joe Gliosci  
Councilperson Mike Young

City Manager

Mary Ellen Bechtel

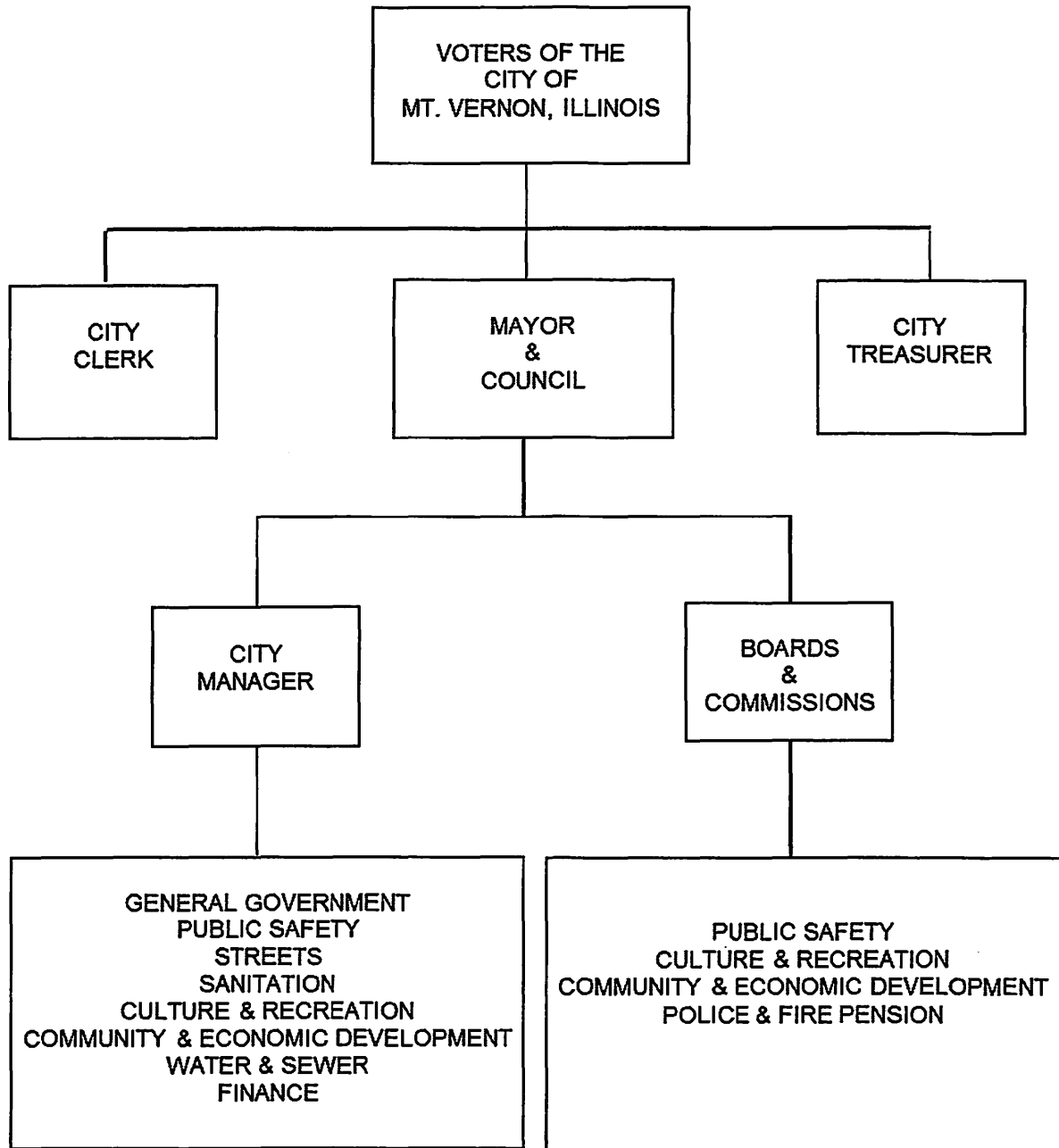
City Clerk

Mary Jo Pemberton

City Treasurer

Pat Carlson

CITY OF MT. VERNON, ILLINOIS  
ORGANIZATION CHART  
April 30, 2020





FINANCIAL SECTION

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.



**KREHBIEL  
& ASSOCIATES, LLC**

*Certified Public Accountants*

E-MAIL AT [cpa@krehbielcpa.com](mailto:cpa@krehbielcpa.com)

- 125 North Eleventh Street  
P.O. Box 846  
Mt. Vernon, Illinois 62864  
618-244-2666 Fax 244-2372
- 181 East St. Louis  
Nashville, Illinois 62263  
618-327-8042 Fax 327-8052
- 980 Fairfax Street  
Carlyle, Illinois 62231  
618-594-2025 Fax 594-2206

## 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, 2020, 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, 2020, 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.

### **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 94 through 123 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 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 2, 2020, 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.

*Krehbiel & Associates, LLC*

Mt. Vernon, Illinois  
October 2, 2020

CITY OF MT. VERNON, ILLINOIS  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 April 30, 2020

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, 2020. Please read it in conjunction with the City's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The total governmental activities experienced a 14.15% increase in the Change in Net Position, moving from \$4,495,389 at April 30, 2019, to \$5,131,632 at April 30, 2020. Business-type activities showed a 21.99% increase in Change in Net Position.
- Fiscal year 19-20, governmental activities' sales tax revenue decreased by 0.47%, property taxes increased 12.14%, other use taxes showed slight decreases.

**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

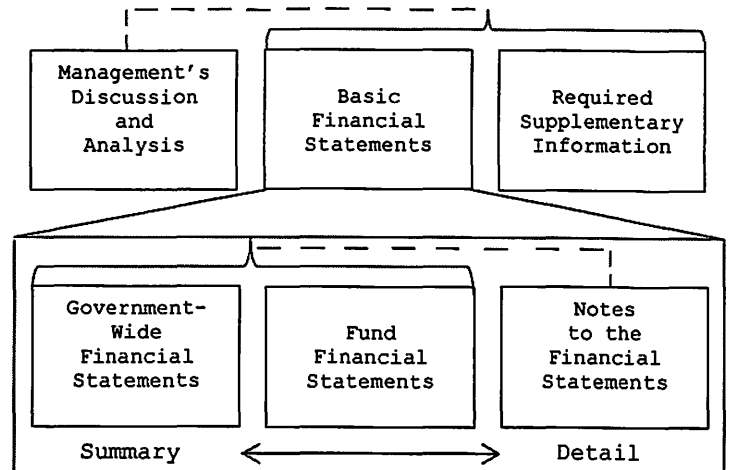


Figure A-2  
Major Features of the City of Mt. Vernon, Illinois' Government-Wide  
and Fund Financial Statements

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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
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 \$25.1 million. Of that total \$46.0 million is in the form of capital assets.

Table A-1  
City of Mt. Vernon, Illinois' Net Position  
4/30/20

	Governmental Activities 4/30/20	Governmental Activities 4/30/19	Business-Type Activities 4/30/20	Business-Type Activities 4/30/19	Total 4/30/20	Total 4/30/19
Current and other assets	\$ 20,313,438	\$ 19,058,886	\$ 5,255,264	\$ 4,271,094	\$ 25,568,702	\$ 23,329,980
Capital assets	53,298,433	53,137,120	27,167,865	25,389,274	80,466,298	78,526,394
Total assets	<u>\$ 73,611,871</u>	<u>\$ 72,196,006</u>	<u>\$32,423,129</u>	<u>\$29,660,368</u>	<u>\$106,035,000</u>	<u>\$101,856,374</u>
Deferred outflows of resources						
Deferred pension and OPEB charges	\$ 3,793,324	\$ 6,744,983	\$ -0-	\$ 745,573	\$ 3,793,324	\$ 7,490,556
Total deferred outflows of resources	<u>\$ 3,793,324</u>	<u>\$ 6,744,983</u>	<u>\$ -0-</u>	<u>\$ 745,573</u>	<u>\$ 3,793,324</u>	<u>\$ 7,490,556</u>
Current liabilities	\$ 3,491,109	\$ 3,088,148	\$ 1,509,680	\$ 1,391,575	\$ 5,000,789	\$ 4,479,723
Long-term liabilities	68,567,017	71,119,449	10,732,410	12,584,063	79,299,427	83,703,512
Total liabilities	<u>\$ 72,058,126</u>	<u>\$ 74,207,597</u>	<u>\$12,242,090</u>	<u>\$13,975,638</u>	<u>\$ 84,300,216</u>	<u>\$ 88,183,235</u>
Deferred inflows of resources						
Deferred Pension Credits	\$ 37,067	\$ -0-	\$ 161,324	\$ -0-	\$ 198,391	\$ -0-
Deferred revenue	178,370	238,003	57,422	66,094	235,792	304,097
Total deferred inflows of resources	<u>\$ 215,437</u>	<u>\$ 238,003</u>	<u>\$ 218,746</u>	<u>\$ 66,094</u>	<u>\$ 434,183</u>	<u>\$ 304,097</u>
Net position:						
Net investment in capital assets	\$ 27,404,960	\$ 25,866,187	\$18,584,264	\$15,838,537	\$ 45,989,224	\$ 41,704,724
Restricted	830,592	835,197	-0-	-0-	830,592	835,197
Unrestricted	(23,103,920)	(22,205,995)	1,378,029	525,672	(21,725,891)	(21,680,323)
Total net position	<u>\$ 5,131,632</u>	<u>\$ 4,495,389</u>	<u>\$19,962,293</u>	<u>\$16,364,209</u>	<u>\$ 25,093,925</u>	<u>\$ 20,859,598</u>

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 \$20.0 million in fiscal year 19-20.

## Changes in Net Position

The City's total revenues amounted to \$38.0 million in fiscal year 19-20 (See Table A-2). The largest revenue category is taxes, which amounted to \$23.2 million. In fiscal year 19-20, 71% of all taxes came from sales tax collections. \$14.5 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 \$33.6 million in fiscal year 19-20. 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 \$3,793,324 decreased \$3,697,232 due to the deferred pension charges recognized according to the actuarial valuation.

The City's total liabilities of \$84,300,216 decreased \$3,883,019 mostly due to long-term debt payments.

Table A-2  
City of Mt. Vernon, Illinois' Changes in Net Position  
4/30/20

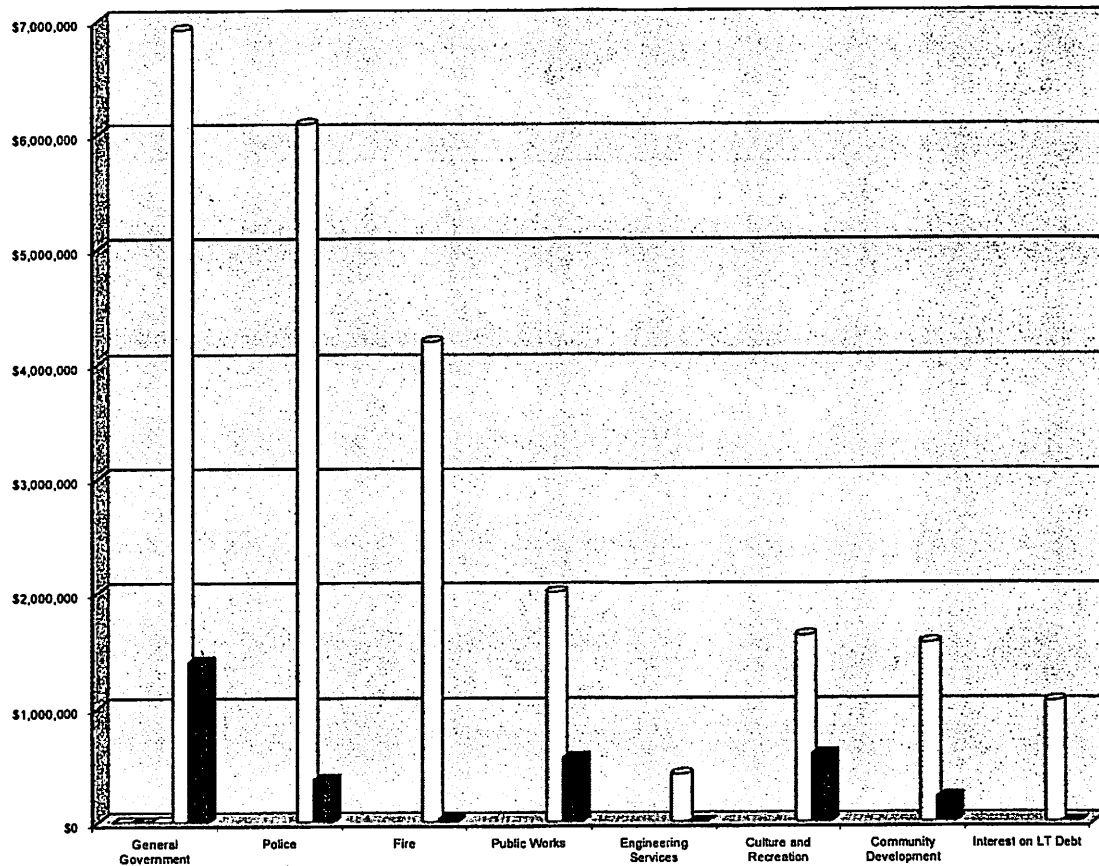
	Governmental Activities 4/30/20	Governmental Activities 4/30/19	Business-Type Activities 4/30/20	Business-Type Activities 4/30/19	Total 4/30/20	Total 4/30/19
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,428,270	\$ 1,556,464	\$ 9,456,892	\$ 9,563,799	\$ 10,885,162	\$ 11,120,263
Operating grants/ contributions	171,415	168,935	-0-	-0-	171,415	168,935
Capital grants/ contributions	1,586,777	2,368,206	1,835,270	-0-	3,422,047	2,368,206
General revenues:						
Sales taxes	16,419,920	16,497,586	-0-	-0-	16,419,920	16,497,586
Property taxes	2,434,028	2,170,533	37,806	37,820	2,471,834	2,208,353
Other taxes	4,287,755	4,290,167	-0-	-0-	4,287,755	4,290,167
Unrestricted grants	15,421	24,848	-0-	-0-	15,421	24,848
Other	361,689	393,408	11,232	32,011	372,921	425,419
<b>Total revenues</b>	<b>26,705,275</b>	<b>27,470,147</b>	<b>11,341,200</b>	<b>9,633,630</b>	<b>38,046,475</b>	<b>37,103,777</b>
<b>Expenses:</b>						
General government	6,913,236	5,850,037	-0-	-0-	6,913,236	5,850,037
Public safety	10,280,823	9,860,590	-0-	-0-	10,280,823	9,860,590
Public works	2,000,887	2,009,913	-0-	-0-	2,000,887	2,009,913
Engineering services	418,292	396,170	-0-	-0-	418,292	396,170
Health and sanitation	-0-	-0-	9,313,189	8,606,844	9,313,189	8,606,844
Culture and recreation	1,624,188	1,646,158	-0-	-0-	1,624,188	1,646,158
Community development	1,560,610	1,192,181	-0-	-0-	1,560,610	1,192,181
Interest on long-term debt	1,053,218	1,112,911	430,078	430,078	1,483,296	1,542,989
<b>Total expenses</b>	<b>23,851,254</b>	<b>22,067,960</b>	<b>9,743,267</b>	<b>9,036,922</b>	<b>33,594,521</b>	<b>31,104,882</b>
Change before transfers	2,854,021	5,402,187	1,597,933	596,708	4,451,954	5,998,895
Transfers	(2,217,778)	(2,543,240)	2,000,151	2,543,240	(217,627)	-0-
<b>Increase in net position</b>	<b>636,243</b>	<b>2,858,947</b>	<b>3,598,084</b>	<b>3,139,948</b>	<b>4,234,327</b>	<b>5,998,895</b>
Net position - beginning, as previously reported	4,495,389	10,736,605	16,364,209	14,836,180	20,859,598	25,572,785
Cumulative change in accounting principle	-0-	(9,100,163)	-0-	(1,611,919)	-0-	(10,712,082)
Net position - beginning, restated	4,495,389	1,636,442	16,364,209	13,224,261	20,859,598	14,860,703
<b>Net position - ending</b>	<b>\$ 5,131,632</b>	<b>\$ 4,495,389</b>	<b>\$19,962,293</b>	<b>\$16,364,209</b>	<b>\$ 25,093,925</b>	<b>\$ 20,859,598</b>

**Governmental Activities:** Net position for governmental activities increased by \$636,243 in the current year.

**Business-Type Activities:** Net position for business-type activities increased by \$3,598,084 in the current year.

## Governmental Activities

### Expenses and Program Revenues - Governmental Activities (Graph 1)

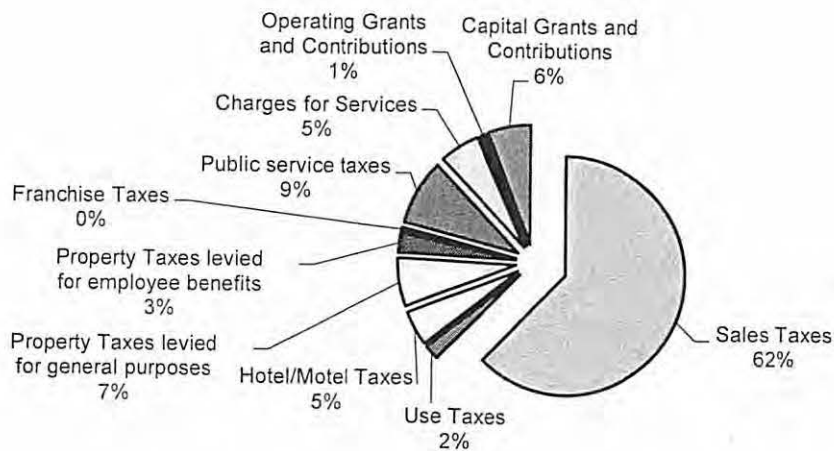


Graph 1 presents the cost of each of the City's seven largest programs - general government, police, fire, public works, engineering services, culture and recreation and community development, as well as each program's net cost (total cost less fees generated by the activities). The net cost shows the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

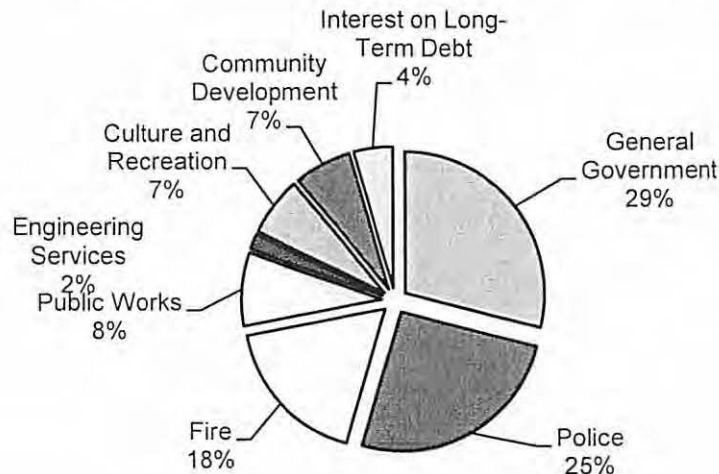
- The cost of all governmental activities this year was \$23,851,254.
- However, the amount that our taxpayers paid for these activities through City revenues was \$20,664,792. Some of the cost was paid by:
  - Those who directly benefitted from the programs \$1,428,270 or
  - Other governments and organizations that subsidized certain programs with grants and contributions \$3,593,462.
- The City paid for the \$20,664,792 "public benefit" portion with \$23,518,813 in taxes and other revenues, such as interest earnings and unrestricted grants.
- General government required the second largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$5,513,611 in fiscal year 19-20.

- Public works required the fourth largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$1,437,141 in fiscal year 19-20.
- Police and fire required the first and third largest net amount of public funds after subtracting program revenue and grant contributions. The total subsidy for police was \$5,713,666, while fire was \$4,162,058.
- Administration and support services comprised 29% of total expenses in fiscal year 19-20.
- 62% of all governmental activities revenue came from sales tax revenue in fiscal year 19-20 (see Graph 2).
- 43% of all governmental activities expenses were for police (25%) and fire (18%), 29% went for general government, and 8% 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 \$11,341,200, and expenses were \$9,743,267 (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 2019-2020 Budget for the Water Fund projected an Operating Working Fund Balance (defined in the section "General Corporate Fund Budgetary Highlights" below) at April 30, 2020 of \$771,916.

The Water Fund ended the 2019-2020 fiscal year with an actual Operating Working Fund Balance of \$300,875 which is \$471,041 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 2019-2020 was overstated by \$628,886, due mostly to \$651,093 of Operating Working Fund Balance being transferred to the newly created Sewer Fund on May 1, 2018.
- (2) Operating revenues and transfers for fiscal year 2019-2020 came in approximately \$64,000 under budget.
- (3) Operating expenses and transfers for the fiscal year 2019-2020 came in approximately \$233,000 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 2019-2020 Budget for the Sewer Fund projected an Operating Working Fund Balance on April 30, 2020 of \$785.

The Sewer Fund ended the 2019-2020 fiscal year with an actual Operating Working Fund Balance of \$661,360 which is \$660,575 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 2019-2020 was understated by \$658,865, due mostly to \$651,093 of Operating Working Fund Balance being transferred from the Water Fund on May 1, 2018.
- (2) Operating revenues for fiscal year 2019-2020 came in approximately \$10,000 over budget.
- (3) Operating expenses for the fiscal year 2019-2020 came in approximately \$6,000 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 2019-2020 fiscal year with an actual Operating Working Fund Balance of \$139,000 when the 2019-2020 operating budget had projected \$183,386, which is \$44,386 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 2019-2020 was overstated by \$16.
- (2) Operating revenues for fiscal year 2019-2020 came in approximately \$9,200 under budget.
- (3) Operating expenses for the fiscal year 2019-2020 came in approximately \$35,000 over budget.

#### **FINANCIAL ANALYSIS OF THE CITY FUNDS**

As the City completed its 2019-2020 fiscal year, its governmental funds reported a combined fund balance of \$11,603,192, an increase of \$410,039. The increase is accounted for in the next paragraph.

The General Corporate Fund's combined fund balance was \$5,831,446, an increase of \$1,364,711. The combined fund balance of the Quality of Life Fund decreased \$1,423,583 to \$1,497,838; the combined fund balance of the General Corporate Capital Fund decreased \$1,241,063 to \$474,089; the combined fund balance of the Motor Fuel Tax Fund increased \$311,160 to \$787,784; the combined fund balance of the Home Rule Tax increased \$1,477,042 to \$2,838,237; the combined fund balance of the Downtown TIF Fund increased \$9,424 to \$32,480; and the combined fund balances of the other governmental funds decreased \$87,652 to \$141,318.

#### **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 2019-2020 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 on April 30, 2020 of \$3,770,078. The accompanying financial statements show the General Corporate Fund as having an actual Operating Working Fund Balance, or Unassigned Fund Balance, of \$5,587,445 on April 30, 2020, an increase of \$1,817,367 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 2019-2020 was understated by \$320,941.
- (2) Actual total revenues recognized for fiscal year 2019-2020 were \$387,321 higher than those originally budgeted, with sales taxes coming in at \$156,732 over the original budget, which includes a reduction of \$56,371 state administration fees, use taxes coming in at \$51,387 over the original budget, public service taxes coming in at \$116,632 over the original budget, and miscellaneous revenue coming in at \$21,860 over the original budget.
- (3) Actual total expenditures incurred for fiscal year 2019-2020 were \$1,126,193 lower than those originally budgeted, with General Government expenditures coming in at \$35,155 lower than originally budgeted, Police Department expenditures coming in at \$419,740 under the original budget, Fire Department expenditures coming in at \$184,217 under the original budget, Public Works Department expenditures coming in at \$213,672 under the original budget, Engineering Department expenditures coming in at \$97,510 under the

original budget and Culture and Recreation expenditures coming in at \$175,899 under.

- (4) Actual "Net other financing (uses)" for fiscal year 2019-2020 were \$20,445 under that originally budgeted.

The Aquatic Zoo Fund is part of the General Corporate Fund discussed above and has an operating working fund balance of \$89,935 on April 30, 2020, a decrease of \$21,422 from the previous year.

We amended our General Corporate revenue budget upward by \$80,075 during the fiscal year 2019-2020, which included an increase in the sales taxes budget of \$76,448, and an increase of \$3,627 in the budget for charges for services. We amended our General Corporate expenditure budget upward by \$113,877 during the fiscal year, including decreased budgeted expenditures for General Government of \$99,703. Budgeted expenditures for the Police Department were increased by \$14,174.

The City maintains a conservative philosophy in its budgeting process.

We also increased our property taxes 0% from the previous year for 2019-2020, with the creation of the Pension Sales Tax Fund to subsidize the pension expense of the City.

#### **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 2019-2020 with a positive balance of \$474,089 including receivables, that has been committed by the City Council to finance future capital expenditures, infrastructure improvements and related debt service payments. 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 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 Working Fund balance of \$665,360 on April 30, 2020 and the actual amount was \$1,497,838, mostly due to beginning Working Fund balance being understated by \$229,686 and expenditures coming in lower than budgeted by \$563,722.

The Motor Fuel Tax Fund budget for 2019-2020 projected a working fund balance on April 30, 2020 of \$6,695. The actual working fund balance on April 30, 2020 was \$787,784, an increase of \$781,089, due to revenues coming in \$179,146 over budget and expenses coming in \$605,818 under budget.

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 2019-2020 projected a total Working Fund Balance on April 30, 2020 of \$118,864. The actual Working Fund Balance on April 30, 2020 was \$2,838,237, an increase of \$2,719,373, mostly due to expenses coming in \$2,569,247 lower 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, 2020, 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 2019 and we did in fact have a 0% increase on January 1, 2020 as budgeted. The Health Insurance Fund budget for 2019-2020 projected a Working Fund Balance on April 30, 2020 of \$1,482,250. The actual Working Fund Balance on April 30, 2020 was \$1,784,790, an increase of \$302,540, due to the beginning fund balance being under stated by \$168,715, revenues coming in lower than expected by \$448,380 and expenses coming in \$582,205 lower.

#### Effects of COVID-19 on Revenues for 2019-2020

The approximate effects of COVID-19 on the revenues of 2019-20 were as follows:

General Corporate Fund	\$361,000	decrease
Tourism Fund	28,337	decrease
Quality of Life Fund	26,223	decrease
Home Rule Sale Tax Fund	52,445	decrease
Gen Corp Capital Fund	53,184	decrease
Total	<u>\$521,189</u>	decrease

Table A-3  
City of Mt. Vernon, Illinois' Capital Assets  
4/30/20

	Governmental Activities 4/30/20	Governmental Activities 4/30/19	Business-Type Activities 4/30/20	Business-Type Activities 4/30/19	Total 4/30/20	Total 4/30/19
Land	\$ 5,904,958	\$ 5,489,495	\$ 150,379	\$ 150,379	\$ 6,055,337	\$ 5,639,874
Buildings and improvements	6,544,086	6,449,746	12,456,385	11,611,988	19,000,471	18,061,734
Equipment	12,615,784	12,006,339	1,937,217	1,903,383	14,553,001	13,909,722
Infrastructure	60,486,643	58,143,526	44,021,714	41,983,477	104,508,357	100,127,003
Total	<u>\$85,551,471</u>	<u>\$82,089,106</u>	<u>\$58,565,695</u>	<u>\$55,649,227</u>	<u>\$144,117,166</u>	<u>\$137,738,333</u>



### Long-Term Debt:

At year-end, the City had \$31,580,000 in bonds outstanding - a decrease of \$1,934,999 over the prior year. Other long-term debt outstanding at year end was \$3,654,116, a decrease of \$797,300. 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  
4/30/20

	Governmental Activities 4/30/20	Governmental Activities 4/30/19	Business-Type Activities 4/30/20	Business-Type Activities 4/30/19	Total 4/30/20	Total 4/30/19
General obligation bonds	\$25,403,027	\$26,917,588	\$ 6,176,973	\$ 6,597,411	\$31,580,000	\$33,514,999
Compensated absences	337,383	195,597	62,010	56,055	399,393	251,652
Other long-term debt	1,108,190	1,327,093	2,545,926	3,124,323	3,654,116	4,451,416
Net pension obligation	32,304,870	34,051,557	377,094	1,391,767	32,681,964	35,443,324
Total other post employment benefits obligation	9,089,947	8,123,653	1,561,503	1,395,509	10,651,450	9,519,162
	<u>\$68,243,417</u>	<u>\$70,615,488</u>	<u>\$10,723,506</u>	<u>\$12,565,065</u>	<u>\$78,966,923</u>	<u>\$83,180,553</u>

### 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 2020-2021 includes total City-wide budgeted expenditures of \$56,816,337.

