

INTRODUCTORY SECTION

CITY OF MT. VERNON, ILLINOIS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Year Ended April 30, 2017

Prepared by:

Department of Finance

Merle A. Hollmann  
Director of Finance

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CITY OF MT. VERNON, ILLINOIS

LIST OF PRINCIPAL OFFICIALS

April 30, 2017

City Council

Mayor Mary Jane Chesley  
Councilperson Jeff May  
Councilperson Donte Moore  
Councilperson Todd Piper  
Councilperson Dennis McEnaney

Interim City Manager

Mary Ellen Bechtel

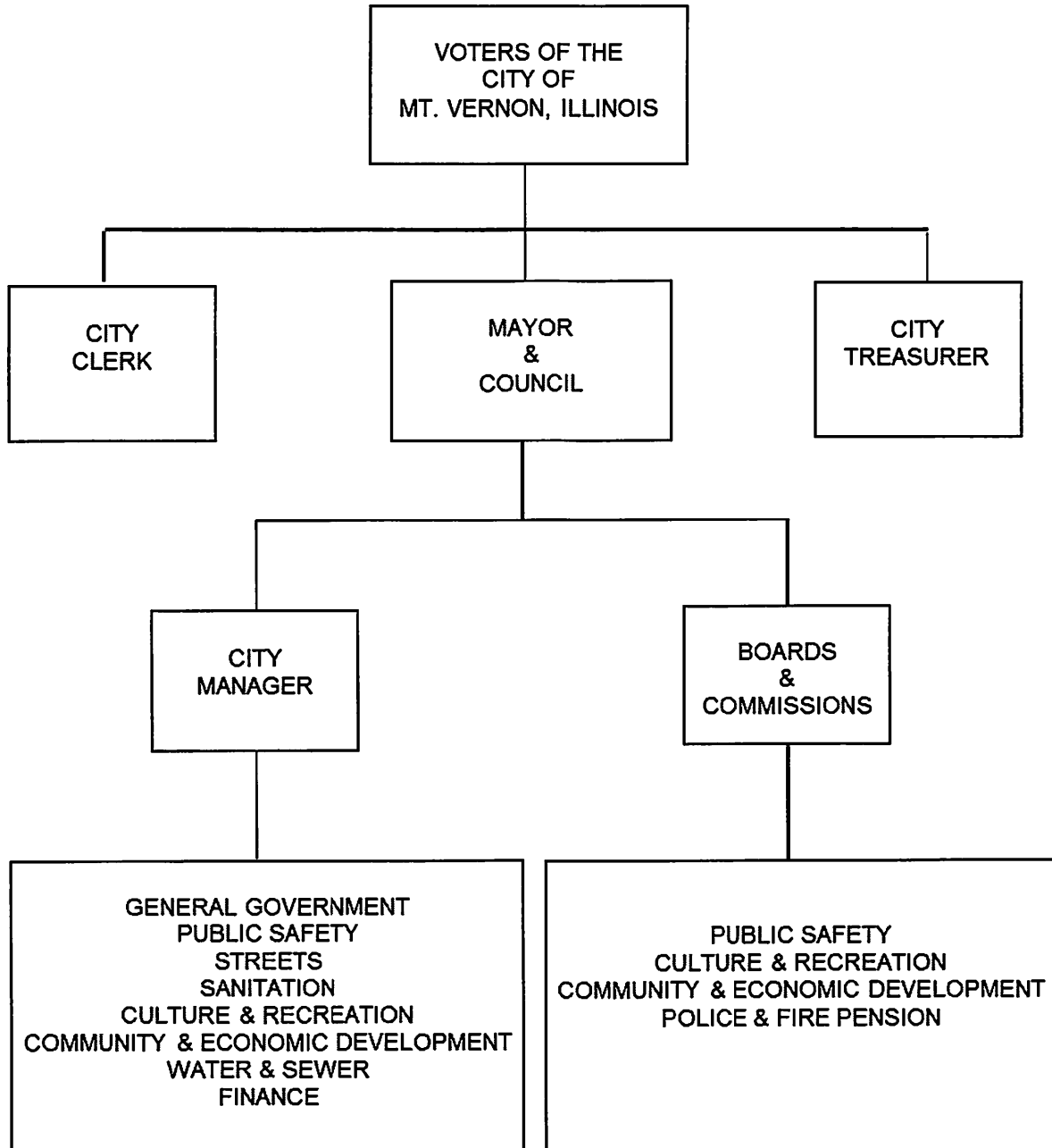
City Clerk

Jerilee Hopkins

City Treasurer

Mary Jo Pemberton

CITY OF MT. VERNON, ILLINOIS  
ORGANIZATION CHART  
April 30, 2017



FINANCIAL SECTION



James M. Randall, C.P.A.  
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.



*Certified Public Accountants*

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Carlyle, Illinois 62231  
618-594-2025 Fax 594-2206

Wayne L. Krehbiel, C.P.A.

INDEPENDENT AUDITORS' REPORT

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

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, 2017, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for 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 auditors consider 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As described in Note 1 to the financial statements, the City of Mt. Vernon, Illinois adopted the provisions of Governmental Accounting Standards Board Statement No. 72 "*Fair Value Measurement and Application*", Government Accounting Standards Board Statement No. 73 "*Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provision of GASB 67 and GASB 68*", Government Accounting Standards Board Statement No. 76 "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*", Government Accounting Standards Board Statement No. 77 "*Tax Abatement Disclosures*" Government Accounting Standards Board Statement No. 78 "*Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*" and Government Accounting Standards Board No. 79 "*Certain External Investment Pools and Pool Participants*". Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 19 and 91 through 116 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 combining and individual nonmajor fund financial statements 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 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 13, 2017, 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 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 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 City of Mt. Vernon, Illinois' internal control over financial reporting and compliance.



Mt. Vernon, Illinois  
October 13, 2017

CITY OF MT. VERNON, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2017

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, 2017. Please read it in conjunction with the City's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- The total governmental activities experienced a 7.8% increase in the Change in Net Position, moving from \$9,756,647 at April 30, 2016, to \$10,518,139 at April 30, 2017. Business-type activities showed a 8.40% increase in Change in Net Position.
- Fiscal year 16-17, governmental activities' sales tax revenue decreased by 3.19%, property taxes increased 10.08%, other use taxes showed slight increases.
- The City recognized its Other Post Employment Benefits (OPEB) liability for the first time during the year ended April 30, 2009. The actuarial accrued liability as of April 30, 2017, is estimated to be \$20,725,961 and the Annual Required Contribution (ARC) is \$784,658. The actual contributions made toward the ARC were \$1,128,931 (it is being funded on a pay as you go basis) which leaves a net OPEB obligation decrease at April 30, 2017, of \$344,274. The actuarial valuation has a remaining amortization period of 26 years.

#### 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

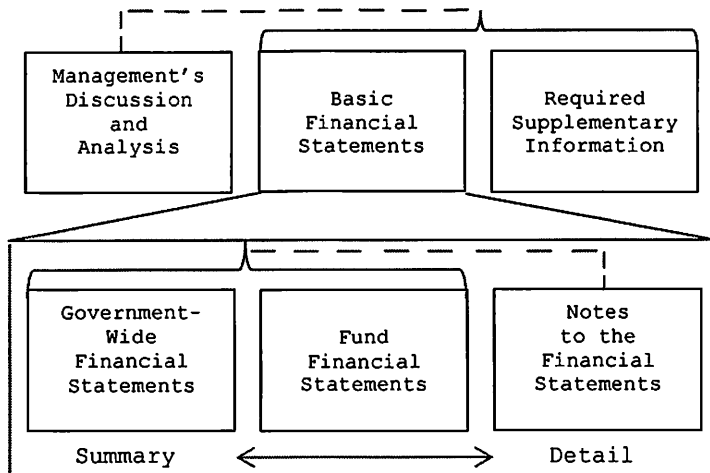


Figure A-2  
Major Features of the City of Mt. Vernon, Illinois' Government-Wide and Fund Financial Statements

	Fund Statements			
	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses: Public Utilities	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 \$24.3 million. Of that total \$37.5 million is in the form of capital assets.

Table A-1  
City of Mt. Vernon, Illinois' Net Position  
4/30/17

	Governmental Activities 4/30/17	Governmental Activities 4/30/16	Business-Type Activities 4/30/17	Business-Type Activities 4/30/16	Total 4/30/17	Total 4/30/16
Current and other assets	\$ 23,866,710	\$ 27,766,267	\$ 2,314,958	\$ 4,223,877	\$ 26,181,668	\$ 31,990,144
Capital assets	46,384,348	43,849,780	20,826,179	19,611,367	67,210,527	63,461,147
Total assets	<u>70,251,058</u>	<u>71,616,047</u>	<u>23,141,137</u>	<u>23,835,244</u>	<u>93,392,195</u>	<u>95,451,291</u>
Deferred outflows of resources						
Deferred pension charges	4,800,622	4,671,946	811,942	786,163	5,612,564	5,458,109
Total deferred outflows of resources	<u>4,800,622</u>	<u>4,671,946</u>	<u>811,942</u>	<u>786,163</u>	<u>5,612,564</u>	<u>5,458,109</u>
Current liabilities	3,662,956	6,099,142	1,000,210	2,192,344	4,663,166	8,291,486
Long-term liabilities	60,766,475	60,339,903	9,108,814	9,655,658	69,875,289	69,995,561
Total liabilities	<u>64,429,431</u>	<u>66,439,045</u>	<u>10,109,024</u>	<u>11,848,002</u>	<u>74,538,455</u>	<u>78,287,047</u>
Deferred inflows of resources						
Deferred revenue	104,110	92,288	40,293	39,316	144,403	131,604
Net position:						
Net investment in capital assets	24,514,049	25,773,969	13,021,239	11,332,152	37,535,288	37,106,121
Restricted	535,423	280,821	-0-	-0-	535,423	280,821
Unrestricted	(14,531,333)	(16,298,130)	782,523	1,401,937	(13,748,810)	(14,896,193)
Total net position	<u>\$ 10,518,139</u>	<u>\$ 9,756,660</u>	<u>\$13,803,762</u>	<u>\$12,734,089</u>	<u>\$ 24,321,901</u>	<u>\$ 22,490,749</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 \$13.8 million in fiscal year 16-17.



## Changes in Net Position

The City's total revenues amounted to \$30.8 million in fiscal year 16-17 (See Table A-2). The largest revenue category is taxes, which amounted to \$17.68 million. In fiscal year 16-17, 67% of all taxes came from sales tax collections. \$12.7 million of total revenue was derived from program revenue, which consists of charges for services, federal and state grants, and other contributions. Total expenses amounted to \$29 million in fiscal year 16-17. The City's expenses cover a range of services, including public safety, public works, culture and recreation, and social and economic programs.

The City's total deferred outflows of resources of approximately \$5,612,564 increased approximately \$154,455 due to the deferred pension charges recognized as a result of the City implementing GASB No. 68 and GASB No. 71 in fiscal year 2016.

The City's total liabilities of approximately \$74,538,455 decreased approximately \$3,748,592.

Table A-2  
City of Mt. Vernon, Illinois' Changes in Net Position  
4/30/17

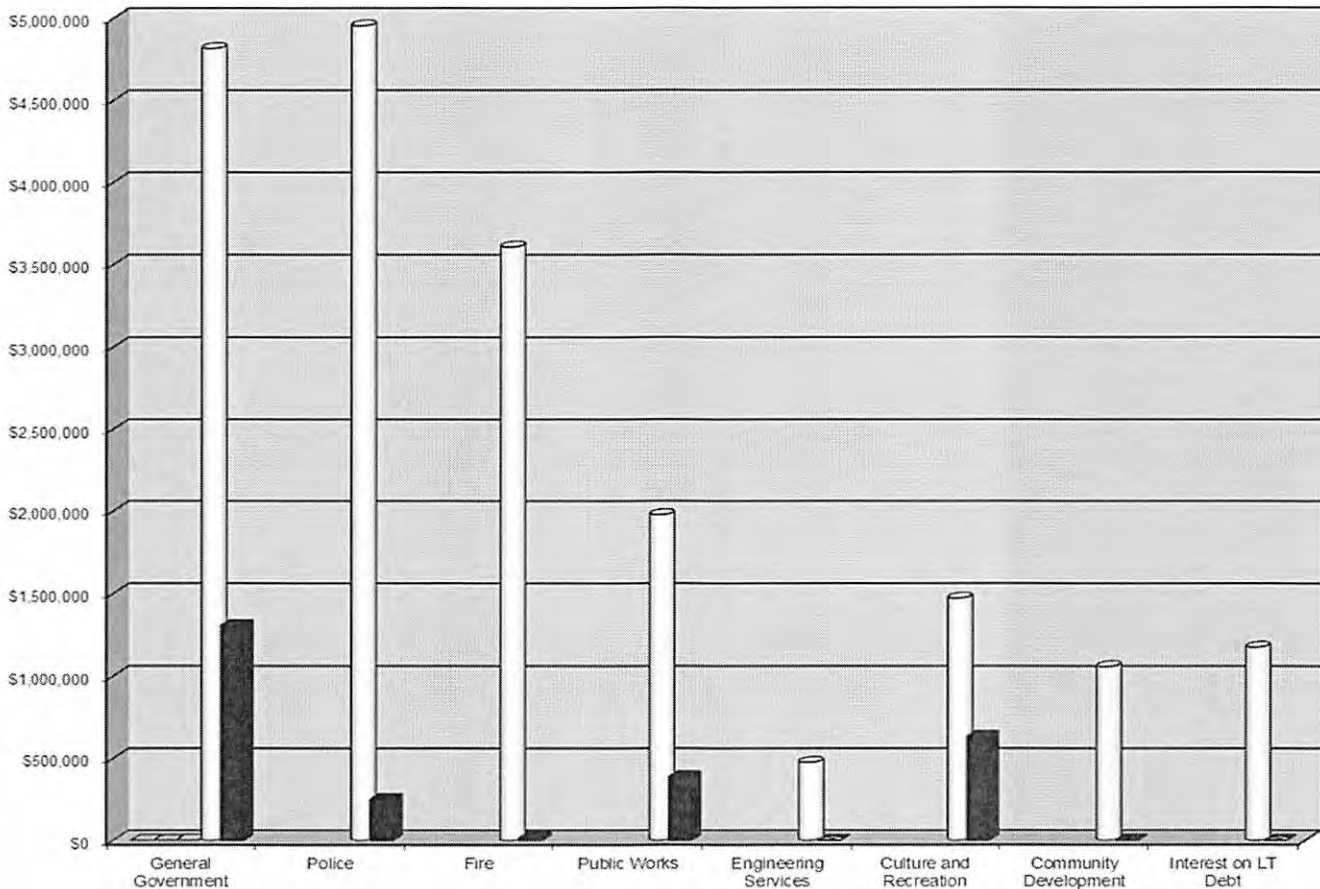
	Governmental Activities 4/30/17	Governmental Activities 4/30/16	Business-Type Activities 4/30/17	Business-Type Activities 4/30/16	Total 4/30/17	Total 4/30/16
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,157,730	\$ 935,229	\$10,136,897	\$ 8,887,438	\$11,294,627	\$ 9,822,667
Operating grants/ contributions	146,892	140,267	-0-	-0-	146,892	140,267
Capital grants/ contributions	1,295,268	732,108	3,640	14,779	1,298,908	746,887
General revenues:						
Sales taxes	11,845,721	12,236,418	-0-	-0-	11,845,721	12,236,418
Property taxes	1,845,928	1,676,894	-0-	-0-	1,845,928	1,676,894
Other taxes	3,996,522	4,062,058	-0-	-0-	3,996,522	4,062,058
Unrestricted grants	12,675	18,958	-0-	-0-	12,675	18,958
Other	430,306	120,629	12,234	5,847	442,540	126,476
<b>Total revenues</b>	<b><u>20,731,042</u></b>	<b><u>19,922,561</u></b>	<b><u>10,152,771</u></b>	<b><u>8,908,064</u></b>	<b><u>30,883,813</u></b>	<b><u>28,830,625</u></b>
<b>Expenses:</b>						
General government	4,814,075	5,837,478	-0-	-0-	4,814,075	5,837,478
Public safety	8,557,584	9,300,622	-0-	-0-	8,557,584	9,300,622
Public works	1,976,810	2,481,469	-0-	-0-	1,976,810	2,481,469
Engineering services	474,860	596,213	-0-	-0-	474,860	596,213
Health and sanitation	-0-	-0-	9,094,846	9,237,852	9,094,846	9,237,852
Culture and recreation	1,471,573	1,855,666	-0-	-0-	1,471,573	1,855,666
Community development	1,057,118	933,660	-0-	-0-	1,057,118	933,660
Interest on long-term debt	1,175,717	1,218,555	430,078	430,078	1,605,795	1,648,633
<b>Total expenses</b>	<b><u>19,527,737</u></b>	<b><u>22,223,663</u></b>	<b><u>9,524,924</u></b>	<b><u>9,667,930</u></b>	<b><u>29,052,661</u></b>	<b><u>31,891,593</u></b>
Change before transfers	1,203,305	(2,301,102)	627,847	(759,866)	1,831,152	(3,060,968)
Transfers	(441,826)	(417,060)	441,826	417,060	-0-	-0-
<b>Increase (decrease) in net position</b>	<b>761,479</b>	<b>(2,718,162)</b>	<b>1,069,673</b>	<b>(342,806)</b>	<b>1,831,152</b>	<b>(3,060,968)</b>
Net position - beginning	<u>9,756,660</u>	<u>12,474,822</u>	<u>12,734,089</u>	<u>13,076,895</u>	<u>22,490,749</u>	<u>25,551,717</u>
Net position - ending	<u>\$10,518,139</u>	<u>\$ 9,756,660</u>	<u>\$13,803,762</u>	<u>\$12,734,089</u>	<u>\$24,321,901</u>	<u>\$22,490,749</u>

**Governmental Activities:** Net position for governmental activities increased by \$761,479 in the current year.

**Business-Type Activities:** Net position for business-type activities increased by \$1,069,673 in the current year.

## Governmental Activities

Expenses and Program Revenues - Governmental Activities (Graph 1)

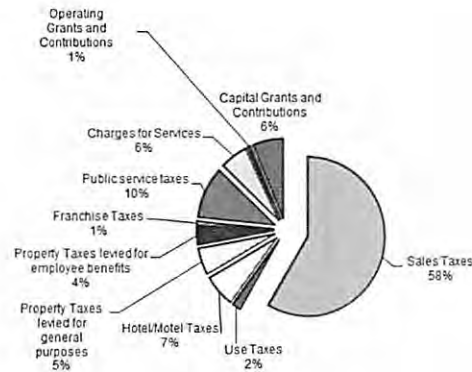


Graph 1 presents the cost of each of the City's seven largest programs - general government, police, fire, public works, engineering services, culture and recreation and community development, as well as each program's net cost (total cost less fees generated by the activities). The net cost shows the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

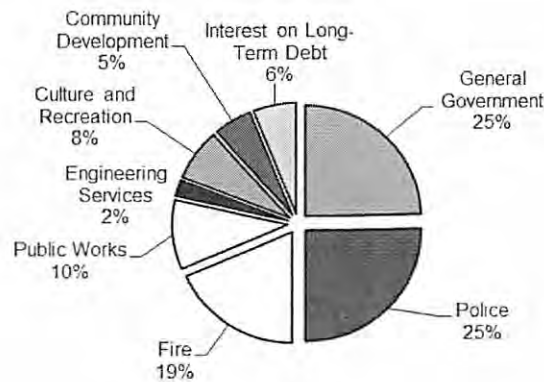
- The cost of all governmental activities this year was \$19,527,737.
- However, the amount that our taxpayers paid for these activities through City revenues was \$16,927,847. Some of the cost was paid by:
  - Those who directly benefitted from the programs (\$1,157,730) or
  - Other governments and organizations that subsidized certain programs with grants and contributions (\$1,442,160).
- The City paid for the \$16,927,847 "public benefit" portion with \$17,689,326 in taxes and other revenues, such as interest earnings and unrestricted grants.
- General government required the third largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$3,508,319 in fiscal year 16-17.
- Public works required the fourth largest net amount of public funds after subtracting program revenue and grants and contributions. The total subsidy was \$1,589,592 in fiscal year 16-17.

- Police and fire required the first and second largest net amount of public funds after subtracting program revenue and grant contributions. The total subsidy for police was \$4,701,195, while fire was \$3,585,932.
- Administration and support services comprised 25% of total expenses in fiscal year 16-17.
- 59% of all governmental activities revenue came from sales tax revenue in fiscal year 16-17 (see Graph 2).
- 44% of all governmental activities expenses were for police (25%) and fire (19%), 25% went for general government, and 10% 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 \$10,152,771, and expenses were \$9,524,924 (Refer to Table A-2).

The 2016-2017 Budget for the Public Utilities Fund projected an Operating Working Fund Balance (defined in the section "General Corporate Fund Budgetary Highlights" below) at April 30, 2017 of \$575,199.

The Public Utilities Fund ended the 2016-2017 fiscal year with an actual Operating Working Fund Balance of \$743,997 which is \$168,798 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 Public Utilities Fund in the budget for fiscal year 2016-2017 was overstated by \$11,493.
- (2) Operating revenues for fiscal year 2016-2017 came in approximately \$203,000 over budget.
- (3) Operating expenses for the fiscal year 2016-2017 came in approximately \$22,000 over budget.

The Public Utilities Fund instituted a capital improvement fee on November 1, 2016, which is based on the size and use of the customers' water meters. On that same date, a 2% increase in the water and sewer rates was also assessed. The two revenues have been committed by the City Council to finance future capital expenditures, infrastructure improvements and related debt service payments for water and sewer projects.

The Sanitation Fund ended the 2016-2017 fiscal year with an actual Operating Working Fund Balance of \$(2,531) when the 2016-2017 operating budget had projected \$2,191.

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

As the City completed its 2016-2017 fiscal year, its governmental funds reported a combined fund balance of \$16,817,170, a decrease of \$3,224,934, mostly due to the Quality of Life Fund and the General Corporate Capital Fund spending down their restricted assets. The General Corporate Fund's combined fund balance was \$3,926,292, an increase of \$288,007.

In addition, the combined fund balance of the Quality of Life Fund decreased \$1,111,605 to \$6,305,360 the combined fund balance of the General Corporate Capital Fund decreased \$2,572,943 to \$4,320,928, the combined fund balance of the Motor Fuel Tax Fund increased \$61,052 to \$116,052, the combined fund balance of the Revolving Loan Fund decreased \$5,946 to \$2,112,924, the combined fund balance of the Downtown TIF Fund increased \$47,720 to (\$151,868), and the combined fund balances of the other governmental funds increased \$68,781 to \$187,482.

## **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 nonspendable, 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 2016-2017 Budget for the General Corporate Fund, our largest operating

fund of the City, predicted an Operating Working Fund Balance at April 30, 2017 of \$3,611,200. The accompanying financial statements show the General Corporate Fund as having an actual Operating Working Fund Balance of \$3,544,925 at April 30, 2017, an increase of \$96,855.

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 2016-2017 was overstated by \$130,326 mainly due to revenues for fiscal year 2015-2016 being lower than projected.
- (2) Actual total revenues recognized for fiscal year 2016-2017 were \$642,850 lower than those originally budgeted, with sales taxes coming in at \$427,289 under the original budget, hotel/motel taxes coming in at \$82,133 under the original budget, public service taxes coming in at \$166,862 under the original budget, gain on sale of fixed assets coming in at \$36,765 under the original budget, unrestricted investment income coming in at \$16,271 over the original budget, miscellaneous revenue coming in at \$67,195 over the original budget and charges for services coming in at \$34,841 under the original budget.
- (3) Actual total expenditures incurred for fiscal year 2016-2017 were \$994,764 lower than those originally budgeted, with General Government expenditures coming in at \$125,230 lower than originally budgeted, Police Department expenditures coming in at \$326,091 under the original budget, Fire Department expenditures coming in at \$183,714 under the original budget, Public Works Department expenditures coming in at \$63,438 under the original budget, Engineering Department expenditures coming in at \$120,340 under the original budget and Culture and Recreation expenditures coming in at \$175,951 under.
- (4) Actual "Net Other financing (uses)" for fiscal year 2016-2017 were \$105,780 over that originally budgeted, with transfers to other funds coming in at \$733,000 over the original budget and long-term debt issued coming in at \$843,565 over.

In the General Corporate Fund for 2016-2017, we reduced our original budget by not replacing five full-time retiree positions and four part-time or temporary positions. City wide, we did not replace six full-time and five part-time or temporary positions in the 2016-2017 budget. In addition, in the General Corporate fund, during the 2016-2017 fiscal year, we laid off our part-time positions early and laid off seven full-time positions on December 1, 2016.

The General Corporate Fund sold an accumulation of surplus equipment and vehicles for \$139,739 during the 2016-2017 budget year, which is far more than the normal amount.

The City maintains a conservative philosophy in its budgeting process.

For the General Corporate Fund for the fiscal year 2016-2017, there were no new taxes or fees or any increases in fees or taxes, except for a 4.99% increase in property taxes. General Corporate Fund borrowed \$843,564 to pay off its share of the IMRF Early Retirement Incentive cost during the fiscal year 2016-2017.

The Aquatic Zoo, is part of the General Corporate Fund and has an operating working fund balance of \$151,875 at April 30, 2017.

The City's self-insured health insurance plan budgeted a 0% increase in its premiums charged to all the City's applicable funds effective January 1, 2017 due to the 42.2% increase we had in the prior year attributable to prior excess reserves being depleted, and with the hope that our claims would be lower during calendar year 2016. However, our actual increase was 39.7% due to extraordinarily high claims in calendar year 2016.

We amended our General Corporate revenue budget upward by \$3,852 during the fiscal year 2016-2017, which was in the budget for Charges for Services. We amended our expenditure budget upward by \$617,551 during the fiscal year, including increased budgeted expenditures for General Government of \$262,099. Budgeted expenditures for the Police Department were increased by \$47,252, Public Works Department budgeted expenditures were increased by \$245,600, and Culture and Recreation budgeted expenditures were increased by \$62,600.

### **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, interest income, and loans 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 2016-2017 with a positive balance of \$465,594 including receivables, that has been committed by the City Council to finance future capital expenditures, infrastructure improvements and related debt service payments. This includes a \$733,000 transfer from the General Corporate Fund during the fiscal year 2016-2017. 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 Public Utilities 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 to be funded with those bond proceeds and the spend down of these funds is accounted for in this fund. 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, a ½ % Home Rule Sales Tax that was effective July 1, 2012, loans for capital expenditures and interest income. We projected a total Working Fund balance of \$2,620,008 at April 30, 2017 and it came in at \$6,305,360, mostly due to the 2012 bond proceeds being spent down slower than expected.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets:**

At the end of fiscal year 2016-2017, the City had invested \$118,840,401 in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and bridges (See Table A-3). (Note 4 provides additional detail on capital assets.)

Table A-3  
City of Mt. Vernon, Illinois' Capital Assets  
4/30/17

	Governmental Activities 4/30/17	Governmental Activities 4/30/16	Business-Type Activities 4/30/17	Business-Type Activities 4/30/16	Total 4/30/17	Total 4/30/16
Land	\$ 5,339,390	\$ 5,334,890	\$ 150,379	\$ 150,379	\$ 5,489,769	\$ 5,485,269
Buildings and improvements	5,159,931	5,064,413	11,611,988	11,611,988	16,771,919	16,676,401
Equipment	10,463,174	11,076,720	1,680,324	1,608,124	12,143,498	12,684,844
Infrastructure	48,779,228	43,994,549	35,655,987	33,438,208	84,435,215	77,432,757
Total	<u>\$69,741,723</u>	<u>\$65,470,572</u>	<u>\$49,098,678</u>	<u>\$46,808,699</u>	<u>\$118,840,401</u>	<u>\$112,279,271</u>

Long-Term Debt:

At year-end, the City had \$37,225,000 in bonds outstanding - a decrease of \$1,790,001 over the prior year. Other long-term debt outstanding at year end was \$2,857,278, an increase of \$1,204,681. 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  
4/30/17

	Governmental Activities 4/30/17	Governmental Activities 4/30/16	Business-Type Activities 4/30/17	Business-Type Activities 4/30/16	Total 4/30/17	Total 4/30/16
General obligation bonds	\$29,821,626	\$31,221,877	\$7,403,374	\$7,793,124	\$37,225,000	\$39,015,001
Compensated absences	248,322	228,680	26,330	26,360	274,652	255,040
Other long-term debt	2,225,129	1,166,506	632,149	486,091	2,857,278	1,652,597
Net pension obligation	28,655,402	27,798,678	1,160,794	1,168,725	29,816,196	28,967,403
Net other post employment benefits obligation	(709,206)	(656,328)	(170,491)	120,905	(879,697)	(535,423)
	<u>\$60,241,273</u>	<u>\$59,759,413</u>	<u>\$9,052,156</u>	<u>\$9,595,205</u>	<u>\$69,293,429</u>	<u>\$69,354,618</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 2017-2018 included total City-wide budgeted expenditures of \$48,350,151.

The City projected an Operating Working Fund Balance in the General Corporate Fund of \$3,551,331 at April 30, 2018. Total operating expenditures in the General Corporate Fund were projected at \$13,973,281 for the fiscal year ending April 30, 2018 with a budgeted surplus in operations of \$16,742. We will have a projected operating working fund balance at April 30, 2018 that is \$2,268,290 more than the amount called for in our Financial Policy. The Aquatic Zoo Fund is included in the General Corporate Fund.