The City projects an Operating Working Fund Balance in the General Corporate Fund of \$5,458,602 at April 30, 2021. Total operating expenditures in the General Corporate Fund are projected to be \$14,909,797 for the fiscal year ending April 30, 2021 with a budgeted surplus in operations of \$133,560. We project to have an Operating Working Fund Balance at April 30, 2021 which is equal to 4.4 months of operating expenditures. For budget purposes the Aquatic Zoo Fund is not included in the General Corporate Fund and is anticipating a negative working fund balance of \$65,328 at April 30, 2021.

We anticipated a decrease of 1% in our 1% State Sales Tax and our 1% Home Rule Sales Tax over 2019-2020 revenue, with an additional estimated decrease due to the COVID virus of \$421,000. 1% State Sales Tax was up 0.7% and 1% Home Rule Sales Tax was down 1.2% for 2019-2020 from the previous year and we estimate that they will decrease for 2020-2021.

We had no increase in our property taxes from the previous year with the Council passing a 0.25% increase in our Home Rule Sales Tax effective July 1, 2020 to subsidize the tax levy for the four pension funds of the City.

All City departments were required to have no increase in their 2020-2021 operating budgets, exclusive of payroll, from their 2019-2020 operating budgets.

During 2019-2020, we had budgeted for three full time positions in General Corporate that were not filled and were not budgeted for 2020-2021. As far as part-time labor positions, we had only budgeted for four non-union positions for nuisance enforcement, two part-time union positions in the Public Works department and two in the Parks department. For 2020-2021,

we have budgeted for those four non-union positions and budgeted for four 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 2020-2021 after not being paid for the previous three years. 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 effects of the COVID virus are anticipated to reduce General Corporate revenues by \$320,000 for 2019-2020 and \$550,000 for 2020-2021.

The City will manage the Aquatic Zoo for the 2020 season with internal staff. This fund incurred an abnormal number of repairs for 2018-2019 and continued that trend for 2019-2020. It is projected to have an operating deficit for 2020-2021 of \$(67,107). In 2020-2021 this will be the seventh season of operations.

The City has eleven 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 on April 30, 2021 of \$313,047 in this fund, which includes a zero restricted Working Fund Balance for the 2012 Bonds since those funds are all projected to be spent by April 30, 2020.

The General Corporate Capital Projects Fund is another special revenue fund and we are proposing to spend \$3.1 million for capital and infrastructure expenditures and related debt service expenses during 2020-2021. We are projecting a total Working Fund Balance on April 30, 2021 of \$16,098 in this fund.

The Home Rule Sales Tax Fund, another special revenue fund, is projected to have a total Working Fund balance of \$2,290,245 at April 30, 2021. The City Council was considering in their 2020-2021 budget borrowing \$6.7 million in this fund with bonds for roadways in the City and has budgeted for that amount. A total of \$8.9 million has been budgeted in this fund for equipment, capital, and infrastructure expenditures in 2020-2021.

A new Special Revenue Fund, the Pension Sales Tax Fund, was created on April 30, 2020 for the 0.25% Home Rule Sales Tax that will go into effect July 1, 2020. As noted earlier, this sales tax will subsidize the property taxes levied for pension funds, including IMRF, FICA, Medicare, Police Pension, and the Firefighters' Pension. The Working Fund balance in this fund is projected to be \$328,686 on April 30, 2021.

The effects of the COVID virus are anticipated to reduce revenues of the Special Revenue Funds by \$195,000 for 2019-2020 and \$400,000 for 2020-2021.

The total Working Fund Balance of the eleven Special Revenue Funds at April 30, 2021 is projected to be \$4,231,154. 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 \$332,451 for 2020-2021. The Working Fund Balance for operations is projected to be \$689,208 on April 30, 2021 and total expenditures for operations of \$3,759,156. On May 1, 2020, there was no increase in water rates for operations. The Water Fund is proposing \$5.465 million of capital expenses, infrastructure improvements and related debt service expenses for fiscal year 2020-2021.

The Sewer Fund is projected to have an operating deficit of \$(443,030) for 2020-2021, which will be partially subsidized by a projected \$332,000 transfer from the Water Fund's operations, a Working Fund Balance for operations at April 30, 2021 of \$548,916 and total expenditures for operations of \$3,388,162. As of May 1, 2020, there was no increase in sewer rates for operations, however a 5% increase in operations proposed in the budget is effective the first day of the month occurring 60 days after the expiration of the Governor's Executive Order that non-essential business remain closed. The Sewer Fund is proposing \$4.160 million of capital expenses, infrastructure improvements and related debt service expenses for fiscal year 2020-2021.

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.

The Sanitation Fund is projecting a Working Fund Balance of \$105,952 at April 30, 2021. The garbage rates were not increased on May 1, 2020 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 \$1,801,144 at April 30, 2021. We are estimating no increase in our rates effective January 1, 2021 and had no increase on January 1, 2020 or the two previous years. 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. On April 30, 2020, the City is in compliance with that policy in all but the following funds:

	Operating Working Fund Balance	Amount Required	Shortage
Pension Sales Tax	\$(217,627)	\$ -0-	\$(217,627)
Downtown TIF	\$ 32,480	\$ 99,933	\$ (67,453)
Special Service Area Number One	\$ 4,360	\$ 6,813	\$ (2,453)
Water Fund	\$ 312,545	\$340,930	\$ (28,385)

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, NONSPENDABLE AND UNASSIGNED FUND BALANCES  
 For the Fiscal Year Ended April 30, 2020

	General Corporate Fund			Totals
	Restricted & Nonspendable Amounts	Unassigned Aquatic Zoo Amounts	Unassigned Amounts (Operating)	
<b>Revenues:</b>				
Sales taxes	\$ -0-	\$ -0-	\$ 9,421,403	\$ 9,421,403
Use taxes	-0-	-0-	534,587	534,587
Hotel/motel taxes	-0-	-0-	746,264	746,264
Property tax levied for general purposes	-0-	-0-	287,373	287,373
Property tax levied for employee benefits	666,107	-0-	-0-	666,107
Franchise taxes	-0-	-0-	143,167	143,167
Public service taxes	-0-	-0-	2,355,783	2,355,783
Gain on sale of fixed assets	-0-	-0-	4,080	4,080
Grants and contributions not restricted to specific programs	-0-	-0-	72	72
Unrestricted investment income	1,155	2,176	113,708	117,039
Miscellaneous	-0-	-0-	31,015	31,015
Operating grants and contributions	-0-	-0-	35,390	35,390
Charges for services	24,607	369,469	722,102	1,116,178
<b>Total revenues</b>	<u>691,869</u>	<u>371,645</u>	<u>14,394,944</u>	<u>15,458,458</u>
<b>Expenditures:</b>				
Current				
General government	5,312	-0-	3,323,653	3,328,965
Public safety				
Police	32,945	-0-	4,955,586	4,988,531
Fire	-0-	-0-	3,000,102	3,000,102
Public works	-0-	-0-	1,442,620	1,442,620
Engineering services	-0-	-0-	391,071	391,071
Culture and recreation	-0-	393,067	590,244	983,311
IMRF, FICA and Medicare (total of all departments)	586,617	-0-	(586,617)	-0-
Debt service				
Principal retirement	115,967	-0-	-0-	115,967
Interest and fiscal charges	23,785	-0-	-0-	23,785
<b>Total expenditures</b>	<u>764,626</u>	<u>393,067</u>	<u>13,116,659</u>	<u>14,274,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(72,757)</u>	<u>(21,422)</u>	<u>1,278,285</u>	<u>1,184,106</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	-0-	-0-	191,505	191,505
Transfers to other funds	-0-	-0-	(10,900)	(10,900)
<b>Total other financing sources (uses)</b>	<u>-0-</u>	<u>-0-</u>	<u>180,605</u>	<u>180,605</u>
Net change in fund balances	(72,757)	(21,422)	1,458,890	1,364,711
Fund balances, beginning	<u>316,758</u>	<u>111,357</u>	<u>4,038,620</u>	<u>4,466,735</u>
Fund balances, ending	<u>\$244,001</u>	<u>\$ 89,935</u>	<u>\$ 5,497,510</u>	<u>\$ 5,831,446</u>

CITY OF MT. VERNON, ILLINOIS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 WATER FUND - SEPARATED BY RESTRICTED, CAPITAL,  
 OTHER LONG-TERM AND UNRESTRICTED BALANCES  
 For the Fiscal Year Ended April 30, 2020

	Water Fund			Totals
	Restricted Amounts	Capital Assets and Other Long- Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>				
User charges	\$ 556,423	\$ -0-	\$4,163,228	\$4,719,651
Other operating revenue	-0-	-0-	34,300	34,300
Total operating revenues	<u>556,423</u>	<u>-0-</u>	<u>4,197,528</u>	<u>4,753,951</u>
<u>Operating expenses:</u>				
Administration	-0-	55,422	1,663,395	1,718,817
Cost of sales and services	-0-	-0-	2,074,627	2,074,627
Depreciation	-0-	504,759	-0-	504,759
Total operating expenses	<u>-0-</u>	<u>560,181</u>	<u>3,738,022</u>	<u>4,298,203</u>
Operating income (loss)	<u>556,423</u>	<u>(560,181)</u>	<u>459,506</u>	<u>455,748</u>
<u>Non-operating revenues</u>				
<u>(expenses):</u>				
Non-operating revenues	92,962	-0-	45,528	138,490
Property tax revenue	37,806	-0-	-0-	37,806
Interest and fiscal charges	(386,694)	-0-	4,139	(382,555)
Principal paid on debt	(967,912)	967,912	-0-	-0-
Capital expenses that will be depreciated	<u>(2,336,785)</u>	<u>2,336,785</u>	<u>-0-</u>	<u>-0-</u>
Total non-operating revenues (expenses)	<u>(3,560,623)</u>	<u>3,304,697</u>	<u>49,667</u>	<u>(206,259)</u>
Income before contributions and transfers	(3,004,200)	2,744,516	509,173	249,489
Capital contributions from developers	1,835,270	-0-	-0-	1,835,270
Transfers from (to) other funds	<u>1,287,554</u>	<u>-0-</u>	<u>(384,493)</u>	<u>903,061</u>
Change in net position	118,624	2,744,516	124,680	2,987,820
Net position - beginning	<u>45,117</u>	<u>1,964,921</u>	<u>176,195</u>	<u>2,186,233</u>
Total net position - ending	<u>\$ 163,741</u>	<u>\$4,709,437</u>	<u>\$ 300,875</u>	<u>\$5,174,053</u>

CITY OF MT. VERNON, ILLINOIS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 SEWER FUND - SEPARATED BY RESTRICTED, CAPITAL,  
 OTHER LONG-TERM AND UNRESTRICTED BALANCES  
 For the Fiscal Year Ended April 30, 2020

	Sewer Fund			Totals
	Restricted Amounts	Capital Assets and Other Long- Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>				
User charges	\$ 539,744	\$ -0-	\$2,780,753	\$ 3,320,497
Other operating revenue	-0-	-0-	26,598	26,598
Total operating revenues	<u>539,744</u>	<u>-0-</u>	<u>2,807,351</u>	<u>3,347,095</u>
<u>Operating expenses:</u>				
Administration	-0-	(8,639)	983,178	974,539
Cost of sales and services	-0-	-0-	2,280,731	2,280,731
Depreciation	-0-	633,119	-0-	633,119
Total operating expenses	<u>-0-</u>	<u>624,480</u>	<u>3,263,909</u>	<u>3,888,389</u>
Operating income (loss)	<u>539,744</u>	<u>(624,480)</u>	<u>(456,558)</u>	<u>(541,294)</u>
<u>Non-operating revenues</u>				
<u>(expenses):</u>				
Non-operating revenues	9,702	-0-	66,459	76,161
Interest and fiscal charges	-0-	-0-	(5,728)	(5,728)
Principal paid on debt	-0-	36,361	(36,361)	-0-
Capital expenses that will be depreciated	(579,684)	579,684	-0-	-0-
Total non-operating revenues (expenses)	<u>(569,982)</u>	<u>616,045</u>	<u>24,370</u>	<u>70,433</u>
Income before contributions and transfers	(30,238)	(8,435)	(432,188)	(470,861)
Transfers from other funds	<u>662,825</u>	<u>-0-</u>	<u>434,265</u>	<u>1,097,090</u>
Change in net position	632,587	(8,435)	2,077	626,229
Net position - beginning	<u>1,535,290</u>	<u>11,788,438</u>	<u>659,283</u>	<u>13,983,011</u>
Total net position - ending	<u>\$2,167,877</u>	<u>\$11,780,003</u>	<u>\$ 661,360</u>	<u>\$14,609,240</u>

BASIC FINANCIAL STATEMENTS

CITY OF MT. VERNON, ILLINOIS  
STATEMENT OF NET POSITION  
For the Fiscal Year Ended April 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 12,894,776	\$ 2,955,142	\$ 15,849,918
Investments	54,010	1,862	55,872
Receivables:			
Accounts, net	1,147,259	1,036,244	2,183,503
Notes	43,882	-0-	43,882
Due from other funds	251,092	216	251,308
Due from other governments and their agencies	1,697,709	786,709	2,484,418
Property and replacement taxes, net	3,427,586	-0-	3,427,586
Interest	-0-	713	713
Prepaid	3,847	-0-	3,847
Inventories	1,545	122,448	123,993
Prepaid expenses	459,111	70,168	529,279
Restricted assets	332,621	281,762	614,383
Property and equipment			
Land, improvements, buildings, lines	49,976,577	27,137,727	77,114,304
Other capital assets	3,321,856	30,138	3,351,994
<b>Total Assets</b>	<b><u>\$ 73,611,871</u></b>	<b><u>\$32,423,129</u></b>	<b><u>\$106,035,000</u></b>
<b>Deferred outflows of resources</b>			
Deferred pension and OPEB charges	\$ 3,793,324	\$ -0-	\$ 3,793,324
<b>Total deferred outflows of resources</b>	<b><u>\$ 3,793,324</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 3,793,324</u></b>
<b>Liabilities</b>			
Payables			
Accounts	\$ 1,445,635	\$ 957,536	\$ 2,403,171
Payroll and related liabilities	1,144,590	184,772	1,329,362
Accrued interest payable	343,499	85,394	428,893
Liabilities payable from restricted assets	89,758	281,762	371,520
Due to other funds	467,627	216	467,843
General obligation bonds and long-term debt			
Due within one year	1,877,493	1,022,153	2,899,646
Due in more than one year	24,633,724	7,700,746	32,334,470
Net pension obligation	32,304,870	377,094	32,681,964
Total other post employment benefits obligation	9,089,947	1,561,503	10,651,450
Unamortized bond premium	660,983	70,914	731,897
<b>Total Liabilities</b>	<b><u>\$ 72,058,126</u></b>	<b><u>\$12,242,090</u></b>	<b><u>\$ 84,300,216</u></b>
<b>Deferred inflows of resources</b>			
Deferred pension credits	\$ 37,067	\$ 161,324	\$ 198,391
Deferred revenue	178,370	57,422	235,792
<b>Total deferred inflows of resources</b>	<b><u>\$ 215,437</u></b>	<b><u>\$ 218,746</u></b>	<b><u>\$ 434,183</u></b>
<b>Net Position</b>			
Net investment in capital assets	\$ 27,404,960	\$18,584,264	\$ 45,989,224
Restricted for:			
Employee benefits	41,263	-0-	41,263
Public works	787,784	-0-	787,784
Inventory items	1,545	-0-	1,545
Unrestricted	(23,103,920)	1,378,029	(21,725,891)
<b>Total Net Position</b>	<b><u>\$ 5,131,632</u></b>	<b><u>\$19,962,293</u></b>	<b><u>\$ 25,093,925</u></b>

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, 2020

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
Government activities:					
General government	\$ 6,913,236	\$ 589,028	\$ -0-	\$ 810,597	\$ (5,513,611)
Public safety:					
Police	6,087,359	373,294	399	-0-	(5,713,666)
Fire	4,193,464	300	31,106	-0-	(4,162,058)
Public works	2,000,887	-0-	-0-	563,746	(1,437,141)
Engineering services	418,292	-0-	-0-	-0-	(418,292)
Culture and recreation	1,624,188	461,720	136,025	-0-	(1,026,443)
Community development	1,560,610	3,928	3,885	212,434	(1,340,363)
Interest on long-term debt	1,053,218	-0-	-0-	-0-	(1,053,218)
Total government activities	<u>23,851,254</u>	<u>1,428,270</u>	<u>171,415</u>	<u>1,586,777</u>	<u>(20,664,792)</u>
Business-type activities:					
Water, Sewer, and Sanitation Funds (includes interest expense of \$388,283)	9,743,267	9,456,892	-0-	1,835,270	1,548,895
Total business-type activities	<u>9,743,267</u>	<u>9,456,892</u>	<u>-0-</u>	<u>1,835,270</u>	<u>1,548,895</u>
<b>Totals</b>	<u>\$33,594,521</u>	<u>\$10,885,162</u>	<u>\$171,415</u>	<u>\$3,422,047</u>	<u>\$(19,115,897)</u>
		Governmental Activities	Business-Type Activities	Total	
Change in net position:					
Net (expense) revenue		<u>\$(20,664,792)</u>	<u>\$ 1,548,895</u>	<u>\$(19,115,897)</u>	
General revenues and transfers:					
Taxes:					
Sales taxes	16,419,920	-0-	16,419,920		
Use taxes	534,587	-0-	534,587		
Hotel/motel taxes	1,251,770	-0-	1,251,770		
Property taxes levied for general purposes	1,736,053	-0-	1,736,053		
Property taxes levied for employee benefits	697,975	37,806	735,781		
Franchise taxes	143,167	-0-	143,167		
Public service taxes	2,358,231	-0-	2,358,231		
Gain (loss) on sale of fixed assets	(520)	-0-	(520)		
Grants and contributions not restricted to specific programs	15,421	-0-	15,421		
Unrestricted investment income	286,223	11,232	297,455		
Miscellaneous	75,986	-0-	75,986		
Transfers	(2,217,778)	2,000,151	(217,627)		
Total general revenues and transfers	<u>21,301,035</u>	<u>2,049,189</u>	<u>23,350,224</u>		
Change in net position	636,243	3,598,084	4,234,327		
Net position - beginning, restated	<u>4,495,389</u>	<u>16,364,209</u>	<u>20,859,598</u>		
Net position - ending	<u>\$ 5,131,632</u>	<u>\$19,962,293</u>	<u>\$ 25,093,925</u>		

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

CITY OF MT. VERNON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2020

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 5,189,021	\$ 1,280,865	\$ 264,891	\$ 742,474	\$2,592,579	\$ 570,923	\$ 369,001	\$ 11,009,754
Investments	229	15,164	14,729	-0-	-0-	-0-	-0-	30,122
Receivables								
Accounts, net	48,739	6,535	815,741	-0-	245,658	1,600	562,281	1,680,554
Notes	43,882	-0-	-0-	-0-	-0-	-0-	-0-	43,882
Due from other funds	251,092	-0-	-0-	-0-	-0-	-0-	-0-	251,092
Due from other governments and their agencies	1,337,345	216,088	98,966	45,310	-0-	-0-	-0-	1,697,709
Property and replacement taxes, net	1,170,234	-0-	-0-	-0-	-0-	432,821	404,948	2,008,003
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	1,545	1,545
Prepaid expenses	1,465	-0-	-0-	-0-	-0-	-0-	-0-	1,465
Restricted assets	332,621	-0-	-0-	-0-	-0-	-0-	-0-	332,621
<b>Total Assets</b>	<b>\$ 8,374,628</b>	<b>\$ 1,518,652</b>	<b>\$ 1,194,327</b>	<b>\$ 787,784</b>	<b>\$2,838,237</b>	<b>\$1,005,344</b>	<b>\$1,337,775</b>	<b>\$ 17,056,747</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
<b>Payables</b>								
Accounts	\$ 270,949	\$ 20,814	\$ 720,238	\$ -0-	\$ -0-	\$ 287,595	\$ 21,919	\$ 1,321,515
Payroll and related liabilities	831,779	-0-	-0-	-0-	-0-	-0-	18,669	850,448
Liabilities payable from restricted assets	89,758	-0-	-0-	-0-	-0-	-0-	-0-	89,758
Due to other funds	-0-	-0-	-0-	-0-	-0-	250,000	217,627	467,627
<b>Total liabilities</b>	<b>1,192,486</b>	<b>20,814</b>	<b>720,238</b>	<b>-0-</b>	<b>-0-</b>	<b>537,595</b>	<b>258,215</b>	<b>2,729,348</b>
<b>Deferred inflows of resources</b>								
Deferred revenue	1,350,696	-0-	-0-	-0-	-0-	435,269	938,242	2,724,207
<b>Fund balances</b>								
<b>Nonspendable:</b>								
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	1,545	1,545
Prepaid expenses	1,138	-0-	-0-	-0-	-0-	-0-	-0-	1,138
<b>Restricted:</b>								
Employee benefits	42,854	-0-	-0-	-0-	-0-	-0-	-0-	42,854
Dare donations - Police (General Corporate)	2,011	-0-	-0-	-0-	-0-	-0-	-0-	2,011
DUI (General Corporate)	88,389	-0-	-0-	-0-	-0-	-0-	-0-	88,389
Federal Drug Force (General Corporate)	34,136	-0-	-0-	-0-	-0-	-0-	-0-	34,136
State/Local drug (General Corporate)	25,249	-0-	-0-	-0-	-0-	-0-	-0-	25,249
Anti-crime FNS	46,928	-0-	-0-	-0-	-0-	-0-	-0-	46,928
Park donations	3,296	-0-	-0-	-0-	-0-	-0-	-0-	3,296
Public works	-0-	-0-	-0-	787,784	-0-	-0-	-0-	787,784
<b>Committed:</b>								
Community development	-0-	-0-	-0-	-0-	-0-	32,480	204,396	236,876
Committed revenues	-0-	1,497,838	-0-	-0-	-0-	-0-	-0-	1,497,838
Convention and Visitors' Bureau Fund	-0-	-0-	-0-	-0-	-0-	-0-	153,004	153,004
Home Rule Tax Fund	-0-	-0-	-0-	-0-	2,838,237	-0-	-0-	2,838,237
Capital, infrastructure, and related debt service expenditures - Taxes	-0-	-0-	474,089	-0-	-0-	-0-	-0-	474,089
<b>Unassigned, reported in</b>								
General Corporate	5,587,445	-0-	-0-	-0-	-0-	-0-	-0-	5,587,445
Special revenue funds	-0-	-0-	-0-	-0-	-0-	-0-	(217,627)	(217,627)
<b>Total fund balances</b>	<b>5,831,446</b>	<b>1,497,838</b>	<b>474,089</b>	<b>787,784</b>	<b>2,838,237</b>	<b>32,480</b>	<b>141,318</b>	<b>11,603,192</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,374,628</b>	<b>\$ 1,518,652</b>	<b>\$ 1,194,327</b>	<b>\$ 787,784</b>	<b>\$2,838,237</b>	<b>\$1,005,344</b>	<b>\$1,337,775</b>	<b>\$ 17,056,747</b>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2020

	<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 Balance Sheet of Governmental Funds to the Statement of Net Position								
Total fund balance - total governmental funds	\$ 5,831,446	\$ 1,497,838	\$ 474,089	\$ 787,784	\$2,838,237	\$ 32,480	\$ 141,318	\$ 11,603,192
Amounts reported for governmental activities in the statement of net assets are different because:								
Capital assets of \$85,551,471, net of accumulated depreciation of \$(32,253,038), are not financial resources and, therefore, are not reported in the funds (See Note 4).	9,068,848	23,380,023	17,045,281	2,267,525	736,250	-0-	800,506	53,298,433
Property taxes for 2019 payable in 2020	1,174,774	-0-	-0-	-0-	-0-	581,423	1,301,055	3,057,252
Unamortized bond premium cost	-0-	(404,062)	(256,921)	-0-	-0-	-0-	-0-	(660,983)
Road and bridge tax	374,874	-0-	-0-	-0-	-0-	-0-	-0-	374,874
Long-term debt	(509,607)	(14,331,867)	(11,197,059)	-0-	-0-	(50,000)	(422,684)	(26,511,217)
Accrued interest payable	-0-	(206,600)	(133,095)	-0-	-0-	-0-	(3,806)	(343,501)
Sick pay recorded as a liability of the fund	(294,142)	-0-	-0-	-0-	-0-	-0-	-0-	(294,142)
Deferred pension charges	3,793,324	-0-	-0-	-0-	-0-	-0-	(37,067)	3,756,257
Net pension obligation	(32,241,786)	-0-	-0-	-0-	-0-	-0-	(63,084)	(32,304,870)
Total OPEB obligation	(8,906,742)	-0-	-0-	-0-	-0-	-0-	(183,205)	(9,089,947)
General liability and business auto insurance - asset of the fund	455,239	165	-0-	-0-	-0-	-0-	6,090	461,494
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 assets (net of the amount allocated to business-type activities, if any). Internal service fund balances not included in other reconciling items:								
Current assets	1,908,910	-0-	-0-	-0-	-0-	-0-	-0-	1,908,910
Current liabilities	(124,120)	-0-	-0-	-0-	-0-	-0-	-0-	(124,120)
Net position of governmental activities	<u>\$ (19,468,982)</u>	<u>\$ 9,935,497</u>	<u>\$ 5,932,295</u>	<u>\$3,055,309</u>	<u>\$3,574,487</u>	<u>\$ 563,903</u>	<u>\$1,539,123</u>	<u>\$ 5,131,632</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, 2020

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Home Rule Tax	TIF Downtown	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
Sales taxes	\$ 9,421,403	\$ 1,879,022	\$ 1,361,451	\$ -0-	\$ 3,758,044	\$ -0-	\$ -0-	\$16,419,920
Use taxes	534,587	-0-	-0-	-0-	-0-	-0-	-0-	534,587
Hotel/motel taxes	746,264	-0-	-0-	-0-	-0-	-0-	505,506	1,251,770
Property taxes levied for general purposes	287,373	-0-	-0-	-0-	-0-	430,972	702,332	1,420,677
Property taxes levied for employee benefits	666,107	-0-	-0-	-0-	-0-	-0-	31,898	698,005
Franchise taxes	143,167	-0-	-0-	-0-	-0-	-0-	-0-	143,167
Public service taxes	2,355,783	-0-	-0-	-0-	-0-	-0-	-0-	2,355,783
Gain on sale of fixed assets	4,080	-0-	-0-	-0-	-0-	-0-	-0-	4,080
Grants and contributions not restricted to specific programs	72	-0-	12,849	-0-	-0-	-0-	-0-	12,921
Unrestricted investment income	117,039	13,110	31,743	8,400	73,831	5,974	5,590	255,687
Miscellaneous	31,015	-0-	44,105	-0-	-0-	-0-	866	75,986
Operating grants and contributions	35,390	-0-	-0-	-0-	-0-	-0-	136,025	171,415
Capital grants and contributions	-0-	(12)	810,609	563,746	-0-	-0-	212,434	1,586,777
Charges for services	1,116,178	-0-	25	-0-	-0-	-0-	1,817	1,118,020
<b>Total revenues</b>	<b>15,458,458</b>	<b>1,892,120</b>	<b>2,260,782</b>	<b>572,146</b>	<b>3,831,875</b>	<b>436,946</b>	<b>1,596,468</b>	<b>26,048,795</b>
<b>Expenditures:</b>								
<b>Current</b>								
General government	3,328,965	1,496,982	2,170,257	-0-	438,895	-0-	-0-	7,435,099
Public safety								
Police	4,988,531	-0-	-0-	-0-	-0-	-0-	-0-	4,988,531
Fire	3,000,102	-0-	-0-	-0-	-0-	-0-	-0-	3,000,102
Public works	1,442,620	-0-	-0-	260,986	-0-	-0-	-0-	1,703,606
Engineering services	391,071	-0-	-0-	-0-	-0-	-0-	-0-	391,071
Culture and recreation	983,311	-0-	-0-	-0-	-0-	-0-	525,871	1,509,182
Community development	-0-	-0-	-0-	-0-	-0-	823,996	729,911	1,553,907
Debt service								
Principal retirement	115,967	-0-	-0-	-0-	-0-	-0-	-0-	115,967
Interest and fiscal charges	23,785	586,411	490,837	-0-	-0-	-0-	11,408	1,112,441
<b>Total expenditures</b>	<b>14,274,352</b>	<b>2,083,393</b>	<b>2,661,094</b>	<b>260,986</b>	<b>438,895</b>	<b>823,996</b>	<b>1,267,190</b>	<b>21,809,906</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,184,106</b>	<b>(191,273)</b>	<b>(400,312)</b>	<b>311,160</b>	<b>3,392,980</b>	<b>(387,050)</b>	<b>329,278</b>	<b>4,238,889</b>
<b>Other financing sources (uses)</b>								
Transfers from other funds	191,505	-0-	10,900	-0-	-0-	395,916	-0-	598,321
Transfers to other funds	(10,900)	(395,916)	(49,771)	-0-	(1,915,938)	(49,442)	(394,132)	(2,816,099)
Principal paid on long-term debt	-0-	(836,394)	(801,880)	-0-	-0-	-0-	(22,798)	(1,661,072)
Long-term debt issued	-0-	-0-	-0-	-0-	-0-	50,000	-0-	50,000
<b>Total other financing sources (uses)</b>	<b>180,605</b>	<b>(1,232,310)</b>	<b>(840,751)</b>	<b>-0-</b>	<b>(1,915,938)</b>	<b>396,474</b>	<b>(416,930)</b>	<b>(3,828,850)</b>
<b>Net change in fund balances</b>	<b>1,364,711</b>	<b>(1,423,583)</b>	<b>(1,241,063)</b>	<b>311,160</b>	<b>1,477,042</b>	<b>9,424</b>	<b>(87,652)</b>	<b>410,039</b>
<b>Fund balances, beginning</b>	<b>4,466,735</b>	<b>2,921,421</b>	<b>1,715,152</b>	<b>476,624</b>	<b>1,361,195</b>	<b>23,056</b>	<b>228,970</b>	<b>11,193,153</b>
<b>Fund balances, ending</b>	<b>\$ 5,831,446</b>	<b>\$ 1,497,838</b>	<b>\$ 474,089</b>	<b>\$ 787,784</b>	<b>\$ 2,838,237</b>	<b>\$ 32,480</b>	<b>\$ 141,318</b>	<b>\$11,603,192</b>

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CITY OF MT. VERNON, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended April 30, 2020

	<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	\$ 1,364,711	\$(1,423,583)	\$(1,241,063)	\$ 311,160	\$ 1,477,042	\$ 9,424	\$ (87,652)	\$ 410,039
Depreciation expense	(667,845)	(982,161)	(1,305,309)	(200,708)	(121,696)	-0-	(23,333)	(3,301,052)
Capital asset purchases	2,500	1,425,160	1,930,592	-0-	108,713	-0-	-0-	3,466,965
Bond premium accretion	-0-	23,581	14,994	-0-	-0-	-0-	-0-	38,575
Property taxes for 2019 payable in 2020	4,324	-0-	-0-	-0-	-0-	(2,552)	316,021	317,793
Debt principal paid	115,967	836,394	801,880	-0-	-0-	-0-	22,798	1,777,039
Accrued interest payable	-0-	12,500	7,948	-0-	-0-	-0-	280	20,728
Long-term debt proceeds	-0-	-0-	-0-	-0-	-0-	(50,000)	-0-	(50,000)
Capital asset disposals	(4,600)	-0-	-0-	-0-	-0-	-0-	-0-	(4,600)
Sick pay	(98,545)	-0-	-0-	-0-	-0-	-0-	-0-	(98,545)
Net pension obligation	(2,325,928)	21,582	-0-	-0-	-0-	-0-	(18,574)	(2,322,920)
Early retirement costs - I.M.R.F.	-0-	-0-	-0-	-0-	-0-	-0-	6,427	6,427
Total OPEB obligation	112,277	-0-	-0-	-0-	-0-	-0-	2,311	114,588
General liability and business auto insurance	(78,799)	(2)	-0-	-0-	-0-	-0-	(781)	(79,582)
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>340,788</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>340,788</u>
Change in net position of governmental activities	<u>\$(1,235,150)</u>	<u>\$(86,529)</u>	<u>\$ 209,042</u>	<u>\$ 110,452</u>	<u>\$ 1,464,059</u>	<u>\$(43,128)</u>	<u>\$ 217,497</u>	<u>\$ 636,243</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, 2020

	Business-Type Activities Water Fund	Business-Type Activities Sewer Fund	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities - Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ -0-	\$ 2,799,841	\$155,301	\$ 2,955,142	\$1,885,022
Investments	1,862	-0-	-0-	1,862	23,888
Receivables:					
Accounts, net	552,467	406,425	77,352	1,036,244	-0-
Due from other Governments and their agencies	786,709	-0-	-0-	786,709	-0-
Due from other funds	-0-	-0-	216	216	-0-
Interest	713	-0-	-0-	713	-0-
Inventories	122,448	-0-	-0-	122,448	-0-
Prepaid expenses	42,424	27,744	-0-	70,168	-0-
Total current assets	<u>1,506,623</u>	<u>3,234,010</u>	<u>232,869</u>	<u>4,973,502</u>	<u>1,908,910</u>
Restricted assets:					
Cash and cash equivalents	281,762	-0-	-0-	281,762	-0-
Total restricted assets	<u>281,762</u>	<u>-0-</u>	<u>-0-</u>	<u>281,762</u>	<u>-0-</u>
Noncurrent assets:					
Property and equipment	14,714,235	12,383,492	40,000	27,137,727	-0-
Other capital assets	30,138	-0-	-0-	30,138	-0-
Total noncurrent assets	<u>14,744,373</u>	<u>12,383,492</u>	<u>40,000</u>	<u>27,167,865</u>	<u>-0-</u>
Total Assets	<u>\$16,532,758</u>	<u>\$15,617,502</u>	<u>\$272,869</u>	<u>\$32,423,129</u>	<u>\$1,908,910</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Current liabilities:					
Payables					
Accounts	\$ 495,235	\$ 368,432	\$ 93,869	\$ 957,536	\$ 124,120
Payroll and related liabilities	159,202	25,570	-0-	184,772	-0-
Accrued interest payable	83,131	2,263	-0-	85,394	-0-
Due to other funds	216	-0-	-0-	216	-0-
Total current liabilities	<u>737,784</u>	<u>396,265</u>	<u>93,869</u>	<u>1,227,918</u>	<u>124,120</u>
Liabilities payable from restricted assets:					
Accounts payable and accrued liabilities	281,762	-0-	-0-	281,762	-0-
Total liabilities payable from restricted assets	<u>281,762</u>	<u>-0-</u>	<u>-0-</u>	<u>281,762</u>	<u>-0-</u>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
April 30, 2020

	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	8,576,849	216,964	-0-	8,793,813	-0-
Net pension obligation	298,226	78,868	-0-	377,094	-0-
Total other post employment benefits obligation	<u>1,285,630</u>	<u>275,873</u>	-0-	<u>1,561,503</u>	-0-
Total noncurrent liabilities	<u>10,160,705</u>	<u>571,705</u>	-0-	<u>10,732,410</u>	-0-
Total liabilities	<u>11,180,251</u>	<u>967,970</u>	<u>93,869</u>	<u>12,242,090</u>	<u>124,120</u>
Deferred inflows of resources					
Deferred pension credits	121,032	40,292	-0-	161,324	-0-
Deferred revenue	<u>57,422</u>	-0-	-0-	<u>57,422</u>	-0-
Total deferred inflows of resources	<u>178,454</u>	<u>40,292</u>	-0-	<u>218,746</u>	-0-
Net position:					
Net investment in capital assets	6,377,736	12,166,528	40,000	18,584,264	-0-
Committed for:					
Restricted revenue	(163,741)	-0-	-0-	(163,741)	-0-
Unrestricted	<u>(1,039,942)</u>	<u>2,442,712</u>	<u>139,000</u>	<u>1,541,770</u>	<u>1,784,790</u>
Total net position	<u>5,174,053</u>	<u>14,609,240</u>	<u>179,000</u>	<u>19,962,293</u>	<u>1,784,790</u>
Total Liabilities and Fund Balances	<u>\$16,532,758</u>	<u>\$15,617,502</u>	<u>\$272,869</u>	<u>\$32,423,129</u>	<u>\$1,908,910</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, 2020

	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	\$ 4,719,651	\$ 3,320,497	\$1,149,468	\$ 9,189,616	\$2,457,313
Other operating revenue	34,300	26,598	-0-	60,898	-0-
Total operating revenues	<u>4,753,951</u>	<u>3,347,095</u>	<u>1,149,468</u>	<u>9,250,514</u>	<u>2,457,313</u>
<u>Operating expenses</u>					
Administration	1,718,817	974,539	41,211	2,734,567	90,903
Cost of sales and services	2,074,627	2,280,731	1,127,185	5,482,543	2,056,162
Depreciation	504,759	633,119	-0-	1,137,878	-0-
Total operating expenses	<u>4,298,203</u>	<u>3,888,389</u>	<u>1,168,396</u>	<u>9,354,988</u>	<u>2,147,065</u>
Operating income (loss)	<u>455,748</u>	<u>(541,294)</u>	<u>(18,928)</u>	<u>(104,474)</u>	<u>310,248</u>
Non-operating revenues (expenses):					
Non-operating revenues	138,490	76,161	2,963	217,614	30,540
Property tax revenue	37,806	-0-	-0-	37,806	-0-
Interest and fiscal charges - bonds	(382,555)	(5,728)	-0-	(388,283)	-0-
Total non-operating revenues (expenses)	<u>(206,259)</u>	<u>70,433</u>	<u>2,963</u>	<u>(132,863)</u>	<u>30,540</u>
Income (loss) before contributions and transfers	249,489	(470,861)	(15,965)	(237,337)	340,788
Capital contributions from developers	1,835,270	-0-	-0-	1,835,270	-0-
Transfers from other funds	903,061	1,097,090	-0-	2,000,151	-0-
Change in net position	2,987,820	626,229	(15,965)	3,598,084	340,788
Net position - beginning, restated	<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 net position - ending	<u>\$ 5,174,053</u>	<u>\$14,609,240</u>	<u>\$ 179,000</u>	<u>\$19,962,293</u>	<u>\$1,784,790</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, 2020

	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	\$ 4,717,333	\$ 3,323,193	\$ 1,146,558	\$ 9,187,084	\$ 2,457,313
Cash payments to suppliers for goods and services	(2,482,926)	(2,703,704)	(1,165,841)	(6,352,471)	(2,053,191)
Cash payments to employees and professional contractors for services	(1,323,668)	(345,481)	2,636	(1,666,513)	(90,903)
Other operating revenues (expenses)	34,300	27,723	-0-	62,023	-0-
Net cash provided by (used for) operating activities	<u>945,039</u>	<u>301,731</u>	<u>(16,647)</u>	<u>1,230,123</u>	<u>313,219</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	903,061	1,097,090	-0-	2,000,151	-0-
Other non-operating revenues	82,465	-0-	-0-	82,465	-0-
Net cash provided by noncapital financing activities	<u>985,526</u>	<u>1,097,090</u>	<u>-0-</u>	<u>2,082,616</u>	<u>-0-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,336,785)	(579,684)	-0-	(2,916,469)	-0-
Interest and fiscal charges paid	(399,040)	(6,107)	-0-	(405,147)	-0-
Principal paid on long-term debt	(962,473)	(36,361)	-0-	(998,834)	-0-
Capital contributions	1,048,561	-0-	-0-	1,048,561	-0-
Net cash (used for) capital and related financing activities	<u>(2,649,737)</u>	<u>(622,152)</u>	<u>-0-</u>	<u>(3,271,889)</u>	<u>-0-</u>
Cash flows from investing activities:					
Interest and customer penalty income received	56,025	76,161	2,963	135,149	30,540
Purchase of investments	-0-	-0-	-0-	-0-	(16,794)
Proceeds from sale of investments	31,328	-0-	-0-	31,328	-0-
Net cash provided by investing activities	<u>87,353</u>	<u>76,161</u>	<u>2,963</u>	<u>166,477</u>	<u>13,746</u>
Cash flows from nonexchange activities					
Property tax revenue	37,806	-0-	-0-	37,806	-0-
Net cash provided by nonexchange activities	<u>37,806</u>	<u>-0-</u>	<u>-0-</u>	<u>37,806</u>	<u>-0-</u>
Net (decrease) increase in cash and cash equivalents	(594,013)	852,830	(13,684)	245,133	326,965
Cash and cash equivalents at May 1, 2019	<u>875,775</u>	<u>1,947,011</u>	<u>168,985</u>	<u>2,991,771</u>	<u>1,558,057</u>
Cash and cash equivalents at April 30, 2020	<u>\$ 281,762</u>	<u>\$ 2,799,841</u>	<u>\$ 155,301</u>	<u>\$ 3,236,904</u>	<u>\$ 1,885,022</u>
Reconciliation of cash and cash equivalents:					
Current assets - cash and cash equivalents	\$ -0-	\$ 2,799,841	\$ 155,301	\$ 2,955,142	\$ 1,885,022
Restricted assets - cash and cash equivalents	281,762	-0-	-0-	281,762	-0-
Total cash and cash equivalents	<u>\$ 281,762</u>	<u>\$ 2,799,841</u>	<u>\$ 155,301</u>	<u>\$ 3,236,904</u>	<u>\$ 1,885,022</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
 STATEMENT OF CASH FLOWS - INCREASE (DECREASE) IN CASH  
 AND CASH EQUIVALENTS  
 PROPRIETARY FUNDS  
 Year Ended April 30, 2020

	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 (loss)	\$ 455,748	\$ (541,294)	\$ (18,928)	\$ (104,474)	\$ 310,248
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	504,759	633,119	-0-	1,137,878	-0-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	4,193	2,989	(2,911)	4,271	-0-
Decrease in inventories	10,976	-0-	-0-	10,976	-0-
Decrease (increase) in prepaid expenses	1,808	(712)	-0-	1,096	-0-
Decrease in deferred pension charges	706,717	200,180	-0-	906,897	-0-
(Decrease) increase in accounts payable	(93,512)	215,534	5,192	127,214	2,971
Increase (decrease) in payroll and related liabilities payable	18,111	(16,656)	-0-	1,455	-0-
(Decrease) in deferred revenue	(8,672)	-0-	-0-	(8,672)	-0-
(Decrease) in net pension obligation	(793,917)	(220,756)	-0-	(1,014,673)	-0-
Increase in net other post employment benefits	136,667	29,327	-0-	165,994	-0-
Increase in customer deposits payable	2,161	-0-	-0-	2,161	-0-
Total adjustments	<u>489,291</u>	<u>843,025</u>	<u>2,281</u>	<u>1,334,597</u>	<u>2,971</u>
Net cash provided by (used for) operating activities	<u>\$ 945,039</u>	<u>\$ 301,731</u>	<u>\$ (16,647)</u>	<u>\$ 1,230,123</u>	<u>\$ 313,219</u>
Non-cash investing, capital, and financing activities					
Capital assets contributed	<u>\$ 1,835,270</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,835,270</u>	<u>\$ -0-</u>
Total non-cash investing, capital, and financing activities	<u>\$ 1,835,270</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,835,270</u>	<u>\$ -0-</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, 2020

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total Fiduciary Funds</u>
<b>Assets</b>			
Cash and short-term investments	\$ 878,416	\$ 1,003,909	\$ 1,882,325
Investments, at fair value:			
U.S. government and agency obligations	4,815,886	-0-	4,815,886
Mutual funds	11,129,232	8,906,288	20,035,520
Annuities	361	-0-	361
Certificate of deposit	1,232,176	3,038,779	4,270,955
Total investments	<u>17,177,655</u>	<u>11,945,067</u>	<u>29,122,722</u>
Receivables:			
Accounts	140	-0-	140
Property and replacement taxes, net	1,202,450	1,282,143	2,484,593
Due from other funds	70,902	146,725	217,627
Interest and dividends	41,956	18,104	60,060
Total receivables	<u>1,315,448</u>	<u>1,446,972</u>	<u>2,762,420</u>
Total assets	<u>19,371,519</u>	<u>14,395,948</u>	<u>33,767,467</u>
<b>Liabilities:</b>			
Payables:			
Accounts	26,848	437	27,285
Benefits payable	137,576	117,613	255,189
Due to other funds	585	507	1,092
Total payables	<u>165,009</u>	<u>118,557</u>	<u>283,566</u>
Total liabilities	<u>165,009</u>	<u>118,557</u>	<u>283,566</u>
Net position - held in trust for pension benefits	<u>\$19,206,510</u>	<u>\$14,277,391</u>	<u>\$33,483,901</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, 2020

	Police Pension Fund	Firefighters' Pension Fund	Total Fiduciary Funds
<b>ADDITIONS</b>			
Contributions:			
Employer, property taxes	\$ 890,366	\$ 949,373	\$ 1,839,739
Employer, general replacement tax	6,276	6,691	12,967
Employer, other funding	70,902	146,725	217,627
Employees	240,866	181,340	422,206
	<u>1,208,410</u>	<u>1,284,129</u>	<u>2,492,539</u>
Investment income:			
Net appreciation (decline) in fair value of investments	(1,630,613)	(2,456,346)	(4,086,959)
Interest and dividends	389,368	285,664	675,032
Gain on sale of investments	617,558	512,564	1,130,122
	<u>(623,687)</u>	<u>(1,658,118)</u>	<u>(2,281,805)</u>
Investment expense	29,623	71,030	100,653
Net investment income	<u>(653,310)</u>	<u>(1,729,148)</u>	<u>(2,382,458)</u>
Total additions to net position	<u>555,100</u>	<u>(445,019)</u>	<u>110,081</u>
<b>DEDUCTIONS</b>			
Pensions paid to plan participants	1,616,191	1,387,513	3,003,704
Refunds of contributions	66,301	-0-	66,301
Administrative expenses	13,930	16,101	30,031
Total deductions	<u>1,696,422</u>	<u>1,403,614</u>	<u>3,100,036</u>
Decrease in net position during the year	(1,141,322)	(1,848,633)	(2,989,955)
Net position held in trust for pension benefits - beginning of year	<u>20,347,832</u>	<u>16,126,024</u>	<u>36,473,856</u>
Net position held in trust for pension benefits - end of year	<u>\$19,206,510</u>	<u>\$14,277,391</u>	<u>\$33,483,901</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, 2020

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, 2021, 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, 2020.

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 ½% 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 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, 2020, 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, 2020.

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. 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.

N. Impact of Recently Issued Accounting Principles

Recently Adopted 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. No effect occurred from the adoption 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. No effect occurred from the adoption of GASB 84 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. No effect occurred from the adoption of GASB 88 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. No effect occurred from the adoption of GASB 90 on the City's financial statements.

### Recently Issued Accounting Pronouncements

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 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 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, 2020 and 2019, the following deficit fund balances existed:

	<u>2020</u>	<u>2019</u>
General Corporate	\$(21,253,772)	\$(19,677,834)
Pension sales tax	\$ (217,627)	N/A

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, 2020:

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	All Funds	\$ 2,037,159	\$ 2,062,859	\$ 250,000	\$ 1,812,859	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Bank Account	Banterra Bank	Health Ins	1,925,088	1,925,088	-0-	1,925,088	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	General Corp	22,354	22,354	22,354	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	General Corp	54,253	54,253	54,253	-0-	-0-	-0-	-0-	-0-
Bank Account	Banterra Bank	All Funds	12,181,133	12,267,543	173,393	12,047,177	-0-	-0-	46,973	-0-
Bank Account	Illinois Funds	General Corp	210,375	210,375	-0-	210,375	-0-	-0-	-0-	-0-
Bank Account	Citibank	Health Ins	-0-	63,264	63,264	-0-	-0-	-0-	-0-	-0-
U.S. Treas.	I.M.E.T.	Water Fund								
Investments			1,861	1,861	-0-	-0-	-0-	1,861	-0-	-0-
U.S. Treas.	I.M.E.T.	General Corp								
Investments		Capital	14,730	14,730	-0-	-0-	-0-	14,730	-0-	-0-
U.S. Treas.	I.M.E.T.	Quality of								
Investments		Life	15,164	15,164	-0-	-0-	-0-	15,164	-0-	-0-
U.S. Treas.	I.M.E.T.	General								
Investments		Corp	229	229	-0-	-0-	-0-	229	-0-	-0-
U.S. Treas.	I.M.E.T.	Health								
Investments		Insurance	450	450	-0-	-0-	-0-	450	-0-	-0-
Capital	Contrarian	Health								
Investments	Holdings	Insurance	23,438	23,438	-0-	23,438	-0-	-0-	-0-	-0-
Cash on Hand	None	All Funds	1,850	1,850	-0-	-0-	-0-	-0-	-0-	1,850
Total governmental and business-type activities			<u>\$16,488,084</u>	<u>\$16,663,458</u>	<u>\$ 563,264</u>	<u>\$16,018,937</u>	<u>\$-0-</u>	<u>\$ 32,434</u>	<u>\$ 46,973</u>	<u>\$1,850</u>
Bank Account	Banterra Bank		\$ 438,401	\$ 438,401	\$ 438,401	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Certificate	American Express									
of deposit	National Bank		159,276	159,276	159,276	-0-	-0-	-0-	-0-	-0-
Certificate	1 <sup>st</sup> Merchant Bank									
of deposit	GE Capital Bank		203,946	203,946	203,946	-0-	-0-	-0-	-0-	-0-
Certificate	Citi Bank NA									
of deposit	JP Morgan Chase		242,567	242,567	242,567	-0-	-0-	-0-	-0-	-0-
Certificate	Bank									
of deposit	Wells Fargo Bank		276,925	276,925	276,925	-0-	-0-	-0-	-0-	-0-
Certificate	NA									
of deposit	Charles Schwab		207,610	207,610	207,610	-0-	-0-	-0-	-0-	-0-
Mutual Funds	US Bank		11,129,593	11,129,593	-0-	-0-	-0-	-0-	11,129,593	-0-
Investments	Charles Schwab		726,456	726,456	726,456	-0-	-0-	-0-	-0-	-0-
Investments	U.S. Treasuries		440,015	440,015	440,015	-0-	-0-	-0-	-0-	-0-
Investments	Corporate Bonds		1,052,718	1,052,718	1,052,718	-0-	-0-	-0-	-0-	-0-
Investments			3,036,712	3,036,712	3,036,712	-0-	-0-	-0-	-0-	-0-
Total police pension			<u>\$18,056,071</u>	<u>\$18,056,071</u>	<u>\$ 6,926,478</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$11,129,593</u>	<u>\$ -0-</u>
Bank Account	Banterra Bank		\$ 391,721	\$ 394,636	\$ 394,636	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Certificate	Ally Bank NA									
of deposit	Bank Hapoalim EM		60,407	60,407	60,407	-0-	-0-	-0-	-0-	-0-
Certificate	Bank United, Inc.									
of deposit	Barclays Bank		239,248	239,248	239,248	-0-	-0-	-0-	-0-	-0-
Certificate	Citi Bank									
of deposit	Comenity Cap Bank		245,304	245,304	245,304	-0-	-0-	-0-	-0-	-0-
Certificate	Compass Bank									
of deposit	Goldman Sachs		236,610	236,610	236,610	-0-	-0-	-0-	-0-	-0-
Certificate	Bank									
of deposit	Merrick Bank		112,489	112,489	112,489	-0-	-0-	-0-	-0-	-0-
Certificate	Morgan Stanley									
of deposit	Bank		194,322	194,322	194,322	-0-	-0-	-0-	-0-	-0-
Certificate	Mountain Commerce									
of deposit	MUFG Union Bank		243,360	243,360	243,360	-0-	-0-	-0-	-0-	-0-
Certificate	Safra National									
of deposit	Bank		239,259	239,259	239,259	-0-	-0-	-0-	-0-	-0-
Certificate	Safra National									
of deposit	Bank		210,140	210,140	210,140	-0-	-0-	-0-	-0-	-0-
Certificate	Salle Mae Bank									
of deposit	Wells Fargo		251,544	251,544	251,544	-0-	-0-	-0-	-0-	-0-
Certificate	Peoples National									
of deposit	Bank		147,450	147,450	147,450	-0-	-0-	-0-	-0-	-0-
Investments	Bank									
of deposit	Bank		40,633	40,633	40,633	-0-	-0-	-0-	-0-	-0-
Certificate	Wells Fargo									
of deposit	Peoples National		236,908	236,908	236,908	-0-	-0-	-0-	-0-	-0-
Investments	Bank									
of deposit	Bank		612,188	612,188	612,188	-0-	-0-	-0-	-0-	-0-
Mutual Funds	Charles Schwab		8,906,288	8,906,288	-0-	-0-	-0-	-0-	8,906,288	-0-
Total firefighters' pension			<u>\$12,948,976</u>	<u>\$12,951,891</u>	<u>\$ 4,045,603</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 8,906,288</u>	<u>\$ -0-</u>
Total deposits with financial institutions and U.S. Treasury securities, and others			<u>\$47,493,131</u>	<u>\$47,671,420</u>	<u>\$11,535,345</u>	<u>\$16,018,937</u>	<u>\$-0-</u>	<u>\$ 32,434</u>	<u>\$20,082,854</u>	<u>\$1,850</u>

\*Bank deposits not collateralized at April 30, 2020

## Reported in financial statements as:

Cash and cash equivalents - unrestricted	\$15,849,918
Cash and cash equivalents - restricted	614,383
Investments	55,872
Cash overdraft recorded as accounts payable	(32,089)
Total governmental and business-type activities	<u>\$16,488,084</u>
Cash and cash equivalents - police pension	\$ 878,416
Investments - police pension	17,177,655
Total police pension	<u>\$18,056,071</u>
Cash and cash equivalents - firefighters' pension	\$ 1,003,909
Investments - firefighters' pension	11,945,067
Total firefighters' pension	<u>\$12,948,976</u>
Total all funds	<u>\$47,493,131</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, 2020 in the general corporate fund are detailed as follows:

	Restricted Assets - Cash	Liabilities	Restricted Fund Balance
Employee benefits	\$ 42,854	\$ -0-	\$ 42,854
Electrical licenses	13,260	13,260	-0-
D.U.I. fines	88,389	-0-	88,389
Police Dare donations	2,011	-0-	2,011
Park - tree donations	691	-0-	691
Park - bench donations	2,496	-0-	2,496
Federal Drug forfeitures	34,136	-0-	34,136
State/Local Drug forfeitures	25,249	-0-	25,249
Unclaimed evidence	54,253	54,253	-0-
Anti-crime FNS	46,928	-0-	46,928
Abandoned money	22,354	22,354	-0-
	<u>\$332,621</u>	<u>\$89,867</u>	<u>\$242,754</u>

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

	Restricted Fund Balance 5/1/2019	Additions	Reductions	Restricted Fund Balance 4/30/2020
Foreign fire insurance	\$ -0-			
Tax receipts		\$ 61,080		
Interest income		-0-		
Less qualifying expenditures for capital equipment			\$ 61,080	
Subtotal - foreign fire insurance				\$ -0-
Employee benefits	103,227			
Employee benefits receipts		-0-		
Less qualifying expenditures			60,373	
Subtotal - employee benefits				42,854
2% hotel/motel tax	-0-			
Tax receipts		409,254		
Less qualifying expenditures			409,254	
Subtotal - 2% hotel/motel tax				-0-
DUI fines	83,125			
Fine receipts		10,570		
Less qualifying expenditures			5,306	
Subtotal - DUI fines				88,389
Police Dare donations	2,011			
Donation receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Police Dare donations				2,011

	Restricted Fund Balance 5/1/2019	Additions	Reductions	Restricted Fund Balance 4/30/2020
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			4,500	
Subtotal - Liquor ordinance fines				-0-
Federal drug forfeitures	47,458			
Forfeiture receipts		-0-		
Less qualifying expenditures			13,322	
Subtotal - federal drug forfeitures				34,136
State/Local Drug forfeitures	28,440			
Forfeiture receipts		9,969		
Less qualifying expenditures			13,160	
Subtotal - State/Local Drug forfeitures				25,249
Anti-crime FNS	42,860			
Anti-crime FNS receipts		4,068		
Less anti-crime FNS expenditures			-0-	
Subtotal - Anti-crime FNS				46,928
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		666,106		
Expenditures for I.M.R.F., F.I.C.A., and Medicare			666,106	
Subtotal - I.M.R.F./F.I.C.A. tax levy				-0-
	<u>\$314,808</u>	<u>\$1,161,047</u>	<u>\$1,233,101</u>	<u>\$242,754</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 \$177,289, expenditures were \$48,243 consisting of remodeling, thermal imaging cameras, TVs, washing machine, kitchen chairs, Edispatch subscription, electric stair chairs, etc., tax receipts were \$61,080 and interest income was \$1,336, leaving an ending balance of \$191,461. Members of the board are: Doug Boczek, President; Daniel Plumb, Secretary; Kevin Sargent, Treasure; 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, 2020, in the enterprise fund consist of the following:

	Restricted Assets - Cash	Liabilities	Restricted Net Position Balance
Customer deposits	<u>\$281,762</u>	<u>\$281,762</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, 2020 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, 2020 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
<b>Nonspendable:</b>								
Inventories	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,545	\$ 1,545
Prepaid expenses	1,138	-0-	-0-	-0-	-0-	-0-	-0-	1,138
<b>Restricted:</b>								
Employee benefits	42,854	-0-	-0-	-0-	-0-	-0-	-0-	42,854
Dare donations - Police (General Corporate)	2,011	-0-	-0-	-0-	-0-	-0-	-0-	2,011
DUI (General Corporate)	88,389	-0-	-0-	-0-	-0-	-0-	-0-	88,389
Federal Drug Force (General Corporate)	34,136	-0-	-0-	-0-	-0-	-0-	-0-	34,136
State/Local drug (General Corporate)	25,249	-0-	-0-	-0-	-0-	-0-	-0-	25,249
Anti-crime FNS	46,928	-0-	-0-	-0-	-0-	-0-	-0-	46,928
Park donations	3,187	-0-	-0-	-0-	-0-	-0-	-0-	3,187
Public works	-0-	-0-	-0-	787,784	-0-	-0-	-0-	787,784
<b>Committed:</b>								
Community development	-0-	-0-	-0-	-0-	-0-	32,480	204,396	236,876
Committed revenues	-0-	1,497,838	-0-	-0-	-0-	-0-	-0-	1,497,838
Capital, infrastructure, and related debt service expenditures -								
Food and beverage tax	-0-	-0-	-0-	-0-	2,838,237	-0-	-0-	2,838,237
Diesel fuel	-0-	-0-	474,089	-0-	-0-	-0-	-0-	474,089
<b>Unassigned, reported in:</b>								
General Corporate	5,587,554	-0-	-0-	-0-	-0-	-0-	-0-	5,587,554
Special Revenue Funds	-0-	-0-	-0-	-0-	-0-	-0-	(217,627)	(217,627)
<b>Total fund balances</b>	<b>\$5,831,446</b>	<b>\$1,497,838</b>	<b>\$ 474,089</b>	<b>\$787,784</b>	<b>\$2,838,237</b>	<b>\$ 32,480</b>	<b>\$ (11,686)</b>	<b>\$11,450,188</b>

#### Note 4. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended April 30, 2020, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities:</b>				
Non-depreciable assets:				
Land	\$ 5,489,495	\$ 420,063	\$ 4,600	\$ 5,904,958
Total non-depreciable assets	<u>5,489,495</u>	<u>420,063</u>	<u>4,600</u>	<u>5,904,958</u>
Depreciable assets:				
Infrastructure	58,143,526	2,343,117	-0-	60,486,643
Buildings	6,449,746	94,340	-0-	6,544,086
Machinery and equipment	3,835,087	595,542	-0-	4,430,629
Furniture and fixtures	1,237,246	11,001	-0-	1,248,247
Vehicles	6,934,006	2,902	-0-	6,936,908
Total depreciable assets	<u>76,599,611</u>	<u>3,046,902</u>	<u>-0-</u>	<u>79,646,513</u>
Total capital assets	<u>82,089,106</u>	<u>3,466,965</u>	<u>4,600</u>	<u>85,551,471</u>
Accumulated depreciation:				
Infrastructure	17,291,917	2,369,507	-0-	19,661,424
Buildings	3,034,536	197,252	-0-	3,231,788
Machinery and equipment	2,917,514	216,043	-0-	3,133,557
Furniture and fixtures	1,135,207	29,670	-0-	1,164,877
Vehicles	4,572,812	488,580	-0-	5,061,392
Total accumulated depreciation	<u>28,951,986</u>	<u>3,301,052</u>	<u>-0-</u>	<u>32,253,038</u>
Governmental activities capital assets, net	<u>\$53,137,120</u>	<u>\$ 165,913</u>	<u>\$ 4,600</u>	<u>\$53,298,433</u>
<b>Business-type activities:</b>				
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	844,397	-0-	12,456,385
Equipment	1,903,383	33,834	-0-	1,937,217
Water and sanitary sewer lines	41,983,476	2,038,238	-0-	44,021,714
Total depreciable assets	<u>55,498,847</u>	<u>2,916,469</u>	<u>-0-</u>	<u>58,415,316</u>
Total capital assets	<u>55,649,226</u>	<u>2,916,469</u>	<u>-0-</u>	<u>58,565,695</u>
Accumulated depreciation:				
Buildings and structures	9,930,260	211,954	-0-	10,142,214
Equipment	1,660,897	65,018	-0-	1,725,915
Water and sanitary sewer lines	18,668,795	860,906	-0-	19,529,701
Total accumulated depreciation	<u>30,259,952</u>	<u>1,137,878</u>	<u>-0-</u>	<u>31,397,830</u>
Business-type capital assets, net	<u>\$25,389,274</u>	<u>\$1,778,591</u>	<u>\$ -0-</u>	<u>\$27,167,865</u>

Depreciation expense is charged to functions as follows:

Governmental Activities		Business-Type Activities	
Public safety	\$ 489,548	Water Fund	\$ 504,759
Public works	203,221	Sewer Fund	633,119
Engineering services	3,329		<u>\$1,137,878</u>
Culture and recreation	991,499		
Community development	606		
General government	1,612,849		
	<u>\$3,301,052</u>		

#### Note 5. LONG-TERM LIABILITIES

A summary of long-term liability activity is for the year ended April 30, 2020, as follows. Additional detailed information is available on the following pages.

	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>Governmental activities:</b>								
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%	905,983	-0-	146,351	-0-	759,632
General obligation bonds 2012 (includes \$508,900 issuance costs and \$905,288 bond premium)	32,110,041	12/15/32	2.0%-5.0%	24,812,920	-0-	1,368,210	-0-	23,444,710
Line of credit dated 12/22/19 - unsecured - \$6,000,000 limit	6,000,000	11/20/20	1.75%	-0-	50,000	-0-	-0-	50,000
Note dated 08/09/13 - secured by equipment	498,000	08/09/18	2.47%	-0-	-0-	-0-	-0-	-0-
Note dated 12/30/16 - secured by 1% municipal sales tax	890,317	12/30/23	3.75%	660,244	-0-	122,393	-0-	537,851
Note dated 01/05/17 - unsecured	461,000	01/05/24	2.78%	417,238	-0-	22,798	-0-	394,440
Note dated 12/08/15 - secured by equipment	608,000	12/08/20	1.77%	249,611	-0-	123,712	-0-	125,899
Compensated absences				195,597	141,786	-0-	-0-	337,383
Net pension obligation				34,051,557	-0-	1,746,687	-0-	32,304,870
Total other post employment benefits obligation				8,123,653	966,294	-0-	-0-	9,089,947
				<u>70,613,488</u>	<u>1,158,080</u>	<u>3,530,151</u>	<u>-0-</u>	<u>68,243,417</u>
<b>Business-type activities:</b>								
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%	1,694,016	-0-	273,648	-0-	1,420,368
General obligation bonds 2012 (includes \$54,598 issuance costs and \$97,125 bond premium)	3,444,959	12/15/32	2.0%-5.0%	2,662,080	-0-	146,790	-0-	2,515,290
Note dated 12/30/16 secured by 1% municipal sales tax	230,583	12/30/23	3.75%	170,997	-0-	31,699	-0-	139,298
Note dated 08/09/13 - secured by equipment	125,050	08/09/18	1.99%	-0-	-0-	-0-	-0-	-0-
Note dated 08/07/18 - secured by 1% Home Rule Sales Tax	2,700,000	08/07/23	2.79%	2,700,000	-0-	510,336	-0-	2,189,664
Illinois E.P.A. note payable	652,277	01/01/25	2.50%	253,326	-0-	36,362	-0-	216,964
Compensated absences				56,055	5,955	-0-	-0-	62,010
Net pension obligation				1,391,767	-0-	1,014,673	-0-	377,094
Total other post employment benefits obligation				1,395,509	165,994	-0-	-0-	1,561,503
				<u>12,565,065</u>	<u>171,949</u>	<u>2,013,508</u>	<u>-0-</u>	<u>10,723,506</u>
<b>Totals</b>				<u>\$83,180,553</u>	<u>\$1,330,029</u>	<u>\$5,543,659</u>	<u>\$-0-</u>	<u>\$78,966,923</u>

On April 30, 2020 the City of Mt. Vernon, Illinois had an open line of credit at a bank in the amount of \$6,000,000. On April 30, 2020, the City had drawn \$50,000 on that line of credit leaving an undrawn amount of \$5,950,000.

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		
	Principal	Scheduled Interest	Total	Principal	Scheduled Interest	Total	Principal	Scheduled Interest	Total
2021	\$ 921,354	\$ 94,228	\$1,015,582	\$ 2,005,000	\$1,318,349	\$ 3,323,349	\$ 2,926,354	\$1,412,577	\$ 4,338,931
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	1,112,065	25,649	1,137,714	2,250,000	1,056,949	3,306,949	3,362,065	1,082,598	4,444,663
2025	41,170	1,298	42,468	2,335,000	960,774	3,295,774	2,376,170	962,072	3,338,242
2026	20,972	262	21,234	2,410,000	878,474	3,288,474	2,430,972	878,736	3,309,708
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>\$3,654,116</u>	<u>\$239,779</u>	<u>\$3,893,895</u>	<u>\$31,580,000</u>	<u>\$9,660,972</u>	<u>\$41,240,972</u>	<u>\$35,234,116</u>	<u>\$9,900,751</u>	<u>\$45,134,867</u>

Year Ending April 30,	G.O.B. 2010A			G.O.B. 2012			G.O.B. 2010B			Totals		
	Principal	Scheduled Interest	Total	Principal	Scheduled Interest	Total	Principal	Scheduled Interest	Total	Principal	Scheduled Interest	Total
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	370,000	20,350	390,350	2,335,000	960,774	3,295,774
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>\$1,760,715</u>	<u>\$5,200,715</u>	<u>\$25,960,000</u>	<u>\$7,564,942</u>	<u>\$33,524,942</u>	<u>\$2,180,000</u>	<u>\$335,315</u>	<u>\$2,515,315</u>	<u>\$31,580,000</u>	<u>\$9,660,972</u>	<u>\$41,240,972</u>



### Operating Leases

During the current fiscal year, the City entered into a master equity lease agreement with Enterprise Fleet Management for forty-one vehicles with a lease term of forty eight months. The term of the agreement for each vehicle begins on the date such vehicle is delivered to Lessee (delivery date) and continues for the lease term (48 months). The total costs paid during the year ended April 30, 2020 for this lease was \$130,092.

On June 6, 2019, the City also entered into a non-cancellable operating lease agreement with GFI Digital, Inc. for five copiers at a monthly payment of \$481.89 for sixty months. This was financed through US Bank Equipment Finance. At end of the initial term, this agreement shall renew on a month-to-month basis under the same terms unless the City sends written notification thirty days prior to the end of the term. The total costs paid during the year ended April 30, 2020 for this lease was \$4,818.

The future minimum lease payments as of April 30, 2020 for the following years of the lease term are:

	<u>4/30/2021</u>	<u>4/30/2022</u>	<u>4/30/2023</u>	<u>4/30/2024</u>	<u>4/30/2025</u>
Enterprise Fleet Management	\$265,678	\$265,678	\$265,678	\$135,586	\$-0-
US Bank Equipment Finance	5,783	5,783	5,783	5,782	964

### 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, 2020, 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>	<u>OPEB Related Amounts</u>	<u>Amounts per Statement of Net Position and Statement of Activities</u>
Net pension liabilities	\$32,304,870	\$ 377,094	\$32,681,964	\$ -0-	\$32,681,964
Deferred outflows of resource	2,642,492	-0-	2,642,492	1,150,832	3,793,324
Deferred (inflows) of resource	(60,739)	(363,084)	(423,823)	225,432	(198,391)
Pension expense	2,344,502	77,900	2,422,402	-0-	2,422,402

### 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, 2020, was \$2,415,504 out of a total payroll of \$8,837,862. At April 30, 2020, 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>36</u>
Current employees	
Vested	17
Nonvested	<u>22</u>
	<u>39</u>
 Total	 <u>75</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, 2020, 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 6.75%. 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 2.56% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2020, to arrive at a discount rate of 6.75% 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 6.75% 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$19,824,787	\$14,871,849	\$10,861,812

The net position at April 30, 2020, consisted of the following components:

Reserved for employee contributions	\$ 7,558,401
Reserved for retirement benefits	24,793,761
Unreserved net position (deficit)	(13,145,652)
Net Position	<u>\$ 19,206,510</u>

The components of the net pension liability at April 30, 2020 are as follows:

Total pension liability	\$ 34,078,359
Plan's fiduciary net position	19,206,510
Net pension liability	<u>\$ 14,871,849</u>

Plan fiduciary net position as a percentage of total pension liability	56.36%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2020, the City recognized pension expense for police pension of \$1,935,361. At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 194,917	\$ 167,357
Assumption changes	1,935,394	2,548,560
Net difference between projected and actual earnings on pension plan investments	1,817,594	220,428
Total	<u>\$3,947,905</u>	<u>\$2,936,345</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 April 30	
2021	\$ 319,239
2022	441,935
2023	490,798
2024	420,950
2025	(32,577)
Thereafter	(628,785)
	<u>\$1,011,560</u>

### Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (3.64%) (loss). 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, 2020, was \$1,894,708 out of a total payroll of \$8,837,862. At April 30, 2020, 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>36</u>
Current employees	
Vested	22
Nonvested	5
	<u>27</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, 2020, 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 6.75%. 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 2.56% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2020, to arrive at a discount rate of 6.75% 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 6.75% 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease <u>(5.75%)</u>	Current Discount Rate (6.75%)	1% Increase <u>(7.75%)</u>
Net pension liability	\$21,021,286	\$16,375,520	\$12,624,487

The net position at April 30, 2020, consisted of the following components:

Reserved for employee contributions	\$ 10,424,357
Reserved for retirement benefits	18,445,048
Unreserved net position (deficit)	<u>(14,592,014)</u>
Net Position	<u>\$ 14,277,391</u>

The components of the net pension liability at April 30, 2020, are as follows:

Total pension liability	\$ 30,652,911
Plan's fiduciary net position	14,277,391
Net pension liability	<u>\$ 16,375,520</u>

Plan fiduciary net position as a percentage of total pension liability	46.58%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2020, the City recognized pension expense for fire pension of \$2,162,432. At April 30, 2020, 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	\$ 352,680	\$ 221,336
Assumption changes	1,402,764	1,559,671
Net difference between projected and actual earnings on pension plan investments	<u>2,751,363</u>	<u>137,399</u>
Total	<u>\$4,506,807</u>	<u>\$1,918,406</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 <u>April 30</u>	
2021	\$ 653,965
2022	774,644
2023	756,140
2024	539,504
2025	(98,044)
Thereafter	(37,808)
	<u>\$2,588,401</u>

#### *Rate of Return*

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (13.07%). 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:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Ishares Core S & P 500 ETF	\$2,954,109	\$ -0-
Vanguard FTSE Developed Markets ETF	2,591,938	-0-
Champlain Small Company Fund	1,001,887	-0-
Prime Cap Odyssey Growth	1,096,255	-0-
Vanguard Russell 2000 ETF	1,512,264	-0-
Schwab DFA US Large Cap Value	-0-	2,115,341
Schwab DFA US Large Co	-0-	1,683,754
Schwab DFA US Small Cap Port	-0-	1,162,439
Schwab DFA US Small Cap Value	-0-	2,216,374



### 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)
<b>Police Pension</b>			
Balances at May 1, 2019	<u>\$35,834,118</u>	<u>\$20,347,832</u>	<u>\$15,486,286</u>
Changes for the year:			
Service cost	654,838	-0-	654,838
Interest	2,089,074	-0-	2,089,074
Actuarial experience	(71,130)	-0-	(71,130)
Changes of assumptions	(2,885,672)	-0-	(2,885,672)
Changes of benefit terms	139,622	-0-	139,622
Contributions - employer	-0-	967,543	(967,543)
Contributions - employee	-0-	240,866	(240,866)
Net investment income	-0-	(653,067)	653,067
Benefits payments and refunds	(1,682,491)	(1,682,491)	-0-
Administrative expense	-0-	(14,173)	14,173
Net changes	<u>(1,755,759)</u>	<u>(1,141,322)</u>	<u>(614,437)</u>
Balances at April 30, 2020	<u>\$34,078,359</u>	<u>\$19,206,510</u>	<u>\$14,871,849</u>
<b>Firefighters' Pension</b>			
Balances beginning at May 1, 2019	<u>\$30,995,472</u>	<u>\$16,126,024</u>	<u>\$14,869,448</u>
Changes for the year:			
Service cost	604,160	-0-	604,160
Interest	1,863,556	-0-	1,863,556
Actuarial experience	406,349	-0-	406,349
Changes of assumptions	(1,861,933)	-0-	(1,861,933)
Changes of benefit terms	32,820	-0-	32,820
Contributions - employer	-0-	1,102,789	(1,102,789)
Contributions - employee	-0-	181,340	(181,340)
Net investment income	-0-	(1,729,019)	1,729,019
Benefits payments and refunds	(1,387,513)	(1,387,513)	-0-
Administrative expense	-0-	(16,230)	16,230
Net changes	<u>(342,561)</u>	<u>(1,848,633)</u>	<u>1,506,072</u>
Balances ending at April 30, 2020	<u>\$30,652,911</u>	<u>\$14,277,391</u>	<u>\$16,375,520</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, 2020

	Police Pension Fund	Firefighters' Pension Fund
<b>Assets</b>		
Cash and short-term investments	\$ 878,416	\$ 1,003,909
Investments, at fair value:		
U.S. Government and agency obligations	4,815,886	-0-
Mutual funds	11,129,232	8,906,288
Annuities	361	-0-
Certificate of deposit	1,232,176	3,038,779
Total investments	<u>17,177,655</u>	<u>11,945,067</u>
Receivables:		
Accounts	140	-0-
Property and replacement taxes, net	1,202,450	1,282,143
Due to other funds	70,902	146,725
Interest and dividends	41,956	18,104
Total receivables	<u>1,315,448</u>	<u>1,446,972</u>
Total assets	<u>19,371,519</u>	<u>14,395,948</u>
<b>Liabilities</b>		
Payables:		
Accounts	26,848	437
Benefits payable	137,576	117,613
Due to other funds	585	507
Total payables	<u>165,009</u>	<u>118,557</u>
Total liabilities	<u>165,009</u>	<u>118,557</u>
Net position - held in trust for pension benefits	<u>\$19,206,510</u>	<u>\$14,277,391</u>

Statement of Changes in Net Position Available for Benefits  
Year Ended April 30, 2020

	Police Pension Fund	Firefighters' Pension Fund
<b>Investment income</b>		
Net appreciation (decline) in fair value of investments	\$(1,630,613)	\$(2,456,346)
Interest and dividends	389,368	285,664
Gain on sale of investments	617,558	512,564
	<u>(623,687)</u>	<u>(1,658,118)</u>
Investment expense	29,623	71,030
Net investment income	<u>(653,310)</u>	<u>(1,729,148)</u>
<b>Contributions</b>		
Employer, property taxes	890,366	949,373
Employer, general replacement tax	6,276	6,691
Employer, other funding	70,902	146,725
Employees	240,866	181,340
	<u>1,208,410</u>	<u>1,284,129</u>
Total additions to net position	<u>555,100</u>	<u>(445,019)</u>
<b>Reduction in net position</b>		
Pensions paid to plan participants	1,616,191	1,387,513
Refunds of contributions	66,301	-0-
Administrative expenses	13,930	16,101
	<u>1,696,422</u>	<u>1,403,614</u>
Decrease in net position during the year	(1,141,322)	(1,848,633)
Net position available at beginning of year	<u>20,347,832</u>	<u>16,126,024</u>
Net position available for benefits at end of year	<u>\$19,206,510</u>	<u>\$14,277,391</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](http://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 2019 was 10.36%. The employer annual required contribution rate for calendar year 2018 was 14.03%. 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, 2019, the employer's actual contributions for pension cost for the calendar year 2019 were \$389,637. Its required contribution for calendar year 2019 was \$389,637.

The required contribution for 2019 was determined as part of the December 31, 2017 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2017, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 2.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.85% to 11.75% 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, 2017, is being amortized as a level percentage of projected payroll on an open 24 year basis.

Funded Status and Funding Progress - As of December 31, 2019, the most recent actuarial valuation date, the regular plan was 69.00% funded. The actuarial accrued liability for benefits was \$9,299,740 and the actuarial value of assets was \$6,416,958, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,882,782. The covered payroll for calendar year 2019 (annual payroll of active employees covered by the plan) was \$3,760,971 and the ratio of the UAAL to the covered payroll was 77%.

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	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%
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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The I.M.R.F. specific rates were developed from the RP-2014 Blue Collar Healthy 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-2017 (base year 2015). 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-2017 (base year 2015). 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, 2019 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:

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
Net pension liability (asset)	\$5,168,528	\$1,434,595	\$(1,690,221)

The net position at April 30, 2020, consisted of the following components:

Reserved for employee contributions	\$ 3,041,250
Reserved for employer contributions	4,853,723
Reserved for retirement benefits	<u>24,633,758</u>
Net Position	<u>\$32,528,731</u>

The components of the net pension liability at April 30, 2020, are as follows:

Total pension liability	\$33,963,326
Plan's fiduciary net position	<u>32,528,731</u>
Net pension liability	<u>\$ 1,434,595</u>

Plan fiduciary net position as a percentage of total pension liability	95.78%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2020, the City recognized pension expense for I.M.R.F. of \$784,575. At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to I.M.R.F. from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 157,263	\$ 76,909	\$ 80,354
Changes in assumptions	318,288	144,908	173,380
Net difference between projected and actual earnings on pension plan investments	<u>2,732,522</u>	<u>4,367,549</u>	<u>(1,635,027)</u>
Total	<u>\$3,208,073</u>	<u>\$4,589,366</u>	<u>\$(1,381,293)</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	
2020	\$ (294,266)
2021	(474,200)
2022	139,032
2023	(751,859)
2024	-0-
	<u>\$ (1,381,293)</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, 2018	<u>\$33,680,195</u>	<u>\$28,592,603</u>	<u>\$ 5,087,592</u>
Changes for the year:			
Service cost	397,118	-0-	397,118
Interest on the total pension liability	2,369,756	-0-	2,369,756
Differences between the expected and actual experience in the measurement of the pension liability	(98,825)	-0-	(98,825)
Contributions - employer	-0-	389,637	(389,637)
Contributions - employee	-0-	169,244	(169,244)
Net investment income	-0-	5,765,928	(5,765,928)
Benefits payments, including refunds of employee contributions	(2,384,918)	(2,384,918)	-0-
Other changes (net transfer)	-0-	(3,763)	3,763
Net changes	<u>283,131</u>	<u>3,936,128</u>	<u>(3,652,997)</u>
Balances at December 31, 2019	<u>\$33,963,326</u>	<u>\$32,528,731</u>	<u>\$ 1,434,595</u>

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, 2020.

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 liquated by the General, Water, and Sewer Funds. Current year contributions were \$819,229, \$695,778 explicit payments and \$123,451 are implicit payments.

At April 30, 2020, 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>

#### **Net OPEB Liability**

The City's net OPEB liability was measured as of April 30, 2020, and was determined by an actuarial valuation as of that date under GASB Statement No. 75.

#### **Actuarial Assumptions and Other Inputs**

The net OPEB liability in the April 30, 2020 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	2.56%
Healthcare cost trend rates	7.5% for 4/30/20 decreasing to an ultimate rate of 5.0% for 2030 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 Net OPEB Liability**

Balances at April 30, 2019	Net OPEB Liability \$ 9,519,162
Changes for the year:	
Service cost	155,342
Interest	345,406
Changes of assumptions	1,450,769
Benefit payments	(819,229)
Net changes	<u>1,132,288</u>
Balances at April 30, 2020	<u>\$10,651,450</u>



Changes of assumptions and other inputs reflect a change in the discount rate from 3.79% in 2019 to 2.56% in 2020.

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.56%, 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 (1.56%) or 1% point higher (3.56%) than the current discount rate:

	<u>1% Decrease (1.56%)</u>	<u>Current Discount Rate (2.56%)</u>	<u>1% Increase (3.56%)</u>
Employer's Net OPEB liability	\$11,539,179	\$10,651,450	\$9,867,754

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

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rates of 7.5% decreasing to 5.0% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (6.5% decreasing to 4.0%) or 1% point higher (8.5% 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>
Employer's Net OPEB liability	\$9,994,636	\$10,651,450	\$11,944,882

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

For the year ended April 30, 2020, the City recognized OPEB expense of \$684,960. 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	\$1,376,264	\$ -0-	\$1,376,264

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

For The Years Ending <u>April 30</u>	
2021	\$ 184,212
2022	184,212
2023	184,212
2024	184,212
2025	184,212
Thereafter	455,204
Total	<u>\$1,376,264</u>

### Related Party Investments

During the year ended April 30, 2020, none of the above mentioned pension funds held securities issued by the City or other related parties.

#### Note 7. COMMITMENTS

At April 30, 2020, the City had accepted bids on projects, contracts, or purchases which were not completed at that date. Major commitments were as follows:

General Corporate Capital Fund	
Novacom - two site digital system for Police, Fire and Public Works	\$72,070
Bevis Construction - concrete work for the Aquatic Zoo	\$77,761
Ken Hails - nine flood plain properties	\$64,884
Quality of Life Fund	
Milano & Grunloh - engineering design of S 26 <sup>th</sup> Street and Forest Avenue Box culvert	\$10,590
Chastain & Associates - engineering design of S 44 <sup>th</sup> Street to Forest Avenue to Veterans Memorial Drive	\$321,150
Thomas Industrial Coatings for Casey Middle School pedestrian Overpass painting and handrail replacement	\$285,492
Rhutasel & Associates - design of connector road between Potomac Blvd & Davidson Avenue	\$30,006
Rollie Excavating - 22 <sup>nd</sup> & Lamar concrete ditch project	\$33,207
United Rentals - cold planer for Public Works Department	\$14,225
Downtown TIF	
Downtown TIF Projects	\$554,402
Brian Edmison & Associates, LLC for drawings for the design of the new retail US Post Office facility	\$10,033
Bevis Construction - construction of US Postal service building \$895,000	\$584,706
Home Rule Tax	
Heck's Excavating - Property Demolition \$88,900	\$6,800
Ken Hails - Property Demolition \$124,500	\$5,000
Truck Center, Inc - 2 dump trucks \$179,586	\$179,586
Sanitation	
CWI 5/1/20 - 4/30/21	\$1,139,109
CWI 5/1/21 - 4/30/22	\$1,184,627
Tourism	
Fireworks for July 4, 2020	\$20,000
Sewer	
EMC 5/1/18 - 4/30/23 facility payment	\$432,000
EMC 5/1/20 - 4/30/21 (assumed minimum increase of 1.5%)	\$2,136,731
EMC 5/1/21 - 4/30/22 (assumed minimum increase of 1.5%)	\$2,168,782
EMC 5/1/22 - 4/30/23 (assumed minimum increase of 1.5%)	\$2,201,314
Visu-Sewer Sanitary Sewer: Survey Project	\$83,923
Round Table Design - design of re-routed sewer line on Industrial Drive & Woodland Drive	\$11,250
Heartland Services - tree & brush clearing for utility easement	\$9,899
Culy Contracting - 2019-2020 manhole lining project	\$28,890
Water	
Kamstrup water meters \$2,600,000	\$51,487
Rhutasel & Associates Water Main Project \$142,300	\$55,719
Round Table Design Water Main Project \$295,000	\$100,000
Haier Plumbing & Heating; CDAP Water Line Replacement Project Phase 1	\$33,359
All Funds	
Audit of Comprehensive Annual Report 2019 Through 2020	\$79,200