We anticipated no increase in our 1% State Sales Tax over 2016-2017 revenue. We also anticipated no increase in our 1% Home Rule Sales Tax. These revenues were down for 2016-2017 from previous years and we estimated that they will plateau at those lower levels.

For the fiscal year ending April 30, 2018, there were no new taxes or fees or increases in our taxes and fees other than a 3.99% increase in property taxes.

All City departments were required to freeze their 2017-2018 operating budgets, exclusive of payroll, from their 2016-2017 operating budgets. For 2017-2018, in the General Corporate Fund, we re-hired two of the seven laid-off full-time positions and only budgeted for four part-time non-union positions.

General Corporate's repayment for labor and equipment from the Motor Fuel Tax Fund was budgeted at \$142,500 for 2017-2018, the second year in a row that it is down from approximately \$300,000 in years before.

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 projected a total Working Fund Balance at April 30, 2018 of \$(1,975,752) in this fund, which includes restricted funds. Since the working fund balance is negative, we will be transferring funds from the General Corporate Capital Projects Fund to compensate for this negative balance.

The General Corporate Capital Projects Fund is another special revenue fund and in this fund, we are proposing to spend \$2.969 million for capital and infrastructure expenditures and related debt service expenses during 2017-2018. We are projecting a Working Fund Balance at April 30, 2018 of \$2,610,570 in this fund, which includes restricted funds. The restricted Working Fund Balance, other than the remaining balance of the 2012 bonds, is projected to be a negative \$366,338 at April 30, 2018.

The total Working Fund Balance of the eleven Special Revenue Funds at April 30, 2018 is projected to be \$1,840,414. The Revolving Loan Fund is the second largest fund in this group, after the General Corporate Capital Projects Fund, with a working fund balance at April 30, 2018 projected to be \$905,991. Four TIF (Tax Increment Financing) funds are included in these funds, however, the Homestead TIF was dissolved during the 2016-2017 year, leaving only ten Special Revenue Funds for 2017-2018.

The City has three "Proprietary Funds", the Public Utilities Fund, Sanitation Fund and Health Insurance Fund, whose operating expenses are intended to be funded by their operating revenues.

The Public Utilities Fund projected an operating surplus of \$37,255 for 2017-2018, a working fund balance for operations at April 30, 2018 of \$762,777 and total expenditures for operations of \$7,508,198. Back in 2015-2016, we did not replace one full time position in this department. On May 1, 2017, there was no increase in water and sewer rates for operations. The City Council previously restricted revenue from 3% 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 and added a 2% increase on November 1, 2016, for the same purposes. In addition, there was budgeted an additional 2% increase on November 1, 2017 which was also restricted for capital expenses. The City proposed \$2.784 million of capital expenses, infrastructure improvements and related debt service expenses in the Public Utilities Fund for fiscal year 2017-2018, which includes only \$18,000 for equipment or vehicle replacement. 65.1545% of the 2010 General Obligation Bonds and approximately 10% of the 2012 General Obligation Bonds have been allocated to the Public Utilities Fund and are restricted there for capital and infrastructure improvements.

Effective May 1, 2016, the garbage rates were set at \$19.00 per month and were not increased on May 1, 2017. The Working Fund Balance is projected to be \$9,059 at April 30, 2018.

The City's self-insured Health Insurance Fund, which is considered an "Internal Service Fund", is projected to have an Operating Working Fund Balance of \$50,403 at April 30, 2018. We are estimating no increase in our rates effective January 1, 2018. Effective May 1, 2016 we transferred our health insurance coverage for 56 retirees to Medicare Plan F coverage, and have since transferred additional retirees to this plan.

#### **Noncompliance with the City's Financial Policies**

On October 1, 2012, the City Council passed as an ordinance the "City of Mt. Vernon, IL Financial Policies", which, among other things, implemented a policy as to the amount of Operating Working Fund Balance that each fund should maintain. At April 30, 2017 the City is in compliance with that policy in all but the following funds:

	Operating Working Fund Balance	Amount Required	Shortage
Downtown TIF	\$(151,868)	\$48,395	\$200,263
Sanitation Fun	\$(2,531)	\$96,449	\$98,980
General Corporate Capital	\$4,320,928	\$4,687,266	\$366,338

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

CITY OF MT. VERNON, ILLINOIS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL CORPORATE FUND—SEPARATED BY  
 RESTRICTED AND UNRESTRICTED BALANCES  
 For the Fiscal Year Ended April 30, 2017

	General Corporate Fund			Totals
	Restricted Amounts	Aquatic Zoo Amounts	Unrestricted Amounts (Operating)	
<b>Revenues:</b>				
Sales taxes	\$ -0-	\$ -0-	\$ 8,759,711	\$ 8,759,711
Use taxes	-0-	-0-	376,677	376,677
Hotel/motel taxes	-0-	-0-	791,498	791,498
Property tax levied for general purposes	-0-	-0-	197,159	197,159
Property tax levied for employee benefits	743,647	-0-	9,118	752,765
Franchise taxes	-0-	-0-	154,335	154,335
Public service taxes	-0-	-0-	2,118,917	2,118,917
Gain on sale of fixed assets	-0-	-0-	145,723	145,723
Grants and contributions not restricted to specific programs	-0-	-0-	675	675
Unrestricted investment income	444	393	19,154	19,991
Miscellaneous	-0-	-0-	117,413	117,413
Operating grants and contributions	675	-0-	32,085	32,760
Charges for services	51,038	424,540	419,043	894,621
<b>Total revenues</b>	<u>795,804</u>	<u>424,933</u>	<u>13,141,508</u>	<u>14,362,245</u>
<b>Expenditures:</b>				
General government	695	-0-	3,342,706	3,343,401
Public safety				
Police	6,365	-0-	4,732,730	4,739,095
Fire	-0-	-0-	3,092,456	3,092,456
Public works	-0-	-0-	1,688,191	1,688,191
Engineering services	-0-	-0-	487,417	487,417
Culture and recreation	-0-	376,307	675,996	1,052,303
IMRF, FICA and Medicare (total of all departments)	597,592	-0-	(597,592)	-0-
<b>Total expenditures</b>	<u>604,652</u>	<u>376,307</u>	<u>13,421,904</u>	<u>14,402,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>191,152</u>	<u>48,626</u>	<u>(280,396)</u>	<u>(40,618)</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	-0-	-0-	218,060	218,060
Transfers to other funds	-0-	-0-	(733,000)	(733,000)
Long-term debt issued	-0-	-0-	843,565	843,565
<b>Total other financing sources (uses)</b>	<u>-0-</u>	<u>-0-</u>	<u>328,625</u>	<u>328,625</u>
Net change in fund balances	191,152	48,626	48,229	288,007
Fund balances, beginning	<u>190,215</u>	<u>103,248</u>	<u>3,344,822</u>	<u>3,638,285</u>
Fund balances, ending	<u>\$381,367</u>	<u>\$151,874</u>	<u>\$ 3,393,051</u>	<u>\$ 3,926,292</u>

CITY OF MT. VERNON, ILLINOIS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PUBLIC UTILITIES FUND-SEPARATED BY  
 RESTRICTED AND UNRESTRICTED BALANCES  
 For the Fiscal Year Ended April 30, 2017

	Public Utilities Fund				Totals
	Restricted and Long-Term Amounts	Net Investment in Capital Assets	Other Long-Term Amounts	Unrestricted Amounts (Operating)	
<u>Operating revenues:</u>					
User charges	\$ 1,321,635	\$ -0-	\$ -0-	\$ 7,225,521	\$ 8,547,156
Other operating revenue	98,096	-0-	-0-	85,882	183,978
Total operating revenues	<u>1,419,731</u>	<u>-0-</u>	<u>-0-</u>	<u>7,311,403</u>	<u>8,731,134</u>
<u>Operating expenses:</u>					
Administration	388	-0-	(281,344)	2,508,868	2,227,912
Cost of sales and services	-0-	-0-	-0-	2,216,426	2,216,426
Treatment	-0-	-0-	-0-	2,474,875	2,474,875
Depreciation	-0-	1,085,947	-0-	-0-	1,085,947
Total operating expenses	<u>388</u>	<u>1,085,947</u>	<u>(281,344)</u>	<u>7,200,169</u>	<u>8,005,160</u>
Operating income	<u>1,419,343</u>	<u>(1,085,947)</u>	<u>281,344</u>	<u>111,234</u>	<u>725,974</u>
<u>Nonoperating revenues</u>					
<u>(expenses):</u>					
Nonoperating revenues	115,750	-0-	-0-	126,515	242,265
Interest and fiscal charges - bonds	(362,367)	-0-	-0-	(4,544)	(366,911)
Principal paid on debt	(443,246)	477,914	(919)	(33,749)	-0-
Capital expenses that will be depreciated	(2,276,155)	2,297,120	-0-	(20,965)	-0-
Gain on withdrawals of assets from service	-0-	-0-	-0-	3,082	3,082
Total nonoperating revenues (expenses)	<u>(2,966,018)</u>	<u>2,775,034</u>	<u>(919)</u>	<u>70,339</u>	<u>(121,564)</u>
Income/(loss) before contributions and transfers	(1,546,675)	1,689,087	280,425	181,573	604,410
Capital contributions from developers	-0-	-0-	-0-	3,640	3,640
Transfers from other funds	441,826	-0-	-0-	-0-	441,826
Change in net position	(1,104,849)	1,689,087	280,425	185,213	1,049,876
Net position - beginning	<u>1,353,018</u>	<u>11,292,152</u>	<u>(487,537)</u>	<u>558,784</u>	<u>12,716,417</u>
Net position - ending	<u>\$ 248,169</u>	<u>\$12,981,239</u>	<u>\$(207,112)</u>	<u>\$ 743,997</u>	<u>\$13,766,293</u>

BASIC FINANCIAL STATEMENTS

CITY OF MT. VERNON, ILLINOIS  
STATEMENT OF NET POSITION  
For the Fiscal Year Ended April 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 6,907,820	\$ 575,672	\$ 7,483,492
Investments	9,645,159	305,256	9,950,415
Receivables:			
Accounts, net	328,226	938,088	1,266,314
Notes	535,934	-0-	535,934
Due from other funds	273,574	216	273,790
Due from other governments and their agencies	2,069,042	-0-	2,069,042
Property and replacement taxes, net	2,388,115	-0-	2,388,115
Interest	-0-	707	707
Inventories	2,346	134,254	136,600
Prepaid expenses	1,266,707	76,803	1,343,510
Restricted assets	449,787	283,962	733,749
Property and equipment			
Land, improvements, buildings, lines	43,438,953	20,665,410	64,104,363
Other capital assets	2,945,395	160,769	3,106,164
<b>Total Assets</b>	<b><u>\$ 70,251,058</u></b>	<b><u>\$23,141,137</u></b>	<b><u>\$ 93,392,195</u></b>
<b>Deferred outflows of resources</b>			
Deferred pension charges	\$ 4,800,622	\$ 811,942	\$ 5,612,564
<b>Total deferred outflows of resources</b>	<b><u>\$ 4,800,622</u></b>	<b><u>\$ 811,942</u></b>	<b><u>\$ 5,612,564</u></b>
<b>Liabilities</b>			
Payables			
Accounts	\$ 2,064,902	\$ 531,854	\$ 2,596,756
Payroll and related liabilities	856,189	134,752	990,941
Accrued interest payable	399,340	49,426	448,766
Liabilities payable from restricted assets	69,565	283,962	353,527
Due to other funds	272,960	216	273,176
General obligation bonds and long-term debt			
Due within one year	1,860,849	512,113	2,372,962
Due in more than one year	30,185,906	7,523,410	37,709,316
Net pension obligation	28,655,402	1,160,794	29,816,196
Net other post employment benefits obligation	(709,206)	(170,491)	(879,697)
Unamortized bond premium	773,524	82,988	856,512
<b>Total Liabilities</b>	<b><u>\$ 64,429,431</u></b>	<b><u>\$10,109,024</u></b>	<b><u>\$ 74,538,455</u></b>
<b>Deferred inflows of resources</b>			
Deferred revenue	\$ 104,110	\$ 40,293	\$ 144,403
<b>Net Position</b>			
Net investment in capital assets	24,514,049	13,021,239	37,535,288
Restricted for:			
Employee benefits	182,858	-0-	182,858
Dare donations - Police	2,011	-0-	2,011
DUI	105,293	-0-	105,293
Federal Drug Force	47,263	-0-	47,263
Liquor ordinance fines	4,500	-0-	4,500
Park donations	4,423	-0-	4,423
State/Local drug	38,069	-0-	38,069
Anti-crime FNS	32,608	-0-	32,608
Public works	116,052	-0-	116,052
Inventory items	2,346	-0-	2,346
Unrestricted	(14,531,333)	782,523	(13,748,810)
<b>Total Net Position</b>	<b><u>\$ 10,518,139</u></b>	<b><u>\$13,803,762</u></b>	<b><u>\$ 24,321,901</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, 2017

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government:					
Government activities:					
General government	\$ 4,814,075	\$ 397,706	\$ -0-	\$ 908,050	\$ (3,508,319)
Public safety:					
Police	4,952,148	240,097	10,856	-0-	(4,701,195)
Fire	3,605,436	100	19,404	-0-	(3,585,932)
Public works	1,976,810	-0-	-0-	387,218	(1,589,592)
Engineering services	474,860	-0-	-0-	-0-	(474,860)
Health and sanitation	-0-	-0-	2,500	-0-	2,500
Culture and recreation	1,471,573	517,723	114,132	-0-	(839,718)
Community development	1,057,118	2,104	-0-	-0-	(1,055,014)
Interest on long-term debt	1,175,717	-0-	-0-	-0-	(1,175,717)
Total government activities	<u>19,527,737</u>	<u>1,157,730</u>	<u>146,892</u>	<u>1,295,268</u>	<u>(16,927,847)</u>
Business-type activities:					
Public utilities and sanitation (includes interest expense of \$366,911)	<u>9,524,924</u>	<u>10,136,897</u>	<u>-0-</u>	<u>3,640</u>	<u>615,613</u>
Total business-type activities	<u>9,524,924</u>	<u>10,136,897</u>	<u>-0-</u>	<u>3,640</u>	<u>615,613</u>
Totals	<u>\$29,052,661</u>	<u>\$11,294,627</u>	<u>\$146,892</u>	<u>\$1,298,908</u>	<u>\$ (16,312,234)</u>
		Governmental Activities	Business-Type Activities	Total	
Change in net position:					
Net (expense) revenue		<u>\$ (16,927,847)</u>	<u>\$ 615,613</u>	<u>\$ (16,312,234)</u>	
General revenues and transfers:					
Taxes:					
Sales taxes	11,845,721	-0-	11,845,721		
Use taxes	376,677	-0-	376,677		
Hotel/motel taxes	1,339,505	-0-	1,339,505		
Property taxes levied for general purposes	1,093,315	-0-	1,093,315		
Property taxes levied for employee benefits	752,613	-0-	752,613		
Franchise taxes	154,335	-0-	154,335		
Public service taxes	2,126,005	-0-	2,126,005		
Gain on sale of fixed assets	138,223	3,082	141,305		
Grants and contributions not restricted to specific programs	12,675	-0-	12,675		
Unrestricted investment income	124,252	9,152	133,404		
Miscellaneous	167,831	-0-	167,831		
Transfers	(441,826)	441,826	-0-		
Total general revenues and transfers	<u>17,689,326</u>	<u>454,060</u>	<u>18,143,386</u>		
Change in net position	761,479	1,069,673	1,831,152		
Net position - beginning	<u>9,756,660</u>	<u>12,734,089</u>	<u>22,490,749</u>		
Net position - ending	<u>\$ 10,518,139</u>	<u>\$13,803,762</u>	<u>\$ 24,321,901</u>		

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

CITY OF MT. VERNON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2017

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Revolving Loan	TIF Downtown	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,603,245	\$ 1,112,111	\$ 892,111	\$ 92,320	\$1,252,415	\$ 96,765	\$ 391,485	\$ 6,440,452
Investments	-0-	5,481,302	3,804,837	-0-	351,805	-0-	-0-	9,637,944
Receivables:								
Accounts, net	191,768	6,535	-0-	-0-	-0-	1,600	61,774	261,677
Notes	-0-	-0-	-0-	-0-	535,934	-0-	-0-	535,934
Due from other funds	273,574	-0-	-0-	-0-	-0-	-0-	-0-	273,574
Due from other governments and their agencies	1,635,503	263,535	136,515	33,449	-0-	-0-	40	2,069,042
Property and replacement taxes, net	1,300,904	-0-	-0-	-0-	-0-	376,578	332,586	2,010,068
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	2,346	2,346
Prepaid expenses	1,250	-0-	-0-	-0-	-0-	-0-	-0-	1,250
Restricted assets	449,787	-0-	-0-	-0-	-0-	-0-	-0-	449,787
<b>Total Assets</b>	<b>\$ 6,456,031</b>	<b>\$ 6,863,483</b>	<b>\$ 4,833,463</b>	<b>\$ 125,769</b>	<b>\$2,140,154</b>	<b>\$ 474,943</b>	<b>\$ 788,231</b>	<b>\$ 21,682,074</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
<b>Payables</b>								
Accounts	\$ 440,561	\$ 556,577	\$ 512,535	\$ 9,717	\$ 27,230	\$ 233	\$ 232,319	\$ 1,779,172
Payroll and related liabilities	614,599	1,546	-0-	-0-	-0-	-0-	9,006	625,151
Liabilities payable from restricted assets	69,565	-0-	-0-	-0-	-0-	-0-	-0-	69,565
Due to other funds	-0-	-0-	-0-	-0-	-0-	250,000	22,960	272,960
<b>Total liabilities</b>	<b>1,124,725</b>	<b>558,123</b>	<b>512,535</b>	<b>9,717</b>	<b>27,230</b>	<b>250,233</b>	<b>264,285</b>	<b>2,746,848</b>
<b>Deferred inflows of resources</b>								
Deferred revenue	1,405,014	-0-	-0-	-0-	-0-	376,578	336,464	2,118,056
<b>Fund balances</b>								
<b>Nonspendable:</b>								
Inventories	-0-	-0-	-0-	-0-	-0-	-0-	2,346	2,346
Prepaid expenses	1,145	-0-	-0-	-0-	-0-	-0-	-0-	1,145
<b>Restricted:</b>								
Employee benefits	146,055	-0-	-0-	-0-	-0-	-0-	-0-	146,055
Dare donations - Police (General Corporate)	2,011	-0-	-0-	-0-	-0-	-0-	-0-	2,011
DUI (General Corporate)	105,293	-0-	-0-	-0-	-0-	-0-	-0-	105,293
Federal Drug Force (General Corporate)	47,263	-0-	-0-	-0-	-0-	-0-	-0-	47,263
State/Local drug (General Corporate)	38,069	-0-	-0-	-0-	-0-	-0-	-0-	38,069
Anti-crime FNS	32,608	-0-	-0-	-0-	-0-	-0-	-0-	32,608
Liquor ordinance fines	4,500	-0-	-0-	-0-	-0-	-0-	-0-	4,500
Park donations	4,423	-0-	-0-	-0-	-0-	-0-	-0-	4,423
Public works	-0-	-0-	-0-	116,052	-0-	-0-	-0-	116,052
<b>Committed:</b>								
Community development	-0-	-0-	-0-	-0-	-0-	48,395	-0-	48,395
Committed revenues	-0-	1,049,171	-0-	-0-	-0-	-0-	-0-	1,049,171
Capital, infrastructure, and related debt service expenditures - Food and beverage tax	-0-	-0-	117,579	-0-	-0-	-0-	-0-	117,579
Capital, infrastructure, and related debt service expenditures - Diesel tax	-0-	-0-	258,137	-0-	-0-	-0-	-0-	258,137
Capital, infrastructure, and related debt service expenditures - Telecommunication tax	-0-	-0-	89,878	-0-	-0-	-0-	-0-	89,878
<b>Assigned:</b>								
Bond proceeds	-0-	4,723,061	3,412,625	-0-	-0-	-0-	-0-	8,135,686
<b>Unassigned, reported in:</b>								
General Corporate	3,544,925	-0-	-0-	-0-	-0-	-0-	-0-	3,544,925
Special revenue funds	-0-	533,128	442,709	-0-	2,112,924	(200,263)	185,136	3,073,634
<b>Total fund balances</b>	<b>3,926,292</b>	<b>6,305,360</b>	<b>4,320,928</b>	<b>116,052</b>	<b>2,112,924</b>	<b>(151,868)</b>	<b>187,482</b>	<b>16,817,170</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,456,031</b>	<b>\$ 6,863,483</b>	<b>\$ 4,833,463</b>	<b>\$ 125,769</b>	<b>\$2,140,154</b>	<b>\$ 474,943</b>	<b>\$ 788,231</b>	<b>\$ 21,682,074</b>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2017

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Revolving Loan	TIF Downtown	Other Governmental Funds	Total Governmental Funds
Total fund balance - total governmental funds	\$ 3,926,292	\$ 6,305,360	\$ 4,320,928	\$ 116,052	\$2,112,924	\$(151,868)	\$ 187,482	\$ 16,817,170
Amounts reported for governmental activities in the statement of net position are different because:								
Capital assets of \$69,741,723, net of accumulated depreciation of \$(23,357,375), are not financial resources and, therefore, are not reported in the funds (See Note 4).	11,117,974	14,785,635	16,740,223	2,869,648	-0-	-0-	870,868	46,384,348
Property taxes for 2016 payable in 2017	1,380,246	-0-	-0-	-0-	-0-	505,870	156,449	2,042,565
Unamortized bond premium cost	-0-	(472,859)	(300,665)	-0-	-0-	-0-	-0-	(773,524)
Road and bridge tax	345,516	-0-	-0-	-0-	-0-	-0-	-0-	345,516
Long-term debt	(843,564)	(16,922,039)	(13,773,399)	-0-	-0-	-0-	(507,754)	(32,046,756)
Accrued interest payable	-0-	(240,671)	(158,669)	-0-	-0-	-0-	-0-	(399,340)
Sick pay recorded as a liability of the fund	(231,039)	-0-	-0-	-0-	-0-	-0-	-0-	(231,039)
Deferred pension charges	4,621,985	58,834	-0-	-0-	-0-	-0-	119,803	4,800,622
Net pension obligation	(28,400,014)	(84,112)	-0-	-0-	-0-	-0-	(171,276)	(28,655,402)
Net OPEB obligation	700,015	-0-	-0-	-0-	-0-	-0-	9,191	709,206
General liability and business auto insurance - asset of the fund	1,265,456	-0-	-0-	-0-	-0-	-0-	-0-	1,265,456
The internal service fund is used by management to charge the costs of operating the self-insured health care plan (Health Insurance Fund) to the individual funds. The assets and liabilities of the Health Insurance Fund are included in governmental activities, in the government-wide statement of net position (net of the amount allocated to business-type activities, if any). Internal service fund balances not included in other reconciling items:								
Current assets	545,045	-0-	-0-	-0-	-0-	-0-	-0-	545,045
Current liabilities	(285,728)	-0-	-0-	-0-	-0-	-0-	-0-	(285,728)
Net position of governmental activities	<u>\$ (5,857,816)</u>	<u>\$ 3,430,148</u>	<u>\$ 6,828,418</u>	<u>\$2,985,700</u>	<u>\$2,112,924</u>	<u>\$ 354,002</u>	<u>\$ 664,763</u>	<u>\$ 10,518,139</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, 2017

	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Revolving Loan	TIF Downtown	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
Sales taxes	\$ 8,759,711	\$ 1,751,080	\$ 1,334,930	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$11,845,721
Use taxes	376,677	-0-	-0-	-0-	-0-	-0-	-0-	376,677
Hotel/motel taxes	791,498	-0-	-0-	-0-	-0-	-0-	548,007	1,339,505
Property taxes levied for general purposes	197,159	-0-	-0-	-0-	-0-	359,114	332,551	888,824
Property taxes levied for employee benefits	752,765	-0-	-0-	-0-	-0-	-0-	22,574	775,339
Franchise taxes	154,335	-0-	-0-	-0-	-0-	-0-	-0-	154,335
Public service taxes	2,118,917	-0-	-0-	-0-	-0-	-0-	-0-	2,118,917
Gain on sale of fixed assets	145,723	-0-	-0-	-0-	-0-	-0-	-0-	145,723
Grants and contributions not restricted to specific programs	675	-0-	-0-	-0-	-0-	-0-	-0-	675
Unrestricted investment income	19,991	42,381	31,425	654	25,621	1,517	1,170	122,759
Miscellaneous	117,413	-0-	49,102	-0-	-0-	-0-	1,315	167,830
Operating grants and contributions	32,760	-0-	-0-	-0-	-0-	-0-	114,132	146,892
Capital grants and contributions	-0-	908,050	-0-	387,218	-0-	-0-	-0-	1,295,268
Charges for services	894,621	-0-	-0-	-0-	-0-	-0-	2,895	897,516
<b>Total revenues</b>	<b>14,362,245</b>	<b>2,701,511</b>	<b>1,415,457</b>	<b>387,872</b>	<b>25,621</b>	<b>360,631</b>	<b>1,022,644</b>	<b>20,275,981</b>
<b>Expenditures:</b>								
<b>Current</b>								
General government	3,343,401	1,886,470	3,286,682	-0-	-0-	-0-	-0-	8,516,553
Public safety								
Police	4,739,095	-0-	-0-	-0-	-0-	-0-	-0-	4,739,095
Fire	3,092,456	-0-	-0-	-0-	-0-	-0-	-0-	3,092,456
Public works	1,688,191	-0-	-0-	326,820	-0-	-0-	-0-	2,015,011
Engineering services	487,417	-0-	-0-	-0-	-0-	-0-	-0-	487,417
Culture and recreation	1,052,303	-0-	-0-	-0-	-0-	-0-	533,357	1,585,660
Community development	-0-	-0-	-0-	-0-	4,393	305,911	744,374	1,054,678
Debt service								
Interest and fiscal charges	-0-	661,915	564,679	-0-	-0-	-0-	-0-	1,226,594
<b>Total expenditures</b>	<b>14,402,863</b>	<b>2,548,385</b>	<b>3,851,361</b>	<b>326,820</b>	<b>4,393</b>	<b>305,911</b>	<b>1,277,731</b>	<b>22,717,464</b>
Excess (deficiency) of revenues over (under) expenditures	(40,618)	153,126	(2,435,904)	61,052	21,228	54,720	(255,087)	(2,441,483)
<b>Other financing sources (uses)</b>								
Transfers from other funds	218,060	-0-	733,000	-0-	-0-	-0-	-0-	951,060
Transfers to other funds	(733,000)	(441,826)	-0-	-0-	(27,174)	(7,000)	(183,886)	(1,392,886)
Principal paid on long-term debt	-0-	(822,905)	(870,039)	-0-	-0-	-0-	-0-	(1,692,944)
Long-term debt issued	843,565	-0-	-0-	-0-	-0-	-0-	507,754	1,351,319
<b>Total other financing sources (uses)</b>	<b>328,625</b>	<b>(1,264,731)</b>	<b>(137,039)</b>	<b>-0-</b>	<b>(27,174)</b>	<b>(7,000)</b>	<b>323,868</b>	<b>(783,451)</b>
<b>Net change in fund balances</b>	<b>288,007</b>	<b>(1,111,605)</b>	<b>(2,572,943)</b>	<b>61,052</b>	<b>(5,946)</b>	<b>47,720</b>	<b>68,781</b>	<b>(3,224,934)</b>
<b>Fund balances, beginning</b>	<b>3,638,285</b>	<b>7,416,965</b>	<b>6,893,871</b>	<b>55,000</b>	<b>2,118,870</b>	<b>(199,588)</b>	<b>118,701</b>	<b>20,042,104</b>
<b>Fund balances, ending</b>	<b>\$ 3,926,292</b>	<b>\$ 6,305,360</b>	<b>\$ 4,320,928</b>	<b>\$ 116,052</b>	<b>\$2,112,924</b>	<b>\$(151,868)</b>	<b>\$ 187,482</b>	<b>\$16,817,170</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, 2017

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Revolving Loan	TIF Downtown	Other Governmental Funds	Total Governmental Funds
Net change in fund balances - total governmental funds	\$ 288,007	\$ (1,111,605)	\$ (2,572,943)	\$ 61,052	\$ (5,946)	\$ 47,720	\$ 68,781	\$ (3,224,934)
Depreciation expense	(809,573)	(406,886)	(946,896)	(200,707)	-0-	-0-	(23,332)	(2,387,394)
Capital asset purchases	12,000	1,653,625	3,268,098	-0-	-0-	-0-	-0-	4,933,723
Bond premium accretion	-0-	21,791	13,856	-0-	-0-	-0-	-0-	35,647
Property taxes for 2016 payable in 2017	260,002	-0-	-0-	-0-	-0-	10,712	(82,172)	188,542
Debt principal paid	-0-	822,904	870,039	-0-	-0-	-0-	-0-	1,692,943
Accrued interest payable	-0-	7,697	7,533	-0-	-0-	-0-	-0-	15,230
Long-term debt proceeds	(843,565)	-0-	-0-	-0-	-0-	-0-	(507,754)	(1,351,319)
Capital asset disposals	(11,764)	-0-	-0-	-0-	-0-	-0-	-0-	(11,764)
Sick pay	(78,683)	-0-	-0-	-0-	-0-	-0-	-0-	(78,683)
Deferred pension charges	117,654	3,146	-0-	-0-	-0-	-0-	7,876	128,676
Net pension obligation	(850,514)	(1,326)	-0-	-0-	-0-	-0-	(4,884)	(856,724)
Early retirement costs - I.M.R.F.	843,565	-0-	-0-	-0-	-0-	-0-	46,754	890,319
Net OPEB obligation	78,433	34	-0-	-0-	-0-	-0-	(25,589)	52,878
General liability and business auto insurance	468,369	-0-	-0-	-0-	-0-	-0-	-0-	468,369
<p>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:</p>								
Change in net position	265,970	-0-	-0-	-0-	-0-	-0-	-0-	265,970
Change in net position of governmental activities	\$ (260,099)	\$ 989,380	\$ 639,687	\$ (139,655)	\$ (5,946)	\$ 58,432	\$ (520,320)	\$ 761,479

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, 2017

	Business-Type Activities Public Utilities	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 562,065	\$ 13,607	\$ 575,672	\$467,368
Investments	305,256	-0-	305,256	7,215
Receivables:				
Accounts, net	860,685	77,403	938,088	70,462
Due from other funds	-0-	216	216	-0-
Interest	707	-0-	707	-0-
Inventories	134,254	-0-	134,254	-0-
Prepaid expenses	76,803	-0-	76,803	-0-
Total current assets	<u>1,939,770</u>	<u>91,226</u>	<u>2,030,996</u>	<u>545,045</u>
Restricted assets:				
Cash and cash equivalents	283,962	-0-	283,962	-0-
Total restricted assets	<u>283,962</u>	<u>-0-</u>	<u>283,962</u>	<u>-0-</u>
Noncurrent assets:				
Property and equipment	20,625,410	40,000	20,665,410	-0-
Other capital assets	160,769	-0-	160,769	-0-
Total noncurrent assets	<u>20,786,179</u>	<u>40,000</u>	<u>20,826,179</u>	<u>-0-</u>
Total Assets	<u>\$23,009,911</u>	<u>\$131,226</u>	<u>\$23,141,137</u>	<u>\$545,045</u>
Deferred outflows of resources				
Deferred pension charges	\$ 811,942	\$ -0-	\$ 811,942	\$ -0-
Total deferred outflows of resources	<u>\$ 811,942</u>	<u>\$ -0-</u>	<u>\$ 811,942</u>	<u>\$ -0-</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Current liabilities:				
Payables				
Accounts	\$ 438,097	\$ 93,757	\$ 531,854	\$285,728
Payroll and related liabilities	134,752	-0-	134,752	-0-
Accrued interest payable	49,426	-0-	49,426	-0-
Due to other funds	216	-0-	216	-0-
Total current liabilities	<u>622,491</u>	<u>93,757</u>	<u>716,248</u>	<u>285,728</u>
Liabilities payable from restricted assets:				
Accounts payable and accrued liabilities	283,962	-0-	283,962	-0-
Total liabilities payable from restricted assets	<u>283,962</u>	<u>-0-</u>	<u>283,962</u>	<u>-0-</u>
Noncurrent liabilities:				
General obligation bonds, net, and general long-term debt				
long-term debt	8,118,511	-0-	8,118,511	-0-
Net pension obligation	1,160,794	-0-	1,160,794	-0-
Net other post employment benefits obligation	(170,491)	-0-	(170,491)	-0-
Total noncurrent liabilities	<u>9,108,814</u>	<u>-0-</u>	<u>9,108,814</u>	<u>-0-</u>
Total liabilities	<u>10,015,267</u>	<u>93,757</u>	<u>10,109,024</u>	<u>285,728</u>
Deferred inflows of resources				
Deferred revenue	40,293	-0-	40,293	-0-
Net position:				
Net investment in capital assets	12,981,239	40,000	13,021,239	-0-
Committed for:				
Restricted revenue	248,169	-0-	248,169	-0-
Unrestricted	536,885	(2,531)	534,354	259,317
Total net position	<u>13,766,293</u>	<u>37,469</u>	<u>13,803,762</u>	<u>259,317</u>
Total Liabilities and Fund Balances	<u>\$23,821,853</u>	<u>\$131,226</u>	<u>\$23,953,079</u>	<u>\$545,045</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, 2017

	Business-Type Activities Public Utilities	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities Internal Service Funds
<u>Operating revenues</u>				
User charges	\$ 8,547,156	\$1,172,550	\$ 9,719,706	\$2,334,427
Other operating revenue	183,978	-0-	183,978	-0-
Total operating revenues	<u>8,731,134</u>	<u>1,172,550</u>	<u>9,903,684</u>	<u>2,334,427</u>
<u>Operating expenses</u>				
Administration	2,227,912	25,128	2,253,040	83,008
Cost of sales and services	2,216,426	1,127,625	3,344,051	1,986,941
Treatment	2,474,875	-0-	2,474,875	-0-
Depreciation	1,085,947	-0-	1,085,947	-0-
Total operating expenses	<u>8,005,160</u>	<u>1,152,753</u>	<u>9,157,913</u>	<u>2,069,949</u>
Operating income	<u>725,974</u>	<u>19,797</u>	<u>745,771</u>	<u>264,478</u>
Nonoperating revenues (expenses):				
Nonoperating revenues	242,265	-0-	242,265	1,492
Interest and fiscal charges - bonds	(366,911)	-0-	(366,911)	-0-
Gain on withdrawal of assets from service	3,082	-0-	3,082	-0-
Total nonoperating revenues (expenses)	<u>(121,564)</u>	<u>-0-</u>	<u>(121,564)</u>	<u>1,492</u>
Income before contributions and transfers	604,410	19,797	624,207	265,970
Capital contributions from developers	3,640	-0-	3,640	-0-
Transfers from other funds	<u>441,826</u>	<u>-0-</u>	<u>441,826</u>	<u>-0-</u>
Change in net position	1,049,876	19,797	1,069,673	265,970
Net position - beginning	<u>12,716,417</u>	<u>17,672</u>	<u>12,734,089</u>	<u>(6,653)</u>
Total net position - ending	<u>\$13,766,293</u>	<u>\$ 37,469</u>	<u>\$13,803,762</u>	<u>\$ 259,317</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, 2017

	Business-Type Activities Public Utilities	Business-Type Activities Sanitation	Business-Type Activities Total	Governmental Activities Internal Service Funds
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 8,559,489	\$ 1,156,968	\$ 9,716,457	\$ 2,334,427
Cash payments to suppliers for goods and services	(6,435,319)	(1,147,459)	(7,582,778)	(2,069,502)
Cash payments to employees and professional contractors for services	(1,920,116)	(2,432)	(1,922,548)	(83,008)
Other operating revenues	183,978	-0-	183,978	-0-
Net cash provided by operating activities	<u>388,032</u>	<u>7,077</u>	<u>395,109</u>	<u>181,917</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers from other funds	441,826	-0-	441,826	-0-
Proceeds from issuance of long-term debt (net of issuance costs)	230,583	-0-	230,583	-0-
Other nonoperating revenues	91,716	-0-	91,716	-0-
Net cash provided by noncapital financing activities	<u>764,125</u>	<u>-0-</u>	<u>764,125</u>	<u>-0-</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(2,297,120)	-0-	(2,297,120)	-0-
Proceeds from sale of assets	3,082	-0-	3,082	-0-
(Decrease) increase in due to other funds	(21,871)	4,151	(17,720)	-0-
Interest and fiscal charges paid	(370,525)	-0-	(370,525)	-0-
Principal paid on long-term debt	(474,275)	-0-	(474,275)	-0-
Net cash (used for) provided by capital and related financing activities	<u>(3,160,709)</u>	<u>4,151</u>	<u>(3,156,558)</u>	<u>-0-</u>
<b>Cash flows from investing activities:</b>				
Interest and customer penalty income received	150,549	-0-	150,549	1,442
Proceeds from sale of investments	2,400,451	-0-	2,400,451	-0-
Net cash provided by investing activities	<u>2,551,000</u>	<u>-0-</u>	<u>2,551,000</u>	<u>1,442</u>
Net increase in cash and cash equivalents	542,448	11,228	553,676	183,359
Cash and cash equivalents at May 1, 2016	<u>303,579</u>	<u>2,379</u>	<u>305,958</u>	<u>284,009</u>
Cash and cash equivalents at April 30, 2017	<u>\$ 846,027</u>	<u>\$ 13,607</u>	<u>\$ 859,634</u>	<u>\$ 467,368</u>
<b>Reconciliation of cash and cash equivalents:</b>				
Current assets - cash and cash equivalents	\$ 562,065	\$ 13,607	\$ 575,672	\$ 467,368
Restricted assets - cash and cash equivalents	283,962	-0-	283,962	-0-
Total cash and cash equivalents	<u>\$ 846,027</u>	<u>\$ 13,607</u>	<u>\$ 859,634</u>	<u>\$ 467,368</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income	\$ 725,974	\$ 19,797	\$ 745,771	\$ 264,478
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,085,947	-0-	1,085,947	-0-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	4,630	(15,582)	(10,952)	17,707
Decrease in inventories	19,817	-0-	19,817	-0-
Decrease in prepaid expenses	31,402	-0-	31,402	-0-
(Increase) in deferred pension charges	(25,779)	-0-	(25,779)	-0-
(Decrease) increase in accounts payable	(937,364)	2,862	(934,502)	(100,268)
(Decrease) in payroll and related liabilities payable	(224,971)	-0-	(224,971)	-0-
Increase in deferred revenue	977	-0-	977	-0-
(Decrease) in net pension obligation	(7,931)	-0-	(7,931)	-0-
(Decrease) in net other post employment benefits	(291,396)	-0-	(291,396)	-0-
Increase in customer deposits payable	6,726	-0-	6,726	-0-
Total adjustments	<u>(337,942)</u>	<u>(12,720)</u>	<u>(350,662)</u>	<u>(82,561)</u>
Net cash provided by operating activities	<u>\$ 388,032</u>	<u>\$ 7,077</u>	<u>\$ 395,109</u>	<u>\$ 181,917</u>
<b>Non-cash investing, capital, and financing activities</b>				
Capital assets contributed	\$ 3,640	\$ -0-	\$ 3,640	\$ -0-
Total non-cash investing, capital, and financing activities	<u>\$ 3,640</u>	<u>\$ -0-</u>	<u>\$ 3,640</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, 2017

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total Fiduciary Funds</u>
<b>Assets</b>			
Cash and short-term investments	\$ 786,579	\$ 430,316	\$ 1,216,895
Investments, at fair value:			
U.S. government and agency obligations	5,263,051	-0-	5,263,051
Mutual funds	11,508,179	9,602,826	21,111,005
Annuities	518	-0-	518
Certificate of deposit	444,879	4,123,584	4,568,463
Total investments	<u>17,216,627</u>	<u>13,726,410</u>	<u>30,943,037</u>
Receivables:			
Property and replacement taxes, net	1,214,987	1,027,726	2,242,713
Interest and dividends	49,903	16,426	66,329
Total receivables	<u>1,264,890</u>	<u>1,044,152</u>	<u>2,309,042</u>
Total assets	<u>19,268,096</u>	<u>15,200,878</u>	<u>34,468,974</u>
<b>Liabilities:</b>			
Payables:			
Accounts payable	50,699	509	51,208
Benefits payable	117,114	104,311	221,425
Due to other funds	380	234	614
Total payables	<u>168,193</u>	<u>105,054</u>	<u>273,247</u>
Total liabilities	<u>168,193</u>	<u>105,054</u>	<u>273,247</u>
Net position - held in trust for pension benefits	<u>\$19,099,903</u>	<u>\$15,095,824</u>	<u>\$34,195,727</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, 2017

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>	<u>Total Fiduciary Funds</u>
<b>ADDITIONS</b>			
Contributions:			
Employer, property taxes	\$ 931,276	\$ 759,599	\$ 1,690,875
Employer, general replacement tax	3,748	3,537	7,285
Employees	<u>274,341</u>	<u>181,858</u>	<u>456,199</u>
	<u>1,209,365</u>	<u>944,994</u>	<u>2,154,359</u>
Investment income:			
Net appreciation (decline) in fair value of investments	(735,913)	1,129,510	393,597
Interest and dividends	276,830	198,285	475,115
Gain on sale of investments	<u>2,285,414</u>	<u>262,689</u>	<u>2,548,103</u>
	<u>1,826,331</u>	<u>1,590,484</u>	<u>3,416,815</u>
Investment expense	<u>28,217</u>	<u>61,943</u>	<u>90,160</u>
Net investment income	<u>1,798,114</u>	<u>1,528,541</u>	<u>3,326,655</u>
Total additions to net position	<u>3,007,479</u>	<u>2,473,535</u>	<u>5,481,014</u>
<b>DEDUCTIONS</b>			
Pensions paid to plan participants	1,390,036	1,200,947	2,590,983
Member transfer of service payments	61,306	-0-	61,306
Refunds of contributions	238,342	-0-	238,342
Administrative expenses	<u>15,997</u>	<u>19,891</u>	<u>35,888</u>
Total deductions	<u>1,705,681</u>	<u>1,220,838</u>	<u>2,926,519</u>
Increase in net position during the year	1,301,798	1,252,697	2,554,495
Net position held in trust for pension benefits - beginning of year	<u>17,798,105</u>	<u>13,843,127</u>	<u>31,641,232</u>
Net position held in trust for pension benefits - end of year	<u>\$19,099,903</u>	<u>\$15,095,824</u>	<u>\$34,195,727</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, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mt. Vernon, Illinois (the "City"), was founded in 1819, and has a population of 16,200. 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 eight 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, 2018, 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, 2017.

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 nonoperating 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 nonoperating revenues and expenses.

## 1. Major Funds

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

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

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

Motor fuel tax accounts for State motor fuel tax allotments.

Sanitation fund accounts for collecting and disposing of refuse.

Revolving loan fund accounts for the accumulation of resources for and the operations of making loans and accounting for expenditures incurred for assistance to businesses to enhance economic development of the City.

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

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

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, 2017, is as follows:

Government activities	\$ 96
Business-type activities	-0-
Net increase in fair value	<u>\$ 96</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 \$9,085 and \$94,000, respectively.
4. Inventories - Inventory items in the modified accrual basis funds are expensed 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, 2017.

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 year ended April 30, 2009, the City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. This pronouncement requires the City to calculate and recognize a net other post employment benefit obligation (NOPEBO) at April 30, 2009, and each year thereafter. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since May 1, 2008. 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. Recently Adopted Accounting Pronouncements

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objectives of this Statement are to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures around fair value measurements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2015. No effect occurred from the adoption of GASB 72 on the City's financial statements.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provision of GASB 67 and GASB 68* ("GASB 73"). GASB 73 provides guidance on assets accumulated for pension plans that are not administered through a trust and provides clarity on certain provision of GASB 67 and GASB 68. The requirements for GASB 73 are effective for fiscal years beginning after June 15, 2015. No effect occurred from the adoption of GASB 73 on the City's financial statements.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* ("GASB 76"). GASB 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction of other event is not specified within the source of authoritative GAAP. The requirements of GASB 76 are effective for fiscal years beginning after June 15, 2015. No effect occurred from the adoption of GASB 76 on the City's financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures* ("GASB 77"). GASB 77 improves financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The requirements of GASB 77 are effective for fiscal years beginning after December 15, 2015. See Note 13 for the required disclosures on the City's financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* ("GASB 78"). GASB 78 amends the scope and availability of GASB 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). GASB 78 establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of GASB 78 are effective for fiscal years beginning after December 15, 2015. No effect occurred from the adoption of GASB 78 on the City's financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* ("GASB 79"). GASB 79 will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. The requirements of GASB 79 are effective for fiscal years beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for fiscal years beginning after December 15, 2015. No effect occurred from the adoption of GASB 79 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, 2017 and 2016, the following deficit fund balances existed:

	<u>2017</u>	<u>2016</u>
General Corporate	\$(6,117,133)	\$(5,591,075)
Industrial Park TIF	\$ (435,703)	\$ (17,374)
Health Insurance Fund	\$ 259,317	\$ (6,655)
	(no deficit)	

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, 2017:

Description	Institution	Fund	Fair Value/ Carrying Amount	Institution Carrying Amount	F.D.I.C./ S.P.I.C. Insured Category #1	Collat- eralized Category #2	Collat- eralized Category #3	U.S. Government Treasuries Category #4	Uncollateralized Category #5	Not Categorized
Bank Account	Peoples National Bank	Health Insurance	\$ 467,369	\$ 467,369	\$ 250,000	\$ 217,369	\$-0-	\$ -0-	\$ -0-	\$ -0-
Bank Account	Peoples National Bank	General	26,798	26,798	-0-	26,798	-0-	-0-	-0-	-0-
Bank Account	Peoples National Bank	General	30,807	30,957	1	30,957	-0-	-0-	-0-	-0-
Bank Account	Peoples National Bank	All Funds	6,308,752	6,074,124	-0-	6,074,124	-0-	-0-	-0-	-0-
Bank Account	Peoples National Bank	Revolving Loan	1,250,986	1,250,986	-0-	1,250,986	-0-	-0-	-0-	-0-
Bank Account	Illinois Funds	Sanitation	596	596	-0-	596	-0-	-0-	-0-	-0-
Bank Account	Illinois Funds	Public Utilities	1,847	1,381	-0-	1,381	-0-	-0-	-0-	-0-
Bank Account	Illinois National Bank	Public Utilities	14,000	14,000	14,000	-0-	-0-	-0-	-0-	-0-
Bank Account	Wells Fargo Advisors	Revolving Loan	1,429	1,429	575	854	-0-	-0-	-0-	-0-
U.S. Treas. Investments	Wells Fargo Advisors	Revolving Loan	4,851	4,851	-0-	-0-	-0-	4,851	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	Public Utilities	305,256	305,256	-0-	-0-	-0-	305,256	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	General Corp Capital	3,804,838	3,804,838	-0-	-0-	-0-	3,804,838	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	General Corp Capital	5,481,302	5,481,302	-0-	-0-	-0-	5,481,302	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	Revolving Loan	346,954	346,954	-0-	-0-	-0-	346,954	-0-	-0-
U.S. Treas. Investments	I.M.E.T.	Health Insurance	7,215	7,215	-0-	-0-	-0-	7,215	-0-	-0-
Cash on Hand	None	All Funds	2,320	2,320	-0-	-0-	-0-	-0-	-0-	2,320
Total governmental and business-type activities			<u>\$18,055,320</u>	<u>\$17,820,376</u>	<u>\$ 264,576</u>	<u>\$7,603,065</u>	<u>\$-0-</u>	<u>\$9,950,416</u>	<u>\$ -0-</u>	<u>\$2,320</u>
Bank Account	Peoples National Bank		\$ 287,657	\$ 290,320	\$ 290,320	\$ -0-	\$-0-	\$ -0-	\$ -0-	\$ -0-
Certificate of deposit	Discover Bank NA		201,394	201,394	201,394	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Ally Bank GMAC		243,485	243,485	243,485	-0-	-0-	-0-	-0-	-0-
Mutual Funds	Charles Schwab		11,508,697	11,508,697	-0-	-0-	-0-	11,508,697	-0-	-0-
Investments	US Bank		1,029,666	1,029,666	1,029,666	-0-	-0-	-0-	-0-	-0-
Investments	Charles Schwab		498,922	498,922	498,922	-0-	-0-	-0-	-0-	-0-
Investments	U.S. Treasuries		1,766,922	1,766,922	1,766,922	-0-	-0-	-0-	-0-	-0-
Investments	Corporate Bonds		2,107,445	2,107,445	2,107,445	-0-	-0-	-0-	-0-	-0-
Investments	State Bonds		359,019	359,019	359,019	-0-	-0-	-0-	-0-	-0-
Total police pension			<u>\$18,003,207</u>	<u>\$18,005,870</u>	<u>\$ 6,497,173</u>	<u>\$ -0-</u>	<u>\$-0-</u>	<u>\$ -0-</u>	<u>\$11,508,697</u>	<u>\$ -0-</u>
Bank Account	Peoples National Bank		\$ 381,243	\$ 383,732	\$ 383,732	\$ -0-	\$-0-	\$ -0-	\$ -0-	\$ -0-
Certificate of deposit	Ally Bank NA		231,471	231,471	231,471	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Ally Bank NA		235,308	235,308	235,308	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Ally Bank NA		235,193	235,193	235,193	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Ally Bank NA		233,435	233,435	233,435	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	American Express Central Bank		234,957	234,957	234,957	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	American Express Central Bank		114,334	114,334	114,334	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Bank of Georgetown		225,044	225,044	225,044	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	BMW Bank No America		232,777	232,777	232,777	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Capital One		233,435	233,435	233,435	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Capital One		233,645	233,645	233,645	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Capital One		231,471	231,471	231,471	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Comenity Cap Bank		44,329	44,329	44,329	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Discover Bank		235,072	235,072	235,072	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Discover Bank		231,471	231,471	231,471	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Goldman Sachs Bank		235,065	235,065	235,065	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Goldman Sachs Bank		235,210	235,210	235,210	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Third Fed Savings		235,261	235,261	235,261	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Wells Fargo		232,392	232,392	232,392	-0-	-0-	-0-	-0-	-0-
Certificate of deposit	Wells Fargo		233,712	233,712	233,712	-0-	-0-	-0-	-0-	-0-
Investments	Peoples National Bank		49,075	49,075	49,075	-0-	-0-	-0-	-0-	-0-
Mutual Funds	Charles Schwab		9,602,826	9,602,826	-0-	-0-	-0-	9,602,826	-0-	-0-
Total fire pension			<u>\$14,156,726</u>	<u>\$14,159,215</u>	<u>\$ 4,556,389</u>	<u>\$ -0-</u>	<u>\$-0-</u>	<u>\$ -0-</u>	<u>\$ 9,602,826</u>	<u>\$ -0-</u>
Total deposits with financial institutions and U.S. Treasury securities, and others			<u>\$50,215,253</u>	<u>\$49,985,461</u>	<u>\$11,318,138</u>	<u>\$7,603,065</u>	<u>\$-0-</u>	<u>\$9,950,416</u>	<u>\$21,111,523</u>	<u>\$2,320</u>

Reported in financial statements as:	
Cash and cash equivalents - unrestricted	\$ 7,483,492
Cash and cash equivalents - restricted	733,749
Investments	9,950,415
Cash overdraft recorded as accounts payable	(112,336)
Total governmental and business-type activities	<u>\$18,055,320</u>
Cash and cash equivalents - police pension	\$ 786,579
Investments - police pension	17,216,628
Total police pension	<u>\$18,003,207</u>
Cash and cash equivalents - fire pension	\$ 401,400
Investments - fire pension	13,755,326
Total fire pension	<u>\$14,156,726</u>
Total all funds	<u>\$50,215,253</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, 2017, in the general corporate fund are detailed as follows:

	Restricted Assets - Cash	Liabilities	Restricted Fund Balance
Employee benefits	\$146,055	\$ -0-	\$146,055
Electrical licenses	11,960	11,960	-0-
D.U.I. fines	105,293	-0-	105,293
Police Dare donations	2,011	-0-	2,011
Park - bench donations	4,423	-0-	4,423
Liquor ordinance fines	4,500	-0-	4,500
Federal Drug forfeitures	47,263	-0-	47,263
State/Local Drug forfeitures	38,069	-0-	38,069
Unclaimed evidence	26,798	26,798	-0-
Anti-crime FNS	32,608	-0-	32,608
Abandoned money	30,807	30,807	-0-
	<u>\$449,787</u>	<u>\$69,565</u>	<u>\$380,222</u>

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

	Restricted Fund Balance 5/1/2016	Additions	Reductions	Restricted Fund Balance 4/30/2017
Foreign fire insurance	\$ -0-			
Tax receipts		\$ -0-		
Interest income		36,093		
Less qualifying expenditures for capital equipment			\$ 36,093	
Subtotal - foreign fire insurance				\$ -0-
Employee benefits	-0-			
Employee benefits receipts		146,055		
Less qualifying expenditures			-0-	
Subtotal - employee benefits				146,055
2% hotel/motel tax	-0-			
Tax receipts		426,160		
Less qualifying expenditures			426,160	
Subtotal - 2% hotel/motel tax				-0-
DUI fines	73,754			
Fine receipts		31,539		
Less qualifying expenditures			-0-	
Subtotal - DUI fines				105,293
Police Dare donations	2,011			
Donation receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Police Dare donations				2,011

	Restricted Fund Balance 5/1/2016	Additions	Reductions	Restricted Fund Balance 4/30/2017
Park - tree donations	-0-			
Donation receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Park - tree donations				-0-
Park - bench donations	3,748			
Donation receipts		675		
Less qualifying expenditures			-0-	
Subtotal - Park - bench donations				4,423
Liquor ordinance fines	4,500			
Fines receipts		-0-		
Less qualifying expenditures			-0-	
Subtotal - Liquor ordinance fines				4,500
Federal drug forfeitures	47,014			
Forfeiture receipts		249		
Less qualifying expenditures			-0-	
Subtotal - federal drug forfeitures				47,263
State/Local Drug forfeitures	31,154			
Forfeiture receipts		12,720		
Less qualifying expenditures			5,805	
Subtotal - State/Local Drug forfeitures				38,069
Anti-crime FNS	26,194			
Anti-crime FNS receipts		6,779		
Less anti-crime FNS expenditures			365	
Subtotal - Anti-crime FNS				32,608
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		752,766		
Expenditures for I.M.R.F., F.I.C.A., and Medicare			752,766	
Subtotal - I.M.R.F./F.I.C.A. tax levy				-0-
	<u>\$188,375</u>	<u>\$1,413,036</u>	<u>\$1,221,189</u>	<u>\$380,222</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 \$166,272, expenditures were \$68,205 consisting of items for the fire stations, mattresses, remodeling, appliances, etc. Tax receipts were \$36,093, and interest income was \$162, leaving an ending balance of \$134,322. Members of the board are: Doug Boczek, President; Daniel Plumb, Secretary; Kevin Sargent, Treasurer; Chris Yenne, Board Member; Brad Baum, Board Member; Brian Pendley, Board Member; and Casey McCommons, 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, 2017, in the enterprise fund consist of the following:

	Restricted Assets - Cash	Liabilities	Restricted Net Position Balance
Customer deposits	<u>\$283,962</u>	<u>\$283,962</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, 2017, 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, 2017, fund balances are composed of the following:



	General Corporate	Quality of Life	General Corporate Capital	Motor Fuel Tax	Revolving Loan	TIF Downtown	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Inventories	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,346	\$ 2,346
Prepaid expenses	1,145	-0-	-0-	-0-	-0-	-0-	-0-	1,145
Restricted:								
Employee benefits	146,055	-0-	-0-	-0-	-0-	-0-	-0-	146,055
Dare donations - Police (General Corporate)	2,011	-0-	-0-	-0-	-0-	-0-	-0-	2,011
DUI (General Corporate)	105,293	-0-	-0-	-0-	-0-	-0-	-0-	105,293
Federal Drug Force (General Corporate)	47,263	-0-	-0-	-0-	-0-	-0-	-0-	47,263
State/Local drug (General Corporate)	38,069	-0-	-0-	-0-	-0-	-0-	-0-	38,069
Anti-crime FNS	32,608	-0-	-0-	-0-	-0-	-0-	-0-	32,608
Liquor ordinance fines	4,500	-0-	-0-	-0-	-0-	-0-	-0-	4,500
Park donations	4,423	-0-	-0-	-0-	-0-	-0-	-0-	4,423
Public works	-0-	-0-	-0-	116,052	-0-	-0-	-0-	116,052
Committed:								
Community development	-0-	-0-	-0-	-0-	-0-	48,395	-0-	48,395
Committed revenues	-0-	1,049,171	-0-	-0-	-0-	-0-	-0-	1,049,171
Capital, infrastructure, and related debt service expenditures -								
Food and beverage tax	-0-	-0-	117,579	-0-	-0-	-0-	-0-	117,579
Diesel fuel	-0-	-0-	258,137	-0-	-0-	-0-	-0-	258,137
Telecommunication tax	-0-	-0-	89,878	-0-	-0-	-0-	-0-	89,878
Assigned:								
Bond proceeds	-0-	4,723,061	3,412,625	-0-	-0-	-0-	-0-	8,135,686
Unassigned reported in:								
General Corporate	3,544,925	-0-	-0-	-0-	-0-	-0-	-0-	3,544,925
Special Revenue Funds	-0-	533,128	442,709	-0-	2,112,924	(200,263)	185,136	3,073,634
Total fund balances	<u>\$3,926,292</u>	<u>\$6,305,360</u>	<u>\$4,320,928</u>	<u>\$116,052</u>	<u>\$2,112,924</u>	<u>\$ (151,868)</u>	<u>\$187,482</u>	<u>\$16,817,170</u>