#### 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:

<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>
General Corporate Fund						
Mayor & City Council	Communications - Internet	\$ 1,980	\$ -0-	\$ 1,980	\$ 2,036	\$ (56)
	Communications - Postage	100	-0-	100	307	(207)
	Employee relations	-0-	-0-	-0-	250	(250)
City Manager	Overtime	-0-	-0-	-0-	129	(129)
	Medicare benefits	2,959	-0-	2,959	3,079	(120)
	Outside cleaning	-0-	-0-	-0-	209	(209)
	Publishing	30	-0-	30	74	(44)
	Communications - internet	960	-0-	960	1,034	(74)
	GPS tracking	478	-0-	478	640	(162)
	Non-capital equipment	1,500	-0-	1,500	1,833	(333)
	Insurance - general liability	1,793	-0-	1,793	2,140	(347)
City Clerk	Subscriptions/memberships	1,000	-0-	1,000	1,192	(192)
	Health insurance benefits	15,003	-0-	15,003	15,006	(3)
	I.M.R.F. benefits	3,325	-0-	3,325	3,503	(178)
	Maintenance/repair - building structures	-0-	-0-	-0-	197	(197)
Human Resources Division	Overtime	-0-	-0-	-0-	49	(49)
	Health insurance benefits	30,006	-0-	30,006	30,013	(7)
	Car wash tokens	-0-	-0-	-0-	17	(17)
	Communications - telephone	1,053	-0-	1,053	1,383	(330)
	Communications - postage	160	-0-	160	235	(75)
	GPS tracking	239	-0-	239	418	(179)
	Office supplies	962	-0-	962	1,412	(450)
	Motor fuels and lubricants	446	-0-	446	481	(35)
	Non-capital equipment	1,500	-0-	1,500	1,509	(9)
	Insurance - general liability	1,025	-0-	1,025	1,405	(380)
Park	FICA benefits	17,466	-0-	17,466	17,497	(31)
	Medicare benefits	4,085	-0-	4,085	4,092	(7)
	Publishing	-0-	-0-	-0-	68	(68)
	Communications - internet	1,254	-0-	1,254	1,602	(348)
	GPS tracking	2,051	-0-	2,051	2,547	(496)
	Maintenance/repair equipment	7,016	-0-	7,016	7,120	(104)
Finance Administration	Workers compensation benefits	1,354	-0-	1,354	1,536	(182)
	Publishing	400	-0-	400	734	(334)
	Motor fuels and lubricants	201	-0-	201	222	(21)
	Maintenance/repair equipment	740	-0-	740	760	(20)
	License and taxes	55	-0-	55	59	(4)
Engineering	Professional/consulting	350	-0-	350	450	(100)
	Outside cleaning	-0-	-0-	-0-	13	(13)
	GPS tracking	1,861	-0-	1,861	1,970	(109)
	Maintenance/repair equipment	4,500	-0-	4,500	4,545	(45)
	Subscriptions and memberships	1,681	-0-	1,681	1,704	(23)
	Other contractual services	400	-0-	400	607	(207)
Police	Communications - teletype/internet	14,290	-0-	14,290	14,362	(72)
	Pager/cell	13,611	-0-	13,611	13,835	(224)
	Maintenance/repair - other improvements	3,000	-0-	3,000	3,395	(395)
Fire	Outside cleaning	1,200	-0-	1,200	1,316	(116)
	Publishing	-0-	-0-	-0-	19	(19)
	Communications - telephone	5,923	-0-	5,923	6,370	(447)
ESDA	Utilities - electric	2,153	-0-	2,153	2,223	(70)
	Chemicals	1,500	-0-	1,500	1,597	(97)
Public Works	Publishing	200	-0-	200	217	(17)
	Communications - postage	-0-	-0-	-0-	62	(62)
	Maintenance/repair - buildings and structures	-0-	-0-	-0-	351	(351)
	Traffic safety maintenance	11,100	-0-	11,100	11,115	(15)
	Insurance - business auto	-0-	-0-	-0-	4	(4)
	Subscriptions and memberships	196	-0-	196	202	(6)
Fleet Services	Medicare benefits	3,962	-0-	3,962	4,294	(332)
	Outside cleaning	4,565	-0-	4,565	4,962	(397)
	Communications - postage	-0-	-0-	-0-	5	(5)
	GPS tracking	692	-0-	692	1,067	(375)
	Non-capital equipment	10,118	-0-	10,118	10,163	(45)
	Insurance - general liability	5,183	-0-	5,183	5,244	(61)
General Government	Vacation pay	-0-	-0-	-0-	38,435	(38,435)
	Sick pay	-0-	-0-	-0-	43,241	(43,241)
	Communications - postage	120	-0-	120	179	(59)
	Operating supplies and materials	1,420	-0-	1,420	1,560	(140)
	Advertising/promo non-grant	-0-	-0-	-0-	150	(150)
	Other contractual charges	192,016	(61,300)	253,316	263,164	(9,848)
	Transfers to capital projects fund	-0-	(2,900)	2,900	10,900	(8,000)

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Fund/Department	Object Classification	Original Budget	Budget Amendment	Amended Budget	Actual	Variance
1201 Casey	I.M.R.F. benefits	7,562	-0-	7,562	7,875	(313)
	Utilities electric	14,297	-0-	14,297	14,403	(106)
	Non-capital equipment	-0-	-0-	-0-	79	(79)
	Insurance - general liability	2,560	-0-	2,560	2,622	(62)
	Other contractual service	840	-0-	840	1,568	(728)
	Service/charges operating division	(146,905)	-0-	(146,905)	(141,971)	(4,934)
Home Rule Tax	Hydrodigger	-0-	(22,800)	22,800	108,721	(85,921)
	Bucket truck	-0-	-0-	-0-	18	(18)
	Transfer to Water Fund	920,225	-0-	920,225	957,969	(37,744)
	Transfer to Sewer Fund	920,225	-0-	920,225	957,969	(37,744)
Quality of Life	Professional/consulting	5,830	(3,700)	9,530	10,094	(564)
	Transfers to other funds	-0-	-0-	-0-	395,916	(395,916)
General Corporate Capital	Lease vehicles	-0-	-0-	-0-	129,685	(129,685)
	State administration fee - TCom tax	-0-	-0-	-0-	285	(285)
	5 new squad cars 2018-2019	-0-	-0-	-0-	2,900	(2,900)
	Infrastructure improvements	1,792,849	841,000	951,849	1,017,123	(65,274)
	Transfer to Water Fund	-0-	-0-	-0-	38,507	(38,507)
	Transfer to Sewer Fund	-0-	-0-	-0-	11,264	(11,264)
Pension Sales Tax	Transfer to Police Pension Fund	-0-	-0-	-0-	70,902	(70,902)
	Transfer to Fire Pension Fund	-0-	-0-	-0-	146,725	(146,725)
TIF - Downtown	Office supplies	-0-	-0-	-0-	6	(6)
	Rehab, repair, replace buildings	228,267	(84,500)	312,767	337,664	(24,897)
	Construction of new buildings	250,000	(193,100)	443,100	484,286	(41,186)
TIF - Industrial Park	Studies, administration and professional services	4,000	4,000	-0-	4,000	(4,000)
Tourism	Health insurance benefits	45,083	-0-	45,083	45,090	(7)
	Vacation pay	-0-	-0-	-0-	1,623	(1,623)
	Professional/consulting	2,450	-0-	2,450	2,464	(14)
	GPS tracking	478	-0-	478	840	(362)
	Non-capital equipment	500	-0-	500	559	(59)
	Maintenance/repair - other improvements	4,500	-0-	4,500	4,542	(42)
	Insurance - general liability	5,108	-0-	5,108	5,424	(316)
	Subscriptions and memberships	1,920	-0-	1,920	2,144	(224)
	Merchandise/service resale	1,000	-0-	1,000	1,066	(66)
Special Service Area Number One	I.M.R.F. benefits	5,009	-0-	5,009	5,172	(163)
	Vacation pay expense	-0-	-0-	-0-	229	(229)
	Professional/consulting	1,630	-0-	1,630	1,643	(13)
	Non-capital equipment	1,200	-0-	1,200	1,644	(444)
	Maintenance/repair - other improvements	10,000	-0-	10,000	10,420	(420)

Receivables as of April 30, 2020, 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
<b>Receivables:</b>											
Accounts receivable, gross	\$ 48,739	\$ 6,535	\$815,741	\$ -0-	\$78,352	\$245,657	\$ 615,467	\$451,425	\$ 1,600	\$ 28,987	\$2,292,503
Notes	43,882	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	43,882
Due from other governments and their agencies	1,337,345	216,088	98,966	45,310	-0-	-0-	786,709	-0-	-0-	-0-	2,484,418
Property and replacement taxes, gross	1,549,648	-0-	-0-	-0-	-0-	-0-	-0-	-0-	581,423	1,301,055	3,432,126
Interest	-0-	-0-	-0-	-0-	-0-	-0-	713	-0-	-0-	-0-	713
Gross receivables	2,979,614	222,623	914,707	45,310	78,352	245,657	1,402,889	451,425	583,023	1,330,042	8,253,642
Less: allowance for uncollectibles	4,540	-0-	-0-	-0-	1,000	-0-	63,000	45,000	-0-	-0-	113,540
Net receivables	<u>\$2,975,074</u>	<u>\$ 222,623</u>	<u>\$914,707</u>	<u>\$45,310</u>	<u>\$77,352</u>	<u>\$245,657</u>	<u>\$1,339,889</u>	<u>\$406,425</u>	<u>\$583,023</u>	<u>\$1,330,042</u>	<u>\$8,140,102</u>

Interfund receivables and payables for the year ended April 30, 2020, consist of the following:

Interfund receivables

Amount	Due From Other Funds	Due To Other Funds	Purpose
<u>\$250,000</u>	General Corporate	Downtown TIF	Community development cash flow loan
250,000	Total Governmental Funds		
<u>216</u>	Sanitation	Public Utilities	Sanitation's portion of customer billings
<u>216</u>	Total Enterprise Funds		
250,216	Totals		
585	Police Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>507</u>	Firefighters' Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>\$251,308</u>	Total reported on statement of net position due from other funds		

Interfund payables

<u>Amount</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Purpose</u>
\$250,000	Downtown TIF	General Corporate	Community development cash flow loan
70,902	Pension Sales Tax Fund	Police Pension Fund	Pension Fund's share of sales tax receivable
<u>146,725</u>	Pension Sales Tax Fund	Fire Pension Fund	Pension Fund's share of sales tax receivable
467,627	Total Governmental Funds		
216	Public Utilities	Sanitation	Payroll withholding clearing
<u>216</u>	Total Enterprise Funds		
<u>\$467,843</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, 2020, consist of the following amounts:

On government-wide financial statements:

	<u>Transfers To</u>	<u>Transfers From</u>							<u>Nonmajor Governmental Funds</u>	<u>Business-Type Activities</u>
		<u>General Corporate Fund</u>	<u>Quality of Life</u>	<u>General Corporate Capital</u>	<u>Motor Fuel Tax</u>	<u>Sani-tation</u>	<u>Home Rule Tax</u>	<u>Downtown TIF</u>		
<b>Governmental Activities:</b>										
General Corporate Fund	\$ 191,505	\$ -0-	\$ -0-	\$ -0-	\$-0-	\$-0-	\$ -0-	\$15,000	\$176,505	\$-0-
General Corporate Capital	10,900	10,900	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Downtown TIF	395,916	-0-	395,916	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Governmental Activities</b>	<u>598,321</u>	<u>10,900</u>	<u>395,916</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>15,000</u>	<u>176,505</u>	<u>-0-</u>
<b>Business-Type Activities:</b>										
Water Fund	996,476	-0-	-0-	38,507	-0-	-0-	957,969	-0-	-0-	-0-
Sewer Fund	1,003,675	-0-	-0-	11,264	-0-	-0-	957,969	34,442	-0-	-0-
<b>Total Business-Type Activities</b>	<u>2,000,151</u>	<u>-0-</u>	<u>-0-</u>	<u>49,771</u>	<u>-0-</u>	<u>-0-</u>	<u>1,915,938</u>	<u>34,442</u>	<u>-0-</u>	<u>-0-</u>
<b>Total Government</b>	<u>2,598,472</u>	<u>10,900</u>	<u>395,916</u>	<u>49,771</u>	<u>-0-</u>	<u>-0-</u>	<u>1,915,938</u>	<u>49,442</u>	<u>176,505</u>	<u>-0-</u>
<b>Fiduciary Funds - separately reported:</b>										
Fire Pension Fund	146,725	-0-	-0-	-0-	-0-	-0-	-0-	-0-	146,725	-0-
Police Pension Fund	70,902	-0-	-0-	-0-	-0-	-0-	-0-	-0-	70,902	-0-
<b>Total Fiduciary Funds</b>	<u>217,627</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>217,627</u>	<u>-0-</u>
<b>Report Totals</b>	<u>\$2,816,099</u>	<u>\$10,900</u>	<u>\$395,916</u>	<u>\$49,771</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$1,915,938</u>	<u>\$49,442</u>	<u>\$394,132</u>	<u>\$-0-</u>

(Continued)

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Transfers-in		Transfers-out	
Governmental Activities	\$ 598,321	Governmental Activities	\$2,816,099
Business-Type Activities	<u>2,000,151</u>	Business-Type Activities	<u>-0-</u>
Total Governmental Activities	<u>\$2,598,472</u>	Total Governmental Activities	<u>\$2,816,099</u>
Fiduciary funds - separately reported	\$ 217,627		
Report Totals	<u>\$2,816,099</u>		

## On fund financial statements:

	Transfers To	Transfers From							Business-Type Activities	
		General Corporate Fund	Quality of Life	General Corporate Capital	Motor Fuel Tax	Sanitation	Home Rule Tax	Downtown TIF		Nonmajor Governmental Funds
Fire Pension Fund	\$ 146,725	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$146,725	\$-0-
Police Pension Fund	<u>70,902</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>70,902</u>	<u>-0-</u>
Total Fiduciary Funds	<u>217,627</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>217,627</u>	<u>-0-</u>
Report Totals	<u>\$2,816,099</u>	<u>\$10,900</u>	<u>\$395,916</u>	<u>\$49,771</u>	<u>\$-0-</u>	<u>\$ -0-</u>	<u>\$1,915,938</u>	<u>\$49,442</u>	<u>\$394,132</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, 2020, 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	\$ 1,506,623	\$ 3,234,010	\$ 232,869
Capital assets	14,744,373	12,383,492	40,000
Other noncurrent assets	281,762	-0-	-0-
Total assets	<u>16,532,758</u>	<u>15,617,502</u>	<u>272,869</u>
Liabilities:			
Current liabilities	737,784	396,265	93,869
Noncurrent liabilities	10,442,467	571,705	-0-
Total liabilities	<u>11,180,251</u>	<u>967,970</u>	<u>93,869</u>
Deferred inflows of resources			
Deferred Pension Credits	121,032	-0-	-0-
Deferred revenue	57,422	-0-	-0-
Total deferred inflows of resources	<u>178,454</u>	<u>-0-</u>	<u>-0-</u>
Net position:			
Net investment in capital assets	6,377,736	12,166,528	40,000
Committed for:			
Restricted revenue	(163,741)	-0-	-0-
Restricted for:			
Unrestricted	(1,039,942)	2,442,712	139,000
Total net position	<u>\$ 5,174,053</u>	<u>\$14,609,240</u>	<u>\$ 179,000</u>

(Continued)



(Continued)

	Water Fund	Sewer Fund	Sanitation Fund
Condensed Statement of Revenues, Expenses, and Changes in Net Position			
Operating revenues:			
User charges	\$ 4,719,651	\$ 3,320,497	\$1,149,468
Other operating revenues	34,300	26,598	-0-
Total operating revenues	<u>4,753,951</u>	<u>3,347,095</u>	<u>1,149,468</u>
Operating expenses:			
Depreciation expense:			
On property and equipment acquired with fund liabilities or retained earnings	400,956	307,046	-0-
On property and equipment acquired with contributed equity	103,803	326,073	-0-
Total depreciation expense	<u>504,759</u>	<u>633,119</u>	<u>-0-</u>
Administration	1,718,817	974,539	41,211
Cost of sales and services	2,074,627	2,280,731	1,127,185
Total operating expenses	<u>4,298,203</u>	<u>3,888,389</u>	<u>1,168,396</u>
Operating income (loss)	<u>455,748</u>	<u>(541,294)</u>	<u>(18,928)</u>
Non-operating revenues (expenses):			
Non-operating revenues	138,490	76,161	2,963
Property tax revenue	37,806	-0-	-0-
Interest and fiscal charges - bonds	(382,555)	(5,728)	-0-
Total non-operating revenues (expenses)	<u>(206,259)</u>	<u>70,433</u>	<u>2,963</u>
Net income (loss)	249,489	(470,861)	(15,965)
Capital contributions from Developers	1,835,270	-0-	-0-
Transfers from other funds	903,061	1,097,090	-0-
Change in net position	2,987,820	626,229	(15,965)
Total net position - beginning, as previously reported	<u>2,186,233</u>	<u>13,983,011</u>	<u>194,965</u>
Net position - beginning, restated	<u>2,186,233</u>	<u>13,983,011</u>	<u>194,965</u>
Total net position, ending	<u>\$ 5,174,053</u>	<u>\$14,609,240</u>	<u>\$ 179,000</u>
Capital Assets Additions and Deletions			
Property and equipment:			
Additions	<u>\$ 2,336,785</u>	<u>\$ 579,684</u>	<u>\$ -0-</u>
Condensed Statement of Cash Flows			
Net cash provided by (used for) operating activities	\$ 945,039	\$ 301,731	\$ (16,647)
Net cash provided by noncapital financing activities	985,526	1,097,090	-0-
Net cash (used for) capital and related financing activities	(2,649,737)	(622,152)	-0-
Net cash provided by investing activities	87,353	76,161	2,963
Net cash provided by nonexchange activities	<u>37,806</u>	<u>-0-</u>	<u>-0-</u>
Net (decrease) increase in cash and cash equivalents	(594,013)	852,830	(13,684)
Cash and cash equivalents at May 1, 2019	<u>875,775</u>	<u>1,947,011</u>	<u>168,985</u>
Cash and cash equivalents at April 30, 2020	<u>\$ 281,762</u>	<u>\$ 2,799,841</u>	<u>\$ 155,301</u>
Reported as:			
Current assets	\$ -0-	\$ 2,799,841	\$ 155,301
Restricted assets	281,762	-0-	-0-
	<u>\$ 281,762</u>	<u>\$ 2,799,841</u>	<u>\$ 155,301</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, 2020, 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, 2020, 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, 2020, 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, 2009 through 2020 are:

	2020	2019	2018	2017	2016	2015
Claims liability at beginning of year	\$ 121,151	\$ 142,191	\$ 285,728	\$ 385,996	\$ 545,074	\$ 311,493
Current year claims and estimate changes	1,759,155	1,966,165	1,875,057	2,566,016	2,959,204	1,946,061
Claims payments	(1,756,186)	(1,987,205)	(2,018,594)	(2,666,284)	(3,118,282)	(1,712,480)
Claims liability at end of year	<u>\$ 124,120</u>	<u>\$ 121,151</u>	<u>\$ 142,191</u>	<u>\$ 285,728</u>	<u>\$ 385,996</u>	<u>\$ 545,074</u>
	2014	2013	2012	2011	2010	2009
Claims liability at beginning of year	\$ 373,037	\$ 118,704	\$ 225,894	\$ 139,586	\$ 257,409	\$ 218,860
Current year claims and estimate changes	1,687,621	2,076,680	1,704,422	1,666,328	1,505,842	1,707,979
Claims payments	(1,749,165)	(1,822,347)	(1,811,612)	(1,580,020)	(1,623,665)	(1,669,430)
Claims liability at end of year	<u>\$ 311,493</u>	<u>\$ 373,037</u>	<u>\$ 118,704</u>	<u>\$ 225,894</u>	<u>\$ 139,586</u>	<u>\$ 257,409</u>

#### 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, 2020.

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 \$42,713 leaving a balance of \$731,898 distributed in the following funds: General Corporate Capital \$256,920, Quality of Life \$404,062, Public Utilities \$70,916. Related accretion revenue for the years ended April 30, 2021 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
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>\$256,920</u>	<u>\$ -0-</u>	<u>\$404,062</u>	<u>\$ -0-</u>	<u>\$70,915</u>	<u>\$ -0-</u>	<u>\$731,897</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. SUBSEQUENT EVENTS

The issuance and sale of General Obligation Improvement and Refunding Bonds Series 2020 was authorized by an ordinance adopted by the Mt. Vernon City Council on August 17, 2020. The proceeds of the Bonds will be used to pay the costs of (1) acquiring, constructing, renovating, furnishing and equipping of various capital improvements, including road improvements and building projects, (2) refunding the City's outstanding (a) Taxable General Obligation Bonds, Series 2010A (Recovery Zone Economic Development Bonds) maturing in years 2024 and thereafter, in the aggregate principal amount of \$3,440,000, (b) Taxable General Obligation Bonds, Series 2010B (Build America Bonds) maturing in the years 2021 and thereafter, in the aggregate principal amount of \$1,750,000, (c) General Obligation Bonds, Series 2012 maturing in the years 2021 and thereafter, in the aggregate principal amount of \$24,385,000, and (3) issuing the Bonds (including Underwriter's Discount).

The following table summarizes the sources of funds, including the proceeds from the sale of the Bonds and the expected uses of such funds, in connection with the plan of financing:

*Sources of Funds:*

Par Amount of Bonds.....	\$37,270,000.00
Plus Original Issue Premium.....	6,472,675.30
Total .....	<u>\$43,742,675.30</u>

*Uses of Funds:*

Deposit to Construction Fund.....	\$13,000,932.64
Refund the Refunded Bonds.....	30,192,891.88
Bond Insurance Premium.....	125,150.78
Costs of Issuance (including Underwriter's Discount).....	<u>423,700.00</u>
Total .....	<u>\$43,742,675.30</u>

Existing principal and interest on the Series 2010A, Series 2010B and Series 2012 Bonds paid through the final maturity date at fiscal year-end April 30, 2033 was estimated to be \$40,331,291.90. Estimated principal and interest through the final maturity date at fiscal year-end April 30, 2033 of the refunding bonds is estimated to be \$36,178,271.04. The City of Mt. Vernon, Illinois is estimated to save approximately \$4,153,020.86 in interest expense by refunding the existing bonds.

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>12/31/2019</u>	<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	\$ 397,118	\$ 365,511	\$ 393,336	\$ 420,770	\$ 447,233
Interest	2,369,756	2,338,519	2,393,667	2,302,457	2,120,906
Differences between expected and actual experience	(98,825)	357,873	(55,798)	910,686	2,129,371
Changes in assumptions	-0-	831,946	(992,225)	(70,880)	25,468
Benefit payments, including refunds of member contributions	<u>(2,384,918)</u>	<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	283,131	1,471,544	(759,473)	1,230,961	2,565,606
Total pension liability - beginning	<u>33,680,195</u>	<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>\$33,963,326</u>	<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	\$ 389,637	\$ 518,376	\$ 442,180	\$ 1,620,935	\$ 587,963
Contributions - employee	169,244	166,264	167,076	223,818	302,026
Net investment income	5,765,928	(2,156,284)	5,459,348	1,852,814	133,639
Benefit payments, including refunds of member contributions	(2,384,918)	(2,422,305)	(2,498,453)	(2,332,072)	(2,157,372)
Other (net transfer)	<u>(3,763)</u>	<u>764,011</u>	<u>(492,882)</u>	<u>244,633</u>	<u>807,399</u>
Net change in plan fiduciary net position	3,936,128	(3,129,938)	3,077,269	1,610,128	(326,345)
Plan fiduciary net position - beginning	<u>28,592,603</u>	<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>\$32,528,731</u>	<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>\$ 1,434,595</u>	<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	95.78%	84.89%	98.49%	86.89%	85.18%
Covered-employee payroll	\$ 3,760,971	\$ 3,694,768	\$ 3,565,971	\$ 3,943,169	\$ 4,168,843
City's net pension liability as a percentage of covered employee payroll	38.14%	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>
12/31/2019	\$33,963,326	\$32,528,731	\$1,434,595	95.78%	\$3,760,971	38.14%
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 December 31,	Actuarially Determined Contribution	Actual Contribution as a % of Covered Payroll	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll
2019	\$389,637	10.36%	\$ 389,637	\$ -0-	\$3,760,971
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 2019 Contribution Rate

Valuation Date:	December 31, 2019
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 2019 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): 24-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 19 years for most employers (two employers were financed over 29 years).
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Growth	3.25%
Price Inflation	2.5% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%

(Continued)



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

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality For non-disabled retirees, an I.M.R.F. specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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, 2019 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	17.73%	(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) April 30, 2020	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	\$ 654,838	\$ 658,250	\$ 624,578	\$ 587,893	\$ 509,241
Interest	2,089,074	2,031,387	1,964,155	1,815,915	1,903,251
Changes of benefit terms	139,622	-0-	-0-	-0-	-0-
Differences between expected and actual experience	(71,130)	110,306	167,695	(192,998)	-0-
Changes of assumptions	(2,885,672)	1,015,132	275,985	1,797,325	-0-
Benefit payments, including refunds of member contributions	<u>(1,682,491)</u>	<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	<u>(1,755,759)</u>	<u>2,112,495</u>	<u>1,457,132</u>	<u>2,318,451</u>	<u>1,086,963</u>
Total pension liability - beginning	<u>35,834,118</u>	<u>33,721,623</u>	<u>32,264,491</u>	<u>29,946,040</u>	<u>28,859,077</u>
Total pension liability - ending	34,078,359	35,834,118	33,721,623	32,264,491	29,946,040
Plan fiduciary net position					
Contributions - employer	967,543	914,270	656,263	935,025	872,624
Contributions - employee	240,866	237,340	259,049	274,341	259,417
Net investment income	(653,067)	977,325	1,510,770	1,798,113	(348,745)
Benefit payments, including refunds of member contributions	(1,682,491)	(1,702,580)	(1,575,281)	(1,689,684)	(1,325,529)
Other (net transfer)	<u>(14,173)</u>	<u>(13,547)</u>	<u>(15,680)</u>	<u>(15,997)</u>	<u>(32,995)</u>
Net change in plan fiduciary net position	<u>(1,141,322)</u>	<u>412,808</u>	<u>835,121</u>	<u>1,301,798</u>	<u>(575,228)</u>
Plan fiduciary net position - beginning	<u>20,347,832</u>	<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>19,206,510</u>	<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>\$14,871,849</u>	<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>56.36%</u>	<u>56.78%</u>	<u>59.12%</u>	<u>59.20%</u>	<u>59.43%</u>
Covered-employee payroll	<u>\$ 2,415,504</u>	<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>615.68%</u>	<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, 2020	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	\$ 604,160	\$ 554,525	\$ 536,372	\$ 503,305	\$ 414,252
Interest	1,863,556	1,825,397	1,760,912	1,666,159	1,653,010
Changes of benefit terms	32,820	-0-	-0-	-0-	-0-
Differences between expected and actual experience	406,349	(284,774)	(40,278)	31,103	-0-
Changes of assumptions	(1,861,933)	1,679,882	77,931	464,384	-0-
Benefit payments, including refunds of member contributions	<u>(1,387,513)</u>	<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	(342,561)	2,478,608	1,092,223	1,464,004	875,811
Total pension liability - beginning	<u>30,995,472</u>	<u>28,516,864</u>	<u>27,424,581</u>	<u>25,960,577</u>	<u>25,084,766</u>
Total pension liability - ending	<u>30,652,911</u>	<u>30,995,472</u>	<u>28,516,804</u>	<u>27,424,581</u>	<u>25,960,577</u>
Plan fiduciary net positon					
Contributions - employer	1,102,789	965,697	970,825	763,136	751,183
Contributions - employee	181,340	181,439	185,102	181,858	185,080
Net investment income	(1,729,019)	243,352	1,057,215	1,528,491	(322,125)
Benefit payments, including refunds of member contributions	(1,387,513)	(1,296,422)	(1,242,714)	(1,200,947)	(1,191,451)
Other (net transfer)	<u>(16,230)</u>	<u>(15,443)</u>	<u>(18,851)</u>	<u>(19,841)</u>	<u>(15,537)</u>
Net change in plan fiduciary net position	(1,848,633)	78,623	951,577	1,252,697	(592,850)
Plan fiduciary net position - beginning	<u>16,126,024</u>	<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>14,277,391</u>	<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>\$16,375,520</u>	<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>46.58%</u>	<u>52.00%</u>	<u>56.27%</u>	<u>55.04%</u>	<u>53.32%</u>
Covered-employee payroll	<u>\$ 1,894,708</u>	<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>864.28%</u>	<u>732.61%</u>	<u>633.30%</u>	<u>646.51%</u>	<u>644.31%</u>

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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)		
4/30/20	2020	\$ 966,054	\$ 967,543	\$ (1,489)	\$2,415,504	40.06%
4/30/19	2019	895,148	914,270	(19,122)	2,554,379	35.79%
4/30/18	2018	836,465	656,263	(180,202)	2,442,329	26.87%
4/30/17	2017	749,419	935,025	(185,606)	2,365,452	39.53%
4/30/16	2016	748,583	872,624	(124,041)	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)		
4/30/20	2020	\$1,101,209	\$1,102,789	\$ (1,580)	\$1,894,708	58.20%
4/30/19	2019	954,479	965,697	(11,218)	2,029,652	47.58%
4/30/18	2018	919,271	970,825	(51,554)	1,968,962	49.31%
4/30/17	2017	766,430	763,136	3,297	1,906,985	40.02%
4/30/16	2016	707,498	751,183	(43,685)	1,880,691	39.94%

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**Actuarial Assumptions (Economic)**

Discount rate used for the total pension liability	6.75%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	2.56%
Projected individual salary increases	2.5% - 18.50%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.25%
Inflation rate included	2.25%

**Actuarial Assumptions (Demographic)**

Mortality table	L&A 2020 Illinois Police Mortality Rates
Retirement rates	L&A 2020 Illinois Police Retirement Rates capped at age 65
Disability rates	L&A 2020 Illinois Police Disability Rates
Termination rates	L&A 2020 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 3.79% to 2.56% 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 5.97% to 6.75%. 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-2019 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.

(Continued)

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**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	18.50%	8	3.75%
1	2.50%	9	3.75%
2	3.15%	10	3.75%
3	3.16%	15	3.75%
4	3.15%	20	3.75%
5	3.15%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

**Demographic Assumptions**

Active mortality follows the Sex Distinct Raw Rates as developed in the RP-2019 study, with Blue Collar adjustment. These rates are improved generationally using MP-2019 improvement rates.

Retiree mortality follows the L&A Assumption Study for police 2020. These rates are experience weighted with the raw rates as developed in the RP-2019 study, with Blue Collar adjustment and improved generationally using MP-2019 improvement rates.

Disabled mortality follows the Sex Distinct Raw Rates as developed in the RP-2019 study for disabled participants, with Blue Collar adjustment. These rates are improved generationally using MP-2019 improvement rates.

Spouse mortality follows the Sex Distinct Raw Rates as developed in the RP-2019 study. These rates are improved generationally using MP-2019 improvement rates.

Other demographic assumption rates are based on a review of assumptions in the L&A 2020 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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The CPI-U for September 1985 was 108.3. The CPI-U for September 2019 was 256.8. The average increase in the CPI-U for September 1985 through September 2019 was 2.58% (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.

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**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, 2020 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.

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**Actuarial Assumptions (Economic)**

Discount rate used for the total pension liability	6.75%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	2.56%
Projected individual salary increases	3.25% - 6.80%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.25%
Inflation rate included	2.25%

**Actuarial Assumptions (Demographic)**

Mortality table	L&A 2020 Illinois Firefighters' Mortality Rates
Retirement rates	L&A 2020 Illinois Firefighters' Retirement Rates capped at age 65
Disability rates	L&A 2020 Illinois Firefighters' Disability Rates
Termination rates	L&A 2020 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 3.79% to 2.56% 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 6.15% to 6.75%. 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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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-2019 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	6.80%	8	3.75%
1	3.25%	9	3.75%
2	3.25%	10	3.75%
3	3.25%	15	3.75%
4	3.25%	20	3.75%
5	3.25%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

**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-2019 improvement rates.

Retiree mortality follows the L&A Assumption Study for firefighters' 2020. These rates are experience weighted with the raw rates as developed in the RP-2019 study, with Blue Collar adjustment and improved generationally using MP-2019 improvement rates.

Disabled mortality follows the Sex Distinct Raw Rates as developed in the RP-2019 study for disabled participants, with Blue Collar adjustment. These rates are improved generationally using MP-2019 improvement rates.

Spouse mortality follows the Sex Distinct Raw Rates as developed in the RP-2019 study. These rates are improved generationally using MP-2019 improvement rates.

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CITY OF MT. VERNON, ILLINOIS  
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Other demographic assumption rates are based on a review of assumptions in the L&A 2020 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 2019 was 256.8. The average increase in the CPI-U for September 1985 through September 2019 was 2.58% (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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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>
4/30/20	(3.64%)	(13.07%)
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>4/30/20</u>
Total OPEB liability	
Service cost	\$ 155,342
Interest	345,406
Changes of benefit terms	-0-
Differences between expected and actual experience	-0-
Changes in assumptions	1,450,769
Benefit payments	(819,229)
Net change in total OPEB liability	<u>1,132,288</u>
Total OPEB liability - beginning	9,519,162
Total OPEB liability - ending (a)	<u>\$10,651,450</u>
OPEB plan net position	
Contributions - employer	\$ 819,229
Contributions - employee	-0-
Contributions - other	-0-
Net investment income	-0-
Benefit payments	(819,229)
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>\$10,651,450</u>
Covered-employee payroll	\$ 7,773,800
Employer's total OPEB liability as a percentage of covered-employee payroll	137.02%
Contribution from other City resources (actuarially determined contribution)	\$ 819,229

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 \$819,229.

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 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	3.79%
End of year	2.56%
Long-term expected rate of return on plan assets	N/A
High quality 20 year tax-exempt G.O. bond rate	
Beginning of year	3.79%
End of year	2.56%
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
	<u>Employer Financials</u>
Fiscal year end for reporting	April 30, 2020
Measurement date	April 30, 2020
Actuarial valuation date	May 1, 2019
Data date	April 30, 2020
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.

(Continued)

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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, 2019 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-2019 study, with blue collar adjustment. These rates are improved generationally using MP-2019 improvement rates.

Retiree firefighter mortality follows the L&A assumption study for firefighters 2020. These rates are experience weighted with the raw rates as developed in the RP-2019 study, with blue collar adjustment and improved generationally using MP-2019 improvement rates.

Active police mortality follows the sex distinct raw rates as developed in the RP-2019 study, with blue collar adjustment. These rates are improved generationally using MP-2019 improvement rates.

Retiree police mortality follows the L&A assumption study for police 2020. These rates are experience weighted with the raw rates as developed in the RP-2019 study, with blue collar adjustment and improved generationally using MP-2019 improvement rates.

Disabled mortality follows the sex distinct raw rates as developed in the RP-2019 study for disabled participants. These rates are improved generationally using MP-2019 improvement rates.

Spouse mortality follows the sex distinct raw rates as developed in the RP-2019 study. These rates are improved generationally using MP-2019 improvement rates.

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## ASSUMPTION CHANGES

The assumptions were changed from the prior year.

We performed a comprehensive study of Police & Firefighters' Pension Funds in the State of Illinois. The assumptions impacted included:

- . Inflation Rate
- . Mortality Rates
- . Mortality Improvement Rates
- . Retirement Rates
- . Termination Rates
- . Disability Rates

The above stated assumption changes were made to better reflect the future anticipated experience of the plan.

The assumed rate of High Quality 20-year Tax-Exempt G.O. Bonds was changed from 3.79% to 2.56% 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 74 and Statement 75.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 3.79% to 2.56%. See the *Assumptions (Economic)* section for more details.

## 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 rate shown earlier in the assumption section is the April 30, 2020 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 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 2.25%, 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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 9,208,300	\$ 76,448	\$ 9,284,748	\$ 9,421,403	\$136,655
Use taxes	483,200	-0-	483,200	534,587	51,387
Hotel/motel taxes	768,876	-0-	768,876	746,264	(22,612)
Property taxes levied for general purposes	286,332	-0-	286,332	287,373	1,041
Property taxes levied for employee benefits	663,707	-0-	663,707	666,107	2,400
Franchise taxes	150,000	-0-	150,000	143,167	(6,833)
Public service taxes	2,239,151	-0-	2,239,151	2,355,783	116,632
Gain on sale of fixed assets	15,500	-0-	15,500	4,080	(11,420)
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	72	72
Unrestricted investment income	125,493	-0-	125,493	117,039	(8,454)
Miscellaneous	10,155	-0-	10,155	31,015	20,860
Operating grants and contributions	19,298	-0-	19,298	35,390	16,092
Charges for services	1,101,125	3,627	1,104,752	1,116,178	11,426
Total revenues	<u>15,071,137</u>	<u>80,075</u>	<u>15,151,212</u>	<u>15,458,458</u>	<u>307,246</u>

(Continued)



(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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Expenditures:</u>					
Current					
General government	3,364,120	99,703	3,463,823	3,328,965	134,858
Public safety					
Police	5,408,271	14,174	5,422,445	4,988,531	433,914
Fire	3,184,319	-0-	3,184,319	3,000,102	184,217
Public works	1,656,292	-0-	1,656,292	1,442,620	213,672
Engineering services	488,581	-0-	488,581	391,071	97,510
Culture and recreation	1,159,210	-0-	1,159,210	983,311	175,899
Debt service					
Principle retirement	115,967	-0-	115,967	115,967	-0-
Interest and fiscal charges	23,785	-0-	23,785	23,785	-0-
Total expenditures	<u>15,400,545</u>	<u>113,877</u>	<u>15,514,422</u>	<u>14,274,352</u>	<u>1,240,070</u>
Excess (deficiency) of revenues over (under) expenditures	(329,408)	(33,802)	(363,210)	1,184,106	1,547,316
<u>Other financing sources (uses)</u>					
Transfers from other funds	201,050	-0-	201,050	191,505	(9,545)
Transfers to other funds	-0-	(5,800)	(5,800)	(10,900)	(5,100)
Net other financing sources (uses)	<u>201,050</u>	<u>(5,800)</u>	<u>195,250</u>	<u>180,605</u>	<u>(14,645)</u>
Net change in fund balance	<u>(128,358)</u>	<u>\$ (39,602)</u>	<u>(167,960)</u>	<u>1,364,711</u>	<u>\$1,532,671</u>
Fund balance - beginning	<u>4,466,735</u>		<u>4,466,735</u>	<u>4,466,735</u>	
Fund balance - ending	<u>\$ 4,338,377</u>		<u>\$ 4,298,775</u>	<u>\$ 5,831,446</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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<b>Revenues:</b>					
Sales taxes	\$ 1,835,950	\$ -0-	\$ 1,835,950	\$ 1,879,022	\$ 43,072
Unrestricted investment income	17,100	-0-	17,100	13,110	(3,990)
Capital grants and contributions	-0-	-0-	-0-	(12)	(12)
Total revenues	<u>1,853,050</u>	<u>-0-</u>	<u>1,853,050</u>	<u>1,892,120</u>	<u>39,070</u>
<b>Expenditures:</b>					
Current					
General government	2,456,699	(12,500)	2,444,199	1,496,982	947,217
Debt service					
Principal retirement	848,815	-0-	848,815	836,394	12,421
Interest and fiscal charges	573,911	12,500	586,411	586,411	-0-
Total expenditures	<u>3,879,425</u>	<u>-0-</u>	<u>3,879,425</u>	<u>2,919,787</u>	<u>959,638</u>
Excess (deficiency) of revenues over (under) expenditures	(2,026,375)	-0-	(2,026,375)	(1,027,667)	998,708
<b>Other financing sources (uses)</b>					
Transfers to other funds	-0-	-0-	-0-	(395,916)	(395,916)
Net other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(395,916)</u>	<u>(395,916)</u>
Net change in fund balance	(2,026,375)	<u>\$ -0-</u>	(2,026,375)	(1,423,583)	<u>\$ 602,792</u>
Fund balance - beginning	<u>2,921,421</u>		<u>2,921,421</u>	<u>2,921,421</u>	
Fund balance - ending	<u>\$ 895,046</u>		<u>\$ 895,046</u>	<u>\$ 1,497,838</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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<b>Revenues:</b>					
Sales taxes	\$ 1,348,550	\$ -0-	\$ 1,348,550	\$ 1,361,451	\$ 12,901
Grants & contributions not restricted to specific programs	9,000	-0-	9,000	12,849	3,849
Unrestricted investment income	19,500	-0-	19,500	31,743	12,243
Miscellaneous	43,943	-0-	43,943	44,105	162
Capital grants and contributions	1,335,529	-0-	1,335,529	810,609	(524,920)
Charges for services	-0-	-0-	-0-	25	25
<b>Total revenues</b>	<u>2,756,522</u>	<u>-0-</u>	<u>2,756,522</u>	<u>2,260,782</u>	<u>(495,740)</u>
<b>Expenditures:</b>					
Current					
General government	2,659,064	(8,000)	2,651,064	2,170,257	480,807
Debt service					
Interest and fiscal charges	482,889	8,000	490,889	490,837	52
<b>Total expenditures</b>	<u>3,141,953</u>	<u>-0-</u>	<u>3,141,953</u>	<u>2,661,094</u>	<u>480,859</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(385,431)	-0-	(385,431)	(400,312)	(14,881)
<b>Other financing sources (uses)</b>					
Transfers from other funds	-0-	-0-	-0-	10,900	10,900
Transfers to other funds	-0-	-0-	-0-	(49,771)	(49,771)
Principal paid on long-term debt	(811,520)	-0-	(811,520)	(801,880)	9,640
<b>Net other financing sources (uses)</b>	<u>(811,520)</u>	<u>-0-</u>	<u>(811,520)</u>	<u>(840,751)</u>	<u>(29,231)</u>
<b>Net change in fund balance</b>	(1,196,951)	<u>\$ -0-</u>	(1,196,951)	(1,241,063)	<u>\$ (44,112)</u>
<b>Fund balance - beginning</b>	<u>1,715,152</u>		<u>1,715,152</u>	<u>1,715,152</u>	
<b>Fund balance - ending</b>	<u>\$ 518,201</u>		<u>\$ 518,201</u>	<u>\$ 474,089</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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Unrestricted investment income	\$ 4,700	\$-0-	\$ 4,700	\$ 8,400	\$ 3,700
Capital grants and contributions	388,300	-0-	388,300	563,746	175,446
Total revenues	<u>393,000</u>	<u>-0-</u>	<u>393,000</u>	<u>572,146</u>	<u>179,146</u>
<u>Expenditures:</u>					
Current					
Public works	866,804	-0-	866,804	260,986	605,818
Total expenditures	<u>866,804</u>	<u>-0-</u>	<u>866,804</u>	<u>260,986</u>	<u>605,818</u>
Net change in fund balance	(473,804)	<u>\$-0-</u>	(473,804)	311,160	<u>\$784,964</u>
Fund balance - beginning	<u>476,624</u>		<u>476,624</u>	<u>476,624</u>	
Fund balance - ending	<u>\$ 2,820</u>		<u>\$ 2,820</u>	<u>\$787,784</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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 3,671,900	\$-0-	\$ 3,671,900	\$ 3,758,044	\$ 86,144
Unrestricted investment income	49,000	-0-	49,000	73,831	24,831
Total revenues	<u>3,720,900</u>	<u>-0-</u>	<u>3,720,900</u>	<u>3,831,875</u>	<u>110,975</u>
<u>Expenditures:</u>					
Current					
General government	3,083,630	-0-	3,083,630	438,895	2,644,735
Total expenditures	<u>3,083,630</u>	<u>-0-</u>	<u>3,083,630</u>	<u>438,895</u>	<u>2,644,735</u>
Excess (deficiency) of revenues over (under) expenditures	637,270	-0-	637,270	3,392,980	2,755,710
<u>Other financing sources (uses):</u>					
Transfers to other funds	(1,840,450)	-0-	(1,840,450)	(1,915,938)	(75,488)
Total other financing sources (uses)	<u>(1,840,450)</u>	<u>-0-</u>	<u>(1,840,450)</u>	<u>(1,915,938)</u>	<u>(75,488)</u>
Net change in fund balance	(1,203,180)	<u>\$-0-</u>	(1,203,180)	1,477,042	<u>\$2,680,222</u>
Fund balance - beginning	<u>1,361,195</u>		<u>1,361,195</u>	<u>1,361,195</u>	
Fund balance - ending	<u>\$ 158,015</u>		<u>\$ 158,015</u>	<u>\$ 2,838,237</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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 414,800	\$ 16,000	\$ 430,800	\$ 430,972	\$ 172
Unrestricted investment income	12,000	-0-	12,000	5,974	(6,026)
Total revenues	<u>426,800</u>	<u>16,000</u>	<u>442,800</u>	<u>436,946</u>	<u>(5,854)</u>
<u>Expenditures:</u>					
Current					
Community development	651,897	107,000	758,897	823,996	(65,099)
Total expenditures	<u>651,897</u>	<u>107,000</u>	<u>758,897</u>	<u>823,996</u>	<u>(65,099)</u>
Excess (deficiency) of revenues over (under) expenditures	(225,097)	(91,000)	(316,097)	(387,050)	(70,953)
<u>Other financing sources (uses):</u>					
Transfers from other funds	-0-	125,500	125,500	395,916	270,416
Transfers to other funds	(15,000)	(34,500)	(49,500)	(49,442)	58
Long-term debt issued	250,000	-0-	250,000	50,000	(200,000)
Total other financing sources (uses)	<u>235,000</u>	<u>91,000</u>	<u>326,000</u>	<u>396,474</u>	<u>70,474</u>
Net change in fund balance	9,903	<u>-0-</u>	9,903	9,424	<u>(479)</u>
Fund balance - beginning	<u>(23,056)</u>		<u>(23,056)</u>	<u>(23,056)</u>	
Fund balance - ending	<u>\$ 32,959</u>		<u>\$ 32,959</u>	<u>\$ 32,480</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.



**KREHBIEL  
& ASSOCIATES, LLC**

*Certified Public Accountants*

E-MAIL AT [cpa@krehbielcpa.com](mailto:cpa@krehbielcpa.com)

124

125 North Eleventh Street  
P.O. Box 846  
Mt. Vernon, Illinois 62864  
618-244-2666 Fax 244-2372

181 East St. Louis  
Nashville, Illinois 62263  
618-327-8042 Fax 327-8052

980 Fairfax Street  
Carlyle, Illinois 62231  
618-594-2025 Fax 594-2206

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, 2020, 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 2, 2020.

**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.



Mt. Vernon, Illinois  
October 2, 2020

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.  
Robert N. Huffman, C.P.A.  
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Michelle M. Hagen, C.P.A.



**KREHBIEL  
& ASSOCIATES, LLC**

*Certified Public Accountants*

E-MAIL AT [cpa@krehbielcpa.com](mailto:cpa@krehbielcpa.com)

126

- 125 North Eleventh Street  
P.O. Box 846  
Mt. Vernon, Illinois 62864  
618-244-2666 Fax 244-2372
- 181 East St. Louis  
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618-327-8042 Fax 327-8052
- 980 Fairfax Street  
Cariye, Illinois 62251  
618-594-2025 Fax 594-2206

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, 2020. 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 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, 2020.

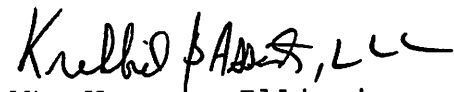
#### **Report on Internal Control Over Compliance**

Management of the City of Mt. Vernon, Illinois, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements 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.

  
Mt. Vernon, Illinois  
October 2, 2020

CITY OF MT. VERNON, ILLINOIS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended April 30, 2020

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
<b><u>U.S. Department of Justice</u></b>						
Bulletproof Vest Partnership Program	16.607	None	N/A	\$ 4,058	\$ 399	\$-0-
Total U.S. Department of Justice					<u>399</u>	<u>-0-</u>
<b><u>U.S. Department of Homeland Security</u></b>						
<i>Passed-through Illinois Emergency Management Agency</i>						
Emergency Management Performance Grants - Year 2018	97.042	18EMAMTVER	N/A	\$ 18,416	1,949	-0-
Emergency Management Performance Grants - Year 2019	97.042	19EMAMTVER	N/A	\$ 22,163	12,557	-0-
Emergency Management Performance Grants - Year 2020	97.042	20EMAMTVER	N/A	\$ 22,163	12,929	-0-
Total U.S. Department of Homeland Security					<u>27,435</u>	<u>-0-</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>						
<i>Passed-through Illinois Department of Commerce and Economic Opportunity</i>						
<i>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</i>						
CDAP Housing Rehab Grant - Year 2017	14.228	16-243015	N/A	\$ 450,000	212,434	-0-
CDAP Housing Rehab Grant - Year 2019	14.228	18-243005	N/A	\$ 450,000	-0-	-0-
CDBG Water Line Project	14.228	18-248421	N/A	\$1,603,812	1,140,022	-0-
CDBG 12 <sup>th</sup> Street Resurfacing Road Project	14.228	18-248422	N/A	\$ 499,021	494,021	-0-
Total U.S. Department of Housing and Urban Development					<u>1,846,477</u>	<u>-0-</u>
Total Federal Financial Assistance					<u>\$1,874,311</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, 2020

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, 2020.

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, 2020.

CITY OF MT. VERNON, ILLINOIS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 April 30, 2020

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>
14.228	CDBG Water Line Project

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 low-risk auditee.

CITY OF MT. VERNON, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
April 30, 2020

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, 2020, 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, 2020, 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, 2020

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.

Pension Sales Tax - to account for the City's revenue collected from the  $\frac{1}{4}\%$  Home Rule sales tax initiated on July 1, 2020 and related revenue to subsidize the property tax levies for the City's four pensions.

CITY OF MT. VERNON, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 April 30, 2020

	Convention and Visitors' Bureau	Special Service Area Number One	TIF Rt 15 and I-57	TIF Industrial Park	Pension Sales Tax	Community Development Assistance Program	Total Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$144,933	\$ 24,032	\$ 90,210	\$109,826	\$ -0-	\$ -0-	\$ 369,001
Receivables:							
Accounts, net	28,987	-0-	-0-	533,294	-0-	-0-	562,281
Property and replacement taxes, net	-0-	78,843	326,105	-0-	-0-	-0-	404,948
Inventories	<u>1,545</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,545</u>
Total Assets	<u>\$175,465</u>	<u>\$102,875</u>	<u>\$416,315</u>	<u>\$643,120</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$1,337,775</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities							
Payables							
Accounts	\$ 8,579	\$ 13,340	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 21,919
Payroll and related liabilities	12,337	6,332	-0-	-0-	-0-	-0-	18,669
Due to other funds	-0-	-0-	-0-	-0-	217,627	-0-	217,627
Total liabilities	<u>20,916</u>	<u>19,672</u>	<u>-0-</u>	<u>-0-</u>	<u>217,627</u>	<u>-0-</u>	<u>258,215</u>
Deferred inflows of resources							
Deferred revenue	<u>-0-</u>	<u>78,843</u>	<u>326,105</u>	<u>533,294</u>	<u>-0-</u>	<u>-0-</u>	<u>938,242</u>
Fund balances							
Nonspendable							
Inventories	1,545	-0-	-0-	-0-	-0-	-0-	1,545
Committed:							
Community development	-0-	4,360	90,210	109,826	-0-	-0-	204,396
Convention and Visitors Bureau Fund	153,004	-0-	-0-	-0-	-0-	-0-	153,004
Unassigned, reported in:							
Special revenue funds	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(217,627)</u>	<u>-0-</u>	<u>(217,627)</u>
Total fund balances	<u>154,549</u>	<u>4,360</u>	<u>90,210</u>	<u>109,826</u>	<u>\$(217,627)</u>	<u>-0-</u>	<u>141,318</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$175,465</u>	<u>\$102,875</u>	<u>\$416,315</u>	<u>\$643,120</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$1,337,775</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, 2020

	Convention and Visitors' Bureau	Special Service Area Number One	TIF RT 15 and I-57	TIF Industrial Park	Pension Sales Tax	Community Development Assistance Program	Total Nonmajor Governmental Funds
<b>Revenues:</b>							
Hotel/motel taxes	\$ 505,506	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 505,506
Property taxes levied for general purposes	-0-	84,214	295,626	322,492	-0-	-0-	702,332
Property taxes levied for employee benefits	31,898	-0-	-0-	-0-	-0-	-0-	31,898
Unrestricted investment income	2,521	482	1,858	729	-0-	-0-	5,590
Miscellaneous	866	-0-	-0-	-0-	-0-	-0-	866
Operating grants and contributions	136,025	-0-	-0-	-0-	-0-	-0-	136,025
Capital grants and contributions	-0-	-0-	-0-	-0-	-0-	212,434	212,434
Charges for services	1,817	-0-	-0-	-0-	-0-	-0-	1,817
<b>Total revenues</b>	<u>678,633</u>	<u>84,696</u>	<u>297,484</u>	<u>323,221</u>	<u>-0-</u>	<u>212,434</u>	<u>1,596,468</u>
<b>Expenditures:</b>							
<b>Current</b>							
Culture and recreation	525,871	-0-	-0-	-0-	-0-	-0-	525,871
Community development	-0-	88,004	262,890	166,583	-0-	212,434	729,911
<b>Debt service</b>							
Interest and fiscal charges	-0-	-0-	-0-	11,408	-0-	-0-	11,408
<b>Total expenditures</b>	<u>525,871</u>	<u>88,004</u>	<u>262,890</u>	<u>177,991</u>	<u>-0-</u>	<u>212,434</u>	<u>1,267,190</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>152,762</u>	<u>(3,308)</u>	<u>34,594</u>	<u>145,230</u>	<u>-0-</u>	<u>-0-</u>	<u>329,278</u>
<b>Other financing sources (uses):</b>							
Transfers to other funds	(168,505)	-0-	(4,000)	(4,000)	(217,627)	-0-	(394,132)
Principle paid on long-term debt	-0-	-0-	-0-	(22,798)	-0-	-0-	(22,798)
<b>Net other financing sources (uses)</b>	<u>(168,505)</u>	<u>-0-</u>	<u>(4,000)</u>	<u>(26,798)</u>	<u>(217,627)</u>	<u>-0-</u>	<u>(416,930)</u>
<b>Net change in fund balances</b>	(15,743)	(3,308)	30,594	118,432	(217,627)	-0-	(87,652)
<b>Fund balances - beginning</b>	<u>170,292</u>	<u>7,668</u>	<u>59,616</u>	<u>(8,606)</u>	<u>-0-</u>	<u>-0-</u>	<u>228,970</u>
<b>Fund balances - ending</b>	<u>\$ 154,549</u>	<u>\$ 4,360</u>	<u>\$ 90,210</u>	<u>\$109,826</u>	<u>\$ (217,627)</u>	<u>\$ -0-</u>	<u>\$ 141,318</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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<b>Revenues:</b>					
Hotel/motel taxes	\$ 534,151	\$-0-	\$ 534,151	\$ 505,506	\$ (28,645)
Property taxes levied for employee benefits	31,237	-0-	31,237	31,898	661
Unrestricted investment income	5,480	-0-	5,480	2,521	(2,959)
Miscellaneous	1,750	-0-	1,750	866	(884)
Operating grants and contributions	128,700	-0-	128,700	136,025	7,325
Charges for services	1,800	-0-	1,800	1,817	17
Total revenues	<u>703,118</u>	<u>-0-</u>	<u>703,118</u>	<u>678,633</u>	<u>(24,485)</u>
<b>Expenditures:</b>					
Current					
Culture and recreation	571,545	-0-	571,545	525,871	45,674
Total expenditures	<u>571,545</u>	<u>-0-</u>	<u>571,545</u>	<u>525,871</u>	<u>45,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>131,573</u>	<u>-0-</u>	<u>131,573</u>	<u>152,762</u>	<u>21,189</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	(178,050)	-0-	(178,050)	(168,505)	9,545
Net other financing sources (uses)	<u>(178,050)</u>	<u>-0-</u>	<u>(178,050)</u>	<u>(168,505)</u>	<u>9,545</u>
Net change in fund balance	(46,477)	<u>\$-0-</u>	(46,477)	(15,743)	<u>\$ 30,734</u>
Fund balance - beginning	<u>170,292</u>		<u>170,292</u>	<u>170,292</u>	
Fund balance - ending	<u>\$ 123,815</u>		<u>\$ 123,815</u>	<u>\$ 154,549</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, 2020

	<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>					
Property taxes levied for general purposes	\$ 84,732	\$-0-	\$ 84,732	\$ 84,214	\$ (518)
Unrestricted investment income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>482</u>	<u>482</u>
Total revenues	<u>84,732</u>	<u>-0-</u>	<u>84,732</u>	<u>84,696</u>	<u>(36)</u>
<u>Expenditures:</u>					
Current					
Community development	<u>94,087</u>	<u>-0-</u>	<u>94,087</u>	<u>88,004</u>	<u>6,083</u>
Total expenditures	<u>94,087</u>	<u>-0-</u>	<u>94,087</u>	<u>88,004</u>	<u>6,083</u>
Net change in fund balance	(9,355)	<u>\$-0-</u>	(9,355)	(3,308)	<u>\$6,047</u>
Fund balance - beginning	<u>7,668</u>		<u>7,668</u>	<u>7,668</u>	
Fund balance - ending	<u>\$ (1,687)</u>		<u>\$ (1,687)</u>	<u>\$ 4,360</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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$285,400	\$ -0-	\$285,400	\$295,626	\$10,226
Unrestricted investment income	3,200	-0-	3,200	1,858	(1,342)
Total revenues	<u>288,600</u>	<u>-0-</u>	<u>288,600</u>	<u>297,484</u>	<u>8,884</u>
<u>Expenditures:</u>					
Current					
Community development	267,330	-0-	267,330	262,890	4,440
Total expenditures	<u>267,330</u>	<u>-0-</u>	<u>267,330</u>	<u>262,890</u>	<u>4,440</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,270</u>	<u>-0-</u>	<u>21,270</u>	<u>34,594</u>	<u>13,324</u>
<u>Other financing sources (uses):</u>					
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	17,270	\$ -0-	17,270	30,594	<u>\$13,324</u>
Fund balance - beginning	<u>59,616</u>		<u>59,616</u>	<u>59,616</u>	
Fund balance - ending	<u>\$ 76,886</u>		<u>\$ 76,886</u>	<u>\$ 90,210</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, 2020

	<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>
<b>Revenues:</b>					
Property taxes levied for general purposes	\$308,800	\$ 5,400	\$314,200	\$322,492	\$ 8,292
Unrestricted investment income	800	-0-	800	729	(71)
Total revenues	<u>309,600</u>	<u>5,400</u>	<u>315,000</u>	<u>323,221</u>	<u>8,221</u>
<b>Expenditures:</b>					
Current					
Community development	157,255	9,400	166,655	166,583	72
Debt service					
Interest and fiscal charges	11,599	-0-	11,599	11,408	191
Total expenditures	<u>168,854</u>	<u>9,400</u>	<u>178,254</u>	<u>177,991</u>	<u>263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>140,746</u>	<u>(4,000)</u>	<u>136,746</u>	<u>145,230</u>	<u>8,484</u>
<b>Other financing sources (uses):</b>					
Transfers to other funds	(4,000)	4,000	-0-	(4,000)	(4,000)
Principal paid on long-term debt	<u>(22,798)</u>	<u>-0-</u>	<u>(22,798)</u>	<u>(22,798)</u>	<u>-0-</u>
Net other financing sources (uses)	<u>(26,798)</u>	<u>4,000</u>	<u>(22,798)</u>	<u>(26,798)</u>	<u>(4,000)</u>
Net change in fund balance	113,948	<u>\$ -0-</u>	113,948	118,432	<u>\$ 4,484</u>
Fund balance - beginning	<u>(8,606)</u>		<u>(8,606)</u>	<u>(8,606)</u>	
Fund balance - ending	<u>\$105,342</u>		<u>\$105,342</u>	<u>\$109,826</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, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Capital grants and contribution	\$270,306	\$-0-	\$270,306	\$212,434	\$(57,872)
Total revenues	<u>270,306</u>	<u>-0-</u>	<u>270,306</u>	<u>212,434</u>	<u>(57,872)</u>
<u>Expenditures:</u>					
Current					
Community development	270,306	-0-	270,306	212,434	57,872
Total expenditures	<u>270,306</u>	<u>-0-</u>	<u>270,306</u>	<u>212,434</u>	<u>57,872</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.