#### Note 4. PROPERTY AND EQUIPMENT

Capital asset activity for the year ended April 30, 2017, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities:</b>				
Non-depreciable assets:				
Land	\$ 5,334,890	\$ 12,000	\$ 7,500	\$ 5,339,390
Total non-depreciable assets	<u>5,334,890</u>	<u>12,000</u>	<u>7,500</u>	<u>5,339,390</u>
Depreciable assets:				
Infrastructure	43,994,549	4,784,679	-0-	48,779,228
Buildings	5,064,413	95,518	-0-	5,159,931
Machinery and equipment	3,832,306	17,095	381,030	3,468,371
Furniture and fixtures	1,104,758	24,435	-0-	1,129,193
Vehicles	6,139,656	-0-	274,046	5,865,610
Total depreciable assets	<u>60,135,682</u>	<u>4,921,727</u>	<u>655,076</u>	<u>64,402,333</u>
Total capital assets	<u>65,470,572</u>	<u>4,933,727</u>	<u>662,576</u>	<u>69,741,723</u>
Accumulated depreciation:				
Infrastructure	11,785,045	1,548,672	-0-	13,333,717
Buildings	2,545,881	137,641	-0-	2,683,522
Machinery and equipment	2,682,898	232,549	381,029	2,534,418
Furniture and fixtures	1,047,688	41,970	-0-	1,089,658
Vehicles	3,559,280	426,562	269,782	3,716,060
Total accumulated depreciation	<u>21,620,792</u>	<u>2,387,394</u>	<u>650,811</u>	<u>23,357,375</u>
Governmental activities capital assets, net	<u>\$43,849,780</u>	<u>\$2,546,333</u>	<u>\$ 11,765</u>	<u>\$46,384,348</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	-0-	-0-	11,611,988
Equipment	1,608,124	72,200	-0-	1,680,324
Water and sanitary sewer lines	33,438,208	2,228,559	10,780	35,655,987
Total depreciable assets	<u>46,658,320</u>	<u>2,300,759</u>	<u>10,780</u>	<u>48,948,299</u>
Total capital assets	<u>46,808,699</u>	<u>2,300,759</u>	<u>10,780</u>	<u>49,098,678</u>
Accumulated depreciation:				
Buildings and structures	9,137,901	306,584	-0-	9,444,485
Equipment	1,410,474	109,080	-0-	1,519,554
Water and sanitary sewer lines	16,648,957	670,283	10,780	17,308,460
Total accumulated depreciation	<u>27,197,332</u>	<u>1,085,947</u>	<u>10,780</u>	<u>28,272,499</u>
Business-type capital assets, net	<u>\$19,611,367</u>	<u>\$1,214,812</u>	<u>\$ -0-</u>	<u>\$20,826,179</u>

Depreciation expense is charged to functions as follows:

Governmental Activities		Business-Type Activities	
Public safety	\$ 393,521	Public utilities	\$1,085,947
Public works	225,148		<u>\$1,085,947</u>
Engineering services	10,082		
Culture and recreation	496,990		
Community development	606		
General government	<u>1,261,047</u>		
	<u>\$2,387,394</u>		

#### Note 5. LONG-TERM LIABILITIES

A summary of long-term liability activity is for the year ended April 30, 2017, 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%	1,322,387	-0-	135,897	-0-	1,186,490
General obligation bonds 2012 (includes \$508,900 issuance costs and \$905,288 bond premium)	32,110,041	12/15/32	2.0%-5.0%	28,700,805	-0-	1,264,354	-0-	27,436,451
Note dated 08/09/13 - secured by equipment	498,000	08/09/18	2.47%	306,059	-0-	99,541	-0-	206,518
Note dated 12/30/16 secured by 1% municipal state tax	890,317	12/30/23	3.75%	-0-	890,317	-0-	-0-	890,317
Note dated 01/05/17 unsecured	461,000	01/05/24	2.78%	-0-	461,000	-0-	-0-	461,000
Note dated 06/03/12 secured by equipment	125,000	06/03/17	3.47%	52,447	-0-	25,777	-0-	26,670
Note dated 11/06/14 - no collateral	178,412	11/06/19	5.00%	142,730	-0-	35,682	-0-	107,048
Note dated 11/06/14 - no collateral	71,588	11/06/19	5.00%	57,270	-0-	14,318	-0-	42,952
Note dated 12/08/15 - secured by equipment	608,000	12/08/20	1.77%	608,000	-0-	117,376	-0-	490,624
Compensated absences				228,680	19,642	-0-	-0-	248,322
Net pension obligation				27,798,678	860,540	3,816	-0-	28,655,402
Net other post employment benefits obligation (asset)				(656,328)	25,640	78,518	-0-	(709,206)
				<u>59,759,413</u>	<u>2,257,139</u>	<u>1,775,279</u>	<u>-0-</u>	<u>60,241,273</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 \$116,043 issuance costs)	4,177,300	11/01/24	1.0%-5.5%	2,472,613	-0-	254,103	-0-	2,218,510
General obligation bonds 2012 (includes \$54,598 issuance costs and \$97,125 bond premium)	3,444,959	12/15/32	2.0%-5.0%	3,079,196	-0-	135,647	-0-	2,943,549
Note dated 12/30/16 secured by 1% municipal sales tax	230,583	12/30/23	3.75%	-0-	230,583	-0-	-0-	230,583
Note dated 08/09/13 - secured by equipment	125,050	08/09/18	1.99%	76,503	-0-	25,000	-0-	51,503
Note dated 06/03/12 - secured by equipment	125,000	06/03/17	3.47%	52,447	-0-	25,777	-0-	26,670
Illinois E.P.A. note payable	652,277	01/01/25	2.50%	357,141	-0-	33,748	-0-	323,393
Compensated absences				26,360	-0-	30	-0-	26,330
Net pension obligation				1,168,725	-0-	7,931	-0-	1,160,794
Net other post employment benefits obligation				120,905	-0-	291,396	-0-	(170,491)
				<u>9,595,205</u>	<u>230,583</u>	<u>773,632</u>	<u>-0-</u>	<u>9,052,156</u>
<b>Totals</b>				<u>\$69,354,618</u>	<u>\$2,487,722</u>	<u>\$2,548,911</u>	<u>\$-0-</u>	<u>\$69,293,429</u>

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

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

Principal and interest payments in subsequent years:

Year Ending April 30,	Notes and Mortgages			General Obligation Bonds			Totals		
	Scheduled			Scheduled			Scheduled		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 547,963	\$ 74,337	\$ 622,300	\$ 1,825,000	\$ 1,515,992	\$ 3,340,992	\$ 2,372,963	\$ 1,590,329	\$ 3,963,292
2019	508,026	58,892	566,918	1,885,000	1,458,279	3,343,279	2,393,026	1,517,171	3,910,197
2020	386,811	44,606	431,417	1,935,000	1,397,219	3,332,219	2,321,811	1,441,825	3,763,636
2021	346,408	33,146	379,554	2,005,000	1,318,349	3,323,349	2,351,408	1,351,495	3,702,903
2022	228,185	23,900	252,085	2,085,000	1,235,784	3,320,784	2,313,185	1,259,684	3,572,869
2023	236,133	16,625	252,758	2,165,000	1,148,379	3,313,379	2,401,133	1,165,004	3,566,137
2024	541,608	9,743	551,351	2,250,000	1,056,949	3,306,949	2,791,608	1,066,692	3,858,300
2025	41,170	1,298	42,468	2,335,000	960,774	3,295,774	2,376,170	962,072	3,338,242
2026	20,974	262	21,236	2,410,000	878,474	3,288,474	2,430,974	878,736	3,309,710
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>\$2,857,278</u>	<u>\$262,809</u>	<u>\$3,120,087</u>	<u>\$37,225,000</u>	<u>\$14,032,462</u>	<u>\$51,257,462</u>	<u>\$40,082,278</u>	<u>\$14,295,271</u>	<u>\$54,377,549</u>

Year Ending April 30,	G.O.B. 2010A			G.O.B. 2010B			G.O.B. 2012			Totals		
	Scheduled			Scheduled			Scheduled			Scheduled		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$ -0-	\$ 206,630	\$ 206,630	\$ 395,000	\$ 160,018	\$ 555,018	\$ 1,430,000	\$ 1,149,344	\$ 2,579,344	\$ 1,825,000	\$ 1,515,992	\$ 3,340,992
2019	-0-	206,630	206,630	410,000	145,205	555,205	1,475,000	1,106,444	2,581,444	1,885,000	1,458,279	3,343,279
2020	-0-	206,630	206,630	420,000	128,395	548,395	1,515,000	1,062,194	2,577,194	1,935,000	1,397,219	3,332,219
2021	-0-	206,630	206,630	430,000	110,125	540,125	1,575,000	1,001,594	2,576,594	2,005,000	1,318,349	3,323,349
2022	-0-	206,630	206,630	445,000	90,560	535,560	1,640,000	938,594	2,578,594	2,085,000	1,235,784	3,320,784
2023	-0-	206,630	206,630	460,000	68,755	528,755	1,705,000	872,994	2,577,994	2,165,000	1,148,379	3,313,379
2024	-0-	206,630	206,630	475,000	45,525	520,525	1,775,000	804,794	2,579,794	2,250,000	1,056,949	3,306,949
2025	120,000	206,630	326,630	370,000	20,350	390,350	1,845,000	733,794	2,578,794	2,335,000	960,774	3,295,774
2026	510,000	200,030	710,030	-0-	-0-	-0-	1,900,000	678,444	2,578,444	2,410,000	878,474	3,288,474
2027	525,000	170,705	695,705	-0-	-0-	-0-	1,975,000	602,444	2,577,444	2,500,000	773,149	3,273,149
2028	545,000	139,730	684,730	-0-	-0-	-0-	2,055,000	523,444	2,578,444	2,600,000	663,174	3,263,174
2029	560,000	107,030	667,030	-0-	-0-	-0-	2,140,000	441,244	2,581,244	2,700,000	548,274	3,248,274
2030	580,000	72,870	652,870	-0-	-0-	-0-	2,225,000	355,644	2,580,644	2,805,000	428,514	3,233,514
2031	600,000	37,200	637,200	-0-	-0-	-0-	2,295,000	283,330	2,578,330	2,895,000	320,530	3,215,530
2032	-0-	-0-	-0-	-0-	-0-	-0-	2,375,000	205,874	2,580,874	2,375,000	205,874	2,580,874
2033	-0-	-0-	-0-	-0-	-0-	-0-	2,455,000	122,748	2,577,748	2,455,000	122,748	2,577,748
	<u>\$3,440,000</u>	<u>\$2,380,605</u>	<u>\$5,820,605</u>	<u>\$3,405,000</u>	<u>\$768,933</u>	<u>\$4,173,933</u>	<u>\$30,380,000</u>	<u>\$10,882,924</u>	<u>\$41,262,924</u>	<u>\$37,225,000</u>	<u>\$14,032,462</u>	<u>\$51,257,462</u>

### Operating Leases

Although the City is not a party to a capital lease agreement, the City has entered into a number of operating leases. These leases have cancellation provisions and are subject to annual appropriations. For the year ended April 30, 2017, lease expenditures were \$27,215.

### 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, 2017, the City reported the following aggregate amounts related to these pension plans:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net pension liabilities	\$28,655,402	\$1,160,794	\$29,816,196
Deferred outflows of resources	4,800,622	811,942	5,612,564
Pension expense	3,641,907	370,672	4,012,579

### 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, 2017, was \$2,365,452 out of a total payroll of \$8,911,487. At April 30, 2017, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>34</u>
Current employees	
Vested	13
Nonvested	<u>28</u>
	<u>41</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, 2017, 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 6.24%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was blended with the index rate of 3.82% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2017, to arrive at a discount rate of 6.24% 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 6.24% 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 (5.24%) or 1 percentage point higher (7.24%) than the current rate:

	<u>1% Decrease (5.24%)</u>	<u>Current Discount Rate (6.24%)</u>	<u>1% Increase (7.24%)</u>
Net pension liability	\$18,128,213	\$13,164,588	\$9,169,091

The net position at April 30, 2017, consisted of the following components:

Reserved for employee contributions	\$ 9,611,747
Reserved for retirement benefits	17,350,595
Unreserved net position (deficit)	<u>(7,862,439)</u>
Net Position	<u>\$19,099,903</u>

The components of the net pension liability at April 30, 2017 are as follows:

Total pension liability	\$32,264,491
Plan's fiduciary net position	19,099,903
Net pension liability	<u>\$13,164,588</u>

Plan fiduciary net position as a percentage of total pension liability	59.20%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2017, the City recognized pension expense for police pension of \$1,338,398. At April 30, 2017, 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	\$ -0-	\$170,981
Assumption changes	1,591,209	-0-
Net difference between projected and actual earnings on pension plan investments	948,859	490,793
Total	<u>\$2,540,068</u>	<u>\$661,774</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:

<u>Year Ended April 30</u>	
2018	\$ 377,556
2019	377,556
2020	377,554
2021	61,272
2022	183,968
Thereafter	500,388
	<u>\$1,878,294</u>

#### Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.78%. 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, 2017, was \$1,906,985 out of a total payroll of \$8,911,487. At April 30, 2017, 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>37</u>
Current employees	
Vested	15
Nonvested	<u>14</u>
	<u>29</u>
Total	<u>66</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, 2017, 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 6.57%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was blended with the index rate of 3.82% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2017, to arrive at a discount rate of 6.57% 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 6.57% 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 (5.57%) or 1 percentage point higher (7.57%) than the current rate:

	<u>1% Decrease (5.57%)</u>	<u>Current Discount Rate (6.57%)</u>	<u>1% Increase (7.57%)</u>
Net pension liability	\$16,527,188	\$12,328,757	\$8,943,127

The net position at April 30, 2017, consisted of the following components:

Reserved for employee contributions	\$ 9,689,244
Reserved for retirement benefits	13,688,101
Unreserved net position (deficit)	<u>(8,281,521)</u>
Net Position	<u>\$15,095,824</u>

The components of the net pension liability at April 30, 2017, are as follows:

Total pension liability	\$27,424,581
Plan's fiduciary net position	<u>15,095,824</u>
Net pension liability	<u>\$12,328,757</u>

Plan fiduciary net position as a percentage of total pension liability	55.04%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2017, the City recognized pension expense for fire pension of \$1,293,781. At April 30, 2017, 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	\$ 26,274	\$ -0-
Assumption changes	394,446	-0-
Net difference between projected and actual earnings on pension plan investments	<u>772,550</u>	<u>482,710</u>
Total	<u>\$1,193,270</u>	<u>\$482,710</u>

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

Year Ended April 30	
2018	\$211,437
2019	211,437
2020	211,433
2021	(46,079)
2022	74,597
Thereafter	47,735
	<u>\$710,560</u>

#### *Rate of Return*

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.84%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

#### Significant Investments

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

	Police Pension	Firefighters' Pension
Ishares Core S & P 500 ETF	\$2,529,274	\$ -0-
Vanguard FTSE Developed Markets ETF	1,308,538	-0-
Longleaf Partners Small Cap Fund	791,777	-0-
Tweedy Browne Global Value Fund	777,668	-0-
Oakmark Fund - Harris Association Investment Fund	1,442,661	-0-
Champlain Small Company Fund	1,032,308	-0-
Prime Cap Odyssey Growth	1,176,992	-0-
Russell 2000 ETF	1,204,164	-0-
Schwab DFA US Large Cap Value	-0-	2,346,335
Schwab DFA US Large Co	-0-	1,879,143
Schwab DFA US Small Cap Port	-0-	1,238,257
Schwab DFA US Small Cap Value	-0-	2,251,946

#### 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 April 30, 2016	<u>\$29,946,040</u>	<u>\$17,798,105</u>	<u>\$12,147,935</u>
Changes for the year:			
Service cost	587,893	-0-	587,893
Interest on the total pension liability	1,815,915	-0-	1,815,915
Changes on benefit terms	-0-	-0-	-0-
Differences between the expected and actual experience in the measurement of the pension liability	(192,998)	-0-	(192,998)
Changes of assumptions	1,797,325	-0-	1,797,325
Contributions - employer	-0-	935,025	(935,025)
Contributions - employee	-0-	274,341	(274,341)
Net investment income	-0-	1,798,113	(1,798,113)
Benefits payments, including refunds of employee contributions	(1,689,684)	(1,689,684)	-0-
Other changes (net transfer)	-0-	(15,997)	15,997
Net changes	<u>2,318,451</u>	<u>1,301,798</u>	<u>1,016,653</u>
Balances at April 30, 2017	<u>\$32,264,491</u>	<u>\$19,099,903</u>	<u>\$13,164,588</u>
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Firefighters' Pension</b>			
Balances at April 30, 2016	<u>\$25,960,577</u>	<u>\$13,843,127</u>	<u>\$12,117,450</u>
Changes for the year:			
Service cost	503,305	-0-	503,305
Interest on the total pension liability	1,666,159	-0-	1,666,159
Changes on benefit terms	-0-	-0-	-0-
Differences between the expected and actual experience in the measurement of the pension liability	31,103	-0-	31,103
Changes of assumptions	464,384	-0-	464,384
Contributions - employer	-0-	763,136	(763,136)
Contributions - employee	-0-	181,858	(181,858)
Net investment income	-0-	1,528,491	(1,528,491)
Benefits payments, including refunds of employee contributions	(1,200,947)	(1,200,947)	-0-
Other changes	-0-	(19,841)	19,841
Net changes	<u>1,464,004</u>	<u>1,252,697</u>	<u>211,307</u>
Balances at April 30, 2017	<u>\$27,424,581</u>	<u>\$15,095,824</u>	<u>\$12,328,757</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, 2017

	Police Pension Fund	Firefighters' Pension Fund
<b>Assets</b>		
Cash and short-term investments	\$ 786,579	\$ 430,316
Investments, at fair value:		
U.S. Government and agency obligations	5,263,051	-0-
Mutual funds	11,508,179	9,602,826
Annuities	518	-0-
Certificate of deposit	444,879	4,123,584
Total investments	<u>17,216,627</u>	<u>13,726,410</u>
Receivables:		
Property and replacement taxes, net	1,214,987	1,027,726
Interest and dividends	49,903	16,426
Total receivables	<u>1,264,890</u>	<u>1,044,152</u>
Total assets	<u>19,268,096</u>	<u>15,200,878</u>
<b>Liabilities</b>		
Payables:		
Accounts	50,699	509
Benefits payable	117,114	104,311
Due to other funds	380	234
Total payables	<u>168,193</u>	<u>105,054</u>
Total liabilities	<u>168,193</u>	<u>105,054</u>
Net position - held in trust for pension benefits	<u>\$19,099,903</u>	<u>\$15,095,824</u>

Statement of Changes in Net Position Available for Benefits  
Year Ended April 30, 2017

	Police Pension Fund	Firefighters' Pension Fund
<b>Investment income</b>		
Net appreciation (decline) in fair value of investments	\$ (735,913)	\$ 1,129,510
Interest and dividends	276,830	198,285
Gain on sale of investments	2,285,414	262,689
	<u>1,826,331</u>	<u>1,590,484</u>
Investment expense	28,217	61,943
Net investment income	<u>1,798,114</u>	<u>1,528,541</u>
<b>Contributions</b>		
Employer, property taxes	931,276	759,599
Employer, general replacement tax	3,748	3,537
Employees	274,341	181,858
	<u>1,209,365</u>	<u>944,994</u>
Total additions to net position	<u>3,007,479</u>	<u>2,473,535</u>
<b>Reduction in net position</b>		
Pensions paid to plan participants	1,390,036	1,200,947
Member transfer of service payments	61,306	-0-
Refunds of contributions	238,342	-0-
Administrative expenses	15,997	19,891
	<u>1,705,681</u>	<u>1,220,838</u>
Increase in net position during the year	1,301,798	1,252,697
Net position available at beginning of year	<u>17,798,105</u>	<u>13,843,127</u>
Net position available for benefits at end of year	<u>\$19,099,903</u>	<u>\$15,095,824</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. 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 contribution rate for calendar year 2016 used by the employer was 12.05% of annual covered payroll. The employer annual required contribution rate for calendar year 2015 was 12.53%. 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, 2016, the employer's actual contributions for pension cost for the calendar year 2016 were \$1,620,,935. Its required contribution for calendar year 2016 was \$475,152.

The required contribution for 2016 was determined as part of the December 31, 2014 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2014, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 3.75% to 14.50% 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, 2014, is being amortized as a level percentage of projected payroll on a closed 27 year basis.





A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 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 7.50% 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	\$8,134,414	\$4,322,852	\$1,155,049

The net position at April 30, 2017, consisted of the following components:

Reserved for employee contributions	\$ 2,357,396
Reserved for employer contributions	1,129,421
Reserved for retirement benefits	25,158,455
Net Position	<u>\$28,645,272</u>

The components of the net pension liability at April 30, 2017, are as follows:

Total pension liability	\$32,968,124
Plan's fiduciary net position	28,645,272
Net pension liability	<u>\$ 4,322,852</u>

Plan fiduciary net position as a percentage of total pension liability	86.89%
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Pension expense and deferred outflows/inflows of resources for the year ended April 30, 2017, the City recognized pension expense for I.M.R.F. of \$1,380,400. At April 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to I.M.R.F. from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,786,606	\$-0-
Changes in assumptions	(35,987)	-0-
Net difference between projected and actual earnings on pension plan investments	1,273,091	-0-
Total	<u>\$3,023,710</u>	<u>\$-0-</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	
2018	\$1,144,159
2019	1,144,159
2020	683,485
2021	51,907
2022	-0-
	<u>\$3,023,710</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, 2015	\$31,737,163	\$27,035,144	\$ 4,702,019
Changes for the year:			
Service cost	420,770	-0-	420,770
Interest on the total pension liability	2,302,457	-0-	2,302,457
Differences between the expected and actual experience in the measurement of the pension liability	910,686	-0-	910,686
Changes of assumptions	(70,880)	-0-	(70,880)
Contributions - employer	-0-	1,620,935	(1,620,935)
Contributions - employee	-0-	223,818	(223,818)
Net investment income	-0-	1,852,814	(1,852,814)
Benefits payments, including refunds of employee contributions	(2,332,072)	(2,332,072)	-0-
Other changes (net transfer)	-0-	244,633	(244,633)
Net changes	<u>1,230,961</u>	<u>1,610,128</u>	<u>(379,167)</u>
Balances at December 31, 2016	<u>\$32,968,124</u>	<u>\$28,645,272</u>	<u>\$ 4,322,852</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

Post-Retirement Benefits - From an accrual accounting perspective, the cost of post employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended April 30, 2009, the City recognized the cost of post employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

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. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made April 30, 2017. The post-retirement plan does not issue stand-alone financial reports.

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". Current year contributions were \$1,128,931.

Membership in the plan consisted of the following at April 30, 2017:

Retirees and beneficiaries receiving benefits	91
Active vested plan members	74
Total	<u>165</u>

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employee (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of April 30, 2017, is estimated to be \$20,725,961. The City's contributions represent payments made for premiums for insured individuals plus an implicit amount to that is actuarially determined.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
4/30/17	\$-0-	\$20,725,961	\$20,725,961	0.0%	\$8,911,487	232.6%
4/30/16	-0-	17,655,390	17,655,390	0.0%	9,588,643	184.1%
4/30/15	-0-	17,655,390	17,655,390	0.0%	9,411,968	187.6%
4/30/14	-0-	21,997,483	21,997,483	0.0%	9,071,606	242.5%
4/30/13	-0-	21,997,483	21,997,483	0.0%	9,019,117	243.9%
4/30/12	-0-	22,760,504	22,760,504	0.0%	8,472,792	268.6%
4/30/11	-0-	22,760,504	22,760,504	0.0%	8,153,879	279.1%
4/30/10	-0-	19,557,207	19,557,207	0.0%	8,094,702	241.6%
4/30/09	-0-	19,557,207	19,557,207	0.0%	8,036,703	243.3%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/17	\$ 784,658 a	\$1,128,931	143.9%	\$(879,967)
4/30/16	623,553 b	892,316	143.1%	(535,423)
4/30/15	609,596 c	825,898	135.5%	(275,661)
4/30/14	857,847 d	893,957	104.2%	(59,359)
4/30/13	914,364 e	949,694	103.9%	(23,249)
4/30/12	915,063 f	949,694	103.8%	12,081
4/30/11	775,430 g	768,701	99.1%	46,712
4/30/10	774,762 h	768,700	99.2%	39,983
4/30/09	802,622 i	768,701	95.8%	33,921
(Implemented 4/30/09)				
Totals	<u>\$7,057,895</u>	<u>\$7,946,592</u>		

Made up of:	Service cost	\$ 17,847	\$ 21,478	\$ 21,478	\$ 91,753	\$112,064	\$112,064	\$ 85,963	\$ 85,963	\$ 89,452
	Amortization	788,228	603,912	588,513	734,024	758,280	758,683	650,575	651,906	674,950
	Interest	(21,417)	(1,837)	(395)	32,070	44,020	44,316	38,892	36,893	38,220
		<u>\$784,658</u> a	<u>\$623,553</u> b	<u>\$609,596</u> c	<u>\$857,847</u> d	<u>\$914,364</u> e	<u>\$915,063</u> f	<u>\$775,430</u> g	<u>\$774,762</u> h	<u>\$802,622</u> i

OPEB Funding Plans - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts

determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The annual OPEB cost was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation date:	April 30, 2017
Actuarial cost method:	Entry Age
Asset valuation method:	Market value
Amortization method:	Level percent of pay, open
Remaining amortization period:	27 years
Actuarial assumptions:	
Investment rate of return	4%
Inflation rate:	4%
Health cost trend rates:	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Year After Valuation	Increase
<u>    Date</u>	
2	8.5%
3 or more	12.0%

#### Related Party Investments

During the year ended April 30, 2017, none of the above mentioned pension funds held securities issued by the City or other related parties.

## Note 7. COMMITMENTS

At April 30, 2017, the City had accepted bids on projects, contracts, or purchases which were not completed at that date. Major commitments were as follows:

General Corporate Fund		
Tri-state Mailing Systems		\$1,757
Peckmam, Guyton, Albers, and Viets Inc Study		
North 44 <sup>th</sup> Street \$17,500		\$16,000
Westport Pools Grates		\$7,570
General Corporate Capital Fund		
HMG 27 <sup>th</sup> Street \$290,000		\$3,826
Perkins Street Widening Project		\$242,997
Baxmeyer Construction North 27 <sup>th</sup> Street		
Project \$1,516,780.62		\$595,495
Rhutasel & Associates Resurfacing		
Richview Road \$48,200		\$48,200
Quality of Life Fund		
Safe Route to Summersville		\$6,050
New Industrial Park Water & Sewer Project		\$517,388
Storm Sewers Harlan/Brownsville Road/Rufus Streets		\$16,000
HVAC & Electrical Upgrades at City Hall		\$25,200
Engineering for Armory Project		\$64,525
Post Office Building Wall Corrections		\$89,145
New Doors for City Hall		\$16,288
Northbrook Drive Storm Sewer		\$129,957
North and South 44 <sup>th</sup> Resurface Design		\$21,897
Bennett Metal Water Extension Henegan & Associates PC		\$30,696
Downtown TIF		
Downtown TIF Projects		\$905,784
Sanitation		
CWI 5/1/17-4/30/22		\$5,514,642
SSA #1		
12 <sup>th</sup> Street Sidewalk Project		\$7,285
Public Utilities		
Excess facilities availability		
component payments	5/01/15-4/30/18	\$161,459
Treatment plan operation	5/01/17-4/30/18	\$2,382,819*
*Subject to cost level adjustment and service fee component adjustments. The minimum annual increase is 3% of total fee, while the maximum annual increase is 6% of total fee.		
Lift Station 14 - HMG		\$16,055
South 44 <sup>th</sup> Water Line Replacement Haeir Plumbing & Heating		\$19,044
Lift Station 14 - Henegan & Associates PC		\$54,064
All Funds		
Audit of Comprehensive Annual Report 2016 through 2017		\$72,900
ABC Cleaning - \$2,100 Per Month for 19 Months		
(May 2017 - November 2018)		\$39,900

## Note 8. INDIVIDUAL FUND DISCLOSURES

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

Fund/Department	Object Classification	Original Budget	Budget Amendment	Amended Budget	Actual	Variance
General Corporate Fund						
Mayor & City Council	IMRF benefits	\$ 1,157	\$ -0-	\$ 1,157	\$ 1,168	\$ (11)
	Employee relations	-0-	-0-	-0-	16	(16)
City Manager	Health insurance benefits	21,481	-0-	21,481	24,320	(2,839)
	Publishing	-0-	-0-	-0-	45	(45)
	Travel/conference/training	800	-0-	800	818	(18)
	Communications - telephone	3,822	-0-	3,822	4,164	(342)
	Pager/cell	1,340	-0-	1,340	1,374	(34)
	Maintenance/repair - buildings/structures	200	-0-	200	426	(226)
	License and taxes	-0-	-0-	-0-	8	(8)
	Subscriptions/memberships	1,013	-0-	1,013	1,270	(257)
City Clerk	Printing	885	-0-	885	916	(31)
	Communications - postage	630	-0-	630	778	(148)
	License and taxes	-0-	-0-	-0-	54	(54)
	Subscriptions/memberships	302	-0-	302	317	(15)
City Treasurer	Communications - telephone	520	-0-	520	527	(7)
Human Resources						
Division	Communications - telephone	1,041	-0-	1,041	1,053	(12)
Legal	Health insurance benefits	-0-	-0-	-0-	7	(7)
	Communications - postage	650	-0-	650	1,040	(390)
Park	Incentive pay	-0-	-0-	-0-	200	(200)
Finance						
Administration	Unemployment benefits	1,840	-0-	1,840	1,977	(137)
	Communications - telephone	2,049	-0-	2,049	2,166	(117)
	Comm-pagers/cell phone	447	-0-	447	449	(2)
Engineering	Overtime	-0-	-0-	-0-	8	(8)
	Professional/consulting	200	-0-	200	482	(282)
	Communications - telephone	4,014	-0-	4,014	4,159	(145)
	Noncapital equipment	1,593	-0-	1,593	1,628	(35)
	Maintenance/repair - equipment	3,000	4,500	7,500	7,501	(1)
	Maintenance/repair - vehicle parts	3,700	-0-	3,700	3,755	(55)
	Subscriptions and memberships	6,636	-0-	6,636	6,650	(14)
Fire	Medicare benefits	30,395	-0-	30,395	30,603	(208)
	Unemployment benefits	13,802	-0-	13,802	14,146	(344)
	Publishing	2,000	-0-	2,000	2,095	(95)
	Communications - telephone	7,599	-0-	7,599	8,070	(471)
	Special fringe benefits	17,600	3,200	20,800	23,300	(2,500)
ESDA	Communications - telephone	184	-0-	184	243	(59)
	Utilities - electric	1,908	-0-	1,908	2,020	(112)
	Office supplies	600	-0-	600	602	(2)
	Chemicals	1,500	-0-	1,500	1,637	(137)
	Maintenance/repair - building	2,000	-0-	2,000	2,053	(53)
	Maintenance/repair - vehicle parts	-0-	-0-	-0-	88	(88)
Public Works	Incentive pay	1,800	-0-	1,800	2,000	(200)
	Travel/conference/training	1,160	-0-	1,160	1,294	(134)
	Communications - postage	-0-	-0-	-0-	34	(34)
	Pager/cell	1,104	-0-	1,104	1,111	(7)
	Maintenance/repair - equipment	42,450	-0-	42,450	42,518	(68)
	Subscriptions and memberships	179	-0-	179	184	(5)
Fleet Services	Pager/cell	657	-0-	657	661	(4)
	Subscriptions and memberships	2,900	-0-	2,900	2,969	(69)
General Government	Communications - postage	150	-0-	150	160	(10)
	Motor fuels and lubricants	2,184	-0-	2,184	2,374	(190)
	Subscriptions and memberships	1,755	-0-	1,755	1,984	(229)
	Miscellaneous expense	-0-	-0-	-0-	90	(90)
	Transfers to other funds	-0-	-0-	-0-	733,000	(733,000)
1201 Casey	Communications - telephone	-0-	2,500	2,500	3,100	(600)
	Operating supplies	1,600	-0-	1,600	1,622	(22)
	Maintenance/repair - equipment	540	-0-	540	543	(3)
	Rental charges	1,940	-0-	1,940	1,948	(8)
	Service charge to operating division	(162,222)	12,000	(150,222)	(147,863)	(2,359)

(Continued)

(Continued)

<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>
TIF - Downtown	Professional/consulting	816	-0-	816	819	(3)
	Public works and improvements	-0-	-0-	-0-	233	(233)
Convention and Visitor's Bureau	Overtime	1,900	-0-	1,900	1,957	(57)
	Professional/consulting	2,300	-0-	2,300	2,607	(307)
	Communications - internet	680	-0-	680	740	(60)
	Pager/cell	657	-0-	657	661	(4)
	Motor fuels and lubricants	1,766	-0-	1,766	2,205	(439)
	Buildings and structures	-0-	-0-	-0-	244	(244)
Special Service Area Number One	Overtime	1,500	-0-	1,500	1,679	(179)
	Health insurance benefits	10,741	-0-	10,741	11,110	(369)
	IMRF benefits	4,585	-0-	4,585	5,082	(497)
	FICA benefits	2,359	-0-	2,359	2,556	(197)
	Medicare benefits	552	-0-	552	598	(46)
	Professional/consulting	1,281	-0-	1,281	1,360	(79)
	Rental charges	-0-	-0-	-0-	78	(78)
	Other contractual charges	-0-	-0-	-0-	139	(139)
Revolving Loan Quality of Life	Professional/consulting	4,380	-0-	4,380	4,393	(13)
	Demolition	-0-	-0-	-0-	236	(236)
	Debt principal - Bernard Farms	35,682	-0-	35,682	651,914	(616,232)
	Debt interest - Bernard Farms	7,137	-0-	7,137	35,682	(28,545)
	Debt interest - BHM Farms	2,864	-0-	2,864	14,318	(11,454)
	2016 GOB bond interest	-0-	-0-	-0-	2,864	(2,864)
	Transfers to other funds	-0-	322,000	322,000	441,826	(119,826)
General Corporate Capital	Annual audit costs	1,246	-0-	1,246	1,249	(3)
	Asphalt and primer	-0-	-0-	-0-	3,447	(3,447)
	Contractor repairs	-0-	-0-	-0-	1,000	(1,000)
	GOB principal 2012 bonds cash	495,397	(7,800)	487,597	491,448	(3,851)
TIF - Homestead	Studies, administrative and professional services	-0-	-0-	-0-	217	(217)
Aquatic Center	Overtime	3,800	-0-	3,800	3,830	(30)
	Workers compensation	11,849	-0-	11,849	12,324	(475)
	Office supplies	550	-0-	550	619	(69)
	Chemicals	19,050	-0-	19,050	19,402	(352)

Receivables as of April 30, 2017, 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	Revolving Loan	Public Utilities	Downtown TIF	Nonmajor Governmental Funds	Total
Receivables:										
Accounts receivable, gross	\$ 191,768	\$ 6,535	\$ -0-	\$ -0-	\$78,403	\$ -0-	\$953,685	\$ 1,600	\$128,323	\$1,360,314
Notes	-0-	-0-	-0-	-0-	-0-	545,019	-0-	-0-	-0-	545,019
Due from other governments and their agencies	1,635,503	263,535	136,515	33,449	-0-	-0-	-0-	-0-	40	2,069,042
Property and replacement taxes, gross	1,725,762	-0-	-0-	-0-	-0-	-0-	-0-	505,870	156,483	2,388,115
Interest	-0-	-0-	-0-	-0-	-0-	-0-	707	-0-	-0-	707
Gross receivables	<u>3,553,033</u>	<u>270,070</u>	<u>136,515</u>	<u>33,449</u>	<u>78,403</u>	<u>545,019</u>	<u>954,392</u>	<u>507,470</u>	<u>284,846</u>	<u>6,363,197</u>
Less: allowance for uncollectibles	-0-	-0-	-0-	-0-	1,000	9,085	93,000	-0-	-0-	103,085
Net receivables	<u>\$3,553,033</u>	<u>\$270,070</u>	<u>\$136,515</u>	<u>\$33,449</u>	<u>\$77,403</u>	<u>\$535,934</u>	<u>\$861,392</u>	<u>\$507,470</u>	<u>\$284,846</u>	<u>\$6,260,112</u>

Interfund receivables and payables for the year ended April 30, 2017, consist of the following:

Interfund receivables

Amount	Due From Other Funds	Due To Other Funds	Purpose
\$ 22,960	General Corporate	Industrial Park TIF	Community development cash flow loan
<u>250,000</u>	General Corporate	Downtown TIF	Community development cash flow loan
272,960	Total Governmental Funds		
<u>216</u>	Sanitation	Public Utilities	Sanitation's portion of customer billings
<u>216</u>	Total Enterprise Funds		
273,176	Totals		
380	Police Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>234</u>	Firefighters' Pension Fund (Fiduciary fund separately reported)	General Corporate	Payroll withholding clearing
<u>\$273,790</u>	Total reported on statement of net position due from other funds		

Interfund payables

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

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

Interfund transfers for the year ended April 30, 2017, consist of the following amounts:

On government-wide financial statements:

	Transfers To	Transfers From								Business-Type Activities
		General Corporate Fund	Quality of Life	General Corporate Capital	Motor Fuel Tax	Sanitation	Revolving Loan	Downtown TIF	Nonmajor Governmental Funds	
Governmental Activities:										
General Corporate Fund	\$ 218,060	\$ -0-	\$ -0-	\$-0-	\$-0-	\$-0-	\$27,174	\$7,000	\$183,886	\$-0-
General Corporate Capital	733,000	733,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Governmental Activities	<u>951,060</u>	<u>733,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>27,174</u>	<u>7,000</u>	<u>183,886</u>	<u>-0-</u>
Business-Type Activities:										
Public Utilities	441,826	-0-	441,826	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Business-Type Activities	<u>441,826</u>	<u>-0-</u>	<u>441,826</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Government	<u>\$1,392,886</u>	<u>\$733,000</u>	<u>\$441,826</u>	<u>\$-0-</u>	<u>\$ 0-</u>	<u>\$-0-</u>	<u>\$27,174</u>	<u>\$7,000</u>	<u>\$183,886</u>	<u>\$-0-</u>
Transfers-in		Transfers-out								
Governmental Activities	\$ 951,060	Governmental Activities								\$1,392,886
Business-Type Activities	441,826	Business-Type Activities								-0-
Total Governmental Activities	<u>\$1,392,886</u>	Total Governmental Activities								<u>\$1,392,886</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	Revolving Loan	Downtown TIF	Nonmajor Governmental Funds	
Governmental Activities:										
General Corporate Fund	\$ 218,060	\$ -0-	\$ -0-	\$-0-	\$-0-	\$-0-	\$27,174	\$7,000	\$183,886	\$ -0-
General Corporate Capital	733,000	733,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Governmental Activities	<u>951,060</u>	<u>733,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>27,174</u>	<u>7,000</u>	<u>183,886</u>	<u>-0-</u>
Business-Type Activities:										
Public Utilities	441,826	-0-	441,826	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Business-Type Activities	<u>441,826</u>	<u>-0-</u>	<u>441,826</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Government	<u>\$1,392,886</u>	<u>\$733,000</u>	<u>\$441,826</u>	<u>\$-0-</u>	<u>\$ 0-</u>	<u>\$-0-</u>	<u>\$27,174</u>	<u>\$7,000</u>	<u>\$183,886</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, 2017, is presented in the following table.

	Public Utilities Fund	Sanitation Fund
Condensed Statement of Net Position		
Assets:		
Current assets	\$ 1,939,770	\$ 91,226
Capital assets	20,786,179	40,000
Other noncurrent assets	283,962	-0-
Total assets	23,009,911	131,226
Deferred outflows of resources		
Deferred pension charges	811,942	-0-
Total deferred outflows of resources	811,942	-0-
Liabilities:		
Current liabilities	622,491	93,757
Noncurrent liabilities	9,392,776	-0-
Total liabilities	10,015,267	93,757
Deferred inflows of resources		
Deferred revenue	40,293	-0-
Net investment in capital assets		
Committed for:		
Restricted revenue	248,169	-0-
Unrestricted	536,885	(2,531)
Total net position	\$13,766,293	\$ 37,469

(Continued)

(Continued)

	Public Utilities Fund	Sanitation Fund
Condensed Statement of Revenues, Expenses, and Changes in Net Position		
Operating revenues:		
User charges	\$ 8,547,156	\$1,172,550
Other operating revenues	183,978	-0-
Total operating revenues	<u>8,731,134</u>	<u>1,172,550</u>
Operating expenses:		
Depreciation expense:		
On property and equipment acquired with fund liabilities or retained earnings	459,660	-0-
On property and equipment acquired with contributed equity	626,287	-0-
Total depreciation expense	<u>1,085,947</u>	<u>-0-</u>
Administration	2,227,912	25,128
Cost of sales and services	2,216,426	1,127,625
Treatment	2,474,875	-0-
Total operating expenses	<u>8,005,160</u>	<u>1,152,753</u>
Operating income	<u>725,974</u>	<u>19,797</u>
Nonoperating revenues (expenses):		
Nonoperating revenues	242,265	-0-
Interest and fiscal charges - bonds	(366,911)	-0-
Gain on withdrawal of assets from service	3,082	-0-
Total nonoperating revenues (expenses)	<u>(121,564)</u>	<u>-0-</u>
Net income	604,410	19,797
Capital contributions from developers	3,640	-0-
Transfers from other funds	<u>441,826</u>	<u>-0-</u>
Change in net position	1,049,876	19,797
Total net position - beginning	<u>12,716,417</u>	<u>17,672</u>
Total net position, ending	<u>\$13,766,293</u>	<u>\$ 37,469</u>
Capital Assets Additions and Deletions		
Property and equipment:		
Additions	<u>\$ 2,300,759</u>	<u>\$ -0-</u>
Dispositions		
Historical cost	\$ 10,780	\$ -0-
Accumulated depreciation	(10,780)	-0-
Net book value	<u>\$ -0-</u>	<u>\$ -0-</u>
Condensed Statement of Cash Flows		
Net cash provided by operating activities	\$ 388,032	\$ 7,077
Net cash provided by noncapital financing activities	764,125	-0-
Net cash (used for) capital and related financing activities	(3,160,709)	4,151
Net cash provided by investing activities	<u>2,551,000</u>	<u>-0-</u>
Net increase in cash and cash equivalents	542,448	11,228
Cash and cash equivalents at May 1, 2016	303,579	2,379
Cash and cash equivalents at April 30, 2017	<u>\$ 846,027</u>	<u>\$ 13,607</u>
Reported as:		
Current assets	\$ 562,065	\$ 13,607
Restricted assets	283,962	-0-
	<u>\$ 846,027</u>	<u>\$ 13,607</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, 2017, 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, 2017, 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, 2017, are recognized as a long-term liability in the statement of net position. Changes in the balance of estimated insurance claims payable for the years ended April 30, 2008 through 2017 are:

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008*
Claims liability at beginning of year	\$ 385,996	\$ 545,074	\$ 311,493	\$ 373,037	\$ 118,704	\$ 225,894	\$ 139,586	\$ 257,409	\$ 218,860	\$ -0-
Current year claims and estimate changes	2,566,016	2,959,204	2,080,938	1,687,621	2,076,680	1,704,422	1,666,328	1,505,842	1,707,979	561,409
Claims payments	(2,666,284)	(3,118,282)	(1,847,357)	(1,749,165)	(1,822,347)	(1,811,612)	(1,580,020)	(1,623,665)	(1,669,430)	(342,549)
Claims liability at end of year	<u>\$ 285,728</u>	<u>\$ 385,996</u>	<u>\$ 545,074</u>	<u>\$ 311,493</u>	<u>\$ 118,704</u>	<u>\$ 225,894</u>	<u>\$ 139,586</u>	<u>\$ 257,409</u>	<u>\$ 218,860</u>	<u>\$ -0-</u>

\*January 1, 2008 through April 30, 2008

#### Note 10. SUBSEQUENT EVENTS AND PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74"). GASB 74 establishes financial reporting standards to state and local governmental other postemployment benefit ("OPEB") plans. The requirements of GASB 74 are effective for fiscal years beginning after June 15, 2016. Management is currently evaluating the impact of GASB 74 on the City's financial statements.

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

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units* ("GASB 80"). GASB 80 amends Statement No. 14, *The Financial Reporting Entity*, to add an additional criterion for reporting a component unit through the blending method. If a component unit is a not-for-profit corporation and the primary government is the sole corporate member, the component unit should be blended. The requirements of GASB 80 are effective for fiscal years beginning after June 15, 2016, with earlier application encouraged. Management is currently evaluating the impact of GASB 80 on the City's financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73* ("GASB 82"). GASB 82 amends GASB Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*, by addressing issues regarding (a) the presentation of covered-employee payroll in required supplementary information, (b) the clarification of deviations from the guidance in the Actuarial Standard of Practice, and (c) the classification of payments made by employers to satisfy employee/plan member contribution requirements.

GASB 82 requires the presentation of covered payroll to be the payroll on which contributions to a pension plan are based, as opposed to the payroll of employees that are provided with pension through the pension plan as required under GASB Statements No. 67 and 68. Furthermore, the standard requires certain ratios to be presented based on the new definition of covered payroll.

GASB 82 also clarifies that a deviation from the guidance in an Actuarial Standard of Practice as defined by those actuarial standards, is not considered to be in conformity with the requirements of GASB Statements No. 67, No. 68, or No. 73 relating to the selection of assumptions used in determining the total pension liability and related measures.

Finally, GASB 82 clarifies that payments made by an employer to satisfy contribution requirements of plan members/employees, should be classified as plan member/employees' contributions for the purpose of GASB Statement No. 67 and GASB Statement No. 68. GASB 82 also clarifies the recognition of the employer's expense/expenditures for these amounts.

The requirements of GASB 82 are effective for fiscal years beginning after June 15, 2016. Management is currently evaluating the impact of GASB 82 on the City's financial statements.

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

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

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

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

#### Note 11. 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 and the Route 15 and I-57 TIF required stand alone audits for April 30, 2017.

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 12. 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 \$39,471 leaving a balance of \$856,512 distributed in the following funds: General Corporate Capital \$300,664, Quality of Life \$472,859, Public Utilities \$82,989. Related accretion revenue for the years ended April 30, 2018 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
2018	\$ 14,152	\$286,512	\$ 22,258	\$450,601	\$ 3,906	\$79,083	\$ 40,316	\$816,196
2019	14,598	271,914	22,958	427,643	4,029	75,054	41,585	774,611
2020	14,994	256,920	23,581	404,062	4,138	70,916	42,713	731,898
2021	15,587	241,333	24,515	379,547	4,302	66,614	44,404	687,494
2022	16,231	225,102	25,526	354,021	4,480	62,134	46,237	641,257
2023	16,874	208,228	26,538	327,483	4,658	57,476	48,070	593,187
2024	17,567	190,661	27,628	299,855	4,849	52,627	50,044	543,143
2025	18,260	172,401	28,717	271,138	5,040	47,587	52,017	491,126
2026	18,804	153,597	29,573	241,565	5,190	42,397	53,567	437,559
2027	19,546	134,051	30,741	210,824	5,395	37,002	55,682	381,877
2028	20,338	113,713	31,986	178,838	5,614	31,388	57,938	323,939
2029	21,179	92,534	33,309	145,529	5,846	25,542	60,334	263,605
2030	22,020	70,514	34,632	110,897	6,078	19,464	62,730	200,875
2031	22,713	47,801	35,721	75,176	6,269	13,195	64,703	136,172
2032	23,506	24,296	36,966	38,210	6,487	6,707	66,959	69,213
2033	24,296	-0-	38,210	-0-	6,707	-0-	69,213	-0-
	<u>\$300,665</u>	<u>\$ -0-</u>	<u>\$472,859</u>	<u>\$ -0-</u>	<u>\$82,988</u>	<u>\$ -0-</u>	<u>\$856,512</u>	<u>\$ -0-</u>

## Note 13. 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.

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>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 420,770	\$ 447,233
Interest	2,302,457	2,120,906
Differences between expected and actual experience	910,686	2,129,371
Changes in assumptions	(70,880)	34,117
Benefit payments, including refunds of member contributions	<u>(2,332,072)</u>	<u>(2,157,372)</u>
Net change in total pension liability	1,230,961	2,574,255
Total pension liability - beginning	<u>31,737,163</u>	<u>29,171,557</u>
Total pension liability - ending	<u>\$32,968,124</u>	<u>\$31,745,812</u>
Plan fiduciary net position		
Contributions - employer	\$ 1,620,935	\$ 587,963
Contributions - member	223,818	302,026
Net investment income	1,852,814	133,639
Benefit payments, including refunds of member contributions	(2,332,072)	(2,157,372)
Other (net transfer)	<u>244,633</u>	<u>816,049</u>
Net change in plan fiduciary net position	1,610,128	(317,695)
Plan fiduciary net position - beginning	<u>27,035,144</u>	<u>27,361,489</u>
Plan fiduciary net position - ending	<u>\$28,645,272</u>	<u>\$27,043,794</u>
City's net position liability - ending	<u>\$ 4,322,852</u>	<u>\$ 4,702,018</u>
Plan fiduciary net position as a percentage of the total pension liability	86.89%	85.19%
Covered-employee payroll	\$ 3,943,169	\$ 4,168,843
City's net position liability as a percentage of covered employee payroll	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>
12/31/2016	\$32,968,124	\$28,645,272	\$4,322,852	86.89%	\$3,943,169	109.63%
12/31/2015	31,745,812	27,043,794	4,702,018	85.19%	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
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 2016 Contribution Rate

Valuation Date:	December 31, 2016
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 2015 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): 27-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 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method	5-Year smoothed market, 20% corridor
Wage Growth	3.5%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.5% including inflation
Investment Rate of Return	7.50%

(Continued)



(Continued)

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

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

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

Other Information:

Notes                                      There were no benefit changes during the year.

\*Based on valuation assumptions used in the December 31, 2014 actuarial valuation

Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total Pension Liability:

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

(Continued)



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

	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return Net of investment expense	Not Provided	Not Provided

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

	Reporting Fiscal Year (Measurement Date) <u>April 30, 2017</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2016</u>
Total pension liability		
Service cost	\$ 587,893	\$ 509,241
Interest	1,815,915	1,903,251
Changes of benefit terms	-0-	-0-
Differences between expected and actual experience	(192,998)	-0-
Changes of assumptions	1,797,325	-0-
Benefit payments, including refunds of member contributions	<u>(1,689,684)</u>	<u>(1,325,529)</u>
Net change in total pension liability	2,318,451	1,086,963
Total pension liability - beginning	<u>29,946,040</u>	<u>28,859,077</u>
Total pension liability - ending	32,264,491	29,946,040
Plan fiduciary net positon		
Contributions - employer	935,025	872,624
Contributions - member	274,341	259,417
Net investment income	1,798,113	(348,745)
Benefit payments, including refunds of member contributions	(1,689,684)	(1,325,529)
Other (net transfer)	<u>(15,997)</u>	<u>(32,995)</u>
Net change in plan fiduciary net position	1,301,798	(575,228)
Plan fiduciary net position - beginning	<u>17,798,105</u>	<u>18,373,333</u>
Plan fiduciary net positon - ending	<u>19,099,903</u>	<u>17,798,105</u>
City's net position liability - ending	<u>\$13,164,588</u>	<u>\$12,147,935</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>59.20%</u>	<u>59.43%</u>
Covered-employee payroll	<u>\$ 2,365,452</u>	<u>\$ 2,524,089</u>
City's net position liability as a percentage of covered employee payroll	<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) <u>April 30, 2017</u>	Reporting Fiscal Year (Measurement Date) <u>April 30, 2016</u>
Total pension liability		
Service cost	\$ 503,305	\$ 414,252
Interest	1,666,159	1,653,010
Changes of benefit terms	-0-	-0-
Differences between expected and actual experience	31,103	-0-
Changes of assumptions	464,384	-0-
Benefit payments, including refunds of member contributions	<u>(1,200,947)</u>	<u>(1,191,451)</u>
Net change in total pension liability	1,464,004	875,811
Total pension liability - beginning	<u>25,960,577</u>	<u>25,084,766</u>
Total pension liability - ending	27,424,581	25,960,577
Plan fiduciary net positon		
Contributions - employer	763,136	751,183
Contributions - member	181,858	185,080
Net investment income	1,528,491	(322,125)
Benefit payments, including refunds of member contributions	<u>(1,200,947)</u>	<u>(1,191,451)</u>
Other (net transfer)	<u>(19,841)</u>	<u>(15,537)</u>
Net change in plan fiduciary net position	1,252,697	(592,850)
Plan fiduciary net position - beginning	<u>13,843,127</u>	<u>14,435,977</u>
Plan fiduciary net positon - ending	15,095,824	13,843,127
City's net position liability - ending	<u>\$12,328,757</u>	<u>\$12,117,450</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>55.04%</u>	<u>53.32%</u>
Covered-employee payroll	<u>\$ 1,906,985</u>	<u>\$ 1,880,691</u>
City's net position liability as a percentage of covered employee payroll	<u>646.51%</u>	<u>644.31%</u>

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

Police Pension

<u>Valuation Date</u>	<u>Fiscal Year Ending April 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll at Valuation Date</u>	<u>Actual Contribution as a % of Covered Employee Payroll</u>
4/30/17	2017	\$748,583	\$935,025	\$ (186,442)	\$2,365,452	39.5%
4/30/16	2016	679,928	872,624	(192,696)	2,524,089	34.6%

Firefighters' Pension

<u>Valuation Date</u>	<u>Fiscal Year Ending April 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll at Valuation Date</u>	<u>Actual Contribution as a % of Covered Employee Payroll</u>
4/30/17	2017	\$707,498	\$763,136	\$ (55,638)	\$1,906,985	40.0%
4/30/16	2016	862,094	751,183	110,911	1,880,691	39.9%

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

**Actuarial Assumptions (Economic)**

Discount rate used for the total pension liability	6.24%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	3.82%
Projected individual salary increases	2.75% - 18.75%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.50%
Inflation rate included	2.50%

**Actuarial Assumptions (Demographic)**

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

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

**ASSUMPTION CHANGES**

The assumptions were changed from the prior year.

The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.32% to 3.82% 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 6.75% to 6.24%. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

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

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

(Continued)

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

**NOTES ON ACTUARIAL ASSUMPTIONS**

**Individual Pay Increases**

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

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

**Demographic Assumptions**

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

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

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

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

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

**POSTEMPLOYMENT BENEFIT CHANGES**

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



CITY OF MT. VERNON, ILLINOIS  
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The CPI-U for September 1985 was 108.3. The CPI-U for September 2015 was 237.9. The average increase in the CPI-U for September 1985 through September 2015 was 2.66% (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 on assets shown here is from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

A summary of the best estimate of future real rates of returns (annual arithmetic average) are included in the table below.

<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%

Long-term expected real returns 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 expected inflation rate is 2.50% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term 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. The higher the volatility, the greater the difference.

CITY OF MT. VERNON, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
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POLICE PENSION

**MUNICIPAL BOND RATE**

The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The rate shown earlier in the Actuarial Assumption section is the April 27, 2017 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 pension liability is based on a combination of the expected long-term 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 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 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 a later section.

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

**Actuarial Assumptions (Economic)**

Discount rate used for the total pension liability	6.57%
Long-term expected rate of return on plan assets	6.75%
High quality 20 year tax exempt G.O. bond rate	3.82%
Projected individual salary increases	3.50% - 7.05%
Projected increase in total payroll	3.25%
Consumer price index (urban)	2.50%
Inflation rate included	2.50%

**Actuarial Assumptions (Demographic)**

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

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

**ASSUMPTION CHANGES**

The assumptions were changed from the prior year.

The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.32% 3.82% 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 6.75% to 6.57%. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

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

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

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

**NOTES ON ACTUARIAL ASSUMPTIONS**

**Individual Pay Increases**

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

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

**Demographic Assumptions**

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

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

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

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

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

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

**POSTEMPLOYMENT BENEFIT CHANGES**

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

The CPI-U for September 1985 was 108.3. The CPI-U for September 2015 was 237.9. The average increase in the CPI-U for September 1985 through September 2015 was 2.66% (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 on assets shown here is from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

A summary of the best estimate of future real rates of returns (annual arithmetic average) are included in the table below.

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

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

Long-term expected real returns 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 expected inflation rate is 2.50% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term 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. The higher the volatility, the greater the 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 the Actuarial Assumption section is the April 27, 2017 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 pension liability is based on a combination of the expected long-term 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 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 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 a later section.