CITY OF MT. VERNON, ILLINOIS  
PENSION SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GAAP BASIS  
GOVERNMENTAL FUNDS  
Year Ended April 30, 2020

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Capital grants and contribution	\$-0-	\$-0-	\$-0-	\$ -0-	\$ -0-
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Expenditures:</u>					
Current					
Community development	-0-	-0-	-0-	-0-	-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	-0-	-0-	-0-	(217,627)	(217,627)
Net other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(217,627)</u>	<u>(217,627)</u>
Net change in fund balance	-0-	<u>\$-0-</u>	-0-	(217,627)	<u>\$ (217,627)</u>
Fund balance - beginning	<u>-0-</u>		<u>-0-</u>	<u>-0-</u>	
Fund balance - ending	<u>\$-0-</u>		<u>\$-0-</u>	<u>\$ (217,627)</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$5,189,021	\$3,342,379
Investments	229	4,079
Receivables:		
Accounts, net	48,739	50,675
Notes	43,882	139,256
Due from other funds	251,092	273,813
Due from other governments and their agencies	1,337,345	1,676,640
Property and replacement taxes, net	1,170,234	1,166,498
Prepaid expenses	1,465	2,832
Restricted assets	<u>332,621</u>	<u>403,636</u>
<b>Total Assets</b>	<b><u>\$8,374,628</u></b>	<b><u>\$7,059,808</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities</b>		
<b>Payables:</b>		
Accounts	\$ 270,949	\$ 401,890
Payroll and related liabilities	831,779	693,315
Liabilities payable from restricted assets	89,758	88,828
<b>Total liabilities</b>	<u>1,192,486</u>	<u>1,184,033</u>
Deferred inflows of resources		
Deferred revenue	<u>1,350,696</u>	<u>1,409,040</u>
Fund balances		
<b>Nonspendable:</b>		
Prepaid expenses	1,138	1,950
<b>Restricted:</b>		
Employee benefits	42,854	103,227
Dare donations - Police (General Corporate)	2,011	2,011
DUI (General Corporate)	88,389	83,125
Federal Drug Force (General Corporate)	34,136	47,458
State/Local drug (General Corporate)	25,249	28,440
Anti-crime FNS	46,928	42,860
Park donations	3,296	3,187
Liquor ordinance fines	-0-	4,500
<b>Unassigned, reported in:</b>		
General Corporate	<u>5,587,445</u>	<u>4,149,977</u>
<b>Total fund balances</b>	<u>5,831,446</u>	<u>4,466,735</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$8,374,628</u></b>	<b><u>\$7,059,808</u></b>

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

CITY OF MT. VERNON, ILLINOIS  
 GENERAL CORPORATE FUND  
 COMPARATIVE INCOME STATEMENTS  
 April 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Revenues:</u>		
Sales taxes	\$ 9,421,403	\$ 9,429,551
Use taxes	534,587	464,468
Hotel/motel taxes	746,264	774,080
Property taxes levied for general purposes	287,373	277,946
Property taxes levied for employee benefits	666,107	702,660
Franchise taxes	143,167	149,755
Public service taxes	2,355,783	2,361,649
Gain on sale of fixed assets	4,080	10,525
Grants and contributions not restricted to specific programs	72	6,403
Unrestricted investment income	117,039	149,456
Miscellaneous	31,015	22,626
Operating grants and contributions	35,390	40,233
Charges for services	1,116,178	1,097,548
Total revenues	<u>15,458,458</u>	<u>15,486,900</u>
<u>Expenditures:</u>		
Current		
General government	3,328,965	3,056,299
Public safety		
Police	4,988,531	4,966,123
Fire	3,000,102	3,152,810
Public works	1,442,620	1,435,878
Engineering services	391,071	381,256
Culture and recreation	983,311	1,052,590
Debt service		
Principal retirement	115,967	111,719
Interest and fiscal charges	23,785	28,032
Total expenditures	<u>14,274,352</u>	<u>14,184,707</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,184,106</u>	<u>1,302,193</u>
<u>Other financing sources (uses):</u>		
Transfers from other funds	191,505	200,512
Transfers to other funds	(10,900)	(1,000,000)
Net other financing sources (uses)	<u>180,605</u>	<u>(799,488)</u>
Net change in fund balances	1,364,711	502,705
Fund balances - beginning	<u>4,466,735</u>	<u>3,964,030</u>
Fund balances - ending	<u>\$ 5,831,446</u>	<u>\$ 4,466,735</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ -0-	\$ 596,174
Investments	1,862	33,191
Receivables:		
Accounts, net	552,467	556,660
Interest	713	713
Due from other Governments and their agencies	786,709	-0-
Inventories	122,448	133,424
Prepaid expenses	42,424	44,232
Total current assets	<u>1,506,623</u>	<u>1,364,394</u>
Restricted assets:		
Cash and cash equivalents	281,762	279,601
Total restricted assets	<u>281,762</u>	<u>279,601</u>
Noncurrent assets:		
Property and equipment	14,714,235	12,872,491
Other capital assets	30,138	39,856
Total noncurrent assets	<u>14,744,373</u>	<u>12,912,347</u>
Total Assets	<u>\$16,532,758</u>	<u>\$14,556,342</u>
Deferred outflows of resources		
Deferred pension and OPEB charges	\$ -0-	\$ 585,685
Total deferred outflows of resources	<u>\$ -0-</u>	<u>\$ 585,685</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 495,235	\$ 588,747
Payroll and related liabilities	159,202	141,091
Accrued interest payable	83,131	95,477
Due to other funds	216	216
Total current liabilities	<u>737,784</u>	<u>825,531</u>
Liabilities payable from restricted assets:		
Accounts payable and accrued liabilities	281,762	279,601
Total liabilities payable from restricted assets	<u>281,762</u>	<u>279,601</u>
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	8,576,849	9,543,462
Net pension obligation	298,226	1,092,143
Total other post employment benefits obligation	1,285,630	1,148,963
Total noncurrent liabilities	<u>10,160,705</u>	<u>11,784,568</u>
Total liabilities	<u>11,180,251</u>	<u>12,889,700</u>
Deferred inflows of resources		
Deferred pension credits	121,032	-0-
Deferred revenue	57,422	66,094
Total deferred inflows of resources	<u>178,454</u>	<u>66,094</u>
Net position		
Invested in capital assets, net of related debt	6,377,736	3,584,398
Committed for:		
Restricted revenue	(163,741)	248,169
Unrestricted	(1,039,942)	(1,646,334)
Total net position	<u>5,174,053</u>	<u>2,186,233</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$16,532,758</u>	<u>\$15,142,027</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues		
User charges	\$4,719,651	\$ 4,761,037
Other operating revenues	34,300	43,258
Total operating revenues	<u>4,753,951</u>	<u>4,804,295</u>
Operating expenses		
Administration	1,718,817	1,768,474
Cost of sales and services	2,074,627	2,149,792
Depreciation	504,759	353,031
Total operating expenses	<u>4,298,203</u>	<u>4,271,297</u>
Operating income	<u>455,748</u>	<u>532,998</u>
Non-operating revenues (expenses)		
Non-operating revenues	138,490	172,137
Property tax revenue	37,806	37,820
Interest and fiscal charges - bonds	(382,555)	(388,572)
Total non-operating revenues (expenses)	<u>(206,259)</u>	<u>(178,615)</u>
Income before contributions and transfers	249,489	354,383
Capital contributions	1,835,270	-0-
Transfers from other funds	<u>903,061</u>	<u>(11,529,915)</u>
Change in net position	2,987,820	(11,175,532)
Net position - beginning, as previously reported	2,186,233	14,699,527
Cumulative change in accounting principle	<u>-0-</u>	<u>(1,337,762)</u>
Net position - beginning, restated	<u>2,186,233</u>	<u>13,361,765</u>
Total net position - ending	<u>\$5,174,053</u>	<u>\$ 2,186,233</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash received from customers	\$ 4,717,333	\$ 5,108,262
Cash payments to suppliers for goods and services	(2,482,926)	(2,791,368)
Cash payments to employees and professional contractors for services	(1,323,668)	(1,449,856)
Other operating revenues	34,300	43,258
Net cash provided by operating activities	<u>945,039</u>	<u>910,296</u>
Cash flows from noncapital financing activities		
Transfers from other funds	903,061	1,053,588
Other non-operating revenues	82,465	85,901
Net cash provided by noncapital financing activities	<u>985,526</u>	<u>1,139,489</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(2,336,785)	(4,656,509)
Interest and fiscal charges paid	(399,040)	(343,070)
Proceeds from issuance of long-term debt	-0-	2,700,000
Principal paid on revenue bonds	(962,473)	(466,590)
Capital contributions	1,048,561	-0-
Net cash (used for) capital and related financing activities	<u>(2,649,737)</u>	<u>(2,766,169)</u>
Cash flows from investing activities		
Interest and customer penalty income received	56,025	86,236
Proceeds from sale of investments	31,328	1,150
Net cash provided by investing activities	<u>87,353</u>	<u>87,386</u>
Cash flows from nonexchange activities		
Property tax revenue	37,806	37,820
Net cash provided by nonexchange activities	<u>37,806</u>	<u>37,820</u>
Net (decrease) in cash and cash equivalents	(594,013)	(591,178)
Cash and cash equivalents at May 1, 2019 and May 1, 2018	<u>875,775</u>	<u>1,466,953</u>
Cash and cash equivalents at April 30, 2020 and April 30, 2019	<u>\$ 281,762</u>	<u>\$ 875,775</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ -0-	\$ 596,174
Restricted assets - cash and cash equivalents	281,762	279,601
Total cash and cash equivalents	<u>\$ 281,762</u>	<u>\$ 875,775</u>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS  
 PROPRIETARY FUNDS  
 WATER FUND  
 COMPARATIVE STATEMENTS OF CASH FLOWS  
 Years Ended April 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income	\$ 455,748	\$ 532,998
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	504,759	353,031
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	4,193	(33,315)
Decrease in inventories	10,976	15,106
Decrease in prepaid expenses	1,808	4,132
Decrease (increase) in deferred pension charges	706,717	(926,275)
(Decrease) in accounts payable	(93,512)	(35,492)
Increase in payroll and related liabilities payable	18,111	26,859
(Decrease) increase in deferred revenue	(8,672)	18,596
(Decrease) increase in net pension obligation	(793,917)	983,417
Increase (decrease) in total other post employment benefits	136,667	(23,909)
Increase (decrease) in customer deposits payable	<u>2,161</u>	<u>(4,852)</u>
Total adjustments	<u>489,291</u>	<u>377,298</u>
Net cash provided by operating activities	<u>\$ 945,039</u>	<u>\$ 910,296</u>
Noncash investing, capital, and financing activities		
Capital assets contributed	\$ 1,835,270	\$ -0-
Total noncash investing, capital, and financing activities	<u>\$ 1,835,270</u>	<u>\$ -0-</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,799,841	\$ 1,947,011
Receivables:		
Accounts, net	406,425	409,414
Prepaid expenses	27,744	27,032
Total current assets	<u>3,234,010</u>	<u>2,383,457</u>
Noncurrent assets:		
Property and equipment	12,383,492	12,436,927
Total noncurrent assets	<u>12,383,492</u>	<u>12,436,927</u>
 Total Assets	 <u>\$15,617,502</u>	 <u>\$14,820,384</u>
 Deferred outflows of resources		
Deferred pension and OPEB charges	\$ -0-	\$ 159,888
Total deferred outflows of resources	<u>\$ -0-</u>	<u>\$ 159,888</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 368,432	\$ 152,898
Payroll and related liabilities	25,570	42,226
Accrued interest payable	2,263	2,642
Total current liabilities	<u>396,265</u>	<u>197,766</u>
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	216,964	253,325
Net pension obligation	78,868	299,624
Total other post-employment benefits obligation	275,873	246,546
Total noncurrent liabilities	<u>571,705</u>	<u>799,495</u>
Total liabilities	<u>967,970</u>	<u>997,261</u>
 Deferred inflows of resources		
Deferred pension credits	40,292	-0-
Total deferred inflows of resources	<u>40,292</u>	<u>-0-</u>
 Net position		
Net invested in capital assets	12,166,528	12,183,602
Unrestricted	2,442,712	1,799,409
Total net position	<u>14,609,240</u>	<u>13,983,011</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$15,617,502</u>	 <u>\$14,980,272</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues		
User charges	\$ 3,320,497	\$ 3,341,953
Other operating revenue	26,598	44,622
Total operating revenues	<u>3,347,095</u>	<u>3,386,575</u>
Operating expenses		
Administration	974,539	1,036,527
Cost of sales and services	2,280,731	1,606,579
Depreciation	633,119	623,696
Total operating expenses	<u>3,888,389</u>	<u>3,266,802</u>
Operating (loss) income	(541,294)	119,773
Non-operating revenue (expenses)		
Non-operating revenues	76,161	70,870
Interest and fiscal charges - bonds	(5,728)	(6,630)
Total non-operating revenue (expenses)	<u>70,433</u>	<u>64,240</u>
(Loss) income before contributions and transfers	(470,861)	184,013
Transfers from other funds	<u>1,097,090</u>	<u>14,073,155</u>
Change in net position	626,229	14,257,168
Net position - beginning, as previously reported	13,983,011	-0-
Cumulative change in accounting principles	<u>-0-</u>	<u>(274,157)</u>
Net position - beginning, restated	<u>13,983,011</u>	<u>(274,157)</u>
Total net position, ending	<u>\$14,609,240</u>	<u>\$13,983,011</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash received from customers	\$ 3,323,193	\$ 2,930,356
Cash payments to suppliers for goods and services	(2,703,704)	(1,816,916)
Cash payments to employees and professional contractors for services	(345,481)	(260,885)
Other operating revenues	27,723	45,972
Net cash provided by operating activities	<u>301,731</u>	<u>898,527</u>
Cash flows from noncapital financing activities		
Transfers from other funds	1,097,090	1,497,258
Net cash provided by noncapital financing activities	<u>1,097,090</u>	<u>1,497,258</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(579,684)	11,956,740
Interest and fiscal charges paid	(6,107)	(3,988)
Principal paid on revenue bonds	(36,361)	(288,794)
Net cash (used for) capital and related financing activities	<u>(622,152)</u>	<u>11,663,958</u>
Cash flows from investing activities		
Interest and customer penalty income received	76,161	70,870
Net cash provided by investing activities	<u>76,161</u>	<u>70,870</u>
Net increase in cash and cash equivalents	852,830	14,130,613
Cash and cash equivalents at May 1, 2019 and May 1, 2018	<u>1,947,011</u>	<u>-0-</u>
Cash and cash equivalents at April 30, 2020 and 2019	2,799,841	14,130,613
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	2,799,841	1,947,011
Total cash and cash equivalents	<u>2,799,841</u>	<u>1,947,011</u>
Reconciliation of operating (loss) income to net cash provided by (used for) operating activities		
Operating (loss) income	(541,294)	119,773
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	633,119	623,696
Changes in assets and liabilities		
Increase in accounts receivable	2,989	366,796
(Increase) in inventories	-0-	(3,805)
(Increase) decrease in prepaid expenses	(712)	20,021
Decrease (increase) in deferred pension changes	200,180	(81,126)
Increase in accounts payable	215,534	-0-
(Decrease) in payroll and related liabilities payable	(16,656)	(18,524)
(Decrease) in net pension obligation	(220,756)	(24,805)
Increase in total other post-employment benefits	29,327	25,698
Total adjustments	<u>843,025</u>	<u>907,951</u>
Net cash provided by operating activities	<u>\$ 301,731</u>	<u>\$ 1,027,724</u>
Non-cash investing, capital, and financing activities		
Capital assets contributed	\$ 1,835,270	\$ -0-
Total non-cash investing, capital, and financing activities	<u>\$ 1,835,270</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$155,301	\$168,984
Receivables:		
Accounts, net	77,352	74,442
Due from other funds	216	216
Total current assets	<u>232,869</u>	<u>243,642</u>
Noncurrent assets:		
Property and equipment	40,000	40,000
Total noncurrent assets	<u>40,000</u>	<u>40,000</u>
 Total Assets	 <u>\$272,869</u>	 <u>\$283,642</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payable		
Accounts	\$ 93,869	\$ 88,677
Total current liabilities	<u>93,869</u>	<u>88,677</u>
Total liabilities	<u>93,869</u>	<u>88,677</u>
 Net position		
Invested in capital assets, net of related debt	40,000	40,000
Unrestricted	139,000	154,965
Total net position	<u>179,000</u>	<u>194,965</u>
 Total Liabilities and Fund Balances	 <u>\$272,869</u>	 <u>\$283,642</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues		
User charges	\$1,149,468	\$1,158,518
Total operating revenues	<u>1,149,468</u>	<u>1,158,518</u>
Operating expenses		
Administration	41,211	33,233
Cost of sales and services	1,127,185	1,070,388
Total operating expenses	<u>1,168,396</u>	<u>1,103,621</u>
Operating (loss) income	(18,928)	54,897
Non-operating revenues		
Non-operating revenues	2,963	3,415
Total non-operating revenues	<u>2,963</u>	<u>3,415</u>
Change in net position	(15,965)	58,312
Total net position - beginning	<u>194,965</u>	<u>136,653</u>
Total net position - ending	<u>\$ 179,000</u>	<u>\$ 194,965</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash received from customers	\$ 1,146,558	\$ 1,166,782
Cash payments to suppliers for goods and services	(1,165,841)	(1,098,725)
Cash payments to employees and professional contractors for services	<u>2,636</u>	<u>(2,244)</u>
Net cash (used for) provided by operating activities	<u>(16,647)</u>	<u>65,813</u>
Cash flows from investing activities		
Interest and customer penalty income received	<u>2,963</u>	<u>3,415</u>
Net cash provided by investing activities	<u>2,963</u>	<u>3,415</u>
Net (decrease) increase in cash and cash equivalents	(13,684)	69,228
Cash and cash equivalents at May 1, 2019 and May 1, 2018	<u>168,985</u>	<u>99,756</u>
Cash and cash equivalents at April 30, 2020 and April 30, 2019	<u>\$ 155,301</u>	<u>\$ 168,984</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 155,301	\$ 168,984
Total cash and cash equivalents	<u>\$ 155,301</u>	<u>\$ 168,984</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating (loss) income	\$ (18,928)	\$ 54,897
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	(2,911)	8,265
Increase in accounts payable	<u>5,192</u>	<u>2,651</u>
Total adjustments	<u>2,281</u>	<u>10,916</u>
Net cash (used for) provided by operating activities	<u>\$ (16,647)</u>	<u>\$ 65,813</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Governmental funds capital assets		
Land	\$ 5,904,958	\$ 5,489,495
Buildings	6,544,086	6,449,746
Office furniture and equipment	1,248,247	1,237,246
Machinery and equipment	4,430,629	3,835,087
Licensed vehicles	6,936,908	6,934,006
Infrastructure	60,486,643	58,143,526
Total governmental funds capital assets	<u>\$85,551,471</u>	<u>\$82,089,106</u>
Investments in governmental funds capital assets by source		
General corporate fund	\$24,799,749	\$24,801,849
Special revenue funds	59,824,443	56,359,978
Donations	927,279	927,279
Total governmental funds capital assets	<u>\$85,551,471</u>	<u>\$82,089,106</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, 2020

Function and Activity	Governmental Funds Capital Assets 4/30/19	Additions	Deductions	Transfers Between Governmental Activities	Governmental Funds Capital Assets 4/30/20
General government	\$26,757,384	\$ 839,775	\$(4,600)	\$-0-	\$27,592,559
Public safety and protection	7,943,788	459,486	-0-	-0-	8,403,274
Streets	30,361,443	108,713	-0-	-0-	30,470,156
Culture and recreation	15,010,811	417,563	-0-	-0-	15,428,374
Community and economic development	<u>2,015,680</u>	<u>1,641,428</u>	<u>-0-</u>	<u>-0-</u>	<u>3,657,108</u>
Total Governmental Funds Capital Assets	<u>\$82,089,106</u>	<u>\$3,466,965</u>	<u>\$(4,600)</u>	<u>\$-0-</u>	<u>\$85,551,471</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, 2020

<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	\$1,855,887	\$2,151,692	\$ 934,625	\$ 242,945	\$ 185,235	\$22,222,175	\$27,592,559
Public safety and protection	-0-	924,077	292,564	1,981,633	5,171,215	33,785	8,403,274
Streets	-0-	109,546	-0-	1,524,716	1,448,806	27,387,088	30,470,156
Culture and recreation	2,993,212	2,449,979	12,459	661,860	108,697	9,202,167	15,428,374
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>1,641,428</u>	<u>3,657,108</u>
Total Governmental Funds Capital Assets	<u>\$5,904,958</u>	<u>\$6,544,086</u>	<u>\$1,248,247</u>	<u>\$4,430,629</u>	<u>\$6,936,908</u>	<u>\$60,486,643</u>	<u>\$85,551,471</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 Expense of \$395,202)	
2020	\$6,913,236	\$6,087,359	\$4,193,464	\$2,000,887	\$418,292	\$1,168,396	\$1,624,188	\$1,560,610	\$-0-	\$1,053,218	\$8,574,871	\$33,594,521
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

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>
2020	\$10,885,162	\$171,415	\$3,422,047	\$23,179,509	\$ (520)	\$ 15,421	\$ 297,455	\$ 75,986	\$ (217,627)	\$37,828,848
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



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>
2020	\$16,419,920	\$2,118,682	\$4,285,307	\$1,118,020	\$1,771,113	\$ 255,687	\$ 80,066	\$26,048,795
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

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>
2020	\$ 7,435,099	\$7,988,633	\$2,094,677	\$1,509,182	\$1,553,907	\$1,228,408	\$21,809,906
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

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>
2020	\$16,419,920	\$534,587	\$1,251,770	\$1,736,053	\$697,975	\$143,167	\$2,358,231	\$23,141,703
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

CITY OF MT. VERNON, ILLINOIS  
TAXABLE SALES BY CATEGORY  
Last Ten Calendar Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General merchandise	\$ 57,462,100	\$ 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
Food	57,239,978	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
Drinking and eating places	59,621,493	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
Apparel	10,058,435	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
Furniture and H.H. and radio	8,612,870	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
Lumber, building, and hardware	63,207,139	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
Automotive and filling stations	86,499,259	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
Drugs and miscellaneous retail	41,405,348	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
Agriculture and all others	42,764,309	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
Manufacturers	9,905,058	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
Total	<u>\$436,775,989</u>	<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>
Related City sales tax receipts	<u>\$ 15,287,798</u>	<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>

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>2020</u>	<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>
City	2.75%	2.50%	2.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.00%
Jefferson County	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.25%	0.25%	0.25%	0.50%
State of Illinois	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Total	<u>9.50%</u>	<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>

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		
2020	\$25,403,027	\$1,108,190	\$ 8,366,637	\$ 356,262	\$35,234,116	\$2,306
2019	25,442,636	960,919	11,587,363	332,313	38,323,231	2,509
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

CITY OF MT. VERNON, ILLINOIS  
NET POSITION BY COMPONENT  
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental activities</b>										
Investment in capital assets, net of related debt	\$ 27,404,960	\$ 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
Restricted	830,592	835,197	715,220	535,423	280,821	309,864	172,154	159,519	419,439	846,586
Unrestricted	<u>(23,103,920)</u>	<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>
<b>Total governmental activities net position</b>	<u>5,131,632</u>	<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>
<b>Business-type activities</b>										
Investment in capital assets, net of related debt	18,584,264	15,808,000	13,907,047	13,021,239	11,332,152	10,272,293	9,929,780	10,302,453	11,125,148	8,162,736
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,041,617	6,540,932
Unrestricted	<u>1,378,029</u>	<u>556,209</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>
<b>Total business-type activities net position</b>	<u>19,962,293</u>	<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>
<b>Primary government</b>										
Investment in capital assets, net of related debt	45,989,224	41,674,187	41,735,043	37,535,288	37,106,121	34,993,837	36,934,657	38,895,970	28,693,602	26,378,027
Restricted	830,592	835,197	715,220	535,423	280,821	309,864	172,154	159,519	3,461,056	7,387,518
Unrestricted	<u>(21,725,891)</u>	<u>(21,649,786)</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>
<b>Total primary government net position</b>	<u>\$ 25,093,925</u>	<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>

CITY OF MT. VERNON, ILLINOIS  
CHANGES IN NET POSITION  
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses</b>										
<b>Government activities:</b>										
General government	\$ 6,913,236	\$ 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
Public safety										
Police	6,087,359	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
Fire	4,193,464	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
Public works	2,000,887	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
Engineering services	418,292	396,170	465,543	474,860	596,213	620,769	639,032	598,129	394,625	313,207
Culture and recreation	1,624,188	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
Community development	1,560,610	1,192,181	2,785,122	1,057,118	933,660	569,574	304,882	721,634	526,866	190,627
Interest on long-term debt	1,053,218	1,112,911	1,179,838	1,175,717	1,218,555	1,215,898	1,230,339	761,949	136,447	92,089
<b>Total governmental activities expenses</b>	<u>23,851,254</u>	<u>22,067,960</u>	<u>23,333,527</u>	<u>19,527,737</u>	<u>22,223,663</u>	<u>19,185,388</u>	<u>18,592,811</u>	<u>18,639,965</u>	<u>16,432,705</u>	<u>14,476,202</u>
<b>Business-type activities:</b>										
Water and sewer funds	8,574,871	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
Sanitation	1,168,396	1,103,621	1,065,689	1,152,757	1,119,734	1,076,232	685,003	685,451	681,442	616,981
<b>Total business-type activities expenses</b>	<u>9,743,267</u>	<u>9,036,922</u>	<u>10,088,095</u>	<u>9,524,924</u>	<u>9,667,930</u>	<u>9,248,131</u>	<u>9,143,906</u>	<u>8,895,127</u>	<u>8,473,811</u>	<u>8,147,814</u>
<b>Total primary government expenses</b>	<u>\$ 33,594,521</u>	<u>\$ 31,104,882</u>	<u>\$ 33,421,622</u>	<u>\$ 29,052,661</u>	<u>\$ 31,891,593</u>	<u>\$ 28,433,519</u>	<u>\$ 27,736,717</u>	<u>\$ 27,535,092</u>	<u>\$ 24,906,516</u>	<u>\$ 22,624,016</u>
<b>Program revenues</b>										
<b>Government activities:</b>										
Charges for services										
General government	\$ 589,028	\$ 738,941	\$ 873,518	\$ 397,706	\$ 136,201	\$ 127,338	\$ 224,158	\$ 144,663	\$ 123,057	\$ 111,540
Public safety										
Police	373,294	293,455	228,379	240,097	271,177	358,370	319,877	256,935	243,299	259,757
Fire	300	-0-	-0-	100	5,043	1,725	1,200	1,050	575	325
Culture and recreation	461,720	517,467	525,816	517,723	520,606	503,125	94,441	119,879	110,274	109,157
Community development	3,928	6,601	1,034	2,104	2,202	1,873	19,142	7,002	9,547	16,491
Operating grants and contributions	171,415	168,935	142,810	146,892	140,267	155,933	239,540	223,554	197,348	146,615
Capital grants and contributions	1,586,777	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
<b>Total governmental activities program revenues</b>	<u>3,186,462</u>	<u>4,093,605</u>	<u>4,754,137</u>	<u>2,599,890</u>	<u>1,807,604</u>	<u>1,791,413</u>	<u>1,971,803</u>	<u>6,374,359</u>	<u>2,290,578</u>	<u>2,291,084</u>
<b>Business-type activities</b>										
Charges for services										
Water and sewer funds	8,307,424	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
Sanitation	1,149,468	1,158,517	1,164,024	1,172,550	1,025,493	1,023,647	701,887	710,818	709,398	575,422
Capital grants and contributions	1,835,270	-0-	2,560	3,640	14,779	4,300	5,499	649,691	13,058	-0-
<b>Total business-type activities program revenues</b>	<u>11,292,162</u>	<u>9,563,799</u>	<u>10,309,102</u>	<u>10,140,537</u>	<u>8,902,217</u>	<u>8,823,748</u>	<u>8,454,669</u>	<u>9,086,464</u>	<u>7,897,530</u>	<u>7,161,505</u>
<b>Total primary government program revenues</b>	<u>\$ 14,478,624</u>	<u>\$ 13,657,404</u>	<u>\$ 15,063,239</u>	<u>\$ 12,740,427</u>	<u>\$ 10,709,821</u>	<u>\$ 10,615,161</u>	<u>\$ 10,426,472</u>	<u>\$ 15,460,823</u>	<u>\$ 10,188,108</u>	<u>\$ 9,452,589</u>