## SCHEDULE OF INVESTMENT RETURNS

	Annual Money-Weighted Rate of Return, Net of Investment Expense	
	<u>Police Pension</u>	<u>Firefighters' Pension</u>
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 Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
4/30/17	\$-0-	\$20,725,961	\$20,725,961	0.0%	\$8,911,487	232.6%
4/30/16	-0-	17,655,390	17,655,390	0.0%	9,588,643	187.6%
4/30/15	-0-	17,655,390	17,655,390	0.0%	9,411,968	187.6%
4/30/14	-0-	21,997,483	21,997,483	0.0%	9,071,606	242.5%
4/30/13	-0-	21,997,483	21,997,483	0.0%	9,019,117	243.9%
4/30/12	-0-	22,760,504	22,760,504	0.0%	8,472,792	268.6%
4/30/11	-0-	22,760,504	22,760,504	0.0%	8,153,879	279.1%
4/30/10	-0-	19,557,207	19,557,207	0.0%	8,094,702	241.6%
4/30/09	-0-	19,557,207	19,557,207	0.0%	8,036,703	243.3%

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Valuation date	<u>City OPEB Plan</u> April 30, 2016
Actuarial cost method	Entry Age Normal Cost Method
Amortization	Level % of Payroll
Remaining amortization period	30 years
Actuarial asset valuation method	Marked value
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases*	4.00%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A
Health care inflation rate	8.50%

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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<b>Revenues:</b>					
Sales taxes	\$ 9,187,000	\$ -0-	\$ 9,187,000	\$ 8,759,711	\$ (427,289)
Use taxes	368,000	-0-	368,000	376,677	8,677
Hotel/motel taxes	873,631	-0-	873,631	791,498	(82,133)
Property taxes levied for general purposes	195,665	-0-	195,665	197,159	1,494
Property taxes levied for employee benefits	743,887	-0-	743,887	752,765	8,878
Franchise taxes	156,800	-0-	156,800	154,335	(2,465)
Public service taxes	2,285,779	-0-	2,285,779	2,118,917	(166,862)
Gain on sale of fixed assets	182,488	-0-	182,488	145,723	(36,765)
Grants and contributions not restricted to specific programs	1,000	-0-	1,000	675	(325)
Unrestricted investment income	3,720	-0-	3,720	19,991	16,271
Miscellaneous	50,218	-0-	50,218	117,413	67,195
Operating grants and contributions	27,445	-0-	27,445	32,760	5,315
Charges for services	929,462	3,852	933,314	894,621	(38,693)
<b>Total revenues</b>	<u>15,005,095</u>	<u>3,852</u>	<u>15,008,947</u>	<u>14,362,245</u>	<u>(646,702)</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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Expenditures:</u>					
Current					
General government	3,468,631	262,099	3,730,730	3,343,401	387,329
Public safety					
Police	5,065,186	47,252	5,112,438	4,739,095	373,343
Fire	3,276,170	-0-	3,276,170	3,092,456	183,714
Public works	1,751,629	245,600	1,997,229	1,688,191	309,038
Engineering services	607,757	-0-	607,757	487,417	120,340
Culture and recreation	1,228,254	62,600	1,290,854	1,052,303	238,551
Total expenditures	<u>15,397,627</u>	<u>617,551</u>	<u>16,015,178</u>	<u>14,402,863</u>	<u>1,612,315</u>
Excess (deficiency) of revenues over (under) expenditures	(392,532)	(613,699)	(1,006,231)	(40,618)	965,613
<u>Other financing sources (uses)</u>					
Transfers from other funds	222,845	-0-	222,845	218,060	(4,785)
Transfers to other funds	-0-	-0-	-0-	(733,000)	(733,000)
Long-term debt issued	-0-	843,700	843,700	843,565	(135)
Net other financing sources (uses)	<u>222,845</u>	<u>843,700</u>	<u>1,066,545</u>	<u>328,625</u>	<u>(737,920)</u>
Net change in fund balance	(169,687)	<u>\$ 230,001</u>	60,314	288,007	<u>\$ 227,693</u>
Fund balance - beginning	<u>3,638,285</u>		<u>3,638,285</u>	<u>3,638,285</u>	
Fund balance - ending	<u>\$ 3,468,598</u>		<u>\$ 3,698,599</u>	<u>\$ 3,926,292</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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Sales taxes	\$ 1,830,000	\$ -0-	\$ 1,830,000	\$ 1,751,080	\$ (78,920)
Unrestricted investment income	13,400	-0-	13,400	42,381	28,981
Capital grants and contributions	3,983,279	-0-	3,983,279	908,050	(3,075,229)
Total revenues	<u>5,826,679</u>	<u>-0-</u>	<u>5,826,679</u>	<u>2,701,511</u>	<u>(3,125,168)</u>
<u>Expenditures:</u>					
Current					
General government	7,784,332	(322,300)	7,462,032	1,886,470	5,575,562
Debt service					
Principal retirement	796,935	300	797,235	822,905	(25,670)
Interest and fiscal charges	687,599	-0-	687,599	661,915	25,684
Total expenditures	<u>9,268,866</u>	<u>(322,000)</u>	<u>8,946,866</u>	<u>3,371,290</u>	<u>5,575,576</u>
Excess (deficiency) of revenues over (under) expenditures	(3,442,187)	322,000	(3,120,187)	(669,779)	2,450,408
<u>Other financing sources (uses)</u>					
Transfers to other funds	-0-	(322,000)	(322,000)	(441,826)	(119,826)
Net other financing sources (uses)	<u>-0-</u>	<u>(322,000)</u>	<u>(322,000)</u>	<u>(441,826)</u>	<u>(119,826)</u>
Net change in fund balance	(3,442,187)	<u>\$ -0-</u>	(3,442,187)	(1,111,605)	<u>\$ 2,330,582</u>
Fund balance - beginning	<u>7,416,965</u>		<u>7,416,965</u>	<u>7,416,965</u>	
Fund balance - ending	<u>\$ 3,974,778</u>		<u>\$ 3,974,778</u>	<u>\$ 6,305,360</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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<b>Revenues:</b>					
Sales taxes	\$ 1,324,302	\$ -0-	\$ 1,324,302	\$ 1,334,930	\$ 10,628
Unrestricted investment income	13,300	-0-	13,300	31,425	18,125
Miscellaneous	49,128	-0-	49,128	49,102	(26)
Capital grants and contributions	118,102	-0-	118,102	-0-	(118,102)
Total revenues	<u>1,504,832</u>	<u>-0-</u>	<u>1,504,832</u>	<u>1,415,457</u>	<u>(89,375)</u>
<b>Expenditures:</b>					
Current					
General government	3,841,498	(600)	3,840,898	3,286,682	554,216
Debt service					
Interest and fiscal charges	560,548	8,400	568,948	564,679	4,269
Total expenditures	<u>4,402,046</u>	<u>7,800</u>	<u>4,409,846</u>	<u>3,851,361</u>	<u>558,485</u>
Excess (deficiency) of revenues over (under) expenditures	(2,897,214)	(7,800)	(2,905,014)	(2,435,904)	469,110
<b>Other financing sources (uses)</b>					
Transfers from other funds	-0-	-0-	-0-	733,000	733,000
Principal paid on long-term debt	(874,860)	7,800	(867,060)	(870,039)	(2,979)
Net other financing sources (uses)	<u>(874,860)</u>	<u>7,800</u>	<u>(867,060)</u>	<u>(137,039)</u>	<u>730,021</u>
Net change in fund balance	(3,772,074)	<u>\$ -0-</u>	(3,772,074)	(2,572,943)	<u>\$1,199,131</u>
Fund balance - beginning	<u>6,893,871</u>		<u>6,893,871</u>	<u>6,893,871</u>	
Fund balance - ending	<u>\$ 3,121,797</u>		<u>\$ 3,121,797</u>	<u>\$ 4,320,928</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, 2017

	<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>					
Unrestricted investment income	\$ 200	\$-0-	\$ 200	\$ 654	\$ 454
Capital grants and contributions	378,000	-0-	378,000	387,218	9,218
Total revenues	<u>378,200</u>	<u>-0-</u>	<u>378,200</u>	<u>387,872</u>	<u>9,672</u>
<u>Expenditures:</u>					
Current					
Public works	340,823	-0-	340,823	326,820	14,003
Total expenditures	<u>340,823</u>	<u>-0-</u>	<u>340,823</u>	<u>326,820</u>	<u>14,003</u>
Net change in fund balance	37,377	<u>\$-0-</u>	37,377	61,052	<u>\$23,675</u>
Fund balance - beginning	<u>55,000</u>		<u>55,000</u>	<u>55,000</u>	
Fund balance - ending	<u>\$ 92,377</u>		<u>\$ 92,377</u>	<u>\$116,052</u>	

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

CITY OF MT. VERNON, ILLINOIS  
 REVOLVING LOAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GAAP BASIS  
 GOVERNMENTAL FUNDS  
 Year Ended April 30, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Unrestricted investment income	\$ 23,551	\$ 2,000	\$ 25,551	\$ 25,621	\$ 70
Total revenues	<u>23,551</u>	<u>2,000</u>	<u>25,551</u>	<u>25,621</u>	<u>70</u>
<u>Expenditures:</u>					
Current					
Community development	4,380	-0-	4,380	4,393	(13)
Total expenditures	<u>4,380</u>	<u>-0-</u>	<u>4,380</u>	<u>4,393</u>	<u>(13)</u>
Excess (deficiency) of revenues over (under) expenditures	19,171	2,000	21,171	21,228	57
<u>Other financing sources (uses):</u>					
Transfers to other funds	(17,100)	(10,100)	(27,200)	(27,174)	26
Total other financing sources (uses)	<u>(17,100)</u>	<u>(10,100)</u>	<u>(27,200)</u>	<u>(27,174)</u>	<u>26</u>
Net change in fund balance	2,071	<u>\$ (8,100)</u>	(6,029)	(5,946)	<u>\$ 83</u>
Fund balance - beginning	<u>2,118,870</u>		<u>2,118,870</u>	<u>2,118,870</u>	
Fund balance - ending	<u>\$2,120,941</u>		<u>\$2,112,841</u>	<u>\$2,112,924</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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 364,825	\$ -0-	\$ 364,825	\$ 359,114	\$(5,711)
Unrestricted investment income	330	-0-	330	1,517	1,187
Total revenues	<u>365,155</u>	<u>-0-</u>	<u>365,155</u>	<u>360,631</u>	<u>(4,524)</u>
<u>Expenditures:</u>					
Current					
Community development	286,284	19,500	305,784	305,911	(127)
Total expenditures	<u>286,284</u>	<u>19,500</u>	<u>305,784</u>	<u>305,911</u>	<u>(127)</u>
Excess (deficiency) of revenues over (under) expenditures	78,871	(19,500)	59,371	54,720	(4,651)
<u>Other financing sources (uses):</u>					
Transfers to other funds	(7,000)	-0-	(7,000)	(7,000)	-0-
Total other financing sources (uses)	<u>(7,000)</u>	<u>-0-</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>-0-</u>
Net change in fund balance	71,871	<u>\$(19,500)</u>	52,371	47,720	<u>\$(4,651)</u>
Fund balance - beginning	<u>(199,588)</u>		<u>(199,588)</u>	<u>(199,588)</u>	
Fund balance - ending	<u>\$(127,717)</u>		<u>\$(147,217)</u>	<u>\$(151,868)</u>	

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

COMPLIANCE AND INTERNAL CONTROL REPORTING IN  
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS



James M. Randall, C.P.A.  
 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.



**KREHBIEL  
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Wayne L. Krehbiel, C.P.A.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mt. Vernon, Illinois, as of and for the year ended April 30, 2017, 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 13, 2017.

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

### **Purpose of This Report**

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

*Krehbiel & Associates, LLC*

Mt. Vernon, Illinois  
October 13, 2017

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.

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

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

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

CITY OF MT. VERNON, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 April 30, 2017

	Convention and Visitors' Bureau	Special Service Area Number One	TIF Homestead	TIF Rt 15 and I-57	TIF Industrial Park	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$201,153	\$ 27,978	\$-0-	\$119,354	\$43,000	\$391,485
Receivables:						
Accounts, net	57,861	-0-	-0-	-0-	3,913	61,774
Due from other governments and their agencies	40	-0-	-0-	-0-	-0-	40
Property and replacement taxes, net	-0-	83,270	-0-	249,316	-0-	332,586
Inventories	<u>2,346</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,346</u>
<b>Total Assets</b>	<b><u>\$261,400</u></b>	<b><u>\$111,248</u></b>	<b><u>\$-0-</u></b>	<b><u>\$368,670</u></b>	<b><u>\$46,913</u></b>	<b><u>\$788,231</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities</b>						
Payables						
Accounts	\$120,119	\$ 2,906	\$-0-	\$109,294	\$ -0-	\$232,319
Payroll and related liabilities	8,084	922	-0-	-0-	-0-	9,006
Due to other funds	-0-	-0-	-0-	-0-	22,960	22,960
<b>Total liabilities</b>	<b><u>128,203</u></b>	<b><u>3,828</u></b>	<b><u>-0-</u></b>	<b><u>109,294</u></b>	<b><u>22,960</u></b>	<b><u>264,285</u></b>
<b>Deferred inflows of resources</b>						
Deferred revenue	<u>-0-</u>	<u>83,234</u>	<u>-0-</u>	<u>249,316</u>	<u>3,914</u>	<u>336,464</u>
<b>Fund balances</b>						
Nonspendable						
Inventories	2,346	-0-	-0-	-0-	-0-	2,346
Unreserved, reported in:						
Special revenue funds	<u>130,851</u>	<u>24,186</u>	<u>-0-</u>	<u>10,060</u>	<u>20,039</u>	<u>185,136</u>
<b>Total fund balances</b>	<b><u>133,197</u></b>	<b><u>24,186</u></b>	<b><u>-0-</u></b>	<b><u>10,060</u></b>	<b><u>20,039</u></b>	<b><u>187,482</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$261,400</u></b>	<b><u>\$111,248</u></b>	<b><u>\$-0-</u></b>	<b><u>\$368,670</u></b>	<b><u>\$46,913</u></b>	<b><u>\$788,231</u></b>

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, 2017

	Convention and Visitors' Bureau	Special Service Area Number One	TIF Homestead	TIF Rt 15 and I-57	TIF Industrial Park	Total Nonmajor Governmental Funds
<b>Revenues:</b>						
Hotel/motel taxes	\$ 548,007	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 548,007
Property taxes levied for general purposes	-0-	84,758	909	244,300	2,584	332,551
Property taxes levied for employee benefits	22,574	-0-	-0-	-0-	-0-	22,574
Unrestricted investment income	443	236	1	488	2	1,170
Miscellaneous	1,315	-0-	-0-	-0-	-0-	1,315
Operating grants and contributions	114,132	-0-	-0-	-0-	-0-	114,132
Charges for services	2,895	-0-	-0-	-0-	-0-	2,895
Total revenues	<u>689,366</u>	<u>84,994</u>	<u>910</u>	<u>244,788</u>	<u>2,586</u>	<u>1,022,644</u>
<b>Expenditures:</b>						
Current						
Culture and recreation	533,357	-0-	-0-	-0-	-0-	533,357
Community development	-0-	101,842	833	218,997	422,702	744,374
Total expenditures	<u>533,357</u>	<u>101,842</u>	<u>833</u>	<u>218,997</u>	<u>422,702</u>	<u>1,277,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>156,009</u>	<u>(16,848)</u>	<u>77</u>	<u>25,791</u>	<u>(420,116)</u>	<u>(255,087)</u>
<b>Other financing sources</b>						
<b>(uses):</b>						
Transfers to other funds	(182,669)	-0-	(217)	(1,000)	-0-	(183,886)
Long-term debt issued	46,754	-0-	-0-	-0-	461,000	507,754
Net other financing sources (uses)	<u>(135,915)</u>	<u>-0-</u>	<u>(217)</u>	<u>(1,000)</u>	<u>461,000</u>	<u>323,868</u>
Net change in fund balances	20,094	(16,848)	(140)	24,791	40,884	68,781
Fund balances - beginning	<u>113,103</u>	<u>41,034</u>	<u>140</u>	<u>(14,731)</u>	<u>(20,845)</u>	<u>118,701</u>
Fund balances - ending	<u>\$ 133,197</u>	<u>\$ 24,186</u>	<u>\$ -0-</u>	<u>\$ 10,060</u>	<u>\$ 20,039</u>	<u>\$ 187,482</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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Hotel/motel taxes	\$ 593,236	\$ -0-	\$ 593,236	\$ 548,007	\$ (45,229)
Property taxes levied for employee benefits	23,580	-0-	23,580	22,574	(1,006)
Unrestricted investment income	16	-0-	16	443	427
Miscellaneous	1,900	-0-	1,900	1,315	(585)
Operating grants and contributions	103,164	-0-	103,164	114,132	10,968
Charges for services	2,000	-0-	2,000	2,895	895
Total revenues	<u>723,896</u>	<u>-0-</u>	<u>723,896</u>	<u>689,366</u>	<u>(34,530)</u>
<u>Expenditures:</u>					
Current					
Culture and recreation	525,700	46,700	572,400	533,357	39,043
Total expenditures	<u>525,700</u>	<u>46,700</u>	<u>572,400</u>	<u>533,357</u>	<u>39,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>198,196</u>	<u>(46,700)</u>	<u>151,496</u>	<u>156,009</u>	<u>4,513</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	(197,745)	-0-	(197,745)	(182,669)	15,076
Principal paid on long-term debt	-0-	46,700	46,700	46,754	54
Net other financing sources (uses)	<u>(197,745)</u>	<u>46,700</u>	<u>(151,045)</u>	<u>(135,915)</u>	<u>15,130</u>
Net change in fund balance	451	<u>\$ -0-</u>	451	20,094	<u>\$ 19,643</u>
Fund balance - beginning	<u>113,103</u>		<u>113,103</u>	<u>113,103</u>	
Fund balance - ending	<u>\$ 113,554</u>		<u>\$ 113,554</u>	<u>\$ 133,197</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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 84,535	\$-0-	\$ 84,535	\$ 84,758	\$ 223
Unrestricted investment income	67	-0-	67	236	169
Total revenues	<u>84,602</u>	<u>-0-</u>	<u>84,602</u>	<u>84,994</u>	<u>392</u>
<u>Expenditures:</u>					
Current					
Community development	106,259	-0-	106,259	101,842	4,417
Total expenditures	<u>106,259</u>	<u>-0-</u>	<u>106,259</u>	<u>101,842</u>	<u>4,417</u>
Net change in fund balance	(21,657)	<u>\$-0-</u>	(21,657)	(16,848)	<u>\$4,809</u>
Fund balance - beginning	<u>41,034</u>		<u>41,034</u>	<u>41,034</u>	
Fund balance - ending	<u>\$ 19,377</u>		<u>\$ 19,377</u>	<u>\$ 24,186</u>	

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

CITY OF MT. VERNON, ILLINOIS  
TIF - HOMESTEAD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GAAP BASIS  
GOVERNMENTAL FUNDS  
Year Ended April 30, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ -0-	\$700	\$ 700	\$ 909	\$ 209
Unrestricted investment income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1</u>	<u>1</u>
Total revenues	<u>-0-</u>	<u>700</u>	<u>700</u>	<u>910</u>	<u>210</u>
<u>Expenditures:</u>					
Current					
Community development	<u>140</u>	<u>700</u>	<u>840</u>	<u>833</u>	<u>7</u>
Total expenditures	<u>140</u>	<u>700</u>	<u>840</u>	<u>833</u>	<u>7</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140)</u>	<u>-0-</u>	<u>(140)</u>	<u>77</u>	<u>217</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(217)</u>	<u>(217)</u>
Net other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(217)</u>	<u>(217)</u>
Net change in fund balance	(140)	<u>\$-0-</u>	(140)	(140)	<u>\$ -0-</u>
Fund balance - beginning	<u>140</u>		<u>140</u>	<u>140</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  
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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$176,000	\$60,200	\$236,200	\$244,300	\$8,100
Unrestricted investment income	-0-	-0-	-0-	488	488
Total revenues	<u>176,000</u>	<u>60,200</u>	<u>236,200</u>	<u>244,788</u>	<u>8,588</u>
<u>Expenditures:</u>					
Current					
Community development	159,208	60,200	219,408	218,997	411
Total expenditures	<u>159,208</u>	<u>60,200</u>	<u>219,408</u>	<u>218,997</u>	<u>411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,792</u>	<u>-0-</u>	<u>16,792</u>	<u>25,791</u>	<u>8,999</u>
<u>Other financing sources (uses):</u>					
Transfers to other funds	(1,000)	-0-	(1,000)	(1,000)	-0-
Net other financing sources (uses)	<u>(1,000)</u>	<u>-0-</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-0-</u>
Net change in fund balance	15,792	\$ -0-	15,792	24,791	<u>\$8,999</u>
Fund balance - beginning	<u>(14,731)</u>		<u>(14,731)</u>	<u>(14,731)</u>	
Fund balance - ending	<u>\$ 1,061</u>		<u>\$ 1,061</u>	<u>\$ 10,060</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, 2017

	Original Budget	Budget Amendments	Amended Budget	Total Actual	Revenue Over/(Under) Expenditure (Over)/Under Variance
<u>Revenues:</u>					
Property taxes levied for general purposes	\$ 2,200	\$ -0-	\$ 2,200	\$ 2,584	\$ 384
Unrestricted investment income	-0-	-0-	-0-	2	2
Total revenues	<u>2,200</u>	<u>-0-</u>	<u>2,200</u>	<u>2,586</u>	<u>386</u>
<u>Expenditures:</u>					
Current					
Community development	1,283	422,800	424,083	422,702	1,381
Total expenditures	<u>1,283</u>	<u>422,800</u>	<u>424,083</u>	<u>422,702</u>	<u>1,381</u>
Excess (deficiency) of revenues over (under) expenditures	917	(422,800)	(421,883)	(420,116)	1,767
<u>Other financing sources:</u>					
Long-term debt issued	380,000	42,800	422,800	461,000	38,200
Net other financing sources	<u>380,000</u>	<u>42,800</u>	<u>422,800</u>	<u>461,000</u>	<u>38,200</u>
Net change in fund balance	380,917	<u>\$(380,000)</u>	917	40,884	<u>\$39,967</u>
Fund balance - beginning	<u>(20,845)</u>		<u>(20,845)</u>	<u>(20,845)</u>	
Fund balance - ending	<u>\$360,072</u>		<u>\$ (19,928)</u>	<u>\$ 20,039</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$2,603,245	\$2,605,787
Receivables:		
Accounts, net	191,768	190,299
Due from other funds	273,574	287,727
Due from other governments and their agencies	1,635,503	1,687,347
Property and replacement taxes, net	1,300,904	1,107,723
Prepaid expenses	1,250	2,530
Restricted assets	<u>449,787</u>	<u>221,136</u>
Total Assets	<u>\$6,456,031</u>	<u>\$6,102,549</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities		
Payables:		
Accounts	\$ 440,561	\$ 541,701
Payroll and related liabilities	614,599	689,791
Liabilities payable from restricted assets	<u>69,565</u>	<u>32,761</u>
Total liabilities	<u>1,124,725</u>	<u>1,264,253</u>
Deferred inflows of resources		
Deferred revenue	<u>1,405,014</u>	<u>1,200,011</u>
Fund balances		
Nonspendable:		
Prepaid expenses	1,145	1,840
Restricted:		
Employee benefits	146,055	-0-
Dare donations - Police (General Corporate)	2,011	2,011
DUI (General Corporate)	105,293	73,754
Federal Drug Force (General Corporate)	47,263	47,014
State/Local drug (General Corporate)	38,069	31,154
Anti-crime FNS	32,608	26,194
Park donations	4,423	3,748
Liquor ordinance fines	4,500	4,500
Unassigned, reported in:		
General Corporate	<u>3,544,925</u>	<u>3,448,070</u>
Total fund balances	<u>3,926,292</u>	<u>3,638,285</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$6,456,031</u>	<u>\$6,102,549</u>

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

CITY OF MT. VERNON, ILLINOIS  
GENERAL CORPORATE FUND  
COMPARATIVE INCOME STATEMENTS  
April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Revenues:</u>		
Sales taxes	\$ 8,759,711	\$ 9,052,315
Use taxes	376,677	352,654
Hotel/motel taxes	791,498	816,524
Property taxes levied for general purposes	197,159	187,151
Property taxes levied for employee benefits	752,765	720,752
Franchise taxes	154,335	157,350
Public service taxes	2,118,917	2,184,723
Gain on sale of fixed assets	145,723	4,897
Grants and contributions not restricted to specific programs	675	1,958
Unrestricted investment income	19,991	6,195
Miscellaneous	117,413	27,512
Operating grants and contributions	32,760	37,128
Charges for services	894,621	933,133
Total revenues	<u>14,362,245</u>	<u>14,482,292</u>
<u>Expenditures:</u>		
Current		
General government	3,343,401	3,256,805
Public safety		
Police	4,739,095	4,838,524
Fire	3,092,456	3,400,137
Public works	1,688,191	1,526,786
Engineering services	487,417	605,936
Culture and recreation	1,052,303	1,164,183
Total expenditures	<u>14,402,863</u>	<u>14,792,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,618)</u>	<u>(310,079)</u>
<u>Other financing sources (uses):</u>		
Transfers from other funds	218,060	214,478
Transfers to other funds	(733,000)	(402,038)
Long-term debt issued	843,565	-0-
Net other financing sources (uses)	<u>328,625</u>	<u>(187,560)</u>
Net change in fund balances	288,007	(497,639)
Fund balances - beginning	<u>3,638,285</u>	<u>4,135,924</u>
Fund balances - ending	<u>\$ 3,926,292</u>	<u>\$ 3,638,285</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  
 PUBLIC UTILITIES  
 COMPARATIVE STATEMENTS OF NET POSITION  
 April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 562,065	\$ 26,343
Investments	305,256	2,705,707
Receivables:		
Accounts, net	860,685	865,315
Interest	707	713
Inventories	134,254	154,071
Prepaid expenses	76,803	108,205
Total current assets	<u>1,939,770</u>	<u>3,860,354</u>
Restricted assets:		
Cash and cash equivalents	<u>283,962</u>	<u>277,236</u>
Total restricted assets	<u>283,962</u>	<u>277,236</u>
Noncurrent assets:		
Property and equipment	20,625,410	19,373,717
Other capital assets	160,769	197,650
Total noncurrent assets	<u>20,786,179</u>	<u>19,571,367</u>
Total Assets	<u>\$23,009,911</u>	<u>\$23,708,957</u>
Deferred outflows of resources		
Deferred pension charges	\$ 811,942	\$ 786,163
Total deferred outflows of resources	<u>\$ 811,942</u>	<u>\$ 786,163</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	\$ 438,097	\$ 1,375,461
Payroll and related liabilities	134,752	359,723
Accrued interest payable	49,426	49,222
Due to other funds	216	22,087
Total current liabilities	<u>622,491</u>	<u>1,806,493</u>
Liabilities payable from restricted assets:		
Accounts payable and accrued liabilities	<u>283,962</u>	<u>277,236</u>
Total liabilities payable from restricted assets	<u>283,962</u>	<u>277,236</u>
Noncurrent liabilities:		
General obligation bonds, net, and general long-term debt	8,118,511	8,366,028
Net pension obligation	1,160,794	1,168,725
Net other post employment benefits obligation	(170,491)	120,905
Total noncurrent liabilities	<u>9,108,814</u>	<u>9,655,658</u>
Total liabilities	<u>10,015,267</u>	<u>11,739,387</u>
Deferred inflows of resources		
Deferred revenue	<u>40,293</u>	<u>39,316</u>
Net position		
Invested in capital assets, net of related debt	12,981,239	11,292,152
Committed for:		
Restricted revenue	248,169	1,353,018
Unrestricted	536,885	71,247
Total net position	<u>13,766,293</u>	<u>12,716,417</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$23,821,853</u>	<u>\$24,495,120</u>

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

CITY OF MT. VERNON, ILLINOIS  
 PROPRIETARY FUNDS  
 PUBLIC UTILITIES  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION  
 Years Ended April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues		
User charges	\$ 8,547,156	\$ 7,491,099
Other operating revenues	183,978	149,909
Total operating revenues	<u>8,731,134</u>	<u>7,641,008</u>
Operating expenses		
Administration	2,227,912	2,544,621
Cost of sales and services	2,216,426	2,155,445
Treatment	2,474,875	2,407,494
Depreciation	1,085,947	1,062,798
Total operating expenses	<u>8,005,160</u>	<u>8,170,358</u>
Operating income (loss)	<u>725,974</u>	<u>(529,350)</u>
Non-operating revenues (expenses)		
Non-operating revenues	242,265	226,784
Interest and fiscal charges - bonds	(366,911)	(377,838)
Gain on withdrawal of assets from service	3,082	-0-
Total non-operating revenues (expenses)	<u>(121,564)</u>	<u>(151,054)</u>
Income (loss) before contributions and transfers	604,410	(680,404)
Capital contributions	3,640	14,779
Transfers from other funds	<u>441,826</u>	<u>417,060</u>
Change in net position	1,049,876	(248,565)
Net position - beginning	<u>12,716,417</u>	<u>12,964,982</u>
Total net position - ending	<u>\$13,766,293</u>	<u>\$12,716,417</u>

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



CITY OF MT. VERNON, ILLINOIS  
 PROPRIETARY FUNDS  
 PUBLIC UTILITIES  
 COMPARATIVE STATEMENTS OF CASH FLOWS  
 Years Ended April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Cash received from customers	\$ 8,559,489	\$ 7,585,422
Cash payments to suppliers for goods and services	(6,435,319)	(4,253,420)
Cash payments to employees and professional contractors for services	(1,920,116)	(1,699,420)
Other operating revenues	<u>183,978</u>	<u>144,909</u>
Net cash provided by operating activities	<u>388,032</u>	<u>1,777,491</u>
Cash flows from noncapital financing activities		
Transfers from other funds	441,826	417,060
Proceeds from issuance of long-term debt	230,583	-0-
Other non-operating revenues	<u>91,716</u>	<u>95,368</u>
Net cash provided by noncapital financing activities	<u>764,125</u>	<u>512,428</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(2,297,120)	(1,646,172)
Proceeds from sale of assets	3,082	-0-
(Decrease) in due to other funds	(21,871)	-0-
Interest and fiscal charges paid	(370,525)	(384,509)
Principal paid on revenue bonds	<u>(474,275)</u>	<u>(461,706)</u>
Net cash (used for) capital and related financing activities	<u>(3,160,709)</u>	<u>(2,492,387)</u>
Cash flows from investing activities		
Interest and customer penalty income received	150,549	131,416
Proceeds from sale of investments	<u>2,400,451</u>	<u>95,425</u>
Net cash provided by investing activities	<u>2,551,000</u>	<u>226,841</u>
Net increase in cash and cash equivalents	542,448	24,373
Cash and cash equivalents at May 1, 2016 and May 1, 2015	<u>303,579</u>	<u>279,206</u>
Cash and cash equivalents at April 30, 2017 and April 30, 2016	<u>\$ 846,027</u>	<u>\$ 303,579</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 562,065	\$ 26,343
Restricted assets - cash and cash equivalents	<u>\$ 283,962</u>	<u>\$ 277,236</u>
Total cash and cash equivalents	<u>\$ 846,027</u>	<u>\$ 303,579</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
 PROPRIETARY FUNDS  
 PUBLIC UTILITIES  
 COMPARATIVE STATEMENTS OF CASH FLOWS  
 Years Ended April 30, 2017 and 2016

	2017	2016
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	\$ 725,974	\$ (529,350)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	1,085,947	1,062,798
Changes in assets and liabilities		
Decrease in accounts receivable	4,630	92,239
Decrease (increase) in inventories	19,817	(13,901)
Decrease in prepaid expenses	31,402	4,030
(Increase) in deferred pension charges	(25,779)	(786,163)
(Decrease) increase in accounts payable	(937,364)	1,113,607
(Decrease) increase in payroll and related liabilities payable	(224,971)	195,888
Increase in deferred revenue	977	4,054
(Decrease) increase in net pension obligation	(7,931)	685,303
(Decrease) in net other post employment benefits	(291,396)	(49,043)
Increase (decrease) in customer deposits payable	6,726	(1,971)
Total adjustments	(337,942)	2,306,841
Net cash provided by operating activities	\$ 388,032	\$ 1,777,491
Noncash investing, capital, and financing activities		
Capital assets contributed	\$ 3,640	\$ 14,779
Total noncash investing, capital, and financing activities	\$ 3,640	\$ 14,779

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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 13,607	\$ 2,379
Receivables:		
Accounts, net	77,403	61,821
Due from other funds	<u>216</u>	<u>22,087</u>
Total current assets	<u>91,226</u>	<u>86,287</u>
Noncurrent assets:		
Property and equipment	<u>40,000</u>	<u>40,000</u>
Total noncurrent assets	<u>40,000</u>	<u>40,000</u>
Total Assets	<u>\$131,226</u>	<u>\$126,287</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
Liabilities		
Current liabilities:		
Payables:		
Accounts	<u>\$ 93,757</u>	<u>\$108,615</u>
Total current liabilities	<u>93,757</u>	<u>108,615</u>
Total liabilities	<u>93,757</u>	<u>108,615</u>
Deferred inflows of resources		
Deferred revenues	<u>-0-</u>	<u>-0-</u>
Net position		
Invested in capital assets, net of related debt	40,000	40,000
Unrestricted	<u>(2,531)</u>	<u>(22,328)</u>
Total net position	<u>37,469</u>	<u>17,672</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$131,226</u>	<u>\$126,287</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenues		
User charges	\$1,172,550	\$1,025,493
Total operating revenues	<u>1,172,550</u>	<u>1,025,493</u>
Operating expenses		
Administration	25,128	25,965
Cost of sales and services	<u>1,127,625</u>	<u>1,093,769</u>
Total operating expenses	<u>1,152,753</u>	<u>1,119,734</u>
Change in net position	19,797	(94,241)
Total net position - beginning	<u>17,672</u>	<u>111,913</u>
Total net position - ending	<u>\$ 37,469</u>	<u>\$ 17,672</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Cash received from customers	\$ 1,156,968	\$ 1,028,634
Cash payments to suppliers for goods and services	(1,147,459)	(1,097,029)
Cash payments to employees and professional contractors for services	<u>(2,432)</u>	<u>(2,335)</u>
Net cash provided by (used for) operating activities	<u>7,077</u>	<u>(70,730)</u>
Cash flows from capital and related financing activities		
Increase in due to other funds	<u>4,151</u>	<u>-0-</u>
Net cash provided by capital and related financing activities	<u>4,151</u>	<u>-0-</u>
Net increase (decrease) in cash and cash equivalents	11,228	(70,730)
Cash and cash equivalents at May 1, 2016 and May 1, 2015	<u>2,379</u>	<u>73,109</u>
Cash and cash equivalents at April 30, 2017 and April 30, 2016	<u>\$ 13,607</u>	<u>\$ 2,379</u>
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	<u>\$ 13,607</u>	<u>\$ 2,379</u>
Total cash and cash equivalents	<u>\$ 13,607</u>	<u>\$ 2,379</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	\$ 19,797	\$ (94,241)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(15,582)	3,141
Increase in accounts payable	<u>2,862</u>	<u>20,370</u>
Total adjustments	<u>(12,720)</u>	<u>23,511</u>
Net cash provided by (used for) operating activities	<u>\$ 7,077</u>	<u>\$ (70,730)</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Governmental funds capital assets		
Land	\$ 5,339,390	\$ 5,334,890
Buildings	5,159,931	5,064,413
Office furniture and equipment	1,129,193	1,104,758
Machinery and equipment	3,468,371	3,832,306
Licensed vehicles	5,865,610	6,139,656
Infrastructure	48,779,228	43,994,549
Total governmental funds capital assets	<u>\$69,741,723</u>	<u>\$65,470,572</u>
Investments in governmental funds capital assets by source		
General corporate fund	\$24,802,955	\$25,438,818
Special revenue funds	44,011,489	39,104,475
Donations	927,279	927,279
Total governmental funds capital assets	<u>\$69,741,723</u>	<u>\$65,470,572</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, 2017

Function and Activity	Governmental Funds Capital Assets 4/30/16	Additions	Deductions	Transfers Between Governmental Activities	Governmental Funds Capital Assets 4/30/17
General government	\$11,367,270	\$4,821,114	\$ (52,569)	\$-0-	\$16,135,815
Public safety and protection	7,064,353	17,095	-0-	-0-	7,081,448
Streets	30,260,512	-0-	(560,818)	-0-	29,699,694
Culture and recreation	14,748,048	95,518	(34,480)	-0-	14,809,086
Community and economic development	<u>2,030,389</u>	<u>-0-</u>	<u>(14,709)</u>	<u>-0-</u>	<u>2,015,680</u>
Total Governmental Funds Capital Assets	<u>\$65,470,572</u>	<u>\$4,933,727</u>	<u>\$ (662,576)</u>	<u>\$-0-</u>	<u>\$69,741,723</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, 2017

<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	\$1,859,092	\$ 938,613	\$ 815,571	\$ 197,485	\$ 168,866	\$12,156,188	\$16,135,815
Public safety and protection	-0-	753,001	292,564	1,322,770	4,679,328	33,785	7,081,448
Streets	-0-	109,546	-0-	1,317,296	885,764	27,387,088	29,699,694
Culture and recreation	2,424,439	2,449,979	12,459	611,345	108,697	9,202,167	14,809,086
Community and economic development	<u>1,055,859</u>	<u>908,792</u>	<u>8,599</u>	<u>19,475</u>	<u>22,955</u>	<u>-0-</u>	<u>2,015,680</u>
Total Governmental Funds Capital Assets	<u>\$5,339,390</u>	<u>\$5,159,931</u>	<u>\$1,129,193</u>	<u>\$3,468,371</u>	<u>\$5,865,610</u>	<u>\$48,779,228</u>	<u>\$69,741,723</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	Public Utilities and Sanitation (Includes Interest Expense of \$377,838)	Total
2017	\$4,814,075	\$4,952,148	\$3,605,436	\$1,976,810	\$474,860	\$1,152,757	\$1,471,573	\$1,057,118	\$-0-	\$1,175,717	\$8,372,167	\$29,052,661
2016	5,837,478	5,355,077	3,945,545	2,481,469	596,213	1,119,734	1,855,666	933,660	-0-	1,218,555	8,548,196	31,891,593
2015	4,681,709	4,719,925	3,339,454	2,344,768	620,769	1,076,232	1,693,291	569,574	-0-	1,215,898	8,171,899	28,433,519
2014	4,521,542	4,896,290	3,373,968	2,338,854	639,032	685,003	1,287,904	304,882	-0-	1,230,339	8,458,903	27,736,717
2013	4,321,400	4,884,801	3,328,796	2,609,096	598,129	685,451	1,414,160	721,634	-0-	761,949	8,209,676	27,535,092
2012	3,545,014	4,639,019	3,161,600	2,691,326	394,625	681,442	1,337,808	526,866	-0-	136,447	7,792,369	24,906,516
2011	2,901,532	4,326,394	2,793,023	2,591,197	313,207	616,981	1,268,133	190,627	-0-	92,089	7,530,833	22,624,016
2010	2,858,304	4,339,590	2,852,869	2,371,718	322,417	612,932	1,231,139	688,827	-0-	10,588	7,015,647	22,304,031
2009	2,749,057	4,290,708	2,955,349	2,226,195	103,453	626,742	1,383,444	355,311	-0-	-0-	6,643,390	21,333,649
2008	2,838,534	4,258,177	2,713,553	2,245,295	118,698	613,153	1,338,145	192,002	-0-	-0-	6,858,099	21,175,656

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>
2017	\$11,294,627	\$146,892	\$1,298,908	\$17,688,171	\$141,305	\$ 12,675	\$ 133,404	\$167,831	\$-0-	\$30,883,813
2016	9,822,667	140,267	746,887	17,975,370	(6,603)	18,958	52,645	80,434	-0-	28,830,625
2015	9,811,879	155,933	647,349	17,785,947	27,114	49,077	(251,728)	62,196	-0-	28,287,767
2014	9,107,988	239,540	1,078,944	16,875,992	28,727	357,254	147,640	68,768	-0-	27,904,853
2013	8,966,302	223,554	6,270,967	16,282,951	(1,521)	180,176	130,215	112,004	-0-	32,164,648
2012	8,371,224	197,348	1,619,536	15,083,511	85,441	46,718	73,972	100,265	-0-	25,578,015
2011	7,658,775	146,615	1,647,199	14,308,913	68,086	317,260	83,614	82,723	-0-	24,313,185
2010	7,220,274	107,521	999,101	13,552,823	15,370	19,096	43,395	142,578	-0-	22,100,158
2009	6,963,614	244,077	888,485	13,221,399	(18,150)	90,567	131,248	251,048	-0-	21,772,288
2008	6,303,381	142,888	527,940	12,418,635	3,834	98,174	354,573	157,887	-0-	20,007,312

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>
2017	\$11,845,721	\$1,664,163	\$3,989,434	\$897,516	\$1,442,835	\$ 122,759	\$313,553	\$20,275,981
2016	12,236,418	1,557,520	4,064,986	935,229	877,333	46,341	84,391	19,802,218
2015	12,425,777	1,303,539	3,963,767	992,431	820,059	(229,381)	99,879	19,376,071
2014	11,902,218	1,184,539	3,588,674	597,643	1,319,985	132,118	140,184	18,865,361
2013	11,536,650	1,090,277	3,513,374	529,529	5,853,206	112,386	118,106	22,753,528
2012	9,313,414	1,086,594	4,678,397	486,752	1,836,416	54,757	253,444	17,709,774
2011	8,757,274	918,853	4,384,910	497,270	2,085,074	63,728	245,973	16,953,082
2010	8,453,454	862,477	4,251,776	539,683	1,056,233	42,428	208,735	15,414,786
2009	8,097,574	735,715	4,058,208	484,177	1,205,353	129,668	327,028	15,037,723
2008	8,272,314	687,539	3,218,594	749,461	734,816	353,352	212,615	14,228,691

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>Sanitation</u>	<u>Culture and Recreation</u>	<u>Community and Economic Development</u>	<u>Debt Service</u>	<u>Total</u>
2017	\$ 8,516,553	\$7,831,551	\$2,502,428	\$ -0-*	\$1,585,660	\$1,054,678	\$1,226,594	\$22,717,464
2016	9,240,724	8,238,661	2,599,861	-0-*	1,653,918	934,927	1,268,292	23,936,383
2015	9,598,454	7,776,563	2,611,162	-0-*	1,591,470	566,832	1,256,954	23,401,435
2014	10,381,451	7,980,218	2,622,731	-0-*	1,207,840	300,223	1,460,111	23,952,574
2013	15,111,426	7,877,215	2,852,045	-0-*	1,320,148	719,990	130,601	28,011,425
2012	6,015,912	7,652,223	2,755,960	-0-*	1,260,401	525,222	140,798	18,350,516
2011	5,712,243	7,173,662	2,635,064	-0-*	1,160,841	188,983	80,071	16,950,864
2010	3,989,893	6,970,768	2,426,339	-0-*	1,157,375	687,182	10,588	15,242,145
2009	3,213,633	7,070,839	2,156,667	-0-*	1,308,787	353,667	-0-	14,103,593
2008	4,281,086	6,735,879	2,314,205	613,153	1,257,451	188,932	-0-	15,390,706

Includes all Governmental Funds

\*The sanitation fund became an enterprise fund as of May 1, 2008. It is not included as a governmental fund.

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>
2017	\$11,845,721	\$376,677	\$1,339,505	\$1,093,315	\$752,613	\$154,335	\$2,126,005	\$17,688,171
2016	12,236,418	352,654	1,370,259	894,685	782,209	157,350	2,181,795	17,975,370
2015	12,425,779	308,664	1,331,869	634,647	753,586	157,818	2,173,584	17,785,947
2014	11,902,218	267,510	1,202,011	625,850	755,626	148,598	1,974,179	16,875,992
2013	11,536,650	242,219	1,274,046	547,468	690,404	142,175	1,849,989	16,282,951
2012	9,313,414	222,969	1,214,062	483,188	596,229	135,283	3,118,366	15,083,511
2011	8,757,274	230,551	1,109,173	530,848	628,186	134,357	2,918,524	14,308,913
2010	8,453,454	194,865	1,054,890	585,271	339,993	130,241	2,834,250	13,592,964
2009	8,097,574	230,922	1,092,337	487,452	404,270	126,741	2,620,801	13,060,097
2008	8,272,314	228,109	877,964	232,519	535,988	114,156	1,999,939	12,260,989

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General merchandise	\$ 62,655,737	\$ 65,555,200	\$ 62,322,629	\$ 67,609,067	\$ 71,596,705	\$ 61,013,295	\$ 65,423,219	\$ 65,028,343	\$ 64,860,741	\$ 66,716,175
Food	45,088,667	45,899,752	56,863,371	58,602,933	56,277,010	52,050,019	42,090,819	34,936,362	41,891,300	34,307,412
Drinking and eating places	58,927,181	57,814,400	55,828,952	54,347,562	54,819,086	52,972,305	50,646,229	50,774,705	48,980,772	49,779,088
Apparel	9,625,953	8,944,667	7,127,200	5,339,733	5,940,248	16,119,752	5,745,924	6,803,333	7,727,132	8,992,745
Furniture and H.H. and radio	9,125,867	10,071,390	11,768,324	13,513,581	14,119,581	14,146,514	13,720,533	13,182,248	13,757,613	13,706,477
Lumber, building, and hardware	45,037,790	43,516,857	42,226,895	38,429,829	38,398,171	37,665,771	34,256,019	30,642,000	31,307,427	32,323,670
Automotive and filling stations	88,323,333	99,102,705	98,470,457	86,021,752	96,451,848	99,875,333	107,410,190	101,871,581	92,689,444	104,361,572
Drugs and miscellaneous retail	43,358,610	41,965,048	39,530,648	37,621,029	38,467,524	43,499,371	37,815,543	37,801,867	35,991,707	30,616,751
Agriculture and all others	40,939,448	46,143,048	48,575,695	41,001,829	39,528,857	42,933,238	42,682,057	33,802,514	35,615,105	47,019,619
Manufacturers	3,367,643	3,728,552	4,971,390	5,630,990	3,779,752	3,410,324	3,943,619	2,906,762	2,634,105	2,715,998
<b>Total</b>	<b>\$406,450,229</b>	<b>\$422,741,619</b>	<b>\$427,685,561</b>	<b>\$408,118,305</b>	<b>\$419,378,782</b>	<b>\$423,685,922</b>	<b>\$403,734,152</b>	<b>\$377,749,715</b>	<b>\$375,455,346</b>	<b>\$390,539,507</b>
Related City sales tax receipts	\$ 10,564,791	\$ 10,925,554	\$ 10,994,258	\$ 10,573,936	\$ 9,956,851	\$ 9,115,233	\$ 8,692,024	\$ 8,258,102	\$ 8,173,984	\$ 8,399,738

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
City	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.00%	1.00%	1.00%	1.00%
Jefferson County	0.50%	0.50%	0.50%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	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>8.25%</u>	<u>8.25%</u>	<u>8.25%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>7.75%</u>	<u>7.75%</u>	<u>7.75%</u>	<u>7.75%</u>

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Per Capita
	General Obligation Bonds	Notes Payable	General Obligation Bonds	Notes Payable		
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	32,582,518	881,851	8,172,483	568,438	42,205,290	2,763
2014	33,207,567	895,655	9,252,433	648,663	44,004,318	2,880
2013	34,283,641	561,016	9,631,359	578,501	45,054,517	2,769
2012	2,268,500	643,563	6,456,500	1,264,963	10,633,526	654
2011	2,362,100	842,174	6,722,900	1,325,388	11,252,562	737
2010	-0-	210,095	-0-	1,383,812	1,593,907	104
2009	-0-	275,000	-0-	1,440,300	1,715,300	112
2008	-0-	-0-	-0-	598,965	598,965	39

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Investment in capital assets, net of related debt	\$ 24,514,049	\$ 25,773,969	\$ 24,721,544	\$27,004,877	\$28,593,517	\$17,568,454	\$18,215,291	\$16,817,923	\$16,217,026	\$16,791,735
Restricted	535,423	280,821	309,864	172,154	159,519	419,439	846,586	1,051,565	281,777	257,345
Unrestricted	<u>(14,531,333)</u>	<u>(16,298,143)</u>	<u>(12,556,599)</u>	<u>7,485,272</u>	<u>5,678,580</u>	<u>12,106,062</u>	<u>9,823,676</u>	<u>8,358,839</u>	<u>8,829,901</u>	<u>7,385,858</u>
Total governmental activities net position	<u>10,518,139</u>	<u>9,756,647</u>	<u>12,474,809</u>	<u>34,662,303</u>	<u>34,431,616</u>	<u>30,093,955</u>	<u>28,885,553</u>	<u>26,228,327</u>	<u>25,328,704</u>	<u>24,434,938</u>
Business-type activities										
Investment in capital assets, net of related debt	13,021,239	11,332,152	10,272,293	9,929,780	10,302,453	11,125,148	8,162,736	15,263,104	15,849,919	16,526,562
Restricted		-0-	-0-	-0-	-0-	3,041,617	6,540,932	408,620	792,154	570,638
Unrestricted	<u>782,523</u>	<u>1,401,937</u>	<u>2,804,602</u>	<u>3,670,560</u>	<u>4,156,207</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total business-type activities net position	<u>13,803,762</u>	<u>12,734,089</u>	<u>13,076,895</u>	<u>13,600,340</u>	<u>14,458,660</u>	<u>14,166,765</u>	<u>14,703,668</u>	<u>15,671,724</u>	<u>16,642,073</u>	<u>17,097,200</u>
Primary government										
Investment in capital assets, net of related debt	37,535,288	37,106,121	34,993,837	36,934,657	38,895,970	28,693,602	26,378,027	32,081,027	32,066,945	33,318,297
Restricted	535,423	280,821	309,864	172,154	159,519	3,461,056	7,387,518	1,460,185	1,073,931	827,983
Unrestricted	<u>(13,748,810)</u>	<u>(14,896,206)</u>	<u>(9,751,997)</u>	<u>11,155,832</u>	<u>9,834,787</u>	<u>12,106,062</u>	<u>9,823,676</u>	<u>8,358,839</u>	<u>8,829,901</u>	<u>7,385,858</u>
Total primary government net position	<u>\$ 24,321,901</u>	<u>\$ 22,490,736</u>	<u>\$ 25,551,704</u>	<u>\$48,262,643</u>	<u>\$48,890,276</u>	<u>\$44,260,720</u>	<u>\$43,589,221</u>	<u>\$41,900,051</u>	<u>\$41,970,777</u>	<u>\$41,532,138</u>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
<b>Government activities:</b>										
General government	\$ 4,814,075	\$ 5,837,478	\$ 4,681,709	\$ 4,521,542	\$ 4,321,400	\$ 3,545,014	\$ 2,901,532	\$ 2,858,304	\$ 2,749,057	\$ 2,838,534
Public safety										
Police	4,952,148	5,355,077	4,719,925	4,896,290	4,884,801	4,639,019	4,326,394	4,339,590	4,290,708	4,258,177
Fire	3,605,436	3,945,545	3,339,454	3,373,968	3,328,796	3,161,600	2,793,023	2,852,869	2,955,349	2,713,553
Public works	1,976,810	2,481,469	2,344,768	2,338,854	2,609,096	2,691,326	2,591,197	2,371,718	2,226,195	2,245,295
Engineering services	474,860	596,213	620,769	639,032	598,129	394,625	313,207	322,417	103,453	118,698
Health and sanitation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	613,153
Culture and recreation	1,471,573	1,855,666	1,693,291	1,287,904	1,414,160	1,337,808	1,268,133	1,231,139	1,383,444	1,338,145
Community development	1,057,118	933,660	569,574	304,882	721,634	526,866	190,627	688,827	355,311	192,002
Interest on long-term debt	1,175,717	1,218,555	1,215,898	1,230,339	761,949	136,447	92,089	10,588	-0-	-0-
Total governmental activities expenses	<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>	<u>14,675,452</u>	<u>14,063,517</u>	<u>14,317,557</u>
<b>Business-type activities:</b>										
Public utilities	8,372,167	8,548,196	8,171,899	8,458,903	8,209,676	7,792,369	7,530,833	7,015,647	6,643,390	6,858,099
Sanitation	1,152,757	1,119,734	1,076,232	685,003	685,451	681,442	616,981	612,932	626,742	-0-
Total business-type activities expenses	<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>	<u>7,628,579</u>	<u>7,270,132</u>	<u>6,858,099</u>
<b>Total primary government expenses</b>	<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>	<u>\$ 22,304,031</u>	<u>\$ 21,333,649</u>	<u>\$ 21,175,656</u>
<b>Program revenues</b>										
<b>Government activities:</b>										
Charges for services										
General government	\$ 397,706	\$ 136,201	\$ 127,338	\$ 224,158	\$ 144,663	\$ 123,057	\$ 111,540	\$ 115,073	\$ 110,643	\$ 107,324
Public safety										
Police	240,097	271,177	358,370	319,877	256,935	243,299	259,757	303,812	244,042	200,749
Fire	100	5,043	1,725	1,200	1,050	575	325	875	775	1,625
Health and sanitation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	300,198
Culture and recreation	517,723	520,606	503,125	94,441	119,879	110,274	109,157	112,322	117,469	118,884
Community development	2,104	2,202	1,873	19,142	7,002	9,547	16,491	7,601	11,248	20,681
Operating grants and contributions	146,892	140,267	155,933	239,540	223,554	197,348	146,615	107,521	244,077	142,888
Capital grants and contributions	1,295,268	732,108	643,049	1,073,445	5,621,276	1,606,478	1,647,199	983,950	885,707	524,754
Total governmental activities program revenues	<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>	<u>1,631,154</u>	<u>1,613,961</u>	<u>1,417,103</u>
<b>Business-type activities</b>										
Charges for services										
Public utilities	8,964,347	7,861,945	7,795,801	7,747,283	7,725,955	7,175,074	6,586,083	6,103,793	5,856,861	5,553,920
Sanitation	1,172,550	1,025,493	1,023,647	701,887	710,818	709,398	575,422	576,798	622,576	-0-
Operating grants and contributions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Capital grants and contributions	3,640	14,779	4,300	5,499	649,691	13,058	-0-	15,151	2,778	3,186
Total business-type activities program revenues	<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>	<u>6,695,742</u>	<u>6,482,215</u>	<u>5,557,106</u>
<b>Total primary government program revenues</b>	<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>	<u>\$ 8,326,896</u>	<u>\$ 8,096,176</u>	<u>\$ 6,974,209</u>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (expense) revenue										
Government activities	\$ (16,927,847)	\$ (20,416,059)	\$ (17,393,975)	\$ (16,621,008)	\$ (12,265,606)	\$ (14,142,127)	\$ (12,185,118)	\$ (13,044,298)	\$ (12,449,556)	\$ (12,900,454)
Business-type activities	615,613	(765,713)	(424,383)	(689,237)	191,337	(576,281)	(986,309)	(932,837)	(787,917)	(1,300,993)
Total primary government net expense	<u>\$ (16,312,234)</u>	<u>\$ (21,181,772)</u>	<u>\$ (17,818,358)</u>	<u>\$ (17,310,245)</u>	<u>\$ (12,074,269)</u>	<u>\$ (14,718,408)</u>	<u>\$ (13,171,427)</u>	<u>\$ (13,977,135)</u>	<u>\$ (13,237,473)</u>	<u>\$ (14,201,447)</u>
General revenues and other changes in net position										
Government activities:										
Taxes										
Sales taxes	\$ 11,845,721	\$ 12,236,418	\$ 12,425,779	\$ 11,902,218	\$ 11,536,650	\$ 9,313,414	\$ 8,757,274	\$ 8,453,454	\$ 8,097,574	\$ 8,272,314
Use taxes	376,677	352,654	308,664	267,510	242,219	222,969	230,551	194,865	230,922	228,109
Hotel/motel taxes	1,339,505	1,370,259	1,331,869	1,202,011	1,274,046	1,214,062	1,109,173	1,054,890	1,092,337	877,964
Property taxes levied for general purposes	1,093,315	894,685	634,647	625,850	547,468	483,188	530,848	585,271	487,452	232,519
Property taxes levied for employee benefits	752,613	782,209	753,586	755,626	690,404	596,229	628,186	339,993	404,270	535,988
Franchise taxes	154,335	157,350	157,818	148,598	142,175	135,283	134,357	130,241	126,741	114,156
Public service taxes	2,126,005	2,181,795	2,173,584	1,974,179	1,849,989	3,118,366	2,918,524	2,834,250	2,620,801	1,999,939
Gain (loss) on sale of fixed assets	138,223	(6,603)	27,114	28,727	4,386	85,689	68,593	13,769	(22,081)	4,579
Grants and contributions not restricted to specific programs	12,675	18,958	49,077	357,254	180,176	46,590	317,260	19,096	90,567	98,174
Unrestricted investment income	124,252	47,746	(227,299)	133,533	113,611	55,614	64,791	42,752	129,666	353,352
Miscellaneous	167,831	79,486	62,773	68,893	100,103	79,125	82,786	142,493	251,034	154,001
Transfers	(441,826)	(417,060)	(308,033)	(43,414)	(77,960)	-0-	-0-	(300)	(103,337)	(1,893,149)
Total governmental activities	<u>17,689,326</u>	<u>17,697,897</u>	<u>17,389,579</u>	<u>17,420,985</u>	<u>16,603,267</u>	<u>15,350,529</u>	<u>14,842,343</u>	<u>13,810,774</u>	<u>13,405,946</u>	<u>10,977,946</u>
Business-type activities:										
Property taxes levied for employee benefits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(40,141)	161,302	157,646
Gain (loss) on sale of fixed assets	3,082	-0-	-0-	-0-	(5,907)	(248)	(507)	1,601	3,931	(745)
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	-0-	-0-	128	-0-	-0-	-0-	-0-
Unrestricted investment income	9,152	4,899	(24,429)	14,107	16,604	18,358	18,823	643	1,582	1,221
Miscellaneous	-0-	948	(577)	(125)	11,901	21,140	(63)	85	14	3,886
Transfers	441,826	417,060	308,033	43,414	77,960	-0-	-0-	300	103,337	1,893,149
Total business-type activities	<u>454,060</u>	<u>422,907</u>	<u>283,027</u>	<u>57,396</u>	<u>100,558</u>	<u>39,378</u>	<u>18,253</u>	<u>(37,512)</u>	<u>270,166</u>	<u>2,055,157</u>
Total primary government	<u>\$ 18,143,386</u>	<u>\$ 18,120,804</u>	<u>\$ 17,672,606</u>	<u>\$ 17,478,381</u>	<u>\$ 16,703,825</u>	<u>\$ 15,389,907</u>	<u>\$ 14,860,596</u>	<u>\$ 13,773,262</u>	<u>\$ 13,676,112</u>	<u>\$ 13,033,103</u>
Change in net position:										
Government activities	\$ 761,479	\$ (2,718,162)	\$ (4,396)	\$ 799,977	\$ 4,337,661	\$ 1,208,402	\$ 2,657,225	\$ 766,476	\$ 956,390	\$ (1,922,508)
Business-type activities	1,069,673	(342,806)	(141,356)	(631,841)	291,895	(536,903)	(968,056)	(970,349)	(517,751)	754,164
Total primary government	<u>\$ 1,831,152</u>	<u>\$ (3,060,968)</u>	<u>\$ (145,752)</u>	<u>\$ 168,136</u>	<u>\$ 4,629,556</u>	<u>\$ 671,499</u>	<u>\$ 1,689,169</u>	<u>\$ (203,873)</u>	<u>\$ 438,639</u>	<u>\$ (1,168,344)</u>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General corporate fund										
Nonspendable	\$ 1,145	\$ 1,840	\$ 503	\$ 1,720	\$ 1,975	\$ 1,997	\$ 1,076	\$ 3,577	\$ -0-	\$ -0-
Restricted	380,222	188,375	141,970	83,995	58,250	102,304	132,955	264,436	261,574	234,606
Committed	-0-	-0-	-0-	-0-	-0-	642,550	955,153	824,097	756,990	-0-
Assigned	-0-	-0-	-0-	-0-	-0-	2,216,280	2,464,153	450,427	253,107	-0-
Unassigned	3,544,925	3,448,070	3,993,451	3,804,556	3,721,525	3,532,836	2,885,390	2,028,936	2,016,947	1,713,726
Total general corporate fund	<u>3,926,292</u>	<u>3,638,285</u>	<u>4,135,924</u>	<u>3,890,271</u>	<u>3,781,750</u>	<u>6,495,967</u>	<u>6,438,727</u>	<u>3,571,473</u>	<u>3,288,618</u>	<u>1,948,332</u>
Quality of life										
Committed	1,049,171	1,174,814	1,170,134	812,843	385,424	-0-	-0-	-0-	-0-	-0-
Assigned	4,723,061	5,708,737	7,726,374	11,176,671	15,989,260	-0-	-0-	-0-	-0-	-0-
Unassigned	533,128	533,414	533,548	755,699	952,531	-0-	-0-	-0-	-0-	-0-
Total quality of life	<u>6,305,360</u>	<u>7,416,965</u>	<u>9,430,056</u>	<u>12,745,213</u>	<u>17,327,215</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
General corporate capital										
Committed	465,594	(156,366)	30,247	189,550	(195,040)	-0-	-0-	-0-	-0-	-0-
Assigned	3,412,625	6,608,219	9,176,340	10,618,233	12,323,069	-0-	-0-	-0-	-0-	-0-
Unassigned	442,709	442,018	432,677	414,762	496,867	-0-	-0-	-0-	-0-	-0-
Total general corporate capital	<u>4,320,928</u>	<u>6,893,871</u>	<u>9,639,264</u>	<u>11,222,545</u>	<u>12,624,896</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Motor fuel tax										
Restricted	116,052	55,000	130,948	44,082	70,708	289,422	676,097	771,684	948,399	914,276
Total motor fuel tax	<u>116,052</u>	<u>55,000</u>	<u>130,948</u>	<u>44,082</u>	<u>70,708</u>	<u>289,422</u>	<u>676,097</u>	<u>771,684</u>	<u>948,399</u>	<u>914,276</u>
Sanitation										
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	22,624
Total sanitation	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>22,624</u>
(Sanitation Fund was classified as an Enterprise Fund as of May 1, 2008.)										
Revolving loan										
Unassigned	2,112,924	2,118,870	2,120,887	2,120,457	2,133,882	2,174,888	2,622,702	2,604,913	2,580,734	2,629,179
Total revolving loan	<u>2,112,924</u>	<u>2,118,870</u>	<u>2,120,887</u>	<u>2,120,457</u>	<u>2,133,882</u>	<u>2,174,888</u>	<u>2,622,702</u>	<u>2,604,913</u>	<u>2,580,734</u>	<u>2,629,179</u>
Convention and visitors bureau										
Nonspendable	2,346	2,499	2,817	2,794	2,931	1,135	1,673	2,079	2,368	-0-
Unassigned	130,851	110,604	99,051	453,721	393,135	427,008	409,004	407,934	412,944	522,634
Total convention and visitors bureau	<u>133,197</u>	<u>113,103</u>	<u>101,868</u>	<u>456,515</u>	<u>396,066</u>	<u>428,143</u>	<u>410,677</u>	<u>410,013</u>	<u>415,312</u>	<u>522,634</u>
Special Service Area Number One										
Unassigned	24,186	41,034	103,285	96,218	55,957	45,189	28,195	8,278	69,120	181,670
Total Special Service Area Number One	<u>24,186</u>	<u>41,034</u>	<u>103,285</u>	<u>96,218</u>	<u>55,957</u>	<u>45,189</u>	<u>28,195</u>	<u>8,278</u>	<u>69,120</u>	<u>181,670</u>
TIF - Downtown										
Committed	48,395	10,000	252,310	370,055	181,657	188,562	323,985	118,123	-0-	-0-
Unassigned	(200,263)	(209,588)	(188,939)	(245,343)	(104)	(43,886)	9,285	7,304	(24)	-0-
Total TIF - Downtown	<u>(151,868)</u>	<u>(199,588)</u>	<u>63,371</u>	<u>124,712</u>	<u>181,553</u>	<u>144,676</u>	<u>333,270</u>	<u>125,427</u>	<u>(24)</u>	<u>-0-</u>
TIF - Homestead										
Unassigned	-0-	140	(360)	(772)	(1,250)	(888)	(609)	(441)	188	-0-
Total TIF - Homestead	<u>-0-</u>	<u>140</u>	<u>(360)</u>	<u>(772)</u>	<u>(1,250)</u>	<u>(888)</u>	<u>(609)</u>	<u>(441)</u>	<u>188</u>	<u>-0-</u>
TIF - Rt 15 and I-57										
Unassigned	10,060	(14,731)	(33,319)	(34,553)	(34,193)	(33,843)	(33,503)	(26,092)	-0-	-0-
Total TIF - Rt 15 and I-57	<u>10,060</u>	<u>(14,731)</u>	<u>(33,319)</u>	<u>(34,553)</u>	<u>(34,193)</u>	<u>(33,843)</u>	<u>(33,503)</u>	<u>(26,092)</u>	<u>-0-</u>	<u>-0-</u>
TIF - Industrial Park										
Unassigned	20,039	(20,845)	(22,609)	(23,128)	(22,960)	(23,053)	(23,028)	(9,124)	-0-	-0-
Total TIF - Industrial Park	<u>20,039</u>	<u>(20,845)</u>	<u>(22,609)</u>	<u>(23,128)</u>	<u>(22,960)</u>	<u>(23,053)</u>	<u>(23,028)</u>	<u>(9,124)</u>	<u>-0-</u>	<u>-0-</u>
Grand total	<u>\$16,817,170</u>	<u>\$20,042,104</u>	<u>\$25,669,315</u>	<u>\$30,641,560</u>	<u>\$36,513,624</u>	<u>\$9,520,501</u>	<u>\$10,452,528</u>	<u>\$7,456,131</u>	<u>\$7,302,347</u>	<u>\$6,218,715</u>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Sales taxes	\$11,845,721	\$12,236,418	\$12,425,777	\$11,902,218	\$11,536,650	\$ 9,313,414	\$ 8,757,274	\$ 8,453,454	\$ 8,097,574	\$ 8,272,314
Use taxes	376,677	352,654	308,664	267,510	242,219	222,969	230,551	194,865	230,922	228,109
Hotel/motel taxes	1,339,505	1,370,259	1,331,869	1,202,011	1,274,046	1,214,062	1,109,173	1,054,890	1,092,337	877,964
Property taxes levied for general purposes	888,824	811,675	576,048	521,786	505,922	520,962	539,726	424,855	203,650	109,577
Property taxes levied for employee benefits	775,339	745,845	727,491	662,753	584,355	565,632	379,127	437,622	532,065	577,962
Franchise taxes	154,335	157,350	157,818	148,598	142,175	135,283	134,357	130,241	126,741	114,156
Public service taxes	2,118,917	2,184,723	2,165,416	1,970,555	1,854,934	3,106,083	2,910,829	2,871,780	2,608,208	1,998,365
Gain on sale of fixed assets	145,723	4,897	37,113	71,311	6,821	174,325	163,178	66,240	75,995	58,614
Grants and contributions not restricted to specific programs	675	4,958	21,077	7,000	8,376	32,590	291,260	11,096	75,567	67,174
Unrestricted investment income	122,759	46,341	(229,381)	132,118	112,386	54,757	63,728	42,428	129,668	353,352
Miscellaneous	167,830	79,494	62,766	68,873	111,285	79,119	82,795	142,495	251,033	154,001
Operating grants and contributions	146,892	140,267	155,933	239,540	223,554	1,352,144	1,311,586	238,934	630,390	171,133
Capital grants and contributions	1,295,268	732,108	643,049	1,073,445	5,621,276	451,682	482,228	852,533	499,396	496,509
Charges for services	897,516	935,229	992,431	597,643	529,529	486,752	497,270	539,683	484,177	749,461
<b>Total revenues</b>	<b>20,275,981</b>	<b>19,802,218</b>	<b>19,376,071</b>	<b>18,865,361</b>	<b>22,753,528</b>	<b>17,709,774</b>	<b>16,953,082</b>	<b>15,461,116</b>	<b>15,037,723</b>	<b>14,228,691</b>
<b>Expenditures</b>										
General government	8,516,553	9,240,724	9,598,454	10,381,451	15,111,426	6,015,912	5,712,243	3,989,893	3,213,633	4,281,086
Public safety										
Police	4,739,095	4,838,524	4,594,587	4,743,315	4,719,205	4,567,598	4,300,842	4,222,034	4,236,737	4,138,045
Fire	3,092,456	3,400,137	3,181,976	3,236,903	3,158,010	3,084,625	2,872,820	2,748,734	2,834,102	2,597,834
Public works	2,015,011	1,993,925	1,993,193	1,983,242	2,254,727	2,370,595	2,324,560	2,107,156	2,067,589	2,209,882
Engineering services	487,417	605,936	617,969	639,489	597,318	385,365	310,504	319,183	89,078	104,323
Health and sanitation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	613,153
Culture and recreation	1,585,660	1,653,918	1,591,470	1,207,840	1,320,148	1,260,401	1,160,841	1,157,375	1,308,787	1,257,451
Community development	1,054,678	934,927	566,832	300,223	719,990	525,222	188,983	687,182	353,667	188,932
Interest and fiscal charges	1,226,594	1,268,292	1,256,954	1,460,111	130,601	140,798	80,071	10,588	-0-	-0-
<b>Total expenditures</b>	<b>22,717,464</b>	<b>23,936,383</b>	<b>23,401,435</b>	<b>23,952,574</b>	<b>28,011,425</b>	<b>18,350,516</b>	<b>16,950,864</b>	<b>15,242,145</b>	<b>14,103,593</b>	<b>15,390,706</b>
Excess (deficiency) of revenues over (under) expenditures	(2,441,483)	(4,134,165)	(4,025,364)	(5,087,213)	(5,257,897)	(640,742)	2,218	218,971	934,130	(1,162,015)
<b>Other financing sources (uses)</b>										
Transfers from other funds	951,060	609,516	2,154,934	267,648	502,681	639,382	445,430	128,226	129,887	378,408
Transfers to other funds	(1,392,886)	(1,026,576)	(1,789,382)	(311,062)	(580,641)	(639,382)	(445,430)	(128,526)	(233,225)	(2,271,557)
Sale of assets	-0-	-0-	-0-	-0-	-0-	925	-0-	20	464	-0-
Principal paid on long-term debt	(1,692,944)	(1,683,986)	(1,562,439)	(1,239,433)	(302,448)	(292,210)	(67,424)	(64,905)	-0-	-0-
Long-term debt issued	1,351,319	608,000	250,000	498,000	32,631,428	-0-	3,061,602	-0-	275,000	-0-
<b>Net other financing sources (uses)</b>	<b>(783,451)</b>	<b>(1,493,046)</b>	<b>(946,887)</b>	<b>(784,847)</b>	<b>32,251,020</b>	<b>(291,285)</b>	<b>2,994,178</b>	<b>(65,185)</b>	<b>172,126</b>	<b>(1,893,149)</b>
<b>Net change in fund balance</b>	<b>\$(3,224,934)</b>	<b>\$(5,627,211)</b>	<b>\$(4,972,251)</b>	<b>\$(5,872,060)</b>	<b>\$26,993,123</b>	<b>\$(932,027)</b>	<b>\$ 2,996,396</b>	<b>\$ 153,786</b>	<b>\$ 1,106,256</b>	<b>\$(3,055,164)</b>