(Continued)



CITY OF MT. VERNON, ILLINOIS  
 CHANGES IN NET POSITION  
 Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (expense) revenue										
Government activities	\$ (20,664,792)	\$ (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)
Business-type activities	1,548,895	526,877	221,007	615,613	(765,713)	(424,383)	(689,237)	191,337	(576,281)	(986,309)
Total primary government net expense	<u>\$ (19,115,897)</u>	<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>
General revenues and other changes in net position										
Government activities:										
Taxes										
Sales taxes	\$ 16,419,920	\$ 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
Use taxes	534,587	464,468	401,838	376,677	352,654	308,664	267,510	242,219	222,969	230,551
Hotel/motel taxes	1,251,770	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
Property taxes levied for general purposes	1,736,053	1,492,610	1,569,229	1,093,315	894,685	634,647	625,850	547,468	483,188	530,848
Property taxes levied for employee benefits	697,975	677,923	744,842	752,613	782,209	753,586	755,626	690,404	596,229	628,186
Franchise taxes	143,167	149,755	149,231	154,335	157,350	157,818	148,598	142,175	135,283	134,357
Public service taxes	2,358,231	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
Gain (loss) on sale of fixed assets	(520)	9,525	9,655	138,223	(6,603)	27,114	28,727	4,386	85,689	68,593
Grants and contributions not restricted to specific programs	15,421	24,848	8,592	12,675	18,958	49,077	357,254	180,176	46,590	317,260
Unrestricted investment income	286,223	291,059	269,453	124,252	47,746	(227,299)	133,533	113,611	55,614	64,791
Miscellaneous	75,986	92,824	88,399	167,831	79,486	62,773	68,893	100,103	79,125	82,786
Transfers	(2,217,778)	(2,543,240)	(753,949)	(441,826)	(417,060)	(308,033)	(43,414)	(77,960)	-0-	-0-
Total governmental activities	<u>21,301,035</u>	<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>
Business-type activities:										
Property taxes levied for employee benefits	37,806	37,820	37,869	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Gain (loss) on sale of fixed assets	-0-	-0-	-0-	3,082	-0-	-0-	-0-	(5,907)	(248)	(507)
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	128	-0-
Unrestricted investment income	11,232	32,011	19,623	9,152	4,899	(24,429)	14,107	16,604	18,358	18,823
Miscellaneous	-0-	-0-	-0-	-0-	948	(577)	(125)	11,901	21,140	(63)
Transfers	2,000,151	2,543,240	753,949	441,826	417,060	308,033	43,414	77,960	-0-	-0-
Total business-type activities	<u>2,049,189</u>	<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>
Total primary government	<u>\$ 23,350,224</u>	<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>
Change in net position:										
Government activities	\$ 636,243	\$ 2,858,947	\$ 218,466	\$ 761,479	\$ (2,718,162)	\$ (4,396)	\$ 799,977	\$ 4,337,661	\$ 1,208,402	\$ 2,657,225
Business-type activities	3,598,084	3,139,948	1,032,418	1,069,673	(342,806)	(141,356)	(631,841)	291,895	(536,903)	(968,056)
Total primary government	<u>\$ 4,234,327</u>	<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>

CITY OF MT. VERNON, ILLINOIS  
FUND BALANCES, GOVERNMENTAL FUNDS  
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Corporate Fund										
Nonspendable	\$ 1,138	\$ 1,950	\$ 3,098	\$ 1,145	\$ 1,840	\$ 503	\$ 1,720	\$ 1,975	\$ 1,997	\$ 1,076
Restricted	242,863	314,808	355,008	380,222	188,375	141,970	83,995	58,250	102,304	132,955
Committed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	642,550	955,153
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,216,280	2,464,153
Unassigned	5,587,445	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
Total General Corporate Fund	5,831,446	4,466,735	3,964,030	3,926,292	3,638,285	4,135,924	3,890,271	3,781,750	6,495,967	6,438,727
Quality of life										
Committed	1,497,838	1,091,134	1,169,733	1,049,171	1,174,814	1,170,134	812,843	385,424	-0-	-0-
Assigned	-0-	1,297,537	1,935,061	4,723,061	5,708,737	7,726,374	11,176,671	15,989,260	-0-	-0-
Unassigned	-0-	532,750	533,635	533,128	533,414	533,548	755,699	952,531	-0-	-0-
Total Quality of Life	1,497,838	2,921,421	3,638,429	6,305,360	7,416,965	9,430,056	12,745,213	17,327,215	-0-	-0-
General Corporate Capital										
Committed	474,089	1,268,326	571,153	465,594	(156,366)	30,247	189,550	(195,040)	-0-	-0-
Assigned	-0-	-0-	2,625,252	3,412,625	6,608,219	9,176,340	10,618,233	12,323,069	-0-	-0-
Unassigned	-0-	446,826	445,619	442,709	442,018	432,677	414,762	496,867	-0-	-0-
Total General Corporate Capital	474,089	1,715,152	3,642,024	4,320,928	6,893,871	9,639,264	11,222,545	12,624,896	-0-	-0-
Motor Fuel Tax										
Restricted	787,784	476,624	311,345	116,052	55,000	130,948	44,082	70,708	289,422	676,097
Total Motor Fuel Tax	787,784	476,624	311,345	116,052	55,000	130,948	44,082	70,708	289,422	676,097
Revolving Loan										
Unassigned	-0-	-0-	-0-	2,112,924	2,118,870	2,120,887	2,120,457	2,133,882	2,174,888	2,622,702
Total Revolving Loan	-0-	-0-	-0-	2,112,924	2,118,870	2,120,887	2,120,457	2,133,882	2,174,888	2,622,702
Convention and Visitors' Bureau										
Nonspendable	1,545	2,157	1,853	2,346	2,499	2,817	2,794	2,931	1,135	1,673
Committed	153,004	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	168,135	153,975	130,851	110,604	99,051	453,721	393,135	427,008	409,004
Total Convention and Visitors' Bureau	154,549	170,292	155,828	133,197	113,103	101,868	456,515	396,066	428,143	410,677
Special Service Area Number One										
Committed	4,360	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	7,668	4,341	24,186	41,034	103,285	96,218	55,957	45,189	28,195
Total Special Service Area Number One	4,360	7,668	4,341	24,186	41,034	103,285	96,218	55,957	45,189	28,195
Home Rule Sales Tax Fund										
Committed	2,838,237	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	1,361,195	827,060	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Home Rule Sales Tax Fund	2,838,237	1,361,195	827,060	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TIF - Downtown										
Committed	32,480	161,667	94,063	48,395	10,000	252,310	370,055	181,657	188,562	323,985
Unassigned	-0-	(138,611)	(152,685)	(200,263)	(209,588)	(188,939)	(245,343)	(104)	(43,886)	9,285
Total TIF - Downtown	32,480	23,056	(58,622)	(151,868)	(199,588)	63,371	124,712	181,553	144,676	333,270
TIF - Homestead										
Unassigned	-0-	-0-	-0-	-0-	140	(360)	(772)	(1,250)	(888)	(609)
Total TIF - Homestead	-0-	-0-	-0-	-0-	140	(360)	(772)	(1,250)	(888)	(609)
TIF - Rt 15 and I-57										
Committed	90,210	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	59,616	32,521	10,060	(14,731)	(33,319)	(34,553)	(34,193)	(33,843)	(33,503)
Total TIF - Rt 15 and I-57	90,210	59,616	32,521	10,060	(14,731)	(33,319)	(34,553)	(34,193)	(33,843)	(33,503)
TIF - Industrial Park										
Committed	109,826	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	(8,606)	(46,697)	20,039	(20,845)	(22,609)	(23,128)	(22,960)	(23,053)	(23,028)
Total TIF - Industrial Park	109,826	(8,606)	(46,697)	20,039	(20,845)	(22,609)	(23,128)	(22,960)	(23,053)	(23,028)
Pension Sales Tax Fund										
Unassigned	(217,627)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Pension Sales Tax Fund	(217,627)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grand total	\$11,603,192	\$11,193,153	\$12,470,259	\$16,817,170	\$20,042,104	\$25,669,315	\$30,641,560	\$36,513,624	\$9,520,501	\$10,452,528

CITY OF MT. VERNON, ILLINOIS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>										
Sales taxes	\$16,419,920	\$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
Use taxes	534,587	464,468	401,838	376,677	352,654	308,664	267,510	242,219	222,969	230,551
Hotel/motel taxes	1,251,770	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
Property taxes levied for general purposes	1,420,677	1,199,298	1,099,703	888,824	811,675	576,048	521,786	505,922	520,962	539,726
Property taxes levied for employee benefits	698,005	735,111	731,806	775,339	745,845	727,491	662,753	584,355	565,632	379,127
Franchise taxes	143,167	149,755	149,231	154,335	157,350	157,818	148,598	142,175	135,283	134,357
Public service taxes	2,355,783	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
Gain on sale of fixed assets	4,080	10,525	17,835	145,723	4,897	37,113	71,311	6,821	174,325	163,178
Grants and contributions not restricted to specific programs	12,921	21,873	3,492	675	4,958	21,077	7,000	8,376	32,590	291,260
Unrestricted investment income	255,687	262,858	259,647	122,759	46,341	(229,381)	132,118	112,386	54,757	63,728
Miscellaneous	75,986	92,824	87,388	167,830	79,494	62,766	68,873	111,285	79,119	82,795
Operating grants and contributions	171,415	168,935	143,810	146,892	140,267	155,933	239,540	223,554	1,352,144	1,311,586
Capital grants and contributions	1,586,777	2,368,206	2,982,579	1,295,268	732,108	643,049	1,073,445	5,621,276	451,682	482,228
Charges for services	1,118,020	1,099,433	939,096	897,516	935,229	992,431	597,643	529,529	486,752	497,270
<b>Total revenues</b>	<u>26,048,795</u>	<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>
<b>Expenditures</b>										
General government	7,435,099	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
Public safety										
Police	4,988,531	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
Fire	3,000,102	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
Public works	1,703,606	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
Engineering services	391,071	381,256	394,003	487,417	605,936	617,969	639,489	597,318	385,365	310,504
Culture and recreation	1,509,182	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
Community development	1,553,907	1,190,744	2,774,830	1,054,678	934,927	566,832	300,223	719,990	525,222	188,983
Interest and fiscal charges	1,228,408	1,280,020	1,340,231	1,226,594	1,268,292	1,256,954	1,460,111	130,601	140,798	80,071
<b>Total expenditures</b>	<u>21,809,906</u>	<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>
Excess (deficiency) of revenues over (under) expenditures	<u>4,238,889</u>	<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>
<b>Other financing sources (uses)</b>										
Transfers from other funds	598,321	3,618,791	1,109,802	951,060	609,516	2,154,934	267,648	502,681	639,382	445,430
Transfers to other funds	(2,816,099)	(6,162,031)	(1,863,751)	(1,392,886)	(1,026,576)	(1,789,382)	(311,062)	(580,641)	(639,382)	(445,430)
Sale of assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	925	-0-
Principal paid on long-term debt	(1,661,072)	(1,723,216)	(1,848,787)	(1,692,944)	(1,683,986)	(1,562,439)	(1,239,433)	(302,448)	(292,210)	(67,424)
Long-term debt issued	50,000	-0-	-0-	1,351,319	608,000	250,000	498,000	32,631,428	-0-	3,061,602
<b>Net other financing sources (uses)</b>	<u>(3,828,850)</u>	<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>
<b>Net change in fund balance</b>	<u>\$ 410,039</u>	<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>

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>
2020	15,277	\$38,439	\$23,447	39.9	3,606	N/A
2019	15,277	38,439	23,447	39.9	3,617 (1)	4.6%
2018	15,277	38,439	23,447	39.9	3,552 (1)	N/A
2017	15,277	38,439	23,447	39.9	3,690 (1)	6.3%
2016	15,277	38,439	23,447	39.9	3,622 (1)	7.6%
2015	15,277	38,439	23,447	39.9	3,633 (1)	8.0%
2014	15,277	38,439	23,447	39.9	3,738 (1)	8.9%
2013	15,277	38,439	23,447	39.9	3,848 (1)	10.4%
2012	15,277	38,439	23,447	38.3	3,822 (1)	10.1%
2011	15,277	38,439	23,447	38.3	3,810 (1)	10.5%

(1) These amounts include three school districts that were not included in previous years, but should have been.

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

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, and 2011

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<b><u>April 30, 2020</u></b>				
Continental Tire The Americas, LLC	Manufacturing	20.5%	3,432	
SSM Health-Good Samaritan Hospital	Healthcare	12.4%	2,073	
Walgreens Distribution Center	Distribution	8.2%	1,380	
Crossroads Community Hospital	Healthcare	1.7%	290	
Mt. Vernon City Schools District 80	Education	1.7%	283	
Rend Lake College	Education	1.6%	261	
National Railway Equipment Company	Manufacturing	1.2%	207	
Spero Family Services	Service	1.2%	193	
Jefferson County	County Government	1.1%	178	
Mt. Vernon Township High School	Education	1.0%	171	
Kroger	Retail	0.9%	155	
City of Mt. Vernon	Municipality	0.8%	141	
Peoples National Bank	Banking	0.6%	102	
Magnum Steel Works	Manufacturing	0.6%	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	0.5%	77	
Total at April 30, 2020		<u>55.5%</u>	<u>9,286</u>	<u>16,729</u>
<b><u>April 30, 2019</u></b>				
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>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, and 2011

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<b><u>April 30, 2018</u></b>				
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>
<b><u>April 30, 2017</u></b>				
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>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, and 2011

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<b><u>April 30, 2016</u></b>				
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>
<b><u>April 30, 2015</u></b>				
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>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, and 2011

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<b><u>April 30, 2014</u></b>				
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>
<b><u>April 30, 2013</u></b>				
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>

(Continued)



CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, and 2011

<u>Employer</u>	<u>Product/Business</u>	<u>% of Total County Nonfarm Employment</u>	<u>Employees</u>	<u>Total County Nonfarm Employment</u>
<b><u>April 30, 2012</u></b>				
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	<u>0.4%</u>	<u>80</u>	
Total at April 30, 2012		<u>37.2%</u>	<u>7,281</u>	<u>19,580</u>
<b><u>April 30, 2011</u></b>				
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	<u>0.4%</u>	<u>80</u>	
Total at April 30, 2011		<u>34.3%</u>	<u>6,772</u>	<u>19,830</u>

CITY OF MT. VERNON, ILLINOIS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

Function/Program	Fiscal Year 2020	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
General Government										
Buildings, land, and infrastructure	\$36,117,379	\$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
Equipment	\$ 2,012,869	\$ 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
Police										
Stations and land	\$ 323,380	\$ 326,496	\$ 332,830	\$ 340,772	\$ 348,714	\$ 330,538	\$ 337,836	\$ 345,134	\$ 352,432	\$ 359,730
Equipment	\$ 1,401,073	\$ 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
Fire										
Stations and land	\$ 439,033	\$ 470,053	\$ 357,221	\$ 337,997	\$ 355,890	\$ 373,783	\$ 391,676	\$ 390,937	\$ 369,957	\$ 376,589
Equipment	\$ 2,547,835	\$ 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
Parks and recreation										
Buildings and land	\$ 9,429,966	\$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
Equipment	\$ 1,066,898	\$ 654,154	\$ 472,085	\$ 503,661	\$ 549,720	\$ 577,757	\$ 530,771	\$ 410,778	\$ 390,419	\$ 397,860
Streets										
Street miles	132.0	132.0	132.3	132.3	132.3	132.3	132.3	132.3	132.3	132.3
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	182.9
Buildings, land, structures, and lines	\$14,376,729	\$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
Equipment	\$ 282,457	\$ 282,457	\$ 246,783	\$ 81,220	\$ 25,148	\$ 12,233	\$ 12,233	\$ 93,193	\$ 93,030	\$ 134,888
Fire hydrants (physical count)	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
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	129.1
Buildings, land, structures, and lines	\$11,941,725	\$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
Equipment	\$ 526,954	\$ 493,120	\$ 471,298	\$ 471,298	\$ 471,298	\$ 471,298	\$ 471,298	\$ 407,927	\$ 100,503	\$ 100,503
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 2020	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
<b>General government</b>										
City council	2.50	2.50	2.50	2.50	2.50	2.63	2.50	2.50	3.25	3.25
City manager	3.00	2.75	2.00	2.00	2.38	3.13	3.00	3.00	2.00	2.00
City clerk	1.50	1.50	2.00	2.00	2.00	2.38	2.38	2.00	1.75	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	4.00	3.75	3.75	4.00	4.00	3.75	3.75	3.75	3.75	4.00
Legal	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Total general government</b>	<b>13.50</b>	<b>13.00</b>	<b>12.75</b>	<b>13.50</b>	<b>13.88</b>	<b>14.89</b>	<b>14.63</b>	<b>14.25</b>	<b>13.75</b>	<b>14.25</b>
<b>Public safety</b>										
Police	52.25	52.50	51.75	52.88	56.00	56.25	55.75	56.00	56.00	55.88
Fire	27.75	28.75	30.00	30.00	30.00	28.75	29.75	30.75	30.25	30.75
<b>Total public safety</b>	<b>80.00</b>	<b>81.25</b>	<b>81.75</b>	<b>82.88</b>	<b>86.00</b>	<b>85.00</b>	<b>85.50</b>	<b>86.75</b>	<b>86.25</b>	<b>86.63</b>
<b>Transportation and building</b>										
Public works	14.50	14.25	13.25	16.38	19.88	18.88	19.88	19.50	19.13	19.13
Engineering	4.63	4.25	5.00	6.25	7.00	7.75	6.88	7.13	5.75	4.75
Fleet services	5.25	5.00	5.50	5.25	6.50	7.00	7.00	7.00	7.00	6.25
<b>Total transportation and building</b>	<b>24.38</b>	<b>23.50</b>	<b>23.75</b>	<b>27.88</b>	<b>33.38</b>	<b>33.63</b>	<b>33.76</b>	<b>33.63</b>	<b>31.88</b>	<b>30.13</b>
<b>Culture, parks and recreation</b>										
Park	7.50	8.38	15.38	16.50	19.00	18.13	15.50	16.13	15.00	14.25
Tourism	3.50	3.13	3.50	3.75	4.13	4.13	4.63	4.50	4.38	4.00
<b>Total culture, parks and recreation</b>	<b>11.00</b>	<b>11.51</b>	<b>18.88</b>	<b>20.25</b>	<b>23.13</b>	<b>22.26</b>	<b>20.13</b>	<b>20.63</b>	<b>19.38</b>	<b>18.25</b>
<b>Community and economic development</b>										
Special Service Area Number One	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.38	2.13	1.75
<b>Total community and economic development</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.38</b>	<b>2.13</b>	<b>1.75</b>
<b>Public utilities</b>										
Public utilities (billing services)	15.00	14.75	15.75	16.00	16.25	17.00	18.00	18.00	18.00	18.75
	3.00	3.00	3.13	3.25	3.38	3.50	3.38	3.50	3.38	3.25
<b>Total public utilities</b>	<b>18.00</b>	<b>17.75</b>	<b>18.88</b>	<b>19.25</b>	<b>19.63</b>	<b>20.50</b>	<b>21.38</b>	<b>21.50</b>	<b>21.38</b>	<b>22.00</b>
<b>Total government</b>	<b>146.88</b>	<b>147.01</b>	<b>156.01</b>	<b>163.76</b>	<b>176.02</b>	<b>176.28</b>	<b>175.40</b>	<b>178.14</b>	<b>174.77</b>	<b>173.01</b>

CITY OF MT. VERNON, ILLINOIS  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 Last Ten Fiscal Years

Function/Program	Fiscal Year 2020	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
<b>Police</b>										
Physical arrests	1,254*	1,525*	1,342*	1,238*	1,611*	1,569*	1,593*	1,612*	1,734*	4,083
Parking violations	15	77	37	15	202	953	308	630	866	959
Traffic violations	1,512	2,484	2,671	2,428	2,900	3,262	4,007	3,856	3,547	2,764
<b>Fire</b>										
Emergency responses	3,631	3,424	2,494	2,559	2,778	2,577	2,370	2,859	2,124	2,257
Fires extinguished	43	49	104	90	121	111	112	117	113	113
<b>Sanitation</b>										
Refuse collected (tons per day)	17.54	18.72	19.84	19.34	20.16	16.27	19.97	17.6	21.1	20.0
<b>Street</b>										
Street resurfacing (in miles)	2.40	4.07	4.31	3.45	0.78	0.86	0.84	0.59	1.3	2.1
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Water</b>										
Average daily consumption (1,000's of gallons)	2,899	3,118	3,438	3,399	3,404	3,285	3,601	3,423	3,290	3,321
Water main breaks	136	166	218	270	169	93	190	203	126	174
<b>Wastewater</b>										
Average daily flow treated (1,000's of gallons)	4,130	3,533	3,086	3,303	3,430	3,800	3,180	3,130	3,730	2,910

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes
Assessed valuations	<u>\$235,335,756</u>	<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>
Tax rates by fund, per \$100 of assessed valuation:										
General Corporate	0.0041	0.0042	0.0043	0.0043	0.0041	0.0040	0.0041	0.0043	0.0042	0.0041
I.M.R.F.	0.1870	0.1922	0.2340	0.2340	0.3626	0.3568	0.3594	0.3352	0.2955	0.2772
City Park	0.1188	0.1222	0.1739	0.1739	0.0881	0.0855	0.0877	0.0905	0.0907	0.0883
Police Pension	0.3804	0.3911	0.3418	0.3418	0.3823	0.3147	0.3327	0.3440	0.3492	0.3027
Firefighters' Pension	0.4056	0.4170	0.3495	0.3495	0.3613	0.4010	0.4071	0.3962	0.3746	0.3596
Social Security	0.1279	0.1315	0.1189	0.1189	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
City-wide tax rate	<u>1.2238</u>	<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>
Assessed valuations - Special Service Area Number One	<u>\$ 5,133,162</u>	<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>
Special Service Area Number One	<u>1.6400</u>	<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>
Special Service Area Number One tax rate	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6376</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>
Tax extensions by fund:										
General Corporate	\$ 9,719	\$ 9,706	\$ 9,410	\$ 9,363	\$ 8,893	\$ 8,447	\$ 8,447	\$ 8,468	\$ 8,469	\$ 8,483
*I.M.R.F.	440,007	439,999	540,207	513,179	778,889	751,649	738,740	667,776	588,844	567,995
City Park	279,697	279,698	271,513	381,288	189,159	180,145	180,143	180,373	180,684	181,013
Police Pension	895,170	895,152	836,475	749,420	821,185	662,946	683,762	685,389	695,875	620,348
Firefighters' Pension	954,498	954,484	919,288	766,436	776,118	844,692	836,756	789,294	746,432	736,734
Social Security	301,018	301,009	241,006	260,734	-0-	-0-	-0-	-0-	-0-	-0-
City-wide tax extensions	<u>\$ 2,880,109</u>	<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>
Special Service Area Number One	<u>\$ 79,561</u>	<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>
Special Service Area Number One tax extensions	<u>\$ 79,561</u>	<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>

\*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

	2018 Taxes Settled In 2019 <u>And 2020</u>	2017 Taxes Settled In 2018 <u>and 2019</u>	2016 Taxes Settled In 2017 <u>and 2018</u>	2015 Taxes Settled In 2016 <u>and 2017</u>	2014 Taxes Settled In 2015 <u>and 2016</u>	2013 Taxes Settled In 2014 <u>and 2015</u>	2012 Taxes Settled In 2013 <u>and 2014</u>	2011 Taxes Settled In 2012 <u>and 2013</u>	2010 Taxes Settled In 2011 <u>and 2012</u>	2009 Taxes Settled In 2010 <u>and 2011</u>
Jefferson County Collectors' records: Charges										
Extension of tax	\$3,994,947	\$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
Errors and uncollected tax	(1,800)	(2,459)	(1,868)	4,416	(13,158)	(12,064)	(2,401)	5,426	4,352	(6,764)
Amount of tax on books	3,993,147	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
Other charges	-0-	-0-	-0-	-0-	-0-	(20)	-0-	-0-	-0-	-0-
Total charges	<u>3,993,147</u>	<u>3,709,382</u>	<u>3,376,842</u>	<u>3,250,337</u>	<u>3,048,876</u>	<u>2,796,029</u>	<u>2,642,852</u>	<u>2,527,222</u>	<u>2,438,032</u>	<u>2,425,706</u>
 Total received by County Collector for the City of Mt. Vernon, Illinois Road and bridge tax	 3,627,817 153,135	 3,353,637 151,904	 3,057,473 150,585	 2,982,708 148,825	 2,846,254 147,592	 2,771,273 140,227	 2,626,713 136,987	 2,521,586 134,121	 2,438,032 136,906	 2,425,706 128,793
 Total due the City of Mt. Vernon, Illinois	 <u>\$3,780,952</u>	 <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>
 City of Mt. Vernon, Illinois distribution by fund:										
General Corporate, including road and bridge tax	\$ 440,508	\$ 429,850	\$ 539,082	\$ 345,985	\$ 334,743	\$ 325,945	\$ 324,407	\$ 321,832	\$ 325,613	\$ 304,268
*I.M.R.F.	666,106	702,661	699,444	747,943	713,902	697,582	641,613	584,354	565,632	379,128
Special Service Area										
Number One - administration	84,214	83,929	84,000	85,002	85,562	85,561	85,836	85,693	86,594	86,496
TIF Homestead	-0-	-0-	-0-	909	893	870	838	162	231	281
TIF Downtown	430,972	414,821	374,122	359,114	360,550	303,289	246,793	231,912	245,116	277,473
TIF IPC	322,492	137,129	3,913	2,584	2,244	890	624	443	315	-0-
Police Pension	888,872	827,608	745,288	817,427	657,796	673,350	680,233	690,570	617,768	654,170
Firefighters' Pension	947,788	909,543	762,209	772,569	838,156	824,013	783,356	740,741	733,669	852,683
 Total distribution	 <u>\$3,780,952</u>	 <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>

\*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>
2020	\$4,753,951	**\$3,347,095	\$1,149,468
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

\*\*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>
2020	6,678	5,927	4,774
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



CITY OF MT. VERNON, ILLINOIS  
SCHEDULE OF INSURANCE COVERAGE  
April 30, 2020

Policy Number and Company	Expiration Date	Coverage	Amount Excluding Deductible
P3-1000552-1920-01 Illinois Counties Risk Management Trust	12/1/2020	General Liability (Each Occurrence/Aggregate)	\$1,000,000/\$3,000,000
		Premises Medical Payments (Ea Prsn, Ea Occur)	\$5,000/\$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.)	\$100,000/\$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	\$62,107,246
		Property - Bus. Pers. Prop.	\$3,682,500
		Property - Personal Property of Others	\$100,000
		Property - Newly Const. or Acqu. Prop.	\$1,000,000
		Property - Foot Bridges & Appurt. Structures	\$100,000
		Property - Covered Property in Transit	\$1,000,000
		Property - Earthquake (Ea. Occur./Prog. Agg.)	\$10M/\$250M
		Property - Flood (Ea. Occur./Prog. Agg.)	\$10M/\$250M
		Extra Exp./Bus. Inc.; Fine Arts; Accts. Rec.; Val. Papers	\$1,000,000
		Inland Marine	\$4,381,117
		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)	\$65,789,746
		Various Crime Coverages (Ea. Coverage)	\$500,000
		Workers Compensation Limit	Statutory
		Employers Liability Limit (Ea. Accident & Ea. Emp. For Disease)	\$2,500,000