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

<u>Calendar 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</u>
2017	15,277	\$38,439	\$23,447	39.9	3,033	N/A
2016	15,277	38,439	23,447	39.9	N/A	7.6%
2015	15,277	38,439	23,447	39.9	2,951	8.0%
2014	15,277	38,439	23,447	39.9	3,021	8.9%
2013	15,277	38,439	23,447	39.9	3,159	10.4%
2012	15,277	38,439	23,447	38.3	3,117	10.1%
2011	15,277	38,439	23,447	38.3	3,118	10.5%
2010	16,269	28,145	16,268	38.3	3,162	11.5%
2009	16,269	28,145	16,268	38.3	3,051	10.4%
2008	16,269	28,145	16,268	38.3	3,277	7.1%

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



CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, and 2009

<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, 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	
<b>Total at April 30, 2017</b>		<b><u>38.9%</u></b>	<b><u>8,130</u></b>	<b><u>20,920</u></b>
<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	
<b>Total at April 30, 2016</b>		<b><u>38.2%</u></b>	<b><u>7,693</u></b>	<b><u>20,210</u></b>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, and 2009

<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, 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>
<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>

(Continued)

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, and 2009

<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, 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>
<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	0.4%	80	
Total at April 30, 2012		<u>37.2%</u>	<u>7,281</u>	<u>19,580</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
 PRINCIPAL EMPLOYERS  
 April 30, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, and 2009

<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, 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	0.4%	80	
Total at April 30, 2011		<u>34.3%</u>	<u>6,772</u>	<u>19,830</u>
<b><u>April 30, 2010</u></b>				
Continental Tire The Americas, LLC	Manufacturing	11.9%	2,495	
Walgreens Distribution Center	Distribution	7.6%	1,600	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	5.2%	1,100	
Crossroads Community Hospital	Healthcare	1.5%	312	
Mt. Vernon City Schools District 80	Education	1.2%	257	
City of Mt. Vernon	Municipality	0.9%	195	
National Railway Equipment Company	Manufacturing	0.8%	174	
Mt. Vernon Township High School	Education	0.8%	172	
NAPA Distribution Center	Distribution	0.4%	90	
Medline Physicians Filing	Healthcare	0.4%	85	
Mt. Vernon Neon Sign	Commercial signs	0.2%	50	
Total at April 30, 2010		<u>30.9%</u>	<u>6,530</u>	<u>19,820</u>

(Continued)

CITY OF MT. VERNON, ILLINOIS  
PRINCIPAL EMPLOYERS

April 30, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, and 2009

<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, 2009</u></b>				
Continental Tire The Americas, LLC	Manufacturing	11.3%	2,300	
Walgreens Distribution Center	Distribution	7.9%	1,600	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	4.7%	950	
Crossroads Community Hospital	Healthcare	1.5%	312	
Mt. Vernon City Schools District 80	Education	1.3%	268	
City of Mt. Vernon	Municipality	0.9%	180	
National Railway Equipment Company	Manufacturing	0.9%	174	
Mt. Vernon Township High School	Education	0.9%	172	
NAPA Distribution Center	Distribution	0.4%	90	
Medline Physicians Filing	Healthcare	0.4%	85	
Mt. Vernon Neon Sign	Commercial signs	0.3%	50	
Total at April 30, 2009		<u>30.5%</u>	<u>6,181</u>	<u>20,290</u>
<b><u>April 30, 2008</u></b>				
Continental Tire The Americas, LLC	Manufacturing	10.2%	2,200	
Walgreens Distribution Center	Distribution	7.9%	1,700	
SSM Health Good Samaritan Hospital - Mt. Vernon	Healthcare	4.3%	930	
National Railway Equipment Company	Manufacturing	1.4%	300	
Crossroads Community Hospital	Healthcare	1.3%	275	
Mt. Vernon City Schools District 80	Education	1.3%	274	
City of Mt. Vernon	Municipality	0.9%	188	
Mt. Vernon Township High School	Education	0.8%	179	
Anheuser Busch	Distribution	0.7%	140	
Mt. Vernon Neon Sign	Commercial signs	0.6%	123	
Medline Physicians Filing	Healthcare	0.5%	105	
NAPA Distribution Center	Distribution	0.4%	97	
Total at April 30, 2008		<u>30.3%</u>	<u>6,511</u>	<u>21,460</u>

Note: Data not available for previous years



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

Function/Program	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
General government										
City council	2.50	2.50	2.63	2.50	2.50	3.25	3.25	2.50	2.50	2.50
City manager	2.00	2.38	3.13	3.00	3.00	2.00	2.00	2.00	2.00	2.00
City clerk	2.00	2.00	2.38	2.38	2.00	1.75	2.00	2.00	2.00	2.00
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City treasurer	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Finance administration	4.00	4.00	3.75	3.75	3.75	3.75	4.00	4.50	4.00	4.13
Finance billing services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00
Legal	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total general government	<u>13.50</u>	<u>13.88</u>	<u>14.89</u>	<u>14.63</u>	<u>14.25</u>	<u>13.75</u>	<u>14.25</u>	<u>14.00</u>	<u>13.50</u>	<u>17.63</u>
Public safety										
Police	52.88	56.00	56.25	55.75	56.00	56.00	55.88	57.25	58.50	60.25
Fire	30.00	30.00	28.75	29.75	30.75	30.25	30.75	31.75	32.75	31.75
Total public safety	<u>82.88</u>	<u>86.00</u>	<u>85.00</u>	<u>85.50</u>	<u>86.75</u>	<u>86.25</u>	<u>86.63</u>	<u>89.00</u>	<u>91.25</u>	<u>92.00</u>
Transportation and building										
Public works	16.38	19.88	18.88	19.88	19.50	19.13	19.13	18.88	18.50	20.25
Inspection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13	2.63	4.00
Engineering	6.25	7.00	7.75	6.88	7.13	5.75	4.75	3.50	1.88	2.00
Fleet services	5.25	6.50	7.00	7.00	7.00	7.00	6.25	7.00	6.00	5.75
Total transportation and building	<u>27.88</u>	<u>33.38</u>	<u>33.63</u>	<u>33.76</u>	<u>33.63</u>	<u>31.88</u>	<u>30.13</u>	<u>29.51</u>	<u>29.01</u>	<u>32.00</u>
Culture, parks and recreation										
Park	16.50	19.00	18.13	15.50	16.13	15.00	14.25	14.88	16.50	16.50
Tourism	3.75	4.13	4.13	4.63	4.50	4.38	4.00	4.00	4.13	4.00
Total culture, parks and recreation	<u>20.25</u>	<u>23.13</u>	<u>22.26</u>	<u>20.13</u>	<u>20.63</u>	<u>19.38</u>	<u>18.25</u>	<u>18.88</u>	<u>20.63</u>	<u>20.50</u>
Community and economic development										
Economic development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Special Service Area Number One	0.00	0.00	0.00	0.00	1.38	2.13	1.75	1.88	2.00	2.00
Total community and economic development	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.38</u>	<u>2.13</u>	<u>1.75</u>	<u>1.88</u>	<u>2.00</u>	<u>2.00</u>
Public utilities	16.00	16.25	17.00	18.00	18.00	18.00	18.75	20.50	20.38	20.00
Public utilities (billing services) (Billing services moved from general government May 1, 2008)	3.25	3.38	3.50	3.38	3.50	3.38	3.25	4.00	3.75	0.00
Total public utilities	<u>19.25</u>	<u>19.63</u>	<u>20.50</u>	<u>21.38</u>	<u>21.50</u>	<u>21.38</u>	<u>22.00</u>	<u>24.50</u>	<u>24.13</u>	<u>20.00</u>
Total government	<u>163.76</u>	<u>176.02</u>	<u>176.28</u>	<u>175.40</u>	<u>178.14</u>	<u>174.77</u>	<u>173.01</u>	<u>177.77</u>	<u>180.52</u>	<u>184.13</u>

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

Function/Program	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
<b>Police</b>										
Physical arrests	1,238*	1,611*	1,569*	1,593*	1,612*	1,734*	4,083	4,716	4,037	4,723
Parking violations	15	202	953	308	630	866	959	1,197	1,263	1,949
Traffic violations	2,428	2,900	3,262	4,007	3,856	3,547	2,764	3,441	3,195	2,890
<b>Fire</b>										
Emergency responses	2,559	2,778	2,577	2,370	2,859	2,124	2,257	2,023	2,331	1,924
Fires extinguished	90	121	111	112	117	113	113	101	113	124
<b>Sanitation</b>										
Refuse collected (tons per day)	19.34	20.16	16.27	19.97	17.6	21.1	20.0	20.2	18.3	18.5
<b>Street</b>										
Street resurfacing (in miles)	3.45	0.78	0.86	0.84	0.59	1.3	2.1	1.3	0.86	1.0
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)	3,399	3,404	3,285	3,601	3,423	3,290	3,321	3,144	3,103	3,383
Water main breaks	270	169	93	190	203	126	174	143	167	328
<b>Wastewater</b>										
Average daily flow treated (1,000's of gallons)	3,303	3,430	3,800	3,180	3,130	3,730	2,910	3,510	3,120	2,660

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes
Assessed valuations	<u>\$219,269,781</u>	<u>\$210,806,720</u>	<u>\$210,646,308</u>	<u>\$205,525,358</u>	<u>\$199,241,099</u>	<u>\$199,276,935</u>	<u>\$204,904,421</u>	<u>\$206,848,996</u>	<u>\$203,432,277</u>	<u>\$189,915,994</u>
Tax rates by fund, per \$100 of assessed valuation:										
General Corporate	0.0043	0.0041	0.0040	0.0041	0.0043	0.0042	0.0041	0.0039	0.0037	0.0037
I.M.R.F.	0.2340	0.3626	0.3568	0.3594	0.3352	0.2955	0.2772	0.1843	0.2953	0.3678
City Park	0.1739	0.0881	0.0855	0.0877	0.0905	0.0907	0.0883	0.0814	0.0769	0.0784
Police Pension	0.3418	0.3823	0.3147	0.3327	0.3440	0.3492	0.3027	0.3180	0.2565	0.2487
Firefighters' Pension	0.3495	0.3613	0.4010	0.4071	0.3962	0.3746	0.3596	0.4145	0.3590	0.3126
Social Security	0.1189	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
City-wide tax rate	<u>1.2224</u>	<u>1.1984</u>	<u>1.1620</u>	<u>1.1910</u>	<u>1.1702</u>	<u>1.1142</u>	<u>1.0319</u>	<u>1.0021</u>	<u>0.9914</u>	<u>1.0112</u>
Assessed valuations - Special Service Area Number One	<u>\$ 5,119,360</u>	<u>\$ 5,183,031</u>	<u>\$ 5,224,717</u>	<u>\$ 5,217,161</u>	<u>\$ 5,233,896</u>	<u>\$ 5,242,721</u>	<u>\$ 5,294,395</u>	<u>\$ 5,418,510</u>	<u>\$ 5,347,081</u>	<u>\$ 5,959,328</u>
Special Service Area Number One	<u>1.6400</u>	<u>1.6400</u>	<u>1.6376</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6184</u>	<u>0.8200</u>	<u>0.8200</u>
Special Service Area Number One tax rate	<u>1.6400</u>	<u>1.6400</u>	<u>1.6376</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6400</u>	<u>1.6184</u>	<u>0.8200</u>	<u>0.8200</u>
Tax extensions by fund:										
General Corporate	\$ 9,363	\$ 8,893	\$ 8,447	\$ 8,447	\$ 8,468	\$ 8,469	\$ 8,483	\$ 8,067	\$ 7,527	\$ 7,027
I.M.R.F.	513,179	778,889	751,649	738,740	667,776	588,844	567,995	381,228	600,740	698,515
City Park	381,288	189,159	180,145	180,143	180,373	180,684	181,013	168,375	156,439	148,894
Police Pension	749,420	821,185	662,946	683,762	685,389	695,875	620,348	657,780	521,804	472,321
Firefighters' Pension	766,436	776,118	844,692	836,756	789,294	746,432	736,734	857,389	730,322	593,678
Social Security	260,734	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
City-wide tax extensions	<u>\$ 2,680,420</u>	<u>\$ 2,574,244</u>	<u>\$ 2,447,879</u>	<u>\$ 2,447,848</u>	<u>\$ 2,331,300</u>	<u>\$ 2,220,304</u>	<u>\$ 2,114,573</u>	<u>\$ 2,072,839</u>	<u>\$ 2,016,832</u>	<u>\$ 1,920,435</u>
Special Service Area Number One	<u>\$ 83,958</u>	<u>\$ 85,002</u>	<u>\$ 85,562</u>	<u>\$ 85,561</u>	<u>\$ 85,836</u>	<u>\$ 85,981</u>	<u>\$ 86,828</u>	<u>\$ 87,693</u>	<u>\$ 43,846</u>	<u>\$ 48,867</u>
Special Service Area Number One tax extensions	<u>\$ 83,958</u>	<u>\$ 85,002</u>	<u>\$ 85,562</u>	<u>\$ 85,561</u>	<u>\$ 85,836</u>	<u>\$ 85,981</u>	<u>\$ 86,828</u>	<u>\$ 87,693</u>	<u>\$ 43,846</u>	<u>\$ 48,867</u>

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

	2015 Taxes Settled In 2016 and 2017	2014 Taxes Settled In 2015 and 2016	2013 Taxes Settled In 2014 and 2015	2012 Taxes Settled In 2013 and 2014	2011 Taxes Settled In 2012 and 2013	2010 Taxes Settled In 2011 and 2012	2009 Taxes Settled In 2010 and 2011	2008 Taxes Settled In 2009 and 2010	2007 Taxes Settled In 2008 and 2009	2006 Taxes Settled In 2007 and 2008
Jefferson County Collectors' records:										
Charges										
Extension of tax	\$3,245,921	\$3,062,034	\$2,808,113	\$2,645,253	\$2,521,796	\$2,433,680	\$2,432,470	\$2,269,235	\$1,969,489	\$1,883,434
Errors and uncollected tax	4,416	(13,158)	(12,064)	(2,401)	5,426	4,352	(6,764)	(2,380)	(6,874)	3,112
Amount of tax on books	3,250,337	3,048,876	2,796,049	2,642,852	2,527,222	2,438,032	2,425,706	2,266,855	1,962,615	1,886,546
Other charges	-0-	-0-	(20)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total charges	3,250,337	3,048,876	2,796,029	2,642,852	2,527,222	2,438,032	2,425,706	2,266,855	1,962,615	1,886,546
Total received by County Collector for the City of Mt. Vernon, Illinois	2,982,708	2,846,254	2,771,273	2,626,713	2,521,586	2,438,032	2,425,706	2,266,855	1,962,615	1,886,546
Road and bridge tax	148,825	147,592	140,227	136,987	134,121	136,906	128,793	128,780	150,807	137,894
Total due the City of Mt. Vernon, Illinois	\$3,131,533	\$2,993,846	\$2,911,500	\$2,763,700	\$2,655,707	\$2,574,938	\$2,554,499	\$2,395,635	\$2,113,422	\$2,024,440
City of Mt. Vernon, Illinois distribution by fund:										
General Corporate, including road and bridge tax	\$ 345,985	\$ 334,743	\$ 325,945	\$ 324,407	\$ 321,832	\$ 325,613	\$ 304,268	\$ 291,785	\$ 299,855	\$ 202,665
I.M.R.F.	747,943	713,902	697,582	641,613	584,354	565,632	379,128	597,212	698,515	731,179
Sanitation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Special Service Area										
Number One - administration	85,002	85,562	85,561	85,836	85,693	86,594	86,496	41,053	48,866	47,811
TIF Homestead	909	893	870	838	162	231	281	216	188	-0-
TIF Downtown	359,114	360,550	303,289	246,793	231,912	245,116	277,473	220,580	-0-	-0-
TIF IPC	2,584	2,244	890	624	443	315	-0-	-0-	-0-	-0-
Police Pension	817,427	657,796	673,350	680,233	690,570	617,768	654,170	518,748	472,321	482,266
Firefighters' Pension	772,569	838,156	824,013	783,356	740,741	733,669	852,683	726,041	593,677	560,519
Total distribution	\$3,131,533	\$2,993,846	\$2,911,500	\$2,763,700	\$2,655,707	\$2,574,938	\$2,554,499	\$2,395,635	\$2,113,422	\$2,024,440

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

<u>Fiscal Year</u>	<u>Public Utilities</u>	<u>Sanitation</u>
2017	\$8,731,134	\$1,172,550
2016	7,641,008	1,025,493
2015	7,562,426	1,023,647
2014	7,503,445	701,887
2013	7,479,507	710,818
2012	6,940,775	709,398
2011	6,397,251	575,422
2010	6,006,551	576,798
2009	5,764,851	622,576
2008	5,468,635	300,198

CITY OF MT. VERNON, ILLINOIS  
SCHEDULE OF UTILITY CUSTOMERS SERVED  
(PUBLIC UTILITIES 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>
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	7,018	6,241	5,101
2012	6,977	6,253	5,357
2011	7,015	6,295	5,353
2010	7,018	6,297	5,350
2009	7,071	6,355	5,390
2008	7,131	6,420	5,881

CITY OF MT. VERNON, ILLINOIS  
SCHEDULE OF INSURANCE COVERAGE  
April 30, 2017

Policy Number and Company	Expiration Date	Coverage	Amount Excluding Deductible
ICRMT2017552 Illinois Counties Risk Management Trust	12/1/2017	General Liability (Each Occurrence/Aggregate)	\$1,000,000/\$3,000,000
		Premises Medical Payments (Ea Prsn, Ea Occur)	\$1,000/\$50,000
		Sexual Abuse Liability (Each Occurrence/Aggregate)	\$1,000,000/\$1,000,000
		Law Enforcement Liability (Each Occur/Aggregate)	\$1,000,000/\$3,000,000
		Auto Liability (Each Occurrence)	\$1,000,000
		Auto Medical Pmts (Each Person/Each Accident)	\$5,000/\$25,000
		Uninsured & Underinsured Motorist Liability (Ea. Occur.)	\$100,000
		Auto Physical Damage (Total Agreed Value)	\$7,046,585
		Public Officials Liab. - Claims Made (Ea. Occur./Agg.)	\$1,000,000/\$1,000,000
		(Employment Practices Liability)	
		(Employee Benefits Liability)	
		Cyber Liability Extension (Ea. Occur./Agg.)	\$50,000/\$100,000
		Excess Liability - General Liability	\$10,000,000
		Excess Liability - Law Enforcement Liability	\$10,000,000
		Excess Liability - Auto Liability	\$10,000,000
		Excess Liability - Public Officials Liability (Claims Made)	\$10,000,000
		Property - Buildings	\$37,256,025
		Property - Bus. Pers. Prop.	\$3,990,109
		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	\$100,000
		Property - Earthquake (Ea. Occur./Prog. Agg.)	\$10M/\$300M
		Property - Flood (Ea. Occur./Prog. Agg.)	\$10M/\$300M
		Extra Exp./Bus. Inc.; Fine Arts; Accts. Rec.; Val. Papers	\$250,000
		Inland Marine	\$4,125,152
		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)	\$41,246,134
		Various Crime Coverages (Ea. Coverage)	\$500,000
		Workers Compensation Limit	Statutory
		Employers Liability Limit (Ea. Accident & Ea. Emp. For Disease)	\$2,500,